



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 services that are consistent with Jewish values and tradition.

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

Monday October 23, 2023

5:30pm

Hybrid in-person/virtual

<u>Item</u>		<u>Presenter</u>	<u>Action</u>
5:30pm	Welcome, Call to Order, Quorum Determination and Agenda Review	Steven Summer	
5:32pm	Consent Agenda <ul style="list-style-type: none">• June 2023 Board Minutes• July/August Financials• 2022 Audited Financials – Draft• Fiscal Committee Minutes• Compliance Committee Minutes• 2024 Board and Committee Meetings Schedule	Steven Summer	Approval
5:35 pm	D'var Torah	Rabbi Birdie Becker Michael Klein	Informational
5:45pm	2022 Audit Review and Approval	Joey Simon John McCarthy Comer, Nowling & Associates, PC	Approval
6:05pm	Biannual Compliance Report	Yolanda Webb Christine Dewhurst	Informational
6:15pm	Strategic Plan Update	Scott Fisher Michael Klein	Informational
6:25pm	CEO Report	Michael Klein	Informational
6:35pm	Chair Report	Steven Summer	Informational
6:45pm	Grant and Foundation Review	Shira Zimmerman	Informational
7:00pm	Adjourn	Steven Summer	

Next Board of Directors Meeting: December 11, 2023 at 5:30pm



Kavod Senior Life
Board of Directors
Board Meeting Minutes
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 6th 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 17th 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.

Notes to August 2023 Financial Statements

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

September 2023 Outlook:

- The April 1st increase in Housing Assistance Payments (HAP) continues to contribute additional rent revenue (\$63K) above budgeted expectations for the month.
- Ongoing Assisted Living vacancy will negatively affect revenue performance for September by roughly \$7K. Leasing has offered private pay units to Medicaid applicants in order to address vacancy concerns in the short term.
- Two grants (\$25K from The Strear Family Foundation and \$7.5K from The Compicare Fund) supporting resident mental health initiatives were awarded in September.
- After exceeding budget in August, Total Operating expenses will align more closely with budget expectations in September.

August 2023:

Cash:

- Operating Cash increased \$104K from July to August, ending the month at \$6.6M.
- Total Cash for June is \$10M versus \$9.9M at the end of the prior month.

Balance Sheet changes YTD:

- Total Cash at the end of August is roughly \$597K higher than total Cash at January 1st. The first \$250K installment of the Weinberg Foundation capital grant received in July and \$336K of increased Housing Assistance Payments (HAP) since April 1st contributes to this YTD change.
- Accounts Receivable is \$799K lower at the end of August 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.
- Activity within Other Current Assets (\$432K) and Other Current Liabilities (\$471K) is primarily the result of intercompany transactions among the multiple Kavod entities.

Statement of Activities:

- Net income is \$324K better than budget expectations YTD, reflecting a net profit of \$520K. For the month, there is net income of \$63K compared to budgeted net income of \$70K.

Revenue:

- Total Revenue is \$8.1M YTD compared to a budget of \$7.7M. The \$430K 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 1st, the receipt of \$35K of unexpected interest from the ERC payment, and the \$250K installment of the Weinberg Foundation capital grant.
- Rent revenue exceeds budget by \$305K YTD, with \$336K greater than projected HAP subsidies. There were eight units vacant in August.

- Total Adjustments of \$33K 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 \$18K 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 August.
- Assisted Living Revenue is below budget by \$52K YTD. Two of three units that became vacant in May were filled with new residents; however, residents requiring higher levels of care vacated two units in August. All currently vacant units in Assisted Living are designated for market rate applicants, but are being offered to Medicaid applicants to address ongoing vacancy concerns.
- Non-Profit Revenue reflects a \$19K positive variance YTD, and represents better than expected sponsorship activity from the Kavod annual event.
- Grant Revenue exceeds budget by \$129K YTD, with the Weinberg Foundation capital grant received in July reversing a previously negative YTD variance.
- 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 \$6.5M YTD compared to a budget of \$6.4M. The \$130K unfavorable variance YTD is roughly 2% higher than budget expectations.
- Total Administrative Expenses exceed budget by \$86K YTD, and is comprised of the following:
 - Salaries and Benefits exceed budget by \$54K 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 \$18K YTD. Legal expense is over budget by \$13K YTD due to costs associated with the recent Fair Housing Audit and a resident eviction that occurred on June 28th.
 - Other Administrative Expense exceeds budget by \$13K YTD, with the variance primarily attributed to initial implementation costs of the new payroll processing system.
- Utility Expense is below budget by \$7K YTD. Gas charges exceed budget by \$5K YTD. Electricity charges are below budget by \$14K YTD, reflecting savings due to Community Solar Rewards credits received through August.
- Maintenance and Operational Expenses exceed budget by \$128K YTD, and is comprised of the following:
 - Temporary Labor exceeds budget by \$59K YTD, including an \$8K placement fee paid in July for a permanent staff member. Open Maintenance Technician positions were filled in July, allowing August's temporary labor expense to return within budget expectations.

- Supplies exceed budget by \$94K YTD. Greater than expected apartment refurbishment costs at unit 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, carpet installation, and equipment maintenance needs have pushed repair costs beyond budgeted expectations.
- Food Service Expense is below budget by \$67K YTD. Temporary staffing needs, food costs, and paper product expenses are less than budgeted expectations YTD.
- Activity & Program Expense exceeds budget by \$9K YTD. Of this variance, \$4K is for marketing expenses reflected incorrectly. This will be adjusted accordingly next month.
- Total Non-Profit Expenses are below budget by \$4K. Kavod on the Road Program expense is \$52K below budget YTD, with \$30K of the variance due to payroll expenses reflected in Administrative Salaries. The remaining savings is expected to be temporary, as upcoming scheduled events will utilize these funds. Grant Expense exceeds budget by \$41K YTD, with funds designated to cover these expenses reflected in Non-Profit Revenue.

Net Operating Income:

- Net Operating Income is \$1.6M YTD compared to a budget of \$1.3M. With a \$300K favorable variance, operating income is 23% higher than expected YTD.

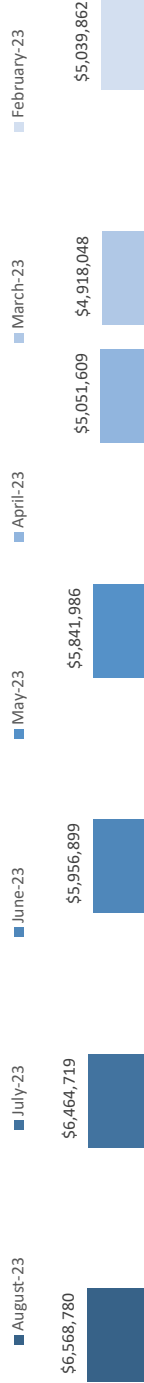
Non-Operating Expenses:

- Non-Operating Expenses are below budget by \$24K YTD. Estimated Depreciation and Amortization Expense is \$18K less than original budget projections.

Capital Items:

- Costs related to the planned exterior lighting project will be below expectations. As a result, the 2023 capital project plan was updated in July to include other urgent needs. Of the \$923K allocated for 2023 capital projects, \$460K has been spent YTD.

Cash Balances by Month



Cash Balances by Month - See Chart	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Operating Cash on Hand	\$ 6,568,780	\$ 6,464,719	\$ 5,956,899	\$ 5,841,986	\$ 5,051,609	\$ 4,918,048	\$ 5,039,862
Total Cash	\$ 10,073,369	\$ 9,977,557	\$ 9,448,019	\$ 9,460,054	\$ 8,450,522	\$ 8,305,580	\$ 8,530,087

Net Income-YTD	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Actual	\$ 519,864	\$ 457,234	\$ 29,533	\$ 134,810	\$ (3,243)	\$ (163,691)	\$ (51,671)
Budget	\$ 195,550	\$ 125,856	\$ 10,901	\$ 81,252	\$ 14,464	\$ (26,545)	\$ 3,320
Variance	\$ 324,314	\$ 331,378	\$ 18,632	\$ 53,558	\$ (17,707)	\$ (137,146)	\$ (54,991)

Kavod Meal Exceptions	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Number of Residents	44	44	44	45	43	42	43

Occupancy Percentage	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Occupancy Percentage	97%	97%	98%	98%	99%	98%	98%

Vacant Units	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Independent Living	8	6	5	4	4	6	6
Assisted Living	3	3	3	3	1	1	1
Total Vacant Units	11	9	8	7	5	7	7

Grant Revenue-YTD	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Actual	\$ 323,155	\$ 305,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Budget	\$ 194,467	\$ 171,408	\$ 138,350	\$ 115,292	\$ 92,233	\$ 69,175	\$ 46,117
Variance	\$ 128,688	\$ 133,592	\$ (88,350)	\$ (65,292)	\$ (42,233)	\$ (69,175)	\$ (46,117)

MidFirst Construction Loan Balance	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Drawn Down	\$ 14,771,492	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006
Available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,771,492	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006
Debt Coverage Ratio - 1.25	1.23	1.16	1.01	1.03	0.76	0.33	0.58
Principal balance of the loan	\$ 14,771,492	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006

Employees	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Full time	62	62	62	65	65	66	68
Part time	21	21	21	15	15	15	17
Total	83	83	83	80	80	81	85

Open Positions-Full Time	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Open Positions-Full Time	1.00	1.00	1.00	5.00	5.00	5.00	-
Open Positions Part-Time	August-23	July-23	June-23	May-23	April-23	March-23	February-23
Open Positions Part-Time	2.00	2.00	2.00	1.00	1.00	1.00	-

Kavod Senior Life Foundation Investment Balance	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 August 2023

	MTD Actual	MTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
REVENUE									
5000-99-999 TOTAL RENT REVENUE	\$ 765,529	\$ 703,169	\$ 62,360	\$ 9	\$ 5,892,987	\$ 5,587,118	\$ 305,869	\$ 5	\$ 8,398,796
5000-40-400 TOTAL ADJUSTMENTS	-4,350	-3,852	-498	-13	-33,306	-30,816	-2,490	-8	-46,224
TOTAL TENANT CHARGES	2,207	1,338	869	65	10,946	9,228	1,718	19	14,579
5000-99-999 TOTAL RENTAL INCOME	763,386	700,655	62,731	9	5,870,627	5,565,530	305,097	5	8,367,151
TOTAL FOOD SERVICE	97,661	100,854	-3,193	-4	782,900	800,833	-17,934	-3	1,200,250
TOTAL ASSISTED LIVING REVENUE	85,882	98,404	-12,522	-13	700,812	753,232	-52,420	-7	1,140,848
TOTAL ACTIVITY REVENUE	8,415	1,989	6,426	323	19,159	15,558	3,601	23	24,313
TOTAL NON-PROFIT REVENUE	42,304	31,521	10,783	34	356,382	337,412	18,970	6	463,496
TOTAL GRANT REVENUE	18,155	23,058	-4,903	-21	323,155	194,467	128,688	66	286,700
TOTAL OTHER REVENUE	1,691	2,544	-854	-34	63,403	19,497	43,906	225	29,594
5900-99-999 TOTAL REVENUE	1,017,494	959,026	58,468	6	8,116,437	7,686,529	429,908	6	11,512,352
6000-00-000 EXPENSES									
6000-99-999 TOTAL ADMIN SALARIES AND BENEFITS	130,687	134,323	3,636	3	1,220,063	1,165,900	-54,163	-5	1,755,139
6010-99-999 TOTAL PROFESSIONAL FEES	12,362	2,127	-10,235	-481	56,732	38,146	-18,585	-49	59,252
6020-99-999 TOTAL MANAGEMENT FEE EXPENSE	1,004	1,004	0	0	8,033	8,032	-1	0	12,048
6040-99-999 TOTAL OTHER ADMINISTRATIVE EXPENSES	34,826	28,534	-6,292	-22	236,784	223,316	-13,469	-6	331,674
6040-99-999 TOTAL ADMINISTRATIVE EXPENSES	178,880	165,988	-12,891	-8	1,521,613	1,435,394	-86,219	-6	2,158,113
6100-99-999 TOTAL MARKETING AND ADVERTISING	3,125	5,297	2,172	41	32,990	41,277	8,287	20	63,565
6400-99-999 TOTAL UTILITY EXPENSES	33,765	37,220	3,454	9	267,123	273,821	6,698	2	404,577
6500-99-999 TOTAL REPAIRS AND MAINTENANCE EXPENSES	79,985	81,122	1,137	1	710,214	691,127	-19,087	-3	1,049,765
6510-99-999 TOTAL MATERIALS	48,413	23,434	-24,980	-107	283,953	189,567	-94,386	-50	283,302
6520-99-999 TOTAL CONTRACT COSTS	69,417	59,998	-9,419	-16	514,695	500,438	-14,257	-3	740,609
6520-99-999 TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	197,815	164,554	-33,262	-20	1,508,862	1,381,133	-127,730	-9	2,073,676
6700-99-999 TOTAL TAXES AND INSURANCE	34,561	32,921	-1,640	-5	256,640	263,366	6,725	3	395,048
6900-99-999 TOTAL FOOD SERVICE	127,762	136,423	8,660	7	1,098,325	1,165,516	67,191	6	1,758,182
6910-99-999 TOTAL ASSISTED LIVING EXPENSE	76,126	72,144	-3,983	-6	646,522	646,367	-155	0	983,808
6920-99-999 TOTAL ACTIVITY PROGRAM EXPENSE	52,517	45,814	-6,703	-15	379,225	370,269	-8,957	-2	563,361
6930-99-999 TOTAL RESIDENT COMPUTER CENTER	8,277	7,624	-653	-9	66,105	64,495	-1,610	-2	98,793
6940-99-999 TOTAL SERVICE COORDINATOR EXPENSE	31,539	30,923	-617	-2	258,497	260,468	1,971	1	401,157
7009-99-999 TOTAL OTHER INCOME / EXPENSE	-18	8	27	319	-55	67	121	182	100
8000-99-999 TOTAL NON-PROFIT EXPENSES	80,578	54,371	-26,206	-48	460,782	464,441	3,660	1	676,147
8999-99-998 TOTAL OPERATING EXPENSES	824,927	753,286	-71,642	-9	6,496,629	6,366,614	-130,016	-2	9,576,527
8999-99-999 NET OPERATING INCOME / LOSS	192,566	205,740	-13,174	-7	1,619,808	1,319,915	299,893	23	1,935,825
9019-99-999 TOTAL NON-OPERATING EXPENSES	129,936	136,046	6,110	4	1,099,944	1,124,365	24,421	2	1,660,548
9999-99-998 NET INCOME / LOSS	\$ 62,630	\$ 69,694	\$(7,064)	(11)	\$ 519,864	\$ 195,550	\$ 324,314	\$ 165	\$ 275,277

Note: Activity, Resident Computer, and Service Coordinator Variance equals \$ (8,596)

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

	Beginning	Balance	Balance	Net
	Balance January 2023	Jul-23	Aug-23	Change
1000-00-001 ASSETS				
1000-00-003 CASH				
UNRESTRICTED CASH	\$ 7,587,735	\$ 8,899,736	\$ 8,993,865	\$ 1,406,130
1010-99-998 RESTRICTED CASH	1,888,916	1,077,821	1,079,504	(809,412)
1010-99-999 TOTAL CASH	9,476,651	9,977,557	10,073,369	596,718
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	932,777	110,990	134,033	(798,744)
1100-00-999 PREPAID EXPENSES	313,279	158,304	140,145	(173,134)
1200-90-999 OTHER CURRENT ASSETS	4,410,145	4,693,295	4,842,299	432,154
1200-99-999 CURRENT ASSETS	4,410,145	4,693,295	4,842,299	432,154
1300-99-999 PROPERTY AND EQUIPMENT	37,735,680	38,200,841	38,201,450	465,770
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-19,642,888	-20,272,721	-20,358,482	(715,594)
1310-99-999 NET PROPERTY AND EQUIPMENT	18,092,792	17,928,120	17,842,968	(249,824)
1399-99-998 OTHER NONCURRENT ASSETS	479,538	446,950	442,295	(37,243)
1999-99-999 TOTAL ASSETS	33,705,180	33,315,217	33,475,110	(230,070)
2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE				
2000-99-999 ACCOUNTS PAYABLE	330,584	156,474	144,169	(186,415)
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	274,969	267,218	261,283	(13,686)
2020-99-998 OTHER CURRENT LIABILITES	3,684,785	4,018,448	4,155,446	470,661
2020-99-999 CURRENT LIABILITIES	4,290,338	4,442,140	4,560,898	270,560
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	177,153	205,398	216,976	39,823
2500-99-999 MORTGAGE AND NOTES PAYABLE	15,831,809	14,804,565	14,771,492	(1,060,317)
	20,299,300	19,452,103	19,549,366	(749,934)
2999-99-999 TOTAL LIABILITIES				
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	904,139	-
3600-99-997 RETAINED EARNINGS / FUND BALANCE	12,501,741	12,958,975	13,021,605	519,864
3999-99-998 EQUITY / FUND BALANCE	13,405,880	13,863,114	13,925,744	519,864
3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALANCE	\$ 33,705,180	\$ 33,315,217	\$ 33,475,110	(230,070)

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

		Period to Date	%	Year to Date	%
REVENUE					
5000-99-999	TOTAL RENT REVENUE	765,529	75	5,892,987	73
5010-00-999	TOTAL ADJUSTMENTS	-4,350	0	-33,306	0
5020-99-999	TOTAL TENANT CHARGES	2,207	0	10,946	0
5300-00-999	TOTAL FOOD SERVICE	97,661	10	782,900	10
5310-99-999	TOTAL ASSISTED LIVING REVENUE	85,882	8	700,812	9
5320-99-999	TOTAL ACTIVITY REVENUE	8,415	1	19,159	0
5600-99-999	TOTAL NON-PROFIT REVENUE	42,304	4	356,382	4
5610-99-999	TOTAL GRANT REVENUE	18,155	2	323,155	4
5900-99-998	TOTAL OTHER REVENUE	1,691	0	63,403	1
	TOTAL REVENUE	1,017,494	100	8,116,437	100
EXPENSES					
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	130,687	13	1,220,063	15
6010-99-999	TOTAL PROFESSIONAL FEES	12,362	1	56,732	1
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	0	8,033	0
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	34,826	3	236,784	3
6040-99-999	TOTAL ADMINISTRATIVE EXPENSES	178,880	18	1,521,613	19
6100-99-999	TOTAL MARKETING AND ADVERTISING	3,125	0	32,990	0
6400-99-999	TOTAL UTILITY EXPENSES	33,765	3	267,123	3
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	79,985	8	710,214	9
6510-99-999	TOTAL MATERIALS	48,413	5	283,953	3
6520-99-998	TOTAL CONTRACT COSTS	69,417	7	514,695	6
6520-99-999	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	197,815	19	1,508,862	19
6700-99-999	TOTAL TAXES AND INSURANCE	34,561	3	256,640	3
6900-99-999	TOTAL FOOD SERVICE	127,762	13	1,098,325	14
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	76,126	7	646,522	8
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	52,517	5	379,225	5
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	8,277	1	66,105	1
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	31,539	3	258,497	3
7009-99-999	TOTAL OTHER INCOME / EXPENSE	-18	0	-55	0
8000-99-999	TOTAL NON-PROFIT EXPENSES	80,578	8	460,782	6
	TOTAL EXPENSES	824,927	81	6,496,629	80
	NET OPERATING INCOME / LOSS	192,566	19	1,619,808	20
9010-90-100	Amortization	4,655	0	37,243	0
9010-90-650	Deferred Comp Expense	0	0	36,000	0
9010-90-800	IRS ECR CREDIT	0	0	-1,146	0
	TOTAL NON-OPERATING EXPENSES	129,936	13	1,099,945	14
	NET INCOME / LOSS	62,630	6	519,864	6
ADJUSTMENTS					
1020-00-010	A/R -Tenants	-13,970	-1	-29,438	0
1020-10-010	A/R - HAP	195	0	12,918	0
1020-20-010	A/R - Medicaid	-2,861	0	1,041	0
1020-20-020	A/R - Other Government	0	0	815,359	10
1020-40-010	A/R - Employees	490	0	-540	0
1020-60-000	A/R - Other	-6,897	-1	-597	0
1100-00-100	Prepaid Insurance - Property / Liability	34,561	3	151,088	2
1100-00-200	Prepaid Insurance - Workers Comp	2,891	0	23,128	0
1100-00-300	Prepaid Expense - Other	-19,293	-2	-1,083	0
1200-80-000	Due from Affiliates	-149,004	-15	-432,153	-5
1300-20-100	Buildings	0	0	-107,228	-1

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

		Period to Date	%	Year to Date	%
1300-20-200	Building Equipment - Fixed	0	0	-49,055	-1
1300-20-300	Building Equipment - Portable	0	0	-3,193	0
1300-80-100	Construction in Progress	-609	0	-306,295	-4
1310-20-100	Accum Depr - Buildings	85,761	8	715,594	9
1390-00-300	Accumulated Amortization	4,655	0	37,243	0
2000-10-000	Accounts Payable	-12,304	-1	-186,414	-2
2010-10-000	Accrued Payroll Wages Payable	0	0	1,064	0
2010-20-100	Payroll Taxes Payable - 941	0	0	-7,249	0
2010-30-010	Health Insurance Payable	1	0	-89	0
2010-30-070	Transportation Benefits Payable	-650	0	-1,958	0
2010-30-080	Pension Payable	0	0	79	0
2010-30-090	403b Thrift Plan Deferrals	0	0	-5,381	0
2010-30-100	Flexible Spending Account Deferrals	-2,068	0	-8,726	0
2010-90-000	Payroll Clearing	-3,219	0	8,575	0
2020-30-000	Due to Affiliates	136,998	13	434,660	5
2020-90-100	Deferred Comp Liability	0	0	36,000	0
2100-10-100	Tenant Security Deposits	-878	0	2,473	0
2100-10-200	Security Deposit Interest	167	0	1,310	0
2100-10-400	Security Deposit - Pet	-50	0	-650	0
2100-10-700	Sec Dep Clearing Account	7,240	1	5,923	0
2100-20-000	Tenant Prepaid Rents	5,099	1	30,767	0
2500-10-100	Construction Loan	-33,073	-3	-268,490	-3
2500-10-150	Retention Payable	0	0	-791,827	-10

TOTAL ADJUSTMENTS	33,182	3	76,855	1
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CASH FLOW	95,812	9	596,720	7
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	Period to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	728,305	684,633	-43,671	
1000-10-200	Operating	1,303,885	1,457,974	154,089	
1000-10-300	ANB West LLLP	100,775	100,882	107	
1000-10-500	Food Service Ops	20,594	12,764	-7,830	
1000-10-600	Assisted Living Ops	268,181	269,548	1,367	
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	90,123	90,123	0	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	185,995	180,690	-5,305	
1000-50-200	Cash FSA	55,202	50,574	-4,628	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	194,595	195,894	1,299	
1010-01-100	ANB West LLLP 1839	258,250	258,634	384	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	Total Cash	9,977,557	10,073,369	95,812	
	Year to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	3,001	684,633	681,632	
1000-10-200	Operating	971,096	1,457,974	486,877	
1000-10-300	ANB West LLLP	100,357	100,882	525	
1000-10-500	Food Service Ops	4,936	12,764	7,828	Cash Operating Bala
1000-10-600	Assisted Living Ops	248,649	269,548	20,899	as of July 31, 202.

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

		Period to Date	%	Year to Date	%
1000-20-000	Cash Savings	0	0	0	\$ 6,568,780
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	90,123	36,000	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	63,060	180,690	117,630	
1000-50-200	Cash FSA	6,919	50,574	43,655	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	176,121	195,894	19,773	
1010-01-100	ANB West LLLP 1839	256,643	258,634	1,990	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	Total Cash	9,476,651	10,073,369	596,720	



October 13, 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 completion of final inspections of all elevators, installation of fire alarm graphic maps, and final inspections. **Elevator and Final Inspections are trying to be scheduled but not confirmed for the week of October 16, 2023 as best case scenario but could be pushed depending on the actual schedule confirmation of Elevator and Final Inspections with respective departments. Elevator inspections are complete for the East Building.**

Project construction is substantially complete. Graphic maps for the fire alarm systems have been installed at all three buildings. Scheduling of elevator and final inspections at all three buildings remain.

B. SCHEDULE TO COMPLETION:

Week of October 16, 2023: TENTATIVE

- Elevator inspections for South and West Buildings
- Final Inspections for all three Buildings.

C. OTHER CONCERNS:

Hilti Judgement

Pinkard reported that a building inspector noted a concern with specific Hilti brand fire-rated details being used at the fire sprinkler riser shaft and if they are compliant with code. Pinkard is aware of this concern and is prepared for reply to the Building Department if this comes up as part of Final Inspection at the West Building.

Smoke Detectors:

Kiddie smoke detector swap-outs are complete.

RE: KAVOD SENIOR LIVING

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October 13, 2023

- Return of Kidde Units has occurred; any credits are pending receipts and will be issued in the upcoming month(s). Pinkard reportedly has all the detectors and can send them out to start the refund process.
- 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:

Derek Stathis provided an email on August 7, 2023 with a status of all outstanding costs and credits, including the Kidde Credit. **Due to the adds of the Shunt Trips in all elevators, the unit heater in the trash room, and remobilization costs for Unit 913E, there is a total net add Change Order of \$18,215.21 to Kavod:**

Kidde Credit	\$	(\$34,249)
Shunt Trips in East and South per RFI No. 99 (Duro cost only)	\$	22,189.97
Shunt Trips in West (Duro cost only)	\$	7,780.81
Unit heater in Trash Room added by DFD (Duro cost only)	\$	6,884.15
Unit Heater (PCC Cost to provide only)	\$	945.86
Remobilization Fee for Unit 913E per 09/13/22 email to MK	\$	19,164.86
Credit for Unit 913E shower work not completed	\$	(4,501.44)
TOTAL ADD TO KAVOD	\$	18,215.21

An official change order has not yet been issued by Pinkard as there may be some more additional costs to prior elevator delays, that occurred in July 2023, due to failed control boards.

Notes to July 2023 Financial Statements

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

August 2023 Outlook:

- The April 1st increase in Housing Assistance Payments (HAP) continues to contribute additional rent revenue (\$63K) above budgeted expectations for the month.
- Ongoing Assisted Living vacancy will negatively affect revenue performance for August by roughly \$13K. Leasing has offered private pay units to Medicaid applicants in order to address vacancy concerns in the short term.
- After several months of better than budget performance, Total Operating expenses will exceed budget expectations in August. Apartment turnover costs for recently vacated units are largely responsible for this variance.
- Kavod began using Paylocity, the new payroll services company, in July. Implementation of their General Ledger data upload process has been completed, reducing journal entry preparation and posting time significantly from the prior payroll services company.

July 2023:

Cash:

- Operating Cash increased \$508K from June to July, ending the month at \$6.5M. On July 25th, Kavod received the first installment of a capital grant award from The Harry and Jeanette Weinberg Foundation, contributing significantly to this increase.
- Total Cash for June is \$9.9M versus \$9.4M at the end of the prior month.

Balance Sheet changes YTD:

- Total Cash at the end of July is roughly \$501K higher than total Cash at January 1st. The Weinberg Foundation capital grant funds contribute significantly to this increase.
- Accounts Receivable is \$821K lower at the end of July 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.
- Activity within Other Current Assets (\$283K) and Other Current Liabilities (\$334K) is primarily the result of intercompany transactions among the multiple Kavod entities.

Statement of Activities:

- Net income is \$331K better than budget expectations YTD, reflecting a net profit of \$457K. For the month, there is net income of \$428K compared to budgeted net income of \$115K.

Revenue:

- Total Revenue is \$7.1M YTD compared to a budget of \$6.7M. The \$371K 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 1st, the receipt of \$35K of unexpected interest from the ERC payment, and the \$250K installment of the Weinberg Foundation capital grant.

- Rent revenue exceeds budget by \$244K YTD, with \$273K greater than projected HAP subsidies. There were six units vacant in July.
- Total Adjustments of \$29K 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 \$15K 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 July.
- Assisted Living Revenue is below budget by \$40K YTD, with three units remaining vacant since May. All currently vacant units in Assisted Living are designated for market rate applicants, but are being offered to Medicaid applicants to address ongoing vacancy concerns.
- Non-Profit Revenue reflects an \$8K positive variance YTD, and represents better than expected sponsorship activity from the Kavod annual event.
- Grant Revenue exceeds budget by \$134K YTD, with the Weinberg Foundation capital grant reversing a previously negative YTD variance.
- Other Revenue exceeds budget by \$45K YTD, and reflects the receipt of \$35K of unexpected interest from the ERC payment.

Expenses:

- Total Operating Expenses are \$5.67M YTD compared to a budget of \$5.61M. The \$58K unfavorable variance YTD is roughly 1% higher than budget expectations.
- Total Administrative Expenses exceed budget by \$73K YTD, and is comprised of the following:
 - Salaries and Benefits exceed budget by \$58K 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 \$8K YTD. Legal expense is over budget by \$14K YTD due to costs associated with the recent Fair Housing Audit and a resident eviction that occurred on June 28th. Audit fees are \$6K below budget YTD, with final 2022 consolidated reports still in process.
 - Other Administrative Expense exceeds budget by \$7K YTD, with the variance attributed to initial implementation costs of the new payroll processing system.
- Utility Expense is below budget by \$3K YTD. Gas charges exceed budget by \$8K YTD. Electricity charges are below budget by \$13K YTD, reflecting \$18K of savings due to Community Solar Rewards credits received through July.
- Maintenance and Operational Expenses exceed budget by \$94K YTD, and is comprised of the following:
 - Temporary Labor exceeds budget by \$59K YTD, including an \$8K placement fee paid in July for a permanent staff member. Open Maintenance Technician positions were filled in July, which will hopefully eliminate the need for ongoing temporary staffing assistance.

- Supplies exceed budget by \$69K YTD. Greater than expected apartment turnover continues to push supply expense beyond budgeted expectations.
- Contract – Building Repairs exceeds budget by \$13K 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 \$58K YTD. Temporary staffing needs and Food and Beverage costs are both less than budgeted expectations YTD.
- Activity & Program Expense exceeds budget by \$2K YTD, and is due primarily to staff payroll costs.
- Total Non-Profit Expenses are below budget by \$30K. Kavod on the Road Program expense is \$47K below budget YTD, with the savings expected to be temporary, as upcoming scheduled events will utilize these funds. Likewise, Fundraising Expense is \$41K below budget YTD, with the planned annual fundraising event occurring in August. Grant Expense exceeds budget by \$40K 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 \$1.4M YTD compared to a budget of \$1.1M. With a \$313K favorable variance, operating income is 28% higher than expected YTD.

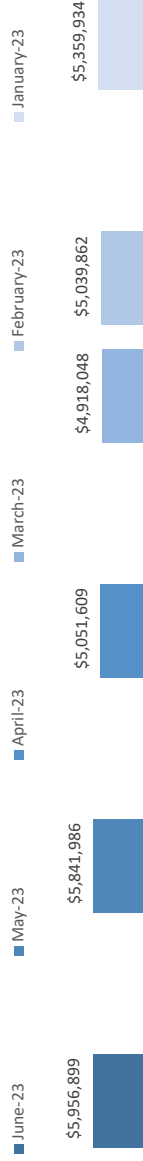
Non-Operating Expenses:

- Non-Operating Expenses are below budget by \$18K YTD. Estimated Depreciation and Amortization Expense is \$12K less than original budget projections.

Capital Items:

- The costs related to the planned exterior lighting project will likely be below expectations. As a result, the 2023 capital project plan was updated to include other urgent needs. Of the \$923K allocated for 2023 capital projects, \$460K has been spent YTD.

Cash Balances by Month



Cash Balances by Month - See Chart	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Operating Cash on Hand	\$ 6,464,719	\$ 5,956,899	\$ 5,841,986	\$ 5,051,609	\$ 4,918,048	\$ 5,039,862	\$ 5,359,934
Total Cash	\$ 9,977,557	\$ 9,448,019	\$ 9,460,054	\$ 8,450,522	\$ 8,305,580	\$ 8,530,087	\$ 8,616,559

Net Income-YTD	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Actual	\$ 457,234	\$ 29,533	\$ 134,810	\$ (3,243)	\$ (163,691)	\$ (51,671)	\$ (44,500)
Budget	\$ 125,856	\$ 10,901	\$ 81,252	\$ 14,464	\$ (26,545)	\$ 3,320	\$ 6,272
Variance	\$ 331,378	\$ 18,632	\$ 53,558	\$ (17,707)	\$ (137,146)	\$ (54,991)	\$ (50,772)

Kavod Meal Exceptions	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Number of Residents	44	44	45	43	42	43	44

Occupancy Percentage	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Occupancy Percentage	97%	98%	98%	99%	98%	98%	97%

Vacant Units	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Independent Living	6	5	4	4	6	6	8
Assisted Living	3	3	3	1	1	1	1
Total Vacant Units	9	8	7	5	7	7	9

Grant Revenue-YTD	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Actual	\$ 305,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Budget	\$ 171,408	\$ 138,350	\$ 115,292	\$ 92,233	\$ 69,175	\$ 46,117	\$ 23,058
Variance	\$ 133,592	\$ (88,350)	\$ (65,292)	\$ (42,233)	\$ (69,175)	\$ (46,117)	\$ (23,058)

MidFirst Construction Loan Balance	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Drawn Down	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,537
Available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,537
Debt Coverage Ratio - 1.25	1.16	1.01	1.03	0.76	0.33	0.58	0.24
Principal balance of the loan	\$ 14,804,565	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,540

Employees	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Full time	\$ 62	\$ 62	\$ 65	\$ 65	\$ 66	\$ 68	\$ 68
Part time	\$ 21	\$ 21	\$ 15	\$ 15	\$ 15	\$ 17	\$ 15
Total	\$ 83	\$ 83	\$ 80	\$ 80	\$ 81	\$ 85	\$ 83

Open Positions-Full Time	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Open Positions-Full Time	1.00	1.00	5.00	5.00	5.00	-	-
Open Positions Part-Time	July-23	August-23	September-23	October-23	November-23	December-23	January-23
Open Positions Part-Time	2.00	2.00	1.00	1.00	1.00	-	-

Kavod Senior Life Foundation Investment Balance	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 July 2023

	MTD Actual	MTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual
REVENUE									
5000-99-999 TOTAL RENT REVENUE	\$ 765,642	\$ 706,169	\$ 59,473	\$ 8	\$ 5,127,458	\$ 4,883,949	\$ 243,509	\$ 5	\$ 8,398,796
5000-40-400 TOTAL ADJUSTMENTS	-4,350	-3,852	-498	-13	-28,956	-26,964	-1,992	-7	-46,224
TOTAL TENANT CHARGES	1,418	1,338	80	6	8,739	7,890	849	11	14,579
5000-99-999 TOTAL RENTAL INCOME	762,710	703,655	59,055	8	5,107,241	4,864,875	242,366	5	8,367,151
TOTAL FOOD SERVICE	99,959	100,854	-895	-1	685,239	699,979	-14,740	-2	1,200,250
TOTAL ASSISTED LIVING REVENUE	83,485	98,404	-14,919	-15	614,929	654,828	-39,899	-6	1,140,848
TOTAL ACTIVITY REVENUE	1,267	1,989	-722	-36	10,744	13,569	-2,825	-21	24,313
TOTAL NON-PROFIT REVENUE	98,496	89,766	8,730	10	314,078	305,891	8,187	3	463,496
TOTAL GRANT REVENUE	255,000	33,058	221,942	671	305,000	171,408	133,592	78	286,700
TOTAL OTHER REVENUE	2,390	2,058	332	16	61,712	16,952	44,760	264	29,594
5900-99-999 TOTAL REVENUE	1,303,307	1,029,785	273,522	27	7,098,944	6,727,503	371,441	5	11,512,352
6000-00-000 EXPENSES									
6000-99-999 TOTAL ADMIN SALARIES AND BENEFITS	126,790	132,409	5,619	4	1,089,376	1,031,577	-57,799	-6	1,755,139
6010-99-999 TOTAL PROFESSIONAL FEES	948	1,826	878	48	44,369	36,019	-8,350	-23	59,252
6020-99-999 TOTAL MANAGEMENT FEE EXPENSE	1,004	1,004	0	0	7,029	7,028	-1	0	12,048
6040-99-998 TOTAL OTHER ADMINISTRATIVE EXPENSES	21,649	26,191	4,542	17	201,959	194,781	-7,177	-4	331,674
6040-99-999 TOTAL ADMINISTRATIVE EXPENSES	150,392	161,430	11,039	7	1,342,733	1,269,406	-73,328	-6	2,158,113
6100-99-999 TOTAL MARKETING AND ADVERTISING	4,359	5,280	921	17	29,865	35,980	6,115	17	63,565
6400-99-999 TOTAL UTILITY EXPENSES	34,148	37,384	3,235	9	233,357	236,602	3,244	1	404,577
6500-99-999 TOTAL REPAIRS AND MAINTENANCE EXPENSES	88,428	80,208	8,220	-10	630,229	610,005	-20,225	-3	1,049,765
6510-99-999 TOTAL MATERIALS	26,123	23,608	2,514	-11	235,540	166,134	-69,406	-42	283,302
6520-99-998 TOTAL CONTRACT COSTS	60,862	60,844	-18	0	445,278	440,440	-4,838	-1	740,609
6520-99-999 TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	175,413	164,661	-10,752	-7	1,311,047	1,216,579	-94,468	-8	2,073,676
6700-99-999 TOTAL TAXES AND INSURANCE	34,561	32,921	1,640	-5	222,079	230,445	8,366	4	395,048
6900-99-999 TOTAL FOOD SERVICE	139,517	143,028	3,511	3	970,562	1,029,094	58,531	6	1,758,182
6910-99-999 TOTAL ASSISTED LIVING EXPENSE	77,682	80,540	2,859	4	570,396	574,224	3,828	1	983,808
6920-99-999 TOTAL ACTIVITY PROGRAM EXPENSE	43,994	51,158	7,164	14	326,709	324,455	-2,254	-1	563,361
6930-99-999 TOTAL RESIDENT COMPUTER CENTER	8,197	9,574	1,377	14	57,828	56,871	-957	-2	98,793
6940-99-999 TOTAL SERVICE COORDINATOR EXPENSE	30,660	29,986	675	-2	226,958	229,546	2,588	1	401,157
7009-99-999 TOTAL OTHER INCOME / EXPENSE	0	8	8	100	-37	58	95	163	100
8000-99-999 TOTAL NON-PROFIT EXPENSES	47,613	62,815	15,202	24	380,204	410,070	29,866	7	676,147
8999-99-998 TOTAL OPERATING EXPENSES	746,536	779,785	32,248	4	5,671,701	5,613,328	-58,373	-1	9,576,527
8999-99-999 NET OPERATING INCOME / LOSS	556,771	251,000	305,771	122	1,427,243	1,114,175	313,068	28	1,935,825
9019-99-999 TOTAL NON-OPERATING EXPENSES	128,750	136,046	7,296	5	970,008	988,320	18,311	2	1,660,548
9999-99-998 NET INCOME / LOSS	\$ 428,021	\$ 114,954	\$ 313,067	\$ 272	\$ 457,234	\$ 125,856	\$ 331,379	\$ 263	\$ 275,277

Note: Activity, Resident Computer, and Service Coordinator Variance equals \$ (623)

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

	Beginning	Balance	Balance	Net
	Balance January 2023	Jun-23	Jul-23	Change
1000-00-001 ASSETS				
1000-00-003 CASH				
UNRESTRICTED CASH	\$ 7,587,735	\$ 8,373,812	\$ 8,899,736	\$ 1,312,001
1010-99-998 RESTRICTED CASH	1,888,916	1,073,887	1,077,821	(811,095)
1010-99-999 TOTAL CASH	9,476,651	9,447,699	9,977,557	500,906
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	932,777	109,473	110,990	(821,787)
1100-00-999 PREPAID EXPENSES	313,279	189,670	158,304	(154,975)
1200-90-999 OTHER CURRENT ASSETS	4,410,145	4,573,597	4,693,295	283,150
1200-99-999 CURRENT ASSETS	4,410,145	4,573,597	4,693,295	283,150
1300-99-999 PROPERTY AND EQUIPMENT	37,735,680	38,169,611	38,200,841	465,161
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-19,642,888	-20,186,960	-20,272,721	(629,833)
1310-99-999 NET PROPERTY AND EQUIPMENT	18,092,792	17,982,651	17,928,120	(164,672)
1399-99-998 OTHER NONCURRENT ASSETS	479,538	451,606	446,950	(32,588)
1999-99-999 TOTAL ASSETS	33,705,180	32,754,696	33,315,217	(389,963)
2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE				
2000-99-999 ACCOUNTS PAYABLE	330,584	133,323	156,474	(174,110)
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	274,969	260,045	267,218	(7,751)
2020-99-998 OTHER CURRENT LIABILITES	3,684,785	3,884,237	4,018,448	333,663
2020-99-999 CURRENT LIABILITIES	4,290,338	4,277,604	4,442,140	151,802
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	177,153	203,174	205,398	28,245
2500-99-999 MORTGAGE AND NOTES PAYABLE	15,831,809	14,838,824	14,804,565	(1,027,244)
	20,299,300	19,319,602	19,452,103	(847,197)
2999-99-999 TOTAL LIABILITIES				
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	904,139	-
3600-99-997 RETAINED EARNINGS / FUND BALANCE	12,501,741	12,530,954	12,958,975	457,234
3999-99-998 EQUITY / FUND BALANCE	13,405,880	13,435,093	13,863,114	457,234
3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALANCE	\$ 33,705,180	\$ 32,754,696	\$ 33,315,217	(389,963)

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

		Period to Date	%	Year to Date	%
REVENUE					
5000-99-999	TOTAL RENT REVENUE	765,642	59	5,127,458	72
5010-00-999	TOTAL ADJUSTMENTS	-4,350	0	-28,956	0
5020-99-999	TOTAL TENANT CHARGES	1,418	0	8,739	0
5300-00-999	TOTAL FOOD SERVICE	99,959	8	685,239	10
5310-99-999	TOTAL ASSISTED LIVING REVENUE	83,485	6	614,929	9
5320-99-999	TOTAL ACTIVITY REVENUE	1,267	0	10,744	0
5600-99-999	TOTAL NON-PROFIT REVENUE	98,496	8	314,078	4
5610-99-999	TOTAL GRANT REVENUE	255,000	20	305,000	4
5900-99-998	TOTAL OTHER REVENUE	2,390	0	61,712	1
TOTAL REVENUE		1,303,307	100	7,098,944	100
EXPENSES					
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	126,790	10	1,089,376	15
6010-99-999	TOTAL PROFESSIONAL FEES	948	0	44,369	1
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	0	7,029	0
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	21,649	2	201,959	3
6040-99-999	TOTAL ADMINISTRATIVE EXPENSES	150,392	12	1,342,733	19
6100-99-999	TOTAL MARKETING AND ADVERTISING	4,359	0	29,865	0
6400-99-999	TOTAL UTILITY EXPENSES	34,148	3	233,357	3
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	88,428	7	630,229	9
6510-99-999	TOTAL MATERIALS	26,123	2	235,540	3
6520-99-998	TOTAL CONTRACT COSTS	60,862	5	445,278	6
6520-99-999	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	175,413	13	1,311,047	18
6700-99-999	TOTAL TAXES AND INSURANCE	34,561	3	222,079	3
6900-99-999	TOTAL FOOD SERVICE	139,517	11	970,562	14
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	77,682	6	570,396	8
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	43,994	3	326,709	5
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	8,197	1	57,828	1
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	30,660	2	226,958	3
7009-99-999	TOTAL OTHER INCOME / EXPENSE	0	0	-37	0
8000-99-999	TOTAL NON-PROFIT EXPENSES	47,613	4	380,204	5
TOTAL EXPENSES		746,536	57	5,671,701	80
NET OPERATING INCOME / LOSS		556,771	43	1,427,243	20
9010-90-100	Amortization	4,655	0	32,588	0
9010-90-650	Deferred Comp Expense	0	0	36,000	1
9010-90-800	IRS ECR CREDIT	0	0	-1,146	0
TOTAL NON-OPERATING EXPENSES		128,750	10	970,008	14
NET INCOME / LOSS		428,021	33	457,234	6
ADJUSTMENTS					
1020-00-010	A/R -Tenants	-8,812	-1	-15,468	0
1020-10-010	A/R - HAP	3,488	0	12,723	0
1020-20-010	A/R - Medicaid	4,208	0	3,903	0
1020-20-020	A/R - Other Government	0	0	815,359	11
1020-40-010	A/R - Employees	-400	0	-1,030	0
1020-60-000	A/R - Other	0	0	6,300	0
1100-00-100	Prepaid Insurance - Property / Liability	34,561	3	116,527	2
1100-00-200	Prepaid Insurance - Workers Comp	2,891	0	20,237	0
1100-00-300	Prepaid Expense - Other	-6,086	0	18,210	0
1200-80-000	Due from Affiliates	-119,698	-9	-283,149	-4
1300-20-100	Buildings	-6,722	-1	-107,228	-2

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

		Period to Date	%	Year to Date	%
1300-20-200	Building Equipment - Fixed	-13,424	-1	-49,055	-1
1300-20-300	Building Equipment - Portable	0	0	-3,193	0
1300-80-100	Construction in Progress	-11,084	-1	-305,686	-4
1310-20-100	Accum Depr - Buildings	85,761	7	629,833	9
1390-00-300	Accumulated Amortization	4,655	0	32,588	0
2000-10-000	Accounts Payable	23,151	2	-174,110	-2
2010-10-000	Accrued Payroll Wages Payable	0	0	1,064	0
2010-20-100	Payroll Taxes Payable - 941	0	0	-7,249	0
2010-30-010	Health Insurance Payable	-61	0	-90	0
2010-30-070	Transportation Benefits Payable	-795	0	-1,308	0
2010-30-080	Pension Payable	79	0	79	0
2010-30-090	403b Thrift Plan Deferrals	-5,381	0	-5,381	0
2010-30-100	Flexible Spending Account Deferrals	1,538	0	-6,658	0
2010-90-000	Payroll Clearing	11,793	1	11,793	0
2020-30-000	Due to Affiliates	134,211	10	297,662	4
2020-90-100	Deferred Comp Liability	0	0	36,000	1
2100-10-100	Tenant Security Deposits	1,973	0	3,351	0
2100-10-200	Security Deposit Interest	196	0	1,143	0
2100-10-400	Security Deposit - Pet	0	0	-600	0
2100-10-700	Sec Dep Clearing Account	-1,399	0	-1,316	0
2100-20-000	Tenant Prepaid Rents	1,454	0	25,668	0
2500-10-100	Construction Loan	-34,259	-3	-235,417	-3
2500-10-150	Retention Payable	0	0	-791,827	-11

TOTAL ADJUSTMENTS	101,837	8	43,674	1
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CASH FLOW	529,858	41	500,908	7
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	Period to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	769,469	728,305	-41,164	
1000-10-200	Operating	734,597	1,303,885	569,287	
1000-10-300	ANB West LLLP	100,668	100,775	107	
1000-10-500	Food Service Ops	31,024	20,594	-10,430	
1000-10-600	Assisted Living Ops	277,842	268,181	-9,661	
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	90,123	90,123	0	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	167,188	185,995	18,807	
1000-50-200	Cash FSA	56,224	55,202	-1,022	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	191,044	194,595	3,551	
1010-01-100	ANB West LLLP 1839	257,867	258,250	383	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	Total Cash	9,447,699	9,977,557	529,858	
	Year to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	3,001	728,305	725,303	
1000-10-200	Operating	971,096	1,303,885	332,788	
1000-10-300	ANB West LLLP	100,357	100,775	418	
1000-10-500	Food Service Ops	4,936	20,594	15,658	Cash Operating Bala
1000-10-600	Assisted Living Ops	248,649	268,181	19,532	as of July 31, 202.

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

		Period to Date	%	Year to Date	%
1000-20-000	Cash Savings	0	0	0	\$ 6,464,719
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	90,123	36,000	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	63,060	185,995	122,935	
1000-50-200	Cash FSA	6,919	55,202	48,283	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	176,121	194,595	18,474	
1010-01-100	ANB West LLLP 1839	256,643	258,250	1,607	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	Total Cash	9,476,651	9,977,557	500,908	

and banking accounts. It was suggested that a key objective of developing the Investment Policy includes guidance for the CEO and CFO roles in banking and investment matters. Another suggestion included a requirement that the Board Treasurer be a signer on accounts and have certain threshold or transaction type oversight. Other considerations raised included the use of excess funds and the optimal strategy for managing these resources.

In order to provide focus to Investment Policy development, the Fiscal Committee formed an Investment Subcommittee. Members include Joey Simon, Perry Moss, Connell Saltzman, and Gary Saltzman, with Michael Klein and John McCarthy from Kavod staff.

With no further agenda items or discussion topics, the meeting adjourned at 9:13 AM.

The next Fiscal Committee Meeting is scheduled for 8:00 AM, September 19, 2023 using Zoom.

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

**Consolidated Financial Statements
For the Year Ended
December 31, 2022**



**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
FINANCIAL STATEMENTS**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Allied Housing, Inc. and Affiliates's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Allied Housing, Inc. and Affiliates's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

October 12, 2023

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 10,064,009
Accounts receivable - related party	117,951
Employee Retention Tax Credit (ERTC)	815,359
Investment portfolio	5,929,656
Tenant security deposits	176,121
Prepaid expenses	<u>313,279</u>
Total current assets	<u>17,416,375</u>

OTHER ASSETS

Investments held in deferred compensation plan	53,932
Beneficial interest in assets held by Rose Community Foundation (RCF)	87,689
Property and equipment, net accumulated depreciation	<u>18,195,833</u>
Total other assets	<u>18,337,454</u>
Total assets	<u><u>\$ 35,753,829</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 1,352,796
Accrued expenses	315,779
Tenant security deposits payable	157,386
Deferred compensation plan	54,000
Current portion of note payable	<u>517,580</u>
Total current liabilities	<u>2,397,541</u>

LONG TERM LIABILITIES

Note payable	14,522,402
Debt issuance costs, net accumulated amortization	<u>(479,538)</u>
Total long-term liabilities	<u>14,042,864</u>
Total liabilities	<u>16,440,405</u>

NET ASSETS:

Without Donor Restrictions	19,179,508
With Donor Restrictions	<u>133,916</u>
Total net assets	<u>19,313,424</u>
Total liabilities and net assets	<u><u>\$ 35,753,829</u></u>

See accompanying notes to consolidated financial statements.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Consolidated Total</u>
REVENUE AND OTHER SUPPORT			
Net tenant revenue	\$ 1,652,055	\$ -	\$ 1,652,055
Tenant assistance payments	6,388,396	-	6,388,396
Food service revenue	868,935	-	868,935
Assisted living services	1,205,784	-	1,205,784
Contributions	370,797	25,000	395,797
Net investment income	(1,149,650)	-	(1,149,650)
Other income	42,514	-	42,514
Change in value of beneficial interest in assets held by RCF	-	(13,392)	(13,392)
Total revenue and other support	<u>9,378,831</u>	<u>11,608</u>	<u>9,390,439</u>
Net assets released from restrictions	<u>100,417</u>	<u>(100,417)</u>	<u>-</u>
Total revenue and other support	<u>\$ 9,479,248</u>	<u>\$ (88,809)</u>	<u>\$ 9,390,439</u>
OPERATING EXPENSES			
Program services:			
Tenant services	\$ 8,294,455	\$ -	\$ 8,294,455
Assisted living services	922,636	-	922,636
Total program expenses	<u>9,217,091</u>	<u>-</u>	<u>9,217,091</u>
Supporting services:			
Management and general	1,262,656	-	1,262,656
Fundraising	228,776	-	228,776
Total supporting services	<u>1,491,432</u>	<u>-</u>	<u>1,491,432</u>
Total operating expenses	<u>10,708,523</u>	<u>-</u>	<u>10,708,523</u>
Increase (decrease) in net assets from continuing operations	<u>(1,229,275)</u>	<u>(88,809)</u>	<u>(1,318,084)</u>
NET ASSETS - BEGINNING OF YEAR	<u>20,408,783</u>	<u>222,725</u>	<u>20,631,508</u>
NET ASSETS - END OF YEAR	<u>\$ 19,179,508</u>	<u>\$ 133,916</u>	<u>\$ 19,313,424</u>

See accompanying notes to consolidated financial statements.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Tenant Services	Assisted Living Services	Total Program Services	Management and General	Fundraising	Total
OPERATING EXPENSES						
Salaries, taxes, and benefits	\$ 3,685,685	\$ 634,124	\$ 4,319,809	\$ 649,243	\$ 144,730	\$ 5,113,782
Building maintenance	1,457,458	-	1,457,458	45,352	7,552	1,510,362
Food service	911,839	257,745	1,169,584	-	-	1,169,584
Depreciation	1,103,967	-	1,103,967	34,320	5,720	1,144,007
Insurance	482,165	-	482,165	14,990	2,498	499,653
Interest expense	423,238	-	423,238	13,158	2,193	438,589
Office costs	23,811	-	23,811	208,118	6,044	237,973
Tenant activities	178,303	30,767	209,070	-	-	209,070
Professional services	12,905	-	12,905	201,280	57,169	271,354
Information technology	11,481	-	11,481	43,055	2,870	57,406
Advertising and promotion	3,603	-	3,603	32,422	-	36,025
Staff training and development	-	-	-	20,718	-	20,718
Total operating expenses	<u>\$ 8,294,455</u>	<u>\$ 922,636</u>	<u>\$ 9,217,091</u>	<u>\$ 1,262,656</u>	<u>\$ 228,776</u>	<u>\$ 10,708,523</u>

See accompanying notes to consolidated financial statements.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (decrease) in net assets before non-controlling interests	\$ (1,318,084)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:	
Depreciation and amortization	1,144,007
Unrealized (gain) loss on investments	1,349,521
Realized (gain) loss on investments	77,082
Tenant security deposits	(12,119)
Accounts receivable	(5,512)
Promises to give	81,200
Employee Rentention Tax Credits	128,074
Prepaid expenses	62,484
Accounts payable	1,213,498
Accrued expenes	(1,435)
Deferred compensation plan	68
Tenant security deposit payable	4,103
	<u>2,722,887</u>
Net cash provided by (used in) operating activities	<u>2,722,887</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(2,884,194)
Sale of investments	2,734,422
Construction in progress	7,522,136
Purchase of property and equipment	(10,851,920)
Net change in beneficial interest	13,392
	<u>13,392</u>
Net cash provided by (used in) investing activities	<u>(3,466,164)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Principal payments on mortgage payable	(807,009)
Proceeds from mortgages, loans or notes payable	4,435,974
	<u>4,435,974</u>
Net cash provided by (used in) financing activities	<u>3,628,965</u>

NET INCREASE IN CASH	2,885,688
CASH, BEGINNING OF YEAR	<u>7,178,321</u>
CASH, END OF YEAR	<u>\$ 10,064,009</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ 414,107</u>
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See accompanying notes to consolidated financial statements.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Allied Housing, Inc. (AHI) and Allied Housing South, Inc. (AHSI) were established as nonprofit corporations to develop and operate low income housing projects primarily for seniors in Denver, Colorado. These projects are subsidized by U.S. Department of Housing and Urban Development (HUD) programs as noted below.

Allied Jewish Apartments Foundation (the Foundation) was established as a nonprofit corporation to provide support for the mission of AHI and AHSI. Board members of AHI and AHSI comprise the majority of the board members of the Foundation.

Allied Housing East, LLLP (East) was organized as a Colorado limited partnership to own and operate a 160-unit housing complex, located in Denver, Colorado, under Section 221(d)(3) of the National Housing Act. East has entered into a Section 8 rental subsidy contract on the 160 units with HUD that extends until April 2031 which subsidizes tenant rents. Substantially all of East's income is derived from the rental of its apartment units and its food service program.

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

Allied Housing West, LLLP (West) was organized as a Colorado limited partnership to own and operate a 142-unit housing complex (including 26 assisted living units and 13 market-rate units), located in Denver, Colorado under Section 221(d)(3) of the National Housing Act. West has entered into a Section 8 rental subsidy contract on 103 units with HUD that extends until March 2031 which subsidizes tenant rents. West provides tenants of the 26 assisted living units with services including three meals a day, medication supervision, and overall 24-hour supervision. Assisted living services are funded primarily by monthly payments from participants. Participants who do not have the financial ability to pay these costs are subsidized by Medicaid. Substantially all of West's income is derived from the rental of its apartment units and assisted living services.

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

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Allied Housing Inc. (AHI), Allied Housing South, Inc. (AHSI), Allied Jewish Apartments Foundation (the Foundation), Allied Housing East, LLLP (East), Allied Housing West, LLLP (West) and Allied Housing South, LLLP (South), herein referred to the Organization. These entities have common management, attached facilities, and shared employees. All significant intercompany accounts and transactions have been eliminated in consolidation.

Allied Housing East, LLLP (East), Allied Housing West, LLLP (West), and Allied Housing South, LLLP (South) are each owned 1% by Allied Housing Inc. (AHI), the general partner, and 99% by Allied Housing South, Inc. (AHSI), the limited partner.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

INCOME TAX STATUS

Allied Housing, Inc. and Affiliates are exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Colorado Code. Consequently, the accompanying financial statements do not generally include any provision for income taxes. The Internal Revenue Service classifies the Allied Housing, Inc. and Affiliates as other than a private foundation under internal Revenue Code Section 509(a)(1). Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. We have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, Allied Housing, Inc. and Affiliates is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

FINANCIAL STATEMENT PRESENTATION – (continued)

A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of Allied Housing, Inc. and Affiliates that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by Allied Housing, Inc. and Affiliates is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of Allied Housing, Inc. and Affiliates pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

CASH AND CASH EQUIVALENTS

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by HUD, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted by HUD are excluded from this definition and are reported as restricted cash or tenant security deposits.

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statements of financial position. There were no conditional grants as of December 31, 2022.

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

GRANTS, CONTRIBUTIONS AND ACCOUNTS RECEIVABLE – (continued)

Accounts receivable are non-interest bearing, uncollateralized resident and third-party obligations and, as of December 31, 2022, primarily consist of amounts due from tenants and Medicaid. Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance for uncollectible accounts receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. All receivables are deemed collectible as of December 31, 2022.

REVENUE AND REVENUE RECOGNITION

The Organization derives its revenue and support from the following activities:

Net Tenant Rent Revenue

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

Tenant Assistance Payments

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

- All dwelling units subject to the Section 8 Contract must be rented to families eligible to receive the benefit of rental assistance payments. Contract rents are established for each unit, with the tenant paying a portion of the contract rent based on the person's income level and the balance paid by HUD.
- If a qualified tenant vacates the dwelling unit for any reason other than the member's violation of lease terms, HUD will pay the East, West, and South 80 percent of the contract rent for a period of up to 60 days while the unit remains vacant.
- East, South and West are required to maintain an account to hold security deposits collected from tenants. This account is required to be separate and apart from all other funds of the project in a trust account and the amount shall be at all times equal to or exceed the aggregate of all outstanding obligations under said account.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

REVENUE AND REVENUE RECOGNITION – (continued)

Food Service Revenue

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

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

Assisted Living Revenue

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

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

Performance Obligations

Performance obligations are determined based on the services provided. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to the total expected (or actual) charges. This method provides an accurate depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to tenants receiving food services. The performance obligation is measured from tenants receiving food and assisted living services from the beginning of the performance period, generally admission or the beginning of each month, to the sooner of completion of services to that tenant, discharge, or the end of the month. Revenue for performance obligations satisfied at a point in time are recognized when goods or services are provided, and they are not required to provide any additional services to the tenant.

The transaction price is determined based on standard charges for the goods and services.

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

REVENUE AND REVENUE RECOGNITION – (continued)

Contributions

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Amortization of the discounts is included in contributions revenue. Conditional promises to give are not recognized as revenue until the conditions are substantially met.

Donated services and in-kind contributions

Volunteers contribute significant amounts of time to the program services, management and general and fundraising activities of the organization; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization recorded donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the years ended December 31, 2022

INVESTMENTS

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

BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION

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

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

PROPERTY AND EQUIPMENT

Purchased property and equipment are recorded at cost and capital assets donated are recorded at the assets estimated fair value as of the date of donation. Costs of improvements are capitalized, and costs of routine repairs and maintenance are expensed as incurred. Depreciation is computed by the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Buildings and Improvements	5 - 40 years
Equipment, Furnishings, and Fixtures	3 - 20 years

When property is sold, retired, or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income.

The Organization reviews carrying amounts of long-lived assets whenever events or circumstances indicate that such carrying amounts may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized as equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there were no indicators of asset impairment during the year ending December 31, 2022.

DEBT ISSUANCE COSTS

Debt issuance costs are being amortized over the life of the loan using the straight-line method. Generally accepted accounting principles require that the effective yield method be used to amortize these costs; however, the effect of using the straight-line method is not material to the financial statements.

USE OF ESTIMATES

The process of preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

ADVERTISING

The Organization's advertising costs are expensed as incurred. The total advertising costs during the year ended December 31, 2022 are \$36,025.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

FUNCTIONAL ALLOCATION OF EXPENSES

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

The FASB Accounting Standards Codification topic “Fair Value Measurement” defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization’s principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The standard establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity’s own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement the entire fair value measurement in the hierarchy.

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

SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 12, 2023, which is the date the financial statements were available to be issued.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 – EMPLOYEE RETENTION TAX CREDITS (ERTC)

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) provided an employee retention tax credit (ERTC) which is a refundable tax credit against certain employment taxes of up to \$7,000 per employee per quarter for eligible employers. For 2021, ERTC is equal to 70% of qualified wages paid to employees, capped at \$10,000 of qualified wages per quarter. The CARES Act also retroactively extended availability of ERTC to wages paid from March 13, 2020 to December 31, 2020. The retroactive credit is equal to 50% of qualified wages paid to employees, capped at \$10,000 of qualified wages. As of December 31, 2022, \$815,359 was receivable. In May 2023, the Organization received payment of \$851,055, including interest of \$35,696.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

As of December 31, 2022, the following table presents assets measured at fair value on a recurring basis, except those measured at cost:

	Total	Quoted Prices in Active Market (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Foundation Investment Portfolio				
Cash and cash equivalents	\$ 13,229	\$ -	\$ -	\$ -
Mutual Funds	5,916,427	5,916,427	-	-
Total	<u>\$5,929,656</u>	<u>\$5,916,427</u>	-	-
Investments held for deferred compensation plan				
Mutual Funds:				
Domestic Equity	\$ 53,932	\$ 53,932	\$ -	\$ -
Beneficial Interest in assets held by Rose Community Foundation				
	<u>\$ 87,689</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,689</u>

The organization maintains beneficial interest in Rose Community Foundation as described in Note 4, which is classified as a Level 3.

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 4 – BENEFICIAL INTERESTS IN ROSE COMMUNITY FOUNDATION

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

During the year ended December 31, 2022, the Organization had the following changes in endowment net assets:

Beginning Balance:	\$101,081
Additions:	
Admin Fees	(897)
Change in Value	<u>(12,495)</u>
Net Investment Gain (Loss)	<u>(13,392)</u>
Ending Balance:	<u>\$ 87,689</u>

Return Objectives and Risk Parameters

The Organization has adopted spending and investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor or legally restricted funds that the Organization must hold in perpetuity or for a donor specified period as well as board designated assets. Under this policy, the endowment assets are invested in a manner that is intended to produce results that ensure the future growth of the assets is sufficient to exceed the rate of inflation and provide for distribution of earnings, net of fees. All investment decisions have been delegated to the Community Foundation.

Investment Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The Organization’s portfolio offers investments that are diversified among asset classes and investment styles, thus minimizing the risk of large losses over a defined investment horizon.

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 4 – BENEFICIAL INTERESTS IN ROSE COMMUNITY FOUNDATION –
(continued)**

Spending Policy

The spending rate for distributable earnings will be set by the Community Foundation each year. The Community Foundation will act prudently and responsibly when deciding on a distribution that will allow for growth in the endowment funds over the course of time. The Community Foundation oversees the management of all assets taking into account the purposes, terms and distribution requirements expressed by the governing instruments. The Community Foundation will exercise reasonable care, skill, and caution in order to ensure preservation of all funds.

NOTE 5 – CONCENTRATION OF RISK

The Organization maintains its cash balance at multiple banks. The accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 during the year ended December 31, 2022. As of December 31, 2022, the uninsured balances for the Organization are \$6,972,362.

At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts.

The Organization associates credit risk with accounts and ERTC receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of our mission.

Investments are made by diversified investment managers whose performance is monitored by the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board believes that the investment policies and guidelines are prudent for our long-term welfare.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following as of December 31, 2022:

Land	\$ 422,361
Buildings and improvements	33,071,727
Equipment, furniture and furnishings	3,419,656
Construction in progress	924,978
	<u>37,838,722</u>
Less: Accumulated Depreciation	<u>(19,642,889)</u>
	<u>\$ 18,195,833</u>

ALLIED HOUSING, INC., AND AFFILIATES
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 – LONG-TERM DEBT

Notes Payable consists of the following as of December 31, 2022:

During 2018, East and South entered into a 3.10% construction note payable to MidFirst Bank. Monthly payments of principal and interest in the amount of \$72,593 are due through March 2033. As of December 31, 2022, the construction loan has been fully drawn.	\$15,039,982
Unamortized debt issuance costs	<u>(479,538)</u>
	<u>\$14,560,444</u>

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

Estimated maturities of mortgage at December 31, 2022 for each of the next five years and in the aggregate, are as follows:

2023	\$	517,580
2024		533,855
2025		550,642
2026		567,956
2027		585,814
Thereafter		<u>12,284,135</u>
		<u>\$ 15,039,982</u>

NOTE 8 – RETIREMENT PLAN

AHI participates in a defined contribution pension plan and a 403(b) thrift plan (the Plans) for the benefit of its employees. The Plans cover all employees over 21 years of age who have worked at least 1,000 hours during the year and have been employed for at least one year. The employee's benefits will fully vest after the employee enters the Plan.

Contributions made for the pension plan for the year ended December 31, 2022 totaled \$74,667 based on a defined contribution of 3% of covered employees' compensation. Contributions made for the 403(b) thrift plan during the year ended December 31, 2022 were \$89,730, based on a matching contribution of 100% of employees' contributions up to a maximum of 4% of covered employees' compensation. Effective July 1, 2021, AHI sponsored a deferred compensation plan pursuant to section 457(f) of the IRC (Comp Plan) for a key employee. The participant may make voluntary contributions to the Comp Plan up to the maximum amount allowed by the IRS. Contributions to the Comp Plan are discretionary based on the individual employee contract. During the year ended December 31, 2022, \$36,000 was contributed. As of December 31, 2022, the Comp Plan assets totaled \$53,932.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9 – VULNERABILITY DUE TO REVENUE CONCENTRATION

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

During the year ended December 31, 2022, housing assistance payments from HUD were \$2,812,357 (East) \$1,841,346 (West) and \$1,734,693 (South) for a total of \$6,388,396 reported as tenant assistance payments on the consolidated statements of activities.

East, West, and South receive subsidized tenant assistance from HUD in connection with a Section 8 contract. In addition, housing units are rented under operating lease agreements. For the year ended December 31, 2022, these represented 59%, 80% and 54%, respectively, of total revenue of each project.

NOTE 10 – BOARD DESIGNATED NET ASSETS

Net assets without donor restrictions include certain funds that have been designated for property improvements by the Board of Directors. During the year ended December 31, 2022, the Organization had board designated net assets of \$5,929,656.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of December 31, 2022:

	Beginning Balance	Contributions	Released from restrictions	Ending Balance
Net Assets with Donor Restrictions:				
Health and wellness programs	\$ 64,000	\$ -	\$ (64,000)	\$ -
Diversity programs	40,000	25,000	(29,217)	35,783
Virtual programming	7,200	-	(7,200)	-
Other	10,445	-	-	10,445
	121,645	25,000	(100,417)	46,228
Beneficial interest in assets				
Held by Rose Community Foundation	101,080	-	(13,392)	87,688
Total	<u>\$ 222,725</u>	<u>\$ 25,000</u>	<u>\$ (113,809)</u>	<u>\$ 133,916</u>

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 12 – INFORMATION ABOUT LIQUIDITY

For the purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program and support activities to be general expenditures.

The following represents financial assets available for cash needs for general expenditures within one year:

Cash and cash equivalents	\$ 10,064,009
Tenant security deposits	176,121
Accounts receivable	117,951
Employee Retention Tax Credit receivable	815,359
Beneficial interest in assets held by RCF	87,689
Investment Portfolio	<u>5,929,656</u>
Total financial assets	17,190,785
Less:	
Tenant security deposit	(176,121)
Board designated net assets	(5,929,656)
Donor restricted net assets	(46,228)
Beneficial interest in RCF	<u>(87,689)</u>
Financial assets available for cash needs for general expenditures within one year	<u>\$ 10,951,091</u>

The beneficial interest in assets held by RCF shall distribute annually in arrears each year lesser of (a) 5% of the monthly average balance in the Fund during the preceding year or (b) net investment income accruing during the preceding year reduced by any fees and expenses upon request by us. Therefore, any distribution that we may receive during the next year has not been included in the above table.

SUPPLEMENTARY INFORMATION

DRAFT

Independent Auditor's Report on Supplementary Information

Board of Directors
Allied Housing, Inc. and Affiliates
Denver, Colorado

We have audited of the consolidated financial statements of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life as of and for the years ended December 31, 2022, and our report thereon dated October 12, 2023, which expressed an unmodified opinion on those consolidated financial states, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information (shown on pages 22 through 27) is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
October 12, 2023

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

ASSETS

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
CURRENT ASSETS:						
Cash and cash equivalents	\$ 8,736,697	\$ 1,327,312	\$ -	\$ -	\$ -	\$ 10,064,009
Accounts receivable	117,951	-	-	-	-	117,951
Employee Retention Tax Credit (ERTC)	-	815,359	-	-	-	815,359
Investment portfolio	-	-	-	5,929,656	-	5,929,656
Tenant security deposits	176,121	-	-	-	-	176,121
Prepaid expenses	313,279	-	-	-	-	313,279
Total current assets	9,344,048	2,142,671	-	5,929,656	-	17,416,375
OTHER ASSETS						
Due from related party	-	453,080	-	-	(453,080)	-
Investment from limited partnerships	-	109,395	10,830,161	-	(10,939,556)	-
Investments held in deferred compensation plan	-	53,932	-	-	-	53,932
Beneficial interest in assets held by Rose Community Foundation (RCF)	-	-	-	87,689	-	87,689
Property and equipment, net	18,195,833	-	-	-	-	18,195,833
Total other assets, net	18,195,833	616,407	10,830,161	87,689	(11,392,636)	18,337,454
Total assets	\$ 27,539,881	\$ 2,759,078	\$ 10,830,161	\$ 6,017,345	\$ (11,392,636)	\$ 35,753,829

See Independent Auditor's Report on Supplementary Information.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

LIABILITIES AND NET ASSETS

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
CURRENT LIABILITIES:						
Accounts payable	\$ 1,015,594	\$ 337,202	\$ -	\$ -	\$ -	\$ 1,352,796
Accrued expenses	315,779	-	-	-	-	315,779
Tenant security deposits payable	157,386	-	-	-	-	157,386
Deferred compensation plan	-	54,000	-	-	-	54,000
Due to related party	453,080	-	-	-	(453,080)	-
Current portion, note payable	517,580	-	-	-	-	517,580
Total current liabilities	<u>2,459,419</u>	<u>391,202</u>	<u>-</u>	<u>-</u>	<u>(453,080)</u>	<u>2,397,541</u>
LONG TERM LIABILITIES						
Note payable	14,522,402	-	-	-	-	14,522,402
Debt issuance costs, net accum. amort.	(479,538)	-	-	-	-	(479,538)
Total long-term liabilities	<u>14,042,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,042,864</u>
Total liabilities	<u>16,502,283</u>	<u>391,202</u>	<u>-</u>	<u>-</u>	<u>(453,080)</u>	<u>16,440,405</u>
NET ASSETS:						
Without donor restrictions						
Discretionary	-	2,212,254	-	-	-	2,212,254
Board-designated for improvements	-	-	-	5,929,656	-	-
Partner's equity	11,037,598	-	-	-	-	11,037,598
Invested in limited partnerships	-	109,395	10,830,161	-	(10,939,556)	-
Total net assets without donor restrictions	<u>11,037,598</u>	<u>2,321,649</u>	<u>10,830,161</u>	<u>5,929,656</u>	<u>(10,939,556)</u>	<u>19,179,508</u>
With donor restrictions	-	46,227	-	87,689	-	133,916
Total net assets	<u>11,037,598</u>	<u>2,367,876</u>	<u>10,830,161</u>	<u>6,017,345</u>	<u>(10,939,556)</u>	<u>19,313,424</u>
Total liabilities and net assets	<u>\$ 27,539,881</u>	<u>\$ 2,759,078</u>	<u>\$ 10,830,161</u>	<u>\$ 6,017,345</u>	<u>\$ (11,392,636)</u>	<u>\$ 35,753,829</u>

See Independent Auditor's Report on Supplementary Information.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
REVENUE AND OTHER SUPPORT						
Net tenant revenue	\$ 1,652,055	\$ -	\$ -	\$ -	\$ -	\$ 1,652,055
Tenant assistance payments	6,388,396	-	-	-	-	6,388,396
Food service revenue	868,935	-	-	-	-	868,935
Assisted living services	1,205,784	-	-	-	-	1,205,784
Contributions	-	395,797	-	-	-	395,797
Net investment income	63,057	8,937	-	(1,221,644)	-	(1,149,650)
Other income	24,111	18,403	-	-	-	42,514
Change in value of beneficial interest in assets held by RCF	-	-	-	(13,392)	-	(13,392)
Management fee revenue	-	238,800	-	-	(238,800)	-
Income from partnerships	-	(490)	(48,537)	-	49,027	-
Total revenue and other support	\$ 10,202,338	\$ 661,447	\$ (48,537)	\$ (1,235,036)	\$ (189,773)	\$ 9,390,439

See Independent Auditor's Report on Supplementary Information.

**ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
OPERATING EXPENSES						
Program services:						
Tenant services	\$ 7,713,775	\$ 628,440	\$ -	\$ -	\$ (47,760)	\$ 8,294,455
Assisted living services	922,636	-	-	-	-	922,636
Total program expenses	8,636,411	628,440	-	-	(47,760)	9,217,091
Supporting services:						
Management and general	1,292,517	94,052	-	55,187	(179,100)	1,262,656
Fundraising	224,388	16,328	-	-	(11,940)	228,776
Total supporting services	1,516,905	110,380	-	55,187	(191,040)	1,491,432
Total operating expenses	10,153,316	738,820	-	55,187	(238,800)	10,708,523
Increase (decrease) in net assets from continuing operations	49,022	(77,373)	(48,537)	(1,290,223)	49,027	(1,318,084)
NET ASSETS - BEGINNING OF YEAR	10,988,576	2,445,249	10,878,698	7,307,568	(10,988,583)	20,631,508
NET ASSETS - END OF YEAR	\$ 11,037,598	\$ 2,367,876	\$ 10,830,161	\$ 6,017,345	\$ (10,939,556)	\$ 19,313,424

See Independent Auditor's Report on Supplementary Information.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Increase (decrease) in net assets before non-controlling interests	\$ 49,022	\$ (77,373)	\$ (48,537)	\$ (1,290,223)	\$ 49,027	\$ (1,318,084)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:						
Depreciation and amortization	1,144,007	-	-	-	-	1,144,007
Unrealized (gain) loss on investments	-	-	-	1,349,521	-	1,349,521
Realized (gain) loss on investments	-	-	-	77,082	-	77,082
(Gain) loss on investment in subsidiaries	-	490	48,537	-	(49,027)	-
Increase (decrease) in cash from changes in:						
Tenant security deposits	(12,119)	-	-	-	-	(12,119)
Accounts receivable	(7,312)	1,800	-	-	-	(5,512)
Promises to give	-	81,200	-	-	-	81,200
Employee Retention Tax Credits	884,684	128,074	-	-	(884,684)	128,074
Prepaid expenses	62,484	-	-	-	-	62,484
Due from related party	-	659,394	-	-	(659,394)	-
Accounts payable	877,381	336,117	-	-	-	1,213,498
Construction payable	-	-	-	-	-	-
Accrued expenses	(1,435)	-	-	-	-	(1,435)
Deferred Compensation Plan	-	68	-	-	-	68
Due to related party	(659,394)	(884,684)	-	-	1,544,078	-
Tenant security deposit payable	4,103	-	-	-	-	4,103
Net cash provided by (used in) operating activities	2,341,421	245,086	-	136,380	-	2,722,887

See Independent Auditor's Report on Supplementary Information.

ALLIED HOUSING, INC., AND AFFILIATES
D/B/A KAVOD SENIOR LIFE
CONSOLIDATING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP/	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Eliminations and Reclassifications	2022 Consolidated Total
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of investments	-	-	-	(2,884,194)	-	(2,884,194)
Sale of investments	-	-	-	2,734,422	-	2,734,422
Construction in progress	7,522,136	-	-	-	-	7,522,136
Purchase of property and equipment	(10,851,920)	-	-	-	-	(10,851,920)
Net change in beneficial interest	-	-	13,392	-	-	13,392
	(3,329,784)	-	(136,380)	-	-	(3,466,164)
Net cash provided by (used in) investing activities						
CASH FLOWS FROM FINANCING ACTIVITIES:						
Principal payments on mortgage payable	(807,009)	-	-	-	-	(807,009)
Proceeds from mortgages, loans or notes payable	4,435,974	-	-	-	-	4,435,974
Net cash provided by (used in) financing activities	3,628,965	-	-	-	-	3,628,965
NET INCREASE IN CASH	2,640,602	245,086	-	-	-	2,885,688
CASH, BEGINNING OF YEAR	6,096,095	1,082,226	-	-	-	7,178,321
CASH, END OF YEAR	\$ 8,736,697	\$ 1,327,312	\$ -	\$ -	\$ -	\$ 10,064,009
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION						
Cash paid during the year for interest	\$ 414,107	\$ -	\$ -	\$ -	\$ -	\$ 414,107

See Independent Auditor's Report on Supplementary Information.

Kavod Senior Life

Fiscal Committee Meeting Minutes - September 19, 2023*

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

Members Present: Joey Simon (Chair), Brian Botnick, Rob Friedman, Perry Moss, Connell Saltzman, and Gary Saltzman.

Staff Present: Michael Klein and John McCarthy.

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

Members were asked if there were any questions or comments regarding the August 15, 2023 Fiscal Committee Meeting Minutes. Rob motioned for approval, and Perry seconded. The motion passed.

John reviewed key elements of the July 2023 Financial Statements. Total revenue exceeds budget by \$371K YTD, with the April 1st increase in Housing Assistance Payments (HAP) largely responsible for this positive variance. July's very positive revenue performance is the result of receiving the first \$250K installment of the Weinberg Foundation capital grant. Assisted Living revenue is below budget by \$40K YTD due to increased vacancy. Private Pay resident inquiries for Assisted Living remain sparse, but two recent applicants appear promising for potential residency. Leasing began offering private pay units to Medicaid applicants to help address vacancy concerns in the short term. Operating expenses exceed budget by \$58K YTD, and is driven largely by maintenance-related costs and administrative salary and benefit charges. Net Income is \$331K better than budget expectations YTD.

Michael provided a brief update on the remaining construction activities and projected timeline to completion. Pinkard has completed all construction tasks in unit 913. Most projects related to the elevators are complete, including pre-testing of the electrical shunt-trip breakers and fire system components. Elevator inspections are tentatively scheduled, pending coordination of Peak Elevator and the City. Final inspections are planned for October.

A question was raised regarding the engagement level of Marx/Okubo following Max Reiner's departure on August 4th. Michael indicated that Michael Silverman was more involved and seemed fully committed to completion of the project.

Michael suggested that a separate Fiscal Committee Meeting be scheduled with Marx/Okubo and Pinkard once all tasks and inspections are complete to close out the project. Michael also indicated that it was likely time to request proposals for the next five-year capital needs plan.

John provided an update on the status of the 2022 financial audit. The audit team has continued to request additional information and assistance, but is expecting to complete the consolidated statements by the end of September.

Joey provided a brief update from the Investment Subcommittee, which was formed to assist with the development of an Investment Policy to guide key roles within the organization (CEO and CFO). The first meeting was held September 8th. Several topics were discussed, including required cash reserves, operational cash needs, and the potential role of the Kavod Foundation for the investment and management of excess cash. The Subcommittee requested that Michael and John review Kavod records for historical cash policies and determine short and long term cash needs as a starting point.

With no further agenda items or discussion topics, the meeting adjourned at 8:47 AM.

The next Fiscal Committee Meeting is scheduled for 8:00 AM, October 17, 2023 using Zoom.

Kavod Senior Life

Fiscal Committee Meeting Minutes - August 15, 2023*

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

Members Present: Joey Simon (Chair), Brian Botnick, Rob Friedman, Perry Moss, Connell Saltzman, and Gary Saltzman.

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

The meeting was called to order at 8:02 AM.

Joey asked if there were any questions or comments regarding the July 13, 2023 Fiscal Committee Meeting Minutes. Rob motioned for approval, and Gary seconded. The motion passed.

John reviewed key elements of the June 2023 Financial Statements. Total revenue exceeds budget by \$70K YTD, with the April 1st increase in Housing Assistance Payments (HAP) largely responsible for this positive variance. Grant revenue is below budget by \$88K YTD. This will change significantly with the receipt of the first \$250K installment of the Weinberg Foundation capital grant. Assisted Living revenue is below budget by \$25K YTD due to increased vacancy. Private Pay resident inquiries for Assisted Living have been minimal since May, and will likely cause further revenue shortfalls in July and August. Marketing is planning to offer financial incentives to boost interest. Operating expenses exceed budget by \$62K YTD, and is driven largely by maintenance-related costs and administrative salary and benefit charges. Net Income is \$19K better than budget expectations YTD.

Michael announced that Max Reiner's last day with Marx/Okubo was August 4th. Max will be joining another building consulting company, performing similar work as he has done for Kavod.

Tracy provided a brief update on the remaining construction activities and projected timeline to completion. Pinkard is nearing completion of all unfinished construction tasks in unit 913. The installation of heat detectors in the elevator shafts is delayed, pending ongoing elevator repair issues and the coordination of several sub-contractors. Final inspections are not likely to occur before September.

John provided an update on the status of the 2022 financial audit. The audit team resumed work on the consolidated statement the week of July 17th. At the end of July, the audit team presented a list of questions and requests for supporting documents. Most of the requested items have been submitted, but a few of the more detailed items are taking a bit longer to complete.

As a continuation of the July 13th Fiscal Committee discussion on developing a formalized Investment Policy for Kavod Senior Life, the existing Investment Policy for the Kavod Foundation was provided as an example, as well as a schedule showing all current investment

and banking accounts. It was suggested that a key objective of developing the Investment Policy includes guidance for the CEO and CFO roles in banking and investment matters. Another suggestion included a requirement that the Board Treasurer be a signer on accounts and have certain threshold or transaction type oversight. Other considerations raised included the use of excess funds and the optimal strategy for managing these resources.

In order to provide focus to Investment Policy development, the Fiscal Committee formed an Investment Subcommittee. Members include Joey Simon, Perry Moss, Connell Saltzman, and Gary Saltzman, with Michael Klein and John McCarthy from Kavod staff.

With no further agenda items or discussion topics, the meeting adjourned at 9:13 AM.

The next Fiscal Committee Meeting is scheduled for 8:00 AM, September 19, 2023 using Zoom.

Compliance Committee Minutes

October 16, 2023 at 4:00 p.m.

Kavod Senior Life - Shul Classroom

Present: Yolanda Webb, chair; Christine Dewhurst, John McCarthy, Michael Klein, Gordon Smith, Christy Martinez, Mohamed Nuriyev and Christie Ziegler.

The meeting was held in person. Christy Martinez joined via Zoom. She was able to hear and participate in the discussions.

Yolanda welcomed the group and written information from the staff had been distributed in advance.

Christy from Assisted Living reviewed her most recent assisted living survey and discussed what had been cited and how those citations had been corrected. She also reviewed the various audits she has put in place to track some key areas to monitor going forward. She discussed some training she and two of her staff had attended from Leading Age and some general training her staff has received.

Mohamed from Dining Services reviewed his recent survey and explained how he had corrected those items he had received citations on. Most of them were corrected by the time the surveyor left or within the next few days where outside vendors needed to be brought in. He also is doing routine audits in these and other areas.

Gordon from Facilities covered a number of different inspections, which involved his department. These covered elevators, boilers, generators, fire pumps, and work related to our larger fire suppression system upgrades. Many of them have been resolved and some have been delayed due to timing with external regulatory agencies. Three of his staff have completed training on NSPIRE, which is a large change from the previous REAC survey.

Christie Ziegler from Communications and Marketing is coordinating our Voluntary Compliance Agreement with HUD. Our initial deadlines have all been met. Our Language Access Plan (LAP) and Resident Selection Plan (RSP) are still under review. Our next set of deliverables involve evaluation of our marketing outreach and providing records of our ongoing processes as needed.

With no further items to be discussed, the meeting ended at 4:45 p.m.

2024 Monthly Committee Meeting Calendar

January Meetings		
Thursday, January 11, 2024	12:00noon/shul	Resident & Community Svs.
Tuesday, January 16, 2024	8:00am/virtual	Fiscal
February Meetings		
Friday, February 9, 2024	8:00am/shul	Foundation Board
Tuesday, February 20, 2024	8:00am /virtual	Fiscal
Monday, February 26, 2024	5:30pm/shul	KSL Board
March Meetings		
Thursday, March 7, 2024	12:00noon/shul	Resident & Community Svs.
Tuesday, March 19, 2024	8:00am/virtual	Fiscal
Friday, March 22, 2024	2:00pm/shul	Kavod Senior Housing & Services Board
April Meetings		
Monday, April 15, 2024	4:00pm/in person	Compliance
Wednesday, April 17, 2024	8:00am/Audit Review/shul	Fiscal
Wednesday, April 24, 2024	5:30pm/shul	KSL Board
May Meetings		
Friday, May 17, 2024	8:00am/virtual	Foundation Board
Tuesday, May 21, 2024	8:00am/virtual	Fiscal
June Meetings		
Tuesday, June 18, 2024	8:00am/virtual	Fiscal
Monday, June 24, 2024	5:30pm/shul	KSL Board
Monday, June 24, 2024	6:30pm/shul	KSL ANNUAL MEETING
Wednesday, June 26, 2024	9:00am	KOTR Conference
July Meetings		
Thursday, July 11, 2024	12:00noon/shul	Resident & Community Svs.
Tuesday, July 16, 2024	8:00am/virtual	Fiscal
Friday, July 19, 2024	2:00pm/shul	Kavod Senior Housing & Services Board
August Meetings		
Friday, August 16, 2024	8:00am/shul	Foundation Board
Tuesday, August 20, 2024	8:00am/virtual	Fiscal
Thursday, August 22, 2024	6:00pm	Annual Fundraising Event
Monday, August 26, 2024	5:30pm/shul	KSL Board
September Meetings		
Tuesday, September 17, 2024	8:00am/virtual	Fiscal
Monday, September 23, 2024	4:00pm/in person	Compliance
October Meetings		
Tuesday, October 15, 2024	8:00am/virtual	Fiscal
Monday, October 28, 2024	5:30pm/shul	KSL Board
November		
Thursday, November 7, 2024	12:00noon/shul	Resident & Community Svs.
Friday, November 15, 2024	8:00am/virtual	Foundation
Tuesday, November 19, 2024	8:00am/Budget Review/shul	Fiscal
December Meetings		
Tuesday, December 10, 2024	8:00am/virtual	Fiscal
Monday, December 16, 2024	5:30pm/shul	KSL Board
Friday, December 20, 2024	2:00pm/shul	Kavod Senior Housing & Services Board

Purim - 3/24

Passover -4/23-4/30

Shavout 6/12

Rosh Hashanah 10/3-10/4

Sukkot -10/17

Yom Kippur - 10/12

Shemini Atzeret 10/24

Simchat Torah-10/25

Chanukah 12/25-1/2/25

All Meetings will be hybrid (in-person/virtual)

- * Executive Committee will meet as needed throughout the year
- * Board Leadership and Development meets the first half of the year prior to the annual meeting
- *CEO Compensation Committee meets between January through March - schedule is set by HR Director
- *Compliance Task Force will meet twice a year in April and October on the Monday before the board meeting