

Silver Key Senior Services

Tuesday, August 21, 2018

Call to Order, Introductions	Carla Hartsell
ESF Presentation	Fellows
Investment Trust	Steve Post
Introduction of Derek Wilson	Pat Ellis
Presentation of Consent Agenda Minutes from June 19, 2018 CEO Report	Carla Hartsell
Financial Summary 2018/2019 Budget Review of Income Sources	Cheryl Solze/Val Anders Pat Ellis
Committee Reports Building Committee Capital Campaign Rockin' Committee	Pat Ellis Pat Ellis Laurie Onstott
Social Enterprise	Pat Ellis
Marketing Update	Cathy Grossman
Board Resolution - Raffle license Making all staff and volunteers members	Laurie Onstott
Old Business Succession Plan Edson Grant Update	Pat Ellis Pat Ellis
New Business Elevator speech Board Committee Board Resolution for Board Assessment of Organization	Pat Ellis Carla Hartsell Pat Ellis

Board member login: skboard@silverkey.org

Password: sk-board@1625\$

The mission of Silver Key Senior Services is to serve in partnership with our stakeholders to support life for for seniors - allowing them the choice of safely aging in place with dignity and independence.



Board of Directors Meeting

June 19, 2018

Board attendance

Amy Silva-Smith, Cheryl Solze, Jan Martin, Mary Ellen McNally, Lynne Jones, Steve Hunsinger, Carla Hartsell, David Lord, Steve Baron, Dave Bunkers, Mike Rowe, and Becky Hurley.

Staff attendance

Pat Ellis, Deb Riden, Cathy Grossman and Paula Humber

Guest: Kimberley Sherwood, Principal Third Sector Group

Board meeting called to order by Carla Hartsell, Chair at approximately 4:02 p.m. Carla welcomed Kimberley Sherwood, Principal of Third Sector Group. Kimberley gave a brief summary of her expertise. Introductions followed around the table.

The meeting continued with a refresher training session regarding governance practices for board members. A power point presentation and handouts were provided for details.

Consent Agenda – David Lord moved to approve the consent agenda which includes the minutes from the May 15, 2018 Board meeting and the CEO Report. Lynne Jones seconded the motion. The motion was unanimously approved.

Finance Update

- Finance committee reviewed budget and recommended adjustments
- Budget will be presented to board for approval at the August meeting
- Cheryl Solze presented a motion to allow President and CEO, Patricia Ellis, to continue operations for an additional two month until such time as the new fiscal year budget is approved. Motion was seconded by Jan Martin and unanimously approved.

Other business

- Executive Committee to discuss and review performance plan for CEO
- Succession Plan recommended to Executive Committee

Meeting adjourned at 5:14 p.m.

/s/: _____
Amy Silva-Smith, Secretary

Paula Humber, Recorder

Silver Key Senior Services
Fiscal Year July 2017 – June 2018

Annual Highlights

- Completed purchase of land at 1575 S. Murray
- Received anonymous gift of \$108,000 for technology
- Foundation received a gift of \$707,600 from the Mary Sinclair Trust
- Implemented on-line volunteer training
- Completed the buildout of the Case Management area
- Purchased and implemented a new client management system - EmpowOR
- Completed due diligence on 1575 S. Murray
- Received notification of \$250,000 grant from the Next50 Foundation for the Community Center
- Rebranding campaign by marketing

Murray

All construction of the program areas in the Murray building has been completed.

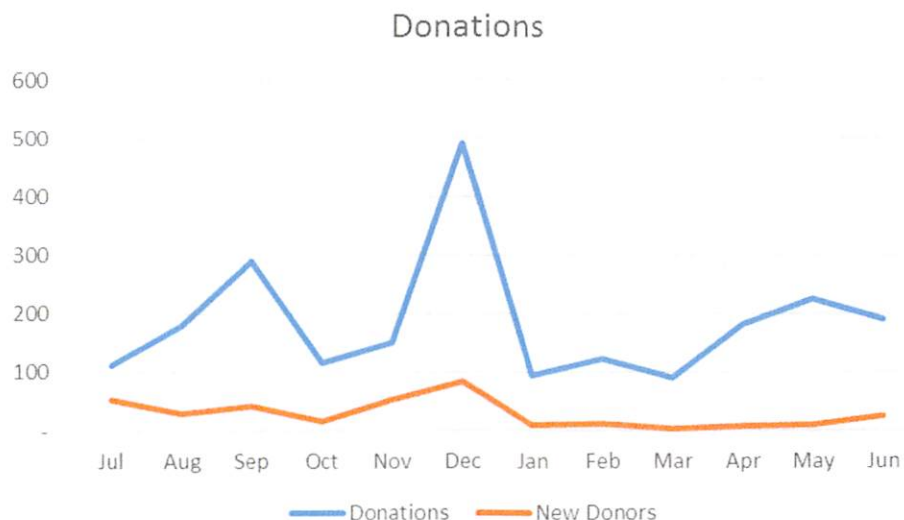
The adjacent land at 1575 S. Murray was purchased and the Building Committee has begun to explore partnerships for the development of a multi-unit affordable housing building for seniors.

Marketing

A strategic goal identified by the Board of Directors was to increase community awareness of Silver Key and the services provided. During the fiscal year we contracted with a Marketing Manager to give focus to this process. First steps were to develop consistent, recognizable and understandable branding for Silver Key. The services are no longer identified with the 'institutional' names but have been refreshed to reflect what the public would look for and request.

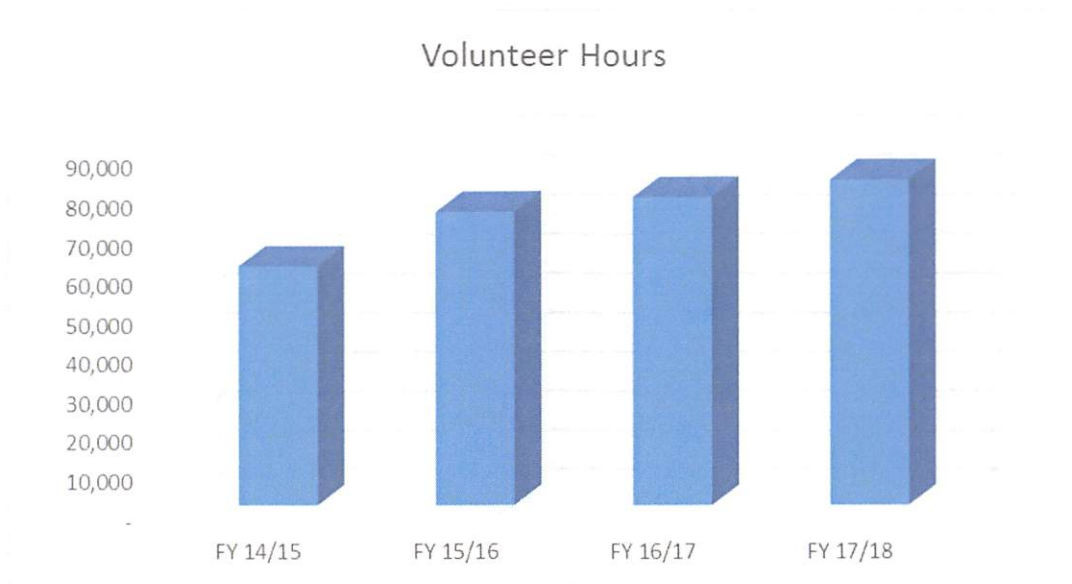
Fund Development

During the year we received 2,336 donations, 87 were gifts over \$1,000 and 354 were from new donors.



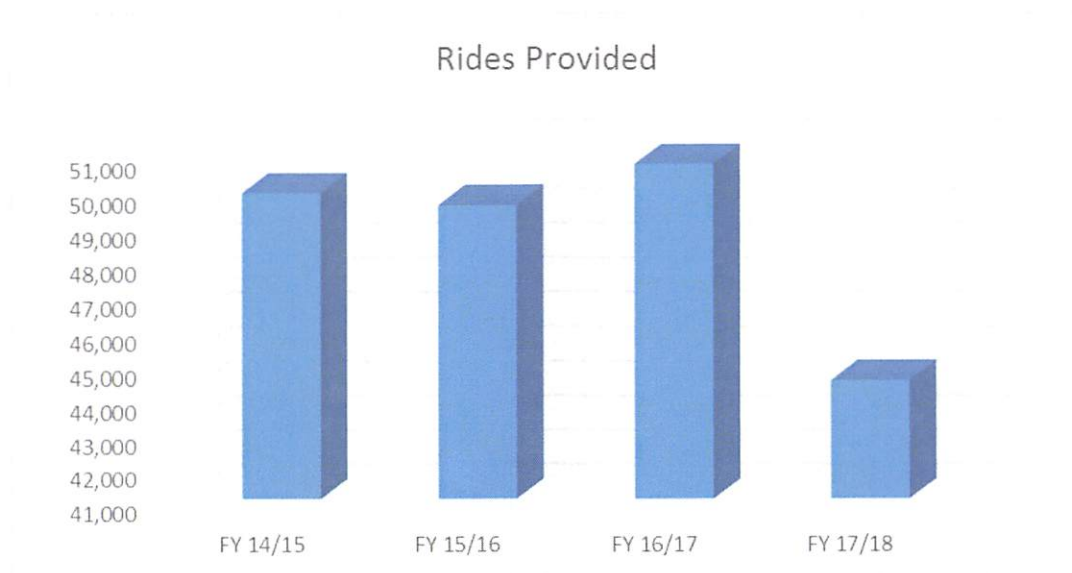
General Operations

Volunteers Silver Key volunteers provided 83,111 hours of time during the fiscal year – an increase of 4,540 hours over last year. This is equivalent to 42 F.T.E with a financial value of \$2,086,086.

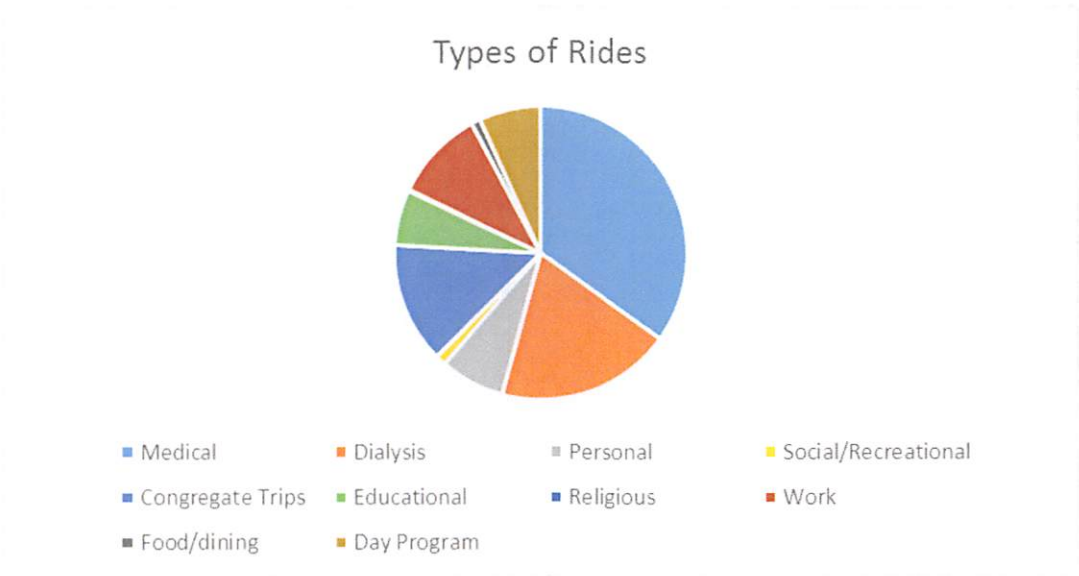


Reserve and Ride (Transportation)

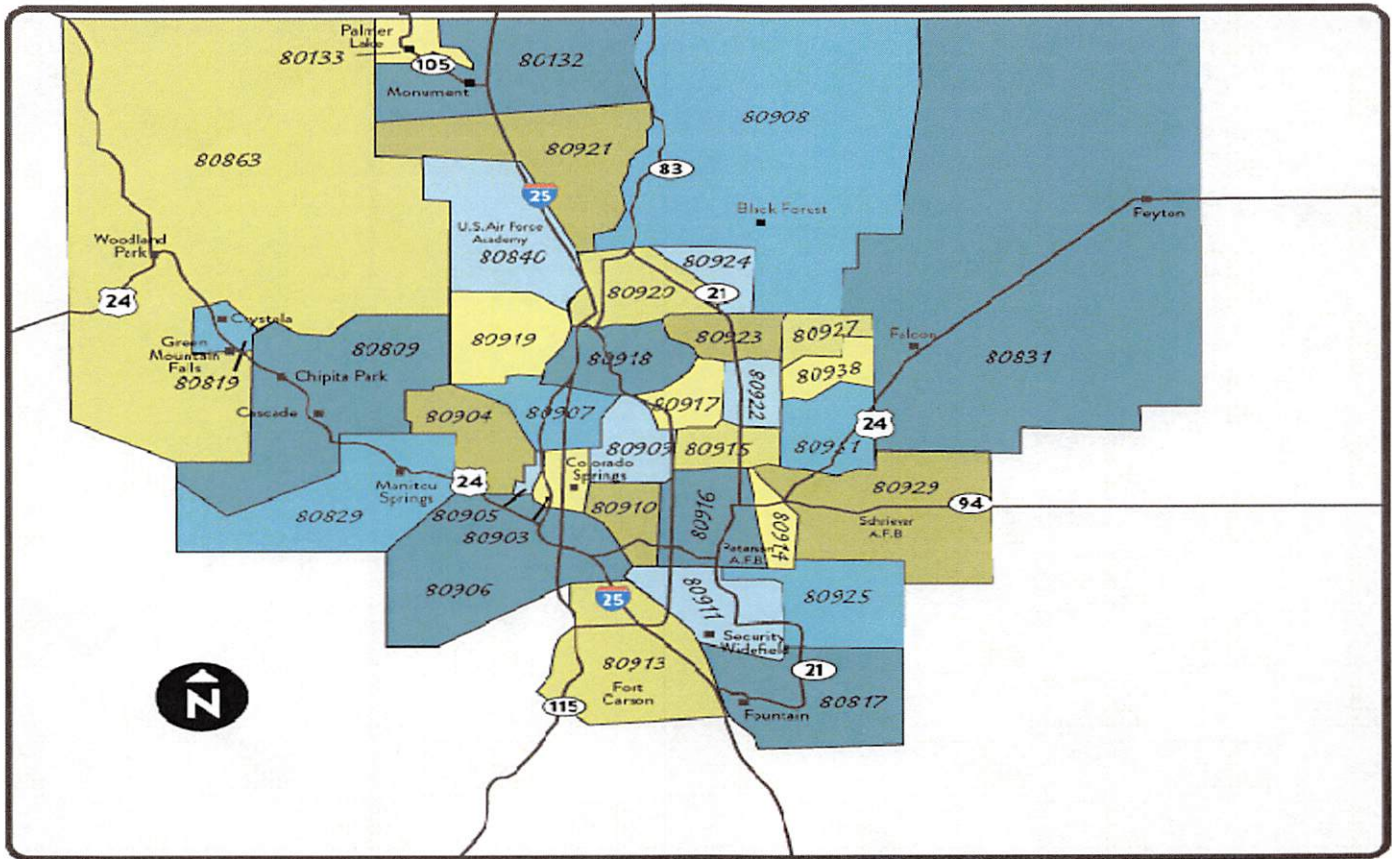
For the year, we averaged 178 rides per day. Total rides were at 44,469 which is a decrease of 6,270 compared to last year.

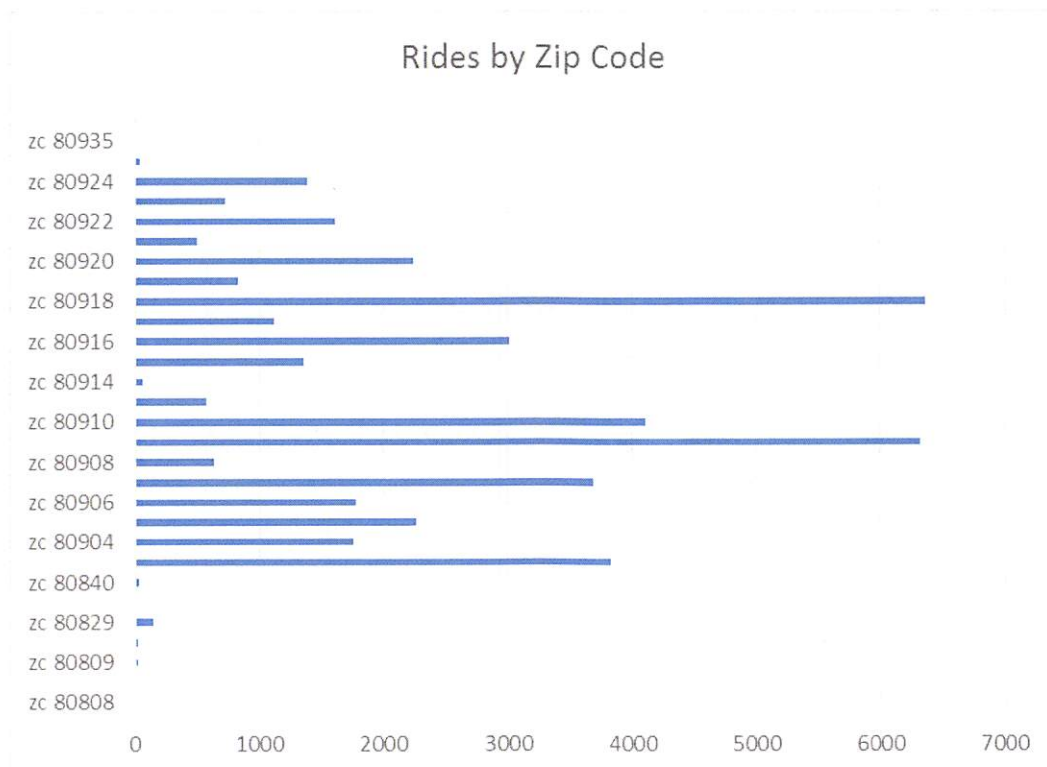


62% of the rides were “assisted” and 57% of the rides provided were medical/dialysis and 20% for groceries. Due to decreased funding for transportation, priority was given to medical and grocery rides. In order to prioritize medical, this type of ride can be scheduled 30 days in advance.



The rides provided take us all over the greater Colorado Springs area, but we do see a concentration of trips in a few zip codes. Our offices are located in 80916.

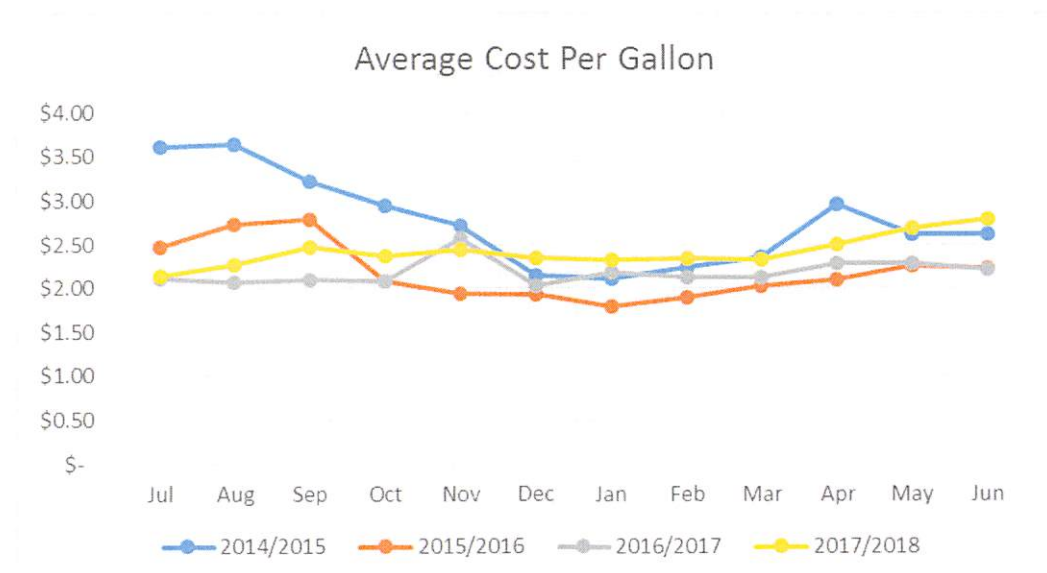




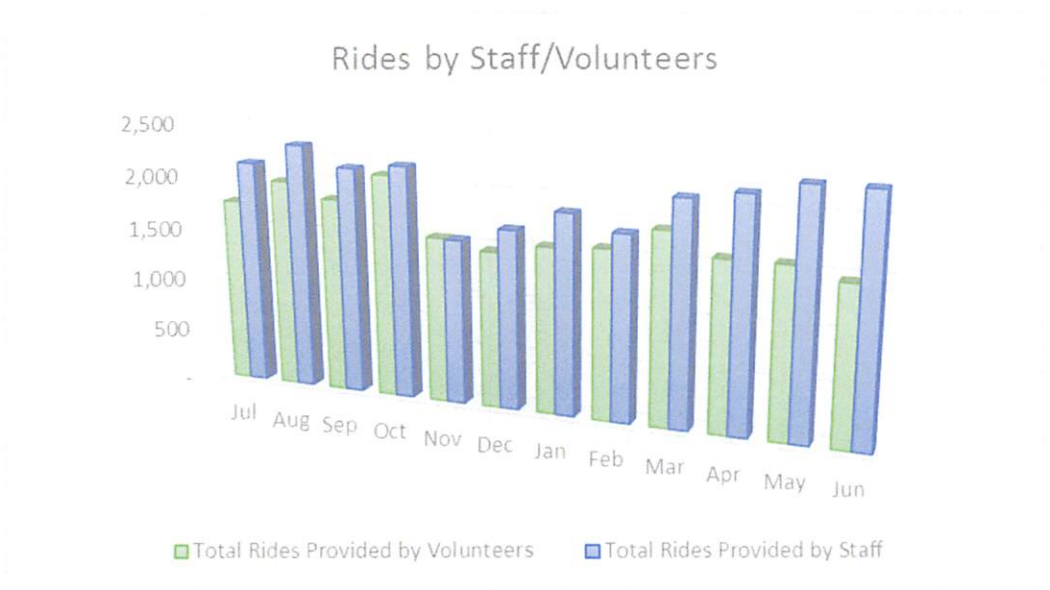
Although we do not require payment for the rides provided, we do request a donation of \$3.50 per ride. During the year, the average payment received was \$1.45 for a total of \$72,253.

Average length of ride has stabilized and continues to be 10.75 miles per ride. This is an increase over the 2 preceding years when it was 10.38 in the 2015/2016 fiscal year and 9.64 in the 2014/2015 fiscal year. Our drivers logged 478,656 miles in 2017/2018.

The one of the most challenging expenses to budget for transportation is the cost of fuel. Total fuel expense for the fiscal year was \$104,707. Our vehicles averaged 11.49 miles per gallon.



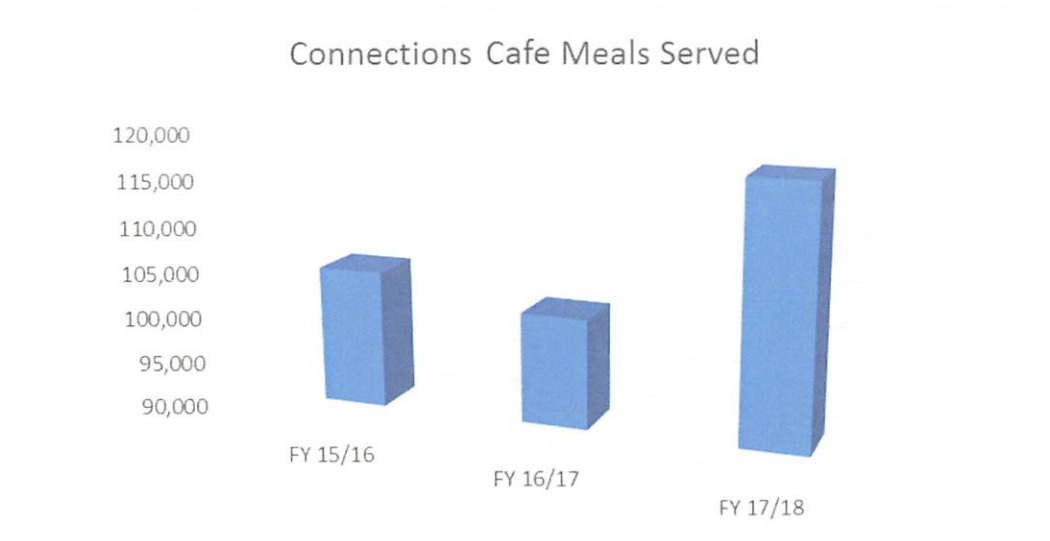
Our vehicles were on the road for 31,021 hours and the average time per trip is 42 minutes. We schedule 2 trips per hour, however, due to cancellations we provide 1.5 trips per hour. 45% of the rides July-June were provided by our volunteers.



Nutrition

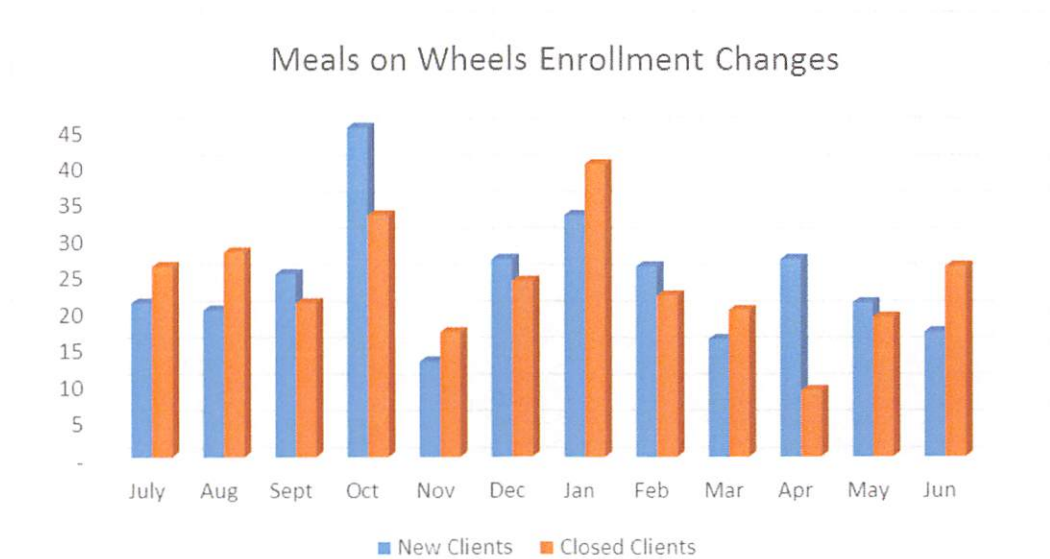
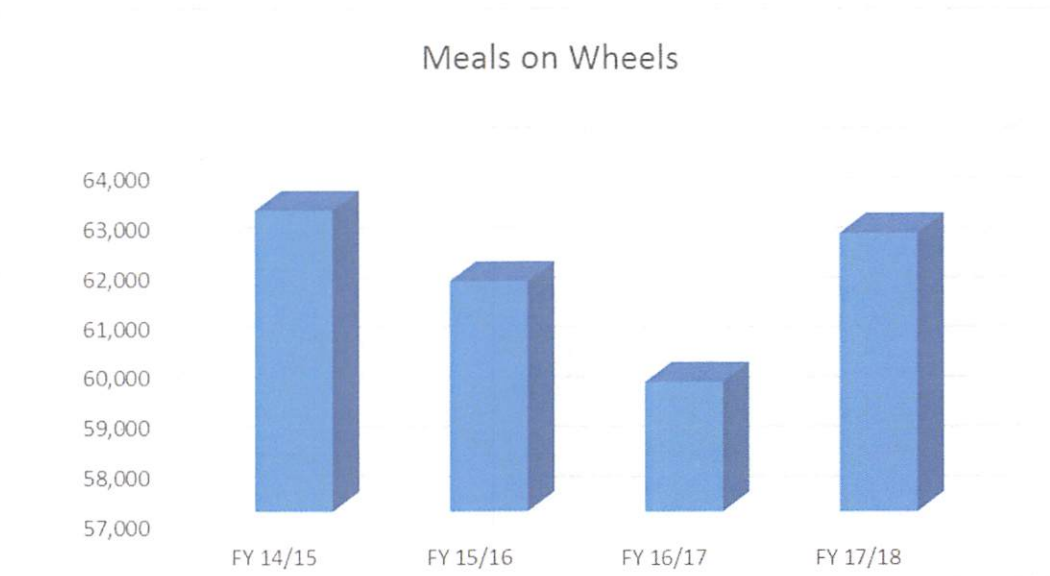
Connections Cafe

During the year we served 117,838 meals. In addition to the goal of reaching more diners and serving more meals, the focus has been on increasing quality, implementation of a scratch kitchen and the reduction of waste. The cost of total food waste for the year was \$55,095, the prior year ended at \$69,744 – net improvement of \$14,649. Waste continues to be an area of focus. Most of the existing sites have not required reservations and it is a difficult transition. All new sites have been implemented as reservation only.



Meals on Wheels

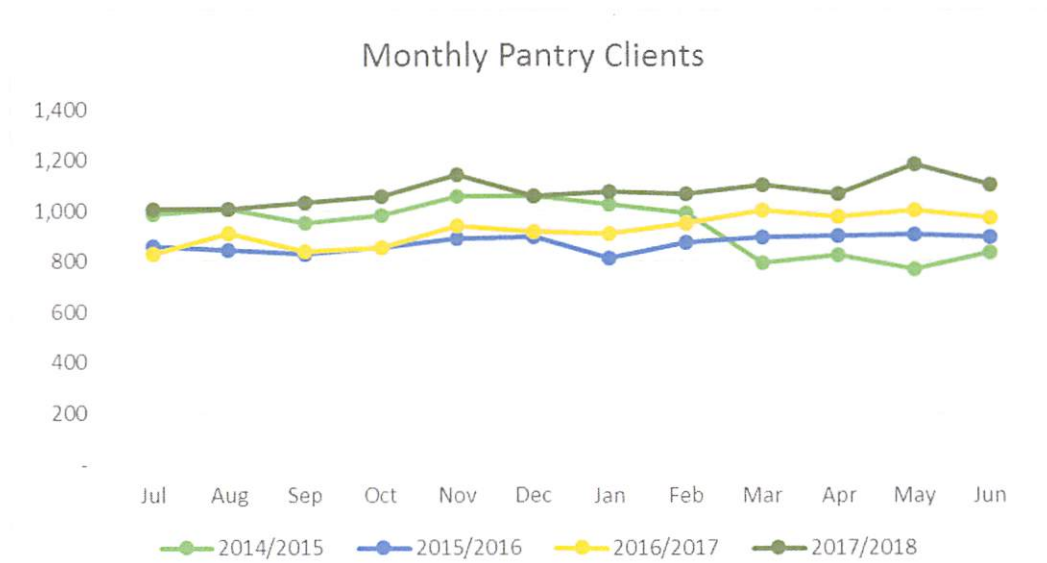
Meals on Wheels quality was an issue for a period of time, but that issue has been resolved and participation in the program is growing. The final number delivered for the year was 62,596, this total is a 2,993 increase over the previous year. We recently received a CDBG grant for Meals on Wheels expansion which will result in significant growth for 2018/2019.



Senior Assistance

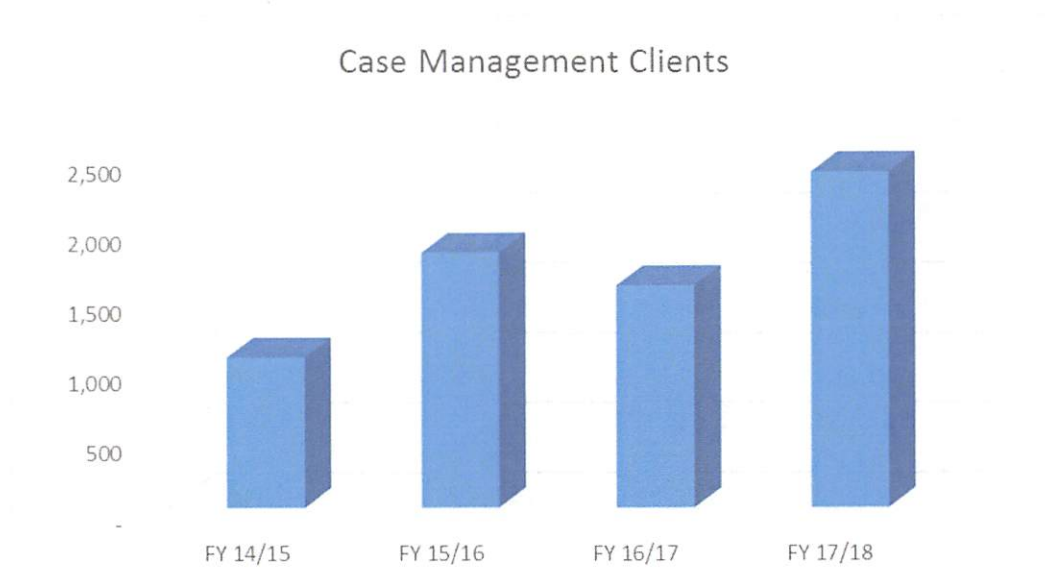
Pantry

The distribution of commodities boxes increased from 9,673 in 2016/2017 to 10,917 in 2017/2018. The Emergency Food Assistance Program (TEFAP) increased from 10,425 to 11,410 bags distributed year to year. We do not have control over what we receive for these programs and the fluctuations can impact the number of clients served. Although the number of clients served this year exceed last year, the monthly average was higher than in 2016/2017.



Case management

The Case Management Program has several diverse areas of service. The general services address benefit issues, financial challenges, housing and utilities. In addition, special focus is given to elder abuse and behavioral issues and concerns.



The case managers received 230 requests for financial assistance and 201 of these requests were granted. The total emergency assistance for the year was \$55,306. 132 of these requests were related to housing/rent/moving assistance. 268 people received a total of \$97,955 in COPE assistance for their utilities.

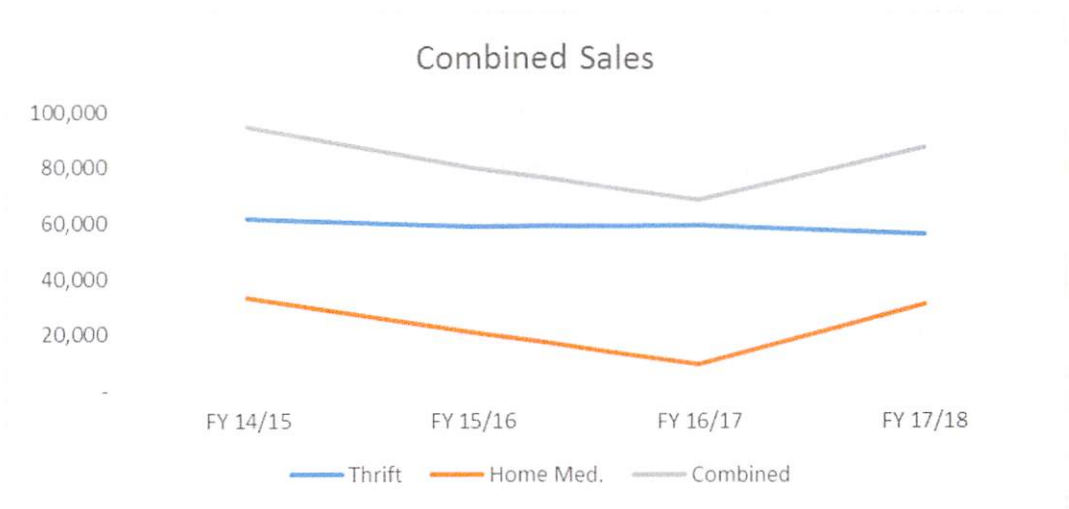
We ended the year with 28 wards through guardianship, providing a total of 1,850 hours during the year.

In addition to providing these services to our clients, the case management team leads the Pikes Peak Elder Abuse Coalition and participates as active members on the Colorado Coalition for Elder Rights and Abuse Prevention.

The Information and Referral staff responded to 26,479 calls.

Retail

Combined thrift and home medical equipment sales ended the year at 87,087 which is an \$18,532 gain over last year. The increase is primarily in home medical sales, thrift remained relatively flat. Marketing will be focusing on increasing community awareness, both to increase donations and sales.



**Silver Key Senior Services
CEO Report – August 2018**

July/August Highlights

- Phase one of Edson Foundation
- Hired Director of Development and Donor Relations
- Board Orientation

Development

A new Director of Development and Donor Relations was hired in August. Derek Wilson was previously with the Salvation Army.

During the month of July, we received 109 donations, had 3 new donors and 5 of our donations were \$1,000 or greater.

Capital Campaign:

Raised/Pledged to Date: \$4,910,530

Left to Raise: \$589,470

Events:

Rockin' has \$69,500 committed in sponsorship

Silent and Live Auction items are coming in; the online auction will open August 13, 2018

Grants:

To date since January 1, 2018, 38 grant applications or grant funding requests/Letters of Interest have been submitted for a total of \$3,200,580; of those, \$2,004,590 has been approved. 15 applications are pending approval (or other action.) Only five rejections have been received for various reasons. Research into new grant sources is continually underway.

RNR Foundation	Case Mng. Housing Navig.	107,000	Letter proposal/revision underway for Aug. resubmittal
DHL Foundation	Feas/Docs for Afford Hs.	50,000	Letter proposal submitted
Bank of AZ Foundation	MOW	7,500	NEW funding source
USAA Foundation	Veterans rides	25,000	Focus on just veterans
CSHealth Foundation w/UCCS Aging Ctr	SOS funding, 4 areas	91,350	Joint grant appl. w/UCCS -2 yr. funding
Credit Union of Colorado Foundation	Case Management	2,000	Prior range of gift: \$1500
American Fam. Ins Dreams Foundation	Food Pantry	10,000	NEW funding source

Grant applications currently in progress for August submission:

- Chapman Foundation: General Operating, \$50,000, due 9/1
- Edmondson Foundation: General Operating, \$15,000, due 9/1
- NEW, by invitation – VA Choose Home, 3 yr. \$380,000 min., due 8/30
- Nat'l Council on Aging – Benefits Center. Due 8/28
- AEC Trust-NEW source – Case Management. TBD
- Many other smaller “blue sky” foundations and a few big September deadlines

Marketing

Marketing has implemented all of the new service names, including the addition of Silver Key Home Delivered Meals. Home Delivered Meals service is \$5.75 per meal with two menu selections to choose from. Meals on Wheels service features one low-sodium, nutritious meal per day and will continue to be provided to low-income seniors who need funding support. Both are delivered by our friendly volunteers.

We have been working with partners to update all Silver Key service names and descriptions in their publications, websites, and online directories and to be represented in all appropriate areas.

Marketing is in the process of updating the Silver Key logo on organizational sites and materials as they are ready to be printed/reprinted.

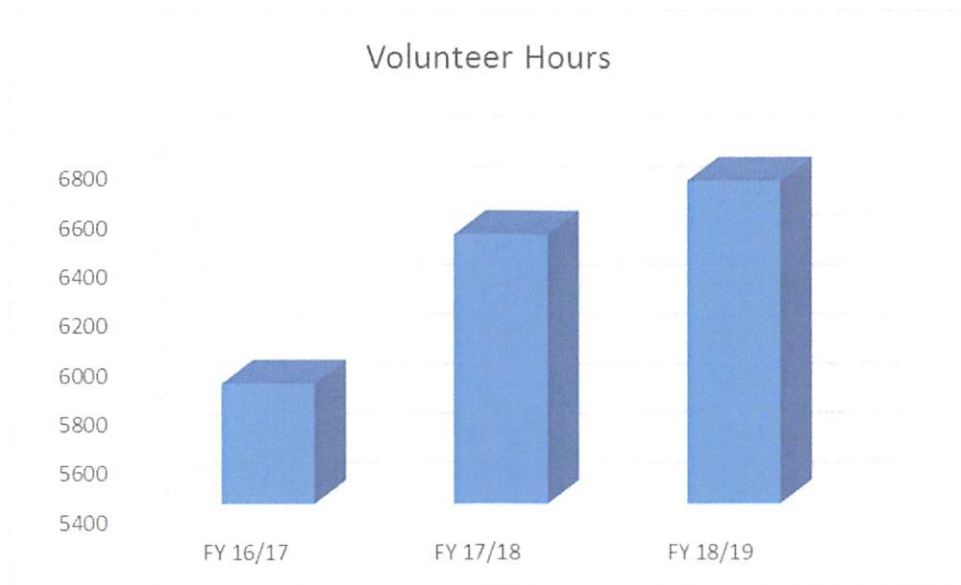
Public Relations

- Silver Key Connections Café:
 - Working with Pikes Peak Publishing for an article in their four community publications (Cheyenne Edition, Woodmen Edition, Tri-Lakes Tribune, and Pikes Peak Courier (Teller County))
 - Pikes Peak Senior News magazine article for September distribution
 - BBB Age-Friendly Newsletter article
 - Seniors Blue Book Enewsletter article
- Silver Key food pantry donation request:
 - KOAA interview with Pat Ellis on 7/31/18
- New hire (Val Anders):
 - Gazette Mover and Shaker
 - Seniors Blue Book Enewsletter
- Silver Key featured on [El Pomar's story of impact blog](#)
- Silver Key mentioned as partner in various publication articles about the NextFifty initiative grant awarded to UCCS Aging Center

General Operations

Volunteers

517 volunteers provided services in July for a total of 6,713 hours. This has a financial value of \$25.10 per hour for a total of \$168,496. Last year during July, we received 6,494 hours of volunteer support.

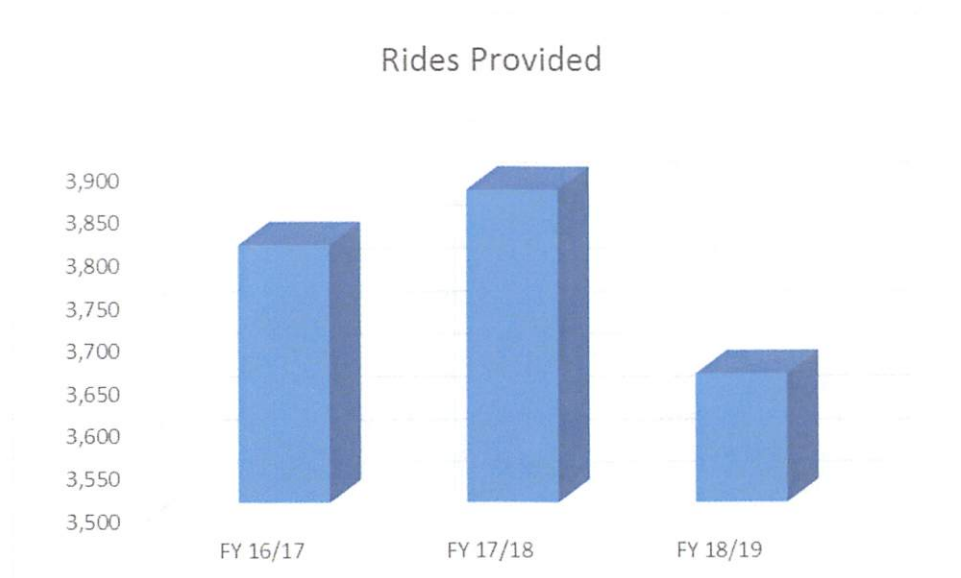


Reserve and Ride (Transportation)

The Mountain Metro call center officially began operations in July. All rides that are funded through the City/PPRTA are required to go through their reservationists. The first month was a challenge, but we are working through some of the issues with them. Currently the software that will interface between their software and ours has not been installed, so the process is manual. We are optimistic that this process will improve.

A significant change in the current contract with the City/PPRTA is how they are paying for rides. In the past distance was not a factor, but now they pay for the rides based on mileage bands. Financially this is positive for us, however, it does result in fewer trips for the clients as the cost per trip is higher and impacts the total number of trips that are funded.

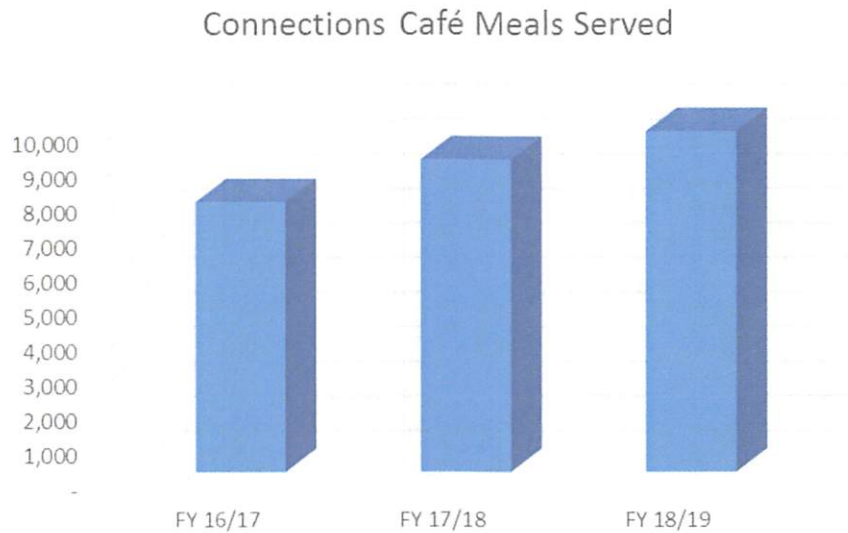
We provided an average of 174 rides per day in July, with a total of 3,651 rides, 61% being assisted. During the month we were unable to meet the request of 658 rides. 1,582 rides were medical/dialysis and 794 for groceries. A total of 491 people participated in the transportation program. Transportation volunteers provided 40% of the rides in July.



Nutrition

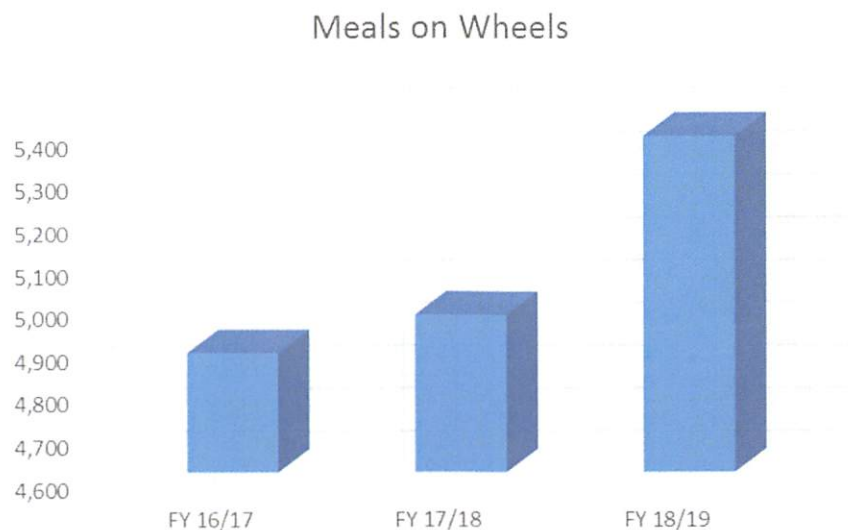
Connections Café (Golden Circle)

During the month of July we served 9,841 meals compared to 9,023 last July. We are continuing to pursue additional locations for the meal program in the Northeast area of Colorado Springs.



Meals on Wheels

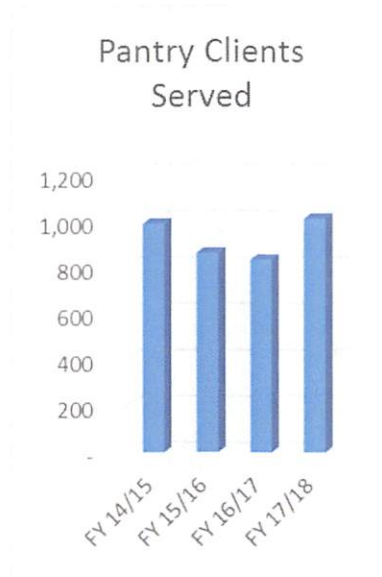
5,385 meals were delivered in July – an increase of 418 meals over last July. 251 people are enrolled in the program, 19 new in July. On average we delivered 245 meals per day.



Senior Assistance Services

Pantry

During the month of July 895 commodities boxes, 23 emergency food bags and 951 emergency food assistance bags were distributed to 1,877 individuals. Currently 2,273 unduplicated individuals are enrolled in pantry programs.



Case Management

The case managers provided services to 62 unduplicated new clients during the month of July. Total clients served and cases worked for the month was 136. In addition, they received 39 SOS calls resulting in 11 intakes to the program.

The Calls of Reassurance volunteers provided services to calls to 26 program participants.

15 individuals contacted case management requesting emergency financial assistance – 6 for rent, 2 for medical. 15 of the requests were approved for a total of \$4,496. In addition, 29 people received COPE assistance of \$8,783.

Guardianship

There are currently 27 active wards enrolled in our Guardianship Program. In addition, we are the Financial Representative for 19 and have Power of Attorney for 5 individuals.

We are addressing a difficult case at this time which may result in legal action. We have a guardianship client who is the beneficiary of a trust established by his father’s will. The current value of the trust is approximately \$157,500. Two individuals have been serving as co-trustees: an attorney in Limon and the client’s ex-sister-in-law. Over the 25 years since the client’s father’s death, only \$6,600 has been distributed to our client, while the co-trustees have received over \$40,000 in “fiduciary fees.”

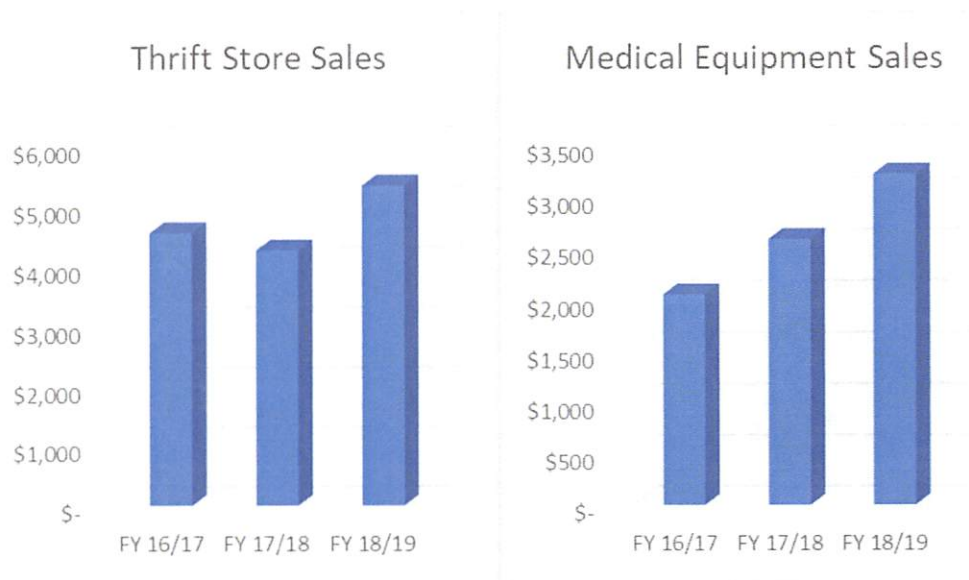
Until last month, there had never been an accounting for the trust (even though the will stated that there should be annual accountings). After several conversations with Silver Key’s counsel (Wayna Marshall, an elder law attorney), the attorney in Limon sent what he called an “Accounting,” but it is woefully inadequate.

Ms. Marshall has prepared a draft of a petition (to be filed in Lincoln County, where the trust is registered) to remove these two individuals as trustees and have a professional fiduciary appointed to replace them. The petition may seek additional relief (e.g., a return of the fees paid over the years when no real services were being performed to benefit our guardianship client).

Ms. Marshall will be filing a motion with the probate court here in El Paso County asking for an order clarifying the authority of Silver Key as R.J.’s guardian to prosecute the action in Lincoln County. We anticipate that motion being filed within the next week or two. Once we have that order in hand, we will proceed with the action against the co-trustees.

Retail

Sales and donations are increasing as people learn where we are located. Durable Medical Equipment sales have slowed due to the need for a new hub scrub, which sterilizes the equipment. Thrift revenues in July were \$5,337, which is a \$1,076 increase over last year. Durable Medical sales ended at \$3,219 compared to \$2,590 last July.





**FY 2018 - 2019
Budget**

**Board of Directors
8/21/2018**

Silver Key
Statement of Revenues and Expenditures
FY 2018-2019 BUDGET

	(EXCL IN-KIND) ACTUAL FY 16-17	ACTUAL FY 17-18	BUDGET FY 18-19	Change \$	Change %	Comments
OPERATING REVENUE						
DONATIONS	352,439	320,763	374,500	53,737	15.2%	Targeted direct mail campaign
BEQUESTS	388,180	470,826	48,000	(422,826)	-108.9%	Conservative estimate
SPECIAL EVENTS/SPONSORSHIPS	153,476	158,150	188,620	30,470	19.9%	Increase Sponsorships for Rockin
FOUNDATION SUPPORT	438,234	333,841	330,000	(3,841)	-0.9%	
DISTRIBUTIONS FROM TRUSTS	178,241	138,802	129,600	(9,202)	-5.2%	
IN-KIND DONATIONS	-	-	-	-	n/a	
TOTAL DONATIONS/SUPPORT	1,510,571	1,422,382	1,070,720	(351,662)	-23.3%	
GOVERNMENT GRANTS	1,757,188	2,005,174	2,002,534	(2,640)	-0.2%	Increase in services to be reimbursed by Pikes Peak Area Council of Governments/Area Agency on Aging and City grants
OTHER GRANTS	267,337	478,480	855,400	376,920	141.0%	NextFifty Grant awarded \$250,000
TOTAL GRANTS	2,024,525	2,483,654	2,857,934	374,280	18.5%	Grant writer researching and submitting new grant opportunities
PROGRAM FEES	563,967	545,141	708,250	163,109	28.9%	New program - NextFifty/Community Center
RETAIL STORE SALES	81,266	86,184	103,700	17,516	21.6%	Increased marketing: Reserve & Ride, Connection Café, Home Delivered Meals and Senior Assistance
TOTAL PROGRAM REVENUE	645,233	631,325	811,950	180,625	28.0%	Marketing plan to increase Thrift Store sales
OTHER REVENUE/EXPENSE						
MURRY LEASE INCOME	232,720	222,252	206,470	(15,782)	-6.8%	
MURRY LEASE EXPENSE	(65,703)	(45,029)	(76,920)	(31,891)	48.5%	Exterior concrete and asphalt work planned
BENEFICIAL INT IN TRUSTS - CHANGE	453,271	45,942	12,000	(33,942)	-7.5%	Conservative estimate because of the unknown stock market influence on account balances
INVESTMENT INCOME - OPER INV, NET OF FEES	173,582	96,466	24,000	(72,466)	-41.7%	
OTHER INVESTMENT INCOME/EXPENSE	(24,656)	(18,001)	3,000	21,001	-85.2%	Key Benefits - Social Enterprise
DISPOSAL OF FIXED ASSETS	(536)	1,503	-	(1,503)	280.3%	
TOTAL OTHER REVENUE/EXPENSE	768,678	303,133	168,550	(134,583)	-17.5%	
TOTAL REVENUE	4,949,006	4,840,494	4,909,154	68,660	1.4%	
OPERATING EXPENSES						
SALARIES, TAXES AND BENEFITS	2,174,162	2,380,538	2,714,142	333,605	15.3%	Wage adjustments to market/minimum wage and 2 new positions for Community Center to be funded for two years by the NextFifty Grant
CASE MANAGEMENT/EMERGENCY ASST	139,513	136,463	140,550	4,087	2.9%	
TRANSPORTATION	343,566	360,541	415,560	55,019	16.0%	Increased rides, 3 new vehicles, increase in fuel, insurance and maintenance expenses
MEALS ON WHEELS / GOLDEN CIRCLE	618,836	685,298	755,460	70,162	11.3%	
DEVELOPMENT & MARKETING	33,065	37,304	106,404	69,100	209.0%	Marketing and branding plan
PROGRAM SUPPLIES	46,458	49,175	56,508	7,333	15.8%	New program Community Center
OFFICE EXPENSES/SUPPLIES	41,536	42,638	45,300	2,662	6.4%	
OCCUPANCY EXPENSES	247,387	219,813	246,544	26,731	10.8%	
OTHER GENERAL AND ADMINISTRATIVE	180,709	252,296	235,990	(16,306)	-9.0%	Building insurance and Thrift Store rent savings
TOTAL OPERATING EXPENSES	3,825,232	4,164,065	4,716,458	552,393	14.4%	
NET INCOME BEFORE DEPRECIATION	1,123,774	676,430	192,696	(483,734)	-43.0%	
DEPRECIATION AND AMORITIZATION	501,921	522,320	519,545	(2,775)	-0.6%	
NET INCOME (LOSS)	621,853	154,109	(326,849)	(480,958)	-77.3%	
CAPITAL CAMPAIGN INCOME	958,659	460,545	568,800	108,255	11.3%	Close Capital Campaign December 2018
CAPITAL CAMPAIGN EXPENSE	(66,672)	(33,897)	(27,000)	6,897	-10.3%	
TOTAL CAPITAL CAMPAIGN	891,987	426,648	541,800	115,152	12.9%	
TOTAL REVENUE OVER/(UNDER) EXPENSE	1,513,840	580,758	214,951	(365,807)	-24.2%	

CASH FLOW PROJECTIONS

	BUDGET
Net Income (loss) before Capital Campaign	(326,849)
Depreciation and Amortization	519,545
Capital Estimates	
Thrift Store - HUBSCRUB	(12,000)
Technology Assets	(40,600)
2 Vehicles (CDOT reimbursement)	(118,930)
Estimated Net increase (decrease) in cash	21,166



**Financial Package
FY 2018 - 2019
One Month Ending July 31, 2018**



Executive Summary

July 2018 Results: \$21k vs. \$38k budget...Operating income before depreciation \$68,876 vs. \$37,323 budget.

OPERATING RESULTS:

>Donations and Support - July donations and support came in \$60k, 5% over budget. Received notification of an additional \$10k bequests from the Fordyce Estate - distribution expected by September 2018.

>Grants - July came in \$246k, or (16.5%) under budget. Government Grants below budget by \$12k or (7.9%) - PPACG/AAA under budget \$29k because Nutrition Services Incentive Program (NSIP) funding received in June 2018 reduced July reimbursement by \$25k. City of Colorado Springs Funds exceeded budget by \$8k and Pikes Peak RTA Funds exceeded budget by \$10,064. Other Grants below budget (26%) - recognized first year NextFifty grant of \$100k in July

>Program Revenues - July program revenues were below budget (\$6k). Meals on Wheels (MOW) (July -\$27k) and ride donations (July \$3k) below projections. Thrift Store sales right at projections for July. Total July 2018 program fees (\$6k), or (9.7%) under budget.

>Other Revenue - July came in \$21k above budget due to a strong trend in the stock market. Murray lease income and property expenses netting an additional \$3k.

>Payroll & Related Expenses - July came in (\$21k) under budget 9.2% due to open positions. Current employment opportunities: Activity Coordinator, Nutrition Assistant and Cook/Driver

>Operating Expenses - July expenses (\$7) over budget - \$14k Rockin expenses paid during July event August 25th.

>Capital Campaign - YTD the net income from capital campaign is (\$45k) behind budget for July. The remaining amount to raise is \$486k outstanding proposals to ENT and Myron Stratton. Monthly principal and interest payments are \$6k per month, outstanding loan amount \$683k.

Silver Key Senior Services

Statement of Revenues and Expenditures

FY 2018-2019 (Summary)

	Actual YTD 1 Month July 2018	Budget YTD 1 Month July 2018	\$ Variance	% Variance	YTD Annual Budget
OPERATING REVENUE					
DONATIONS	11,665	14,500	(2,835)	-19.6%	374,500
BEQUESTS	10,000	4,000	6,000	150.0%	48,000
SPECIAL EVENTS/SPONSORSHIPS	2,837	2,260	577	25.5%	188,620
FOUNDATION SUPPORT	24,809	26,000	(1,191)	-4.6%	330,000
DISTRIBUTIONS FROM TRUSTS	11,111	10,800	311	2.9%	129,600
IN-KIND DONATIONS	-	-	-	n/a	-
TOTAL DONATIONS/SUPPORT	60,422	57,560	2,862	5.0%	1,070,720
GOVERNMENT GRANTS	143,184	155,475	(12,291)	-7.9%	2,002,534
OTHER GRANTS	102,750	138,900	(36,150)	-26.0%	855,400
TOTAL GRANTS	245,934	294,375	(48,441)	-16.5%	2,857,934
PROGRAM FEES	45,087	50,495	(5,408)	-10.7%	708,250
RETAIL STORE SALES	7,717	8,000	(283)	-3.5%	103,700
TOTAL PROGRAM REVENUE	52,805	58,495	(5,690)	-9.7%	811,950
OTHER REVENUE					
BENEFICIAL INT IN TRUSTS - CHANGE	-	1,000	(1,000)	-100.0%	12,000
INVESTMENT INCOME - OPER INV, NET OF FEES	19,952	225	19,727	8767.8%	24,000
INVESTMENT INCOME - OTHER (Social Enterprise)	(29)	250	(279)	-111.6%	3,000
MURRAY LEASE INCOME, NET	12,791	9,930	2,861	28.8%	129,550
DISPOSAL OF FIXED ASSETS	-	-	-	n/a	-
MISCELLANEOUS INCOME	48,773	-	-	-	-
TOTAL OTHER REVENUE	81,487	11,405	21,309	186.8%	168,550
TOTAL OPERATING REVENUE	440,648	421,835	(29,961)	-7.1%	4,909,154
OPERATING EXPENSES					
SALARIES, TAXES AND BENEFITS	203,064	223,686	(20,622)	-9.2%	2,714,142
CASE MANAGEMENT/EMERGENCY ASST	9,692	11,400	(1,708)	-15.0%	140,550
TRANSPORTATION	26,837	34,875	(8,038)	-23.0%	415,560
MEALS ON WHEELS / GOLDEN CIRCLE	69,308	64,750	4,558	7.0%	755,460
DEVELOPMENT & MARKETING	16,024	5,085	10,939	215.1%	106,404
PROGRAM SUPPLIES	4,352	4,709	(357)	-7.6%	56,508
OFFICE EXPENSES/SUPPLIES	5,214	3,775	1,439	38.1%	45,300
OCCUPANCY EXPENSES	20,523	20,012	511	2.6%	246,544
OTHER GENERAL AND ADMINISTRATIVE	16,758	16,220	538	3.3%	235,990
TOTAL OPERATING EXPENSES	371,771	384,512	(12,741)	-3.3%	4,716,458
NET OPERATING INCOME BEFORE DEPRECIATION	68,876	37,323	31,553	84.5%	192,696
DEPRECIATION AND AMORITIZATION	47,262	43,735	3,527	8.1%	519,545
NET OPERATING INCOME/(LOSS)	21,614	(6,412)	28,026	-437.1%	(326,849)
CAPITAL CAMPAIGN, NET	(91)	45,000	(45,091)	-100.2%	541,800
TOTAL CAPITAL CAMPAIGN, NET	(91)	45,000	(45,091)	-100.2%	541,800
TOTAL REVENUE OVER/(UNDER) EXPENSE	21,524	38,588	(17,064)	-44.2%	214,951

Silver Key Senior Services

Balance Sheet

As of 7/31/2018

(In Whole Numbers)

	<u>Current Year</u>	<u>Prior Year</u>
ASSETS		
CURRENT		
CASH - OPERATING	216,926	37,100
CASH - CAPITAL CAMPAIGN	157,082	265,781
OPERATING RESERVE	34,764	0
ACCOUNTS RECEIVABLE	346,452	394,809
PLEDGES RECEIVABLE	3,988	102,946
PREPAID EXPENSES	101,122	144,253
OTHER CURRENT ASSETS	47,476	235,646
Total CURRENT	<u>907,810</u>	<u>1,180,535</u>
FIXED		
LAND & BUILDINGS	5,114,284	4,884,071
FURNITURE, FIXTURES & EQUIPMENT	1,311,628	1,218,685
VEHICLES	1,347,879	1,189,380
ACCUMULATED DEPR & AMORT	<u>(2,251,187)</u>	<u>(1,885,265)</u>
Total FIXED	<u>5,522,605</u>	<u>5,406,871</u>
OTHER ASSETS		
BENEFICIAL INTEREST IN TRUSTS	4,331,816	4,446,092
INVESTMENTS (OPER RESERVE)	1,117,753	1,331,555
OTHER ASSETS	45,415	41,753
Total OTHER ASSETS	<u>5,494,984</u>	<u>5,819,400</u>
Total ASSETS	<u><u>11,925,399</u></u>	<u><u>12,406,805</u></u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	160,265	115,949
SALARIES PAYABLE	103,332	110,856
ENT CREDIT UNION - RLOC	0	65,000
NOTE PAYABLE CURRENT - ENT CREDIT UNION	54,603	1,215,370
SECURITY DEPOSITS - MURRAY TENANTS	13,420	14,629
DEFERRED REVENUE	67,833	24,000
OTHER LIABILITIES	0	0
Total CURRENT LIABILITIES	<u>399,453</u>	<u>1,545,804</u>
LONG-TERM LIABILITIES		
N/P - ENT CREDIT UNION	629,056	0
LOC - ENT CREDIT UNION	0	0
Total LONG-TERM LIABILITIES	<u>629,056</u>	<u>0</u>
Total LIABILITIES	<u><u>1,028,509</u></u>	<u><u>1,545,804</u></u>
NET ASSETS		
NET ASSETS BEGINNING BALANCE		
	<u>10,875,366</u>	<u>10,316,732</u>
Total NET ASSETS BEGINNING BALANCE	<u>10,875,366</u>	<u>10,316,732</u>
REVENUE OVER (UNDER) EXPENSES		
	<u>21,524</u>	<u>544,269</u>
Total REVENUE OVER (UNDER) EXPENSES	<u>21,524</u>	<u>544,269</u>
Total NET ASSETS	<u><u>10,896,889</u></u>	<u><u>10,861,001</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>11,925,399</u></u>	<u><u>12,406,805</u></u>



**Financial Package
FY 2017 - 2018
12 Months Ending June 30, 2018**



Executive Summary

June 2018 Results: \$82k vs. (\$75k) budget...YTD income \$571k vs. \$30k Budget

OPERATING RESULTS:

>Donations and Support - June donations and support came in \$84k, 36% over budget. YTD donations and support came in \$1.4m within \$3K of budget.

>Grants - June came in \$331k, or 75% over budget. YTD grants \$2.4m, or 10% over budget. Received PPACG contract amendment to purchase kitchen equipment and vehicle, tablets for the transportation department and small increase in some program services. Received additional NSIP funds of \$30k and \$64k CDOT grant to purchase 2 vehicles. Exceeded annual budget by \$220k.

>Program Revenues - June program revenues were below budget (\$4k). Golden Circle meal (YTD-\$13k) and ride donations (YTD \$5k) continue to be below projections. Thrift Store below projections for the year (\$12K). Total YTD program fees (\$22k), or 3.4% under budget.

>Other Revenue - June came in (\$2k) below budget due to the downward trend in the stock market. YTD exceed projection by \$3k with the Murray lease income and property expenses netting an additional \$18k.

>Payroll & Related Expenses - June came in (\$12k) under budget and YTD payroll (\$49k) from budget or 2%. Current employment opportunities: Donor Development/Major Gifts Manager, Activity Coordinator, Nutrition Assistant and Cook/Driver

>Operating Expenses - June expenses (\$12k) from budget, or 3%. YTD operating expenses under budget by (\$130k).

>Capital Campaign - YTD the net income from capital campaign is \$205k ahead of budget. The remaining amount to raise is \$489k outstanding proposals to ENT and Myron Stratton. Monthly principal and interest payments are \$6k per month, outstanding loan amount \$688k.

Silver Key Senior Services

Statement of Revenues and Expenditures

FY 2017-2018 (Summary)

	Actual YTD June 2018	Budget YTD June 2018	\$ Variance	% Variance	YTD Annual Budget
OPERATING REVENUE					
DONATIONS	320,765	353,500	(32,735)	-9.3%	353,500
BEQUESTS	470,826	470,825	1	0.0%	470,825
SPECIAL EVENTS/SPONSORSHIPS	158,150	157,900	250	0.2%	157,900
FOUNDATION SUPPORT	333,841	316,300	17,541	5.5%	316,300
DISTRIBUTIONS FROM TRUSTS	138,802	127,500	11,302	8.9%	127,500
IN-KIND DONATIONS	-	-	-	n/a	-
TOTAL DONATIONS/SUPPORT	1,422,384	1,426,025	(3,641)	-0.3%	1,426,025
GOVERNMENT GRANTS	2,005,173	1,896,260	108,913	5.7%	1,896,260
OTHER GRANTS	478,480	367,360	111,120	30.2%	367,360
TOTAL GRANTS	2,483,653	2,263,620	220,033	9.7%	2,263,620
PROGRAM FEES	545,140	555,370	(10,230)	-1.8%	555,370
RETAIL STORE SALES	86,185	97,850	(11,665)	-11.9%	97,850
TOTAL PROGRAM REVENUE	631,325	653,220	(21,895)	-3.4%	653,220
OTHER REVENUE					
BENEFICIAL INT IN TRUSTS - CHANGE	45,942	72,065	(26,123)	-36.2%	72,065
INVESTMENT INCOME - OPER INV, NET OF FEES	97,973	82,825	15,148	18.3%	82,825
INVESTMENT INCOME - OTHER (Social Enterprise)	(18,001)	(12,580)	(5,421)	43.1%	(12,580)
LEASE INCOME, NET	177,224	159,275	17,949	11.3%	159,275
DISPOSAL OF FIXED ASSETS	1,503	-	1,503	n/a	-
TOTAL OTHER REVENUE	304,641	301,585	3,056	1.0%	301,585
TOTAL OPERATING REVENUE	4,842,003	4,644,450	197,553	4.3%	4,644,450
OPERATING EXPENSES					
SALARIES, TAXES AND BENEFITS	2,380,539	2,429,425	(48,886)	-2.0%	2,429,425
CASE MANAGEMENT/EMERGENCY ASST	136,463	143,705	(7,242)	-5.0%	143,705
TRANSPORTATION	360,541	381,120	(20,579)	-5.4%	381,120
MEALS ON WHEELS / GOLDEN CIRCLE	685,297	697,415	(12,118)	-1.7%	697,415
DEVELOPMENT	46,177	66,930	(20,753)	-31.0%	66,930
PROGRAM SUPPLIES	49,175	50,460	(1,285)	-2.5%	50,460
OFFICE EXPENSES/SUPPLIES	42,638	33,660	8,978	26.7%	33,660
OCCUPANCY EXPENSES	219,812	251,915	(32,103)	-12.7%	251,915
OTHER GENERAL AND ADMINISTRATIVE	253,804	250,220	3,584	1.4%	250,220
TOTAL OPERATING EXPENSES	4,174,447	4,304,850	(130,403)	-3.0%	4,304,850
NET OPERATING INCOME BEFORE DEPRECIATION	667,556	339,600	327,956	96.6%	(432,810)
DEPRECIATION AND AMORITIZATION	522,321	531,145	(8,824)	-1.7%	531,145
NET OPERATING INCOME/(LOSS)	145,235	(191,545)	336,780	-175.8%	(963,955)
CAPITAL CAMPAIGN					
CAPITAL CAMPAIGN, NET	426,649	221,545	205,104	92.6%	221,545
TOTAL CAPITAL CAMPAIGN, NET	426,649	221,545	205,104	92.6%	221,545
TOTAL REVENUE OVER/(UNDER) EXPENSE	571,884	30,000	541,884	1806.3%	30,000

Silver Key Senior Services

Statement of Revenues and Expenditures

FY 2017-2018 (Summary)

	Actual Mo June 2018	Budget Mo June 2018	\$ Variance	% Variance
OPERATING REVENUE				
DONATIONS	27,673	22,500	5,173	23.0%
BEQUESTS	-	-	-	n/a
SPECIAL EVENTS/SPONSORSHIPS	5,717	2,800	2,917	104.2%
FOUNDATION SUPPORT	30,849	26,300	4,549	17.3%
DISTRIBUTIONS FROM TRUSTS	20,257	10,600	9,657	91.1%
IN-KIND DONATIONS	-	-	-	n/a
TOTAL DONATIONS/SUPPORT	84,496	62,200	22,296	35.8%
GOVERNMENT GRANTS	328,682	181,890	146,792	80.7%
OTHER GRANTS	3,146	8,300	(5,154)	-62.1%
TOTAL GRANTS	331,828	190,190	141,638	74.5%
PROGRAM FEES	43,399	48,035	(4,636)	-9.7%
RETAIL STORE SALES	8,343	9,000	(657)	-7.3%
TOTAL PROGRAM REVENUE	51,742	57,035	(5,293)	-9.3%
OTHER REVENUE				
BENEFICIAL INT IN TRUSTS - CHANGE	-	-	-	n/a
INVESTMENT INCOME - OPER INV, NET OF FEES	(1,685)	2,025	(3,710)	-183.2%
INVESTMENT INCOME - OTHER	(29)	-	(29)	n/a
LEASE INCOME, NET	13,323	12,440	883	7.1%
DISPOSAL OF FIXED ASSETS	-	-	-	n/a
TOTAL OTHER REVENUE	11,609	14,465	(2,856)	-19.7%
TOTAL OPERATING REVENUE	479,675	323,890	155,785	48.1%
OPERATING EXPENSES				
SALARIES, TAXES AND BENEFITS	193,884	206,655	(12,771)	-6.2%
CASE MANAGEMENT/EMERGENCY ASST	10,070	11,650	(1,580)	-13.6%
TRANSPORTATION	40,929	31,545	9,384	29.7%
MEALS ON WHEELS / GOLDEN CIRCLE	61,312	68,950	(7,638)	-11.1%
DEVELOPMENT	2,768	4,250	(1,482)	-34.9%
PROGRAM SUPPLIES	5,900	3,800	2,100	55.3%
OFFICE EXPENSES/SUPPLIES	2,652	2,400	252	10.5%
OCCUPANCY EXPENSES	18,004	19,200	(1,196)	-6.2%
OTHER GENERAL AND ADMINISTRATIVE	13,848	13,325	523	3.9%
TOTAL OPERATING EXPENSES	349,367	361,775	(12,408)	-3.4%
NET OPERATING INCOME BEFORE DEPRECIATION	130,308	(37,885)	168,193	-444.0%
DEPRECIATION AND AMORITIZATION	45,249	43,915	1,334	3.0%
NET OPERATING INCOME/(LOSS)	85,059	(81,800)	166,859	-204.0%
CAPITAL CAMPAIGN				
CAPITAL CAMPAIGN, NET	(2,331)	6,300	(8,631)	-137.0%
TOTAL CAPITAL CAMPAIGN, NET	(2,331)	6,300	(8,631)	-137.0%
TOTAL REVENUE OVER/(UNDER) EXPENSE	82,728	(75,500)	158,228	-209.6%

Silver Key Senior Services

Statement of Revenues and Expenditures

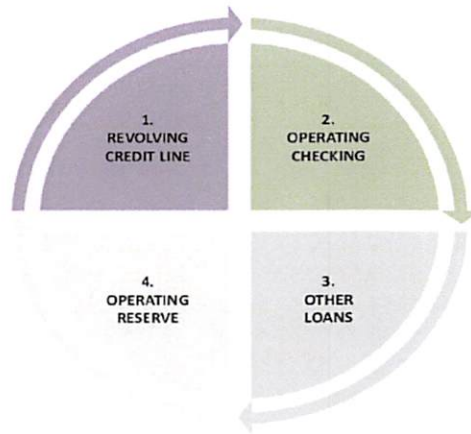
FY 2017-2018 ACTUAL

	Jul 2017	Aug 2017	Sep 2017	Oct 2017	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018	Jun 2018	YTD	Budget YTD
OPERATING REVENUE														
DONATIONS	8,913	18,406	8,733	14,632	26,770	103,656	52,142	16,500	9,350	22,878	11,112	27,673	320,765	353,500
BEQUESTS	470,063	763	-	-	-	-	-	-	-	-	-	-	470,826	470,825
SPECIAL EVENTS/SPONSORSHIPS	2,000	4,250	119,900	517	2,079	2,079	6,200	6,200	6,200	2,908	100	5,717	158,150	157,900
FOUNDATION SUPPORT	26,300	26,300	26,600	26,700	26,300	26,400	39,292	25,882	26,836	25,191	27,192	30,849	333,841	316,300
DISTRIBUTIONS FROM TRUSTS	10,687	10,687	10,614	10,687	10,687	10,631	10,689	10,689	11,779	10,699	10,699	20,257	138,802	127,500
IN-KIND DONATIONS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DONATIONS/SUPPORT	517,962	60,406	165,847	52,536	65,836	142,765	108,322	59,270	54,165	61,676	49,103	84,496	1,422,384	1,426,025
GOVERNMENT GRANTS	164,870	138,436	149,745	174,691	210,705	119,386	138,099	126,997	137,035	179,743	136,783	328,682	2,005,173	1,896,260
OTHER GRANTS	110,298	2,011	4,290	36,369	76,571	52,208	1,250	48,150	47,564	85,123	11,500	3,146	478,480	367,360
TOTAL GRANTS	275,168	140,447	154,035	211,060	287,276	171,594	139,349	175,147	184,600	264,866	148,283	331,828	2,483,653	2,263,620
PROGRAM FEES	44,994	47,077	42,314	53,828	42,854	49,135	44,675	41,542	47,210	43,362	44,750	43,399	545,140	555,370
RETAIL STORE SALES	6,965	7,736	7,156	7,048	6,800	6,856	7,169	6,287	8,017	6,780	7,029	8,343	86,185	97,850
TOTAL PROGRAM REVENUE	51,959	54,813	49,469	60,876	49,654	55,991	51,844	47,830	55,227	50,142	51,779	51,742	631,325	653,220
OTHER REVENUE														
BENEFICIAL INT IN TRUSTS - CHANGE	-	-	72,064	-	-	6,989	-	-	(33,111)	-	-	-	45,942	72,065
INVESTMENT INCOME - OPER INV, NET OF FEES	25,076	4,212	25,799	14,097	17,292	17,486	32,977	(40,578)	(4,059)	5,981	1,374	(1,685)	97,973	82,825
INVESTMENT INCOME - OTHER (Key Benefits)	(6,024)	(5,705)	(6,535)	(317)	(1,357)	(79)	590	1,327	(29)	186	(29)	(29)	(18,001)	(12,580)
LEASE INCOME, NET	15,095	8,569	20,593	21,209	22,795	21,743	17,559	14,808	9,054	4,014	8,461	13,323	177,224	159,275
DISPOSAL OF FIXED ASSETS	-	-	-	-	-	-	-	-	1,503	-	-	-	1,503	-
TOTAL PROGRAM REVENUE	34,148	7,076	111,921	34,988	38,730	46,139	51,127	(24,443)	(26,641)	10,181	9,806	11,609	304,641	301,585
TOTAL OPERATING REVENUE	879,238	262,742	481,273	359,459	441,496	416,489	350,641	257,804	267,351	386,865	258,971	479,675	4,842,003	4,644,450
OPERATING EXPENSES														
SALARIES, TAXES AND BENEFITS	191,154	201,932	194,557	192,220	191,749	189,298	205,120	193,682	207,571	204,543	214,830	193,884	2,380,539	2,429,425
CASE MANAGEMENT/EMERGENCY ASST	10,587	13,499	8,502	13,872	11,979	14,103	12,978	10,671	11,679	8,179	10,345	10,070	136,463	143,705
TRANSPORTATION	34,497	32,612	36,829	31,161	24,782	31,028	24,801	21,043	28,897	22,792	31,169	40,929	360,541	381,120
MEALS ON WHEELS / GOLDEN CIRCLE	49,956	64,548	54,431	55,341	56,844	57,032	50,477	51,216	64,497	55,751	63,893	61,312	685,297	697,415
DEVELOPMENT	-	1,997	34,976	957	-	110	1,875	826	1,846	171	650	2,768	46,177	66,930
PROGRAM SUPPLIES	2,704	5,033	5,874	6,049	3,687	3,761	2,115	3,350	2,759	3,851	4,092	5,900	49,175	50,460
OFFICE EXPENSES/SUPPLIES	4,102	3,697	3,235	3,279	4,813	3,509	4,140	3,993	4,110	2,190	2,917	2,652	42,638	33,660
OCCUPANCY EXPENSES	26,108	20,656	21,198	23,144	17,722	19,931	16,279	17,368	15,376	6,708	17,318	18,004	219,812	251,915
OTHER GENERAL AND ADMINISTRATIVE	15,211	12,872	15,413	57,080	18,983	31,881	22,469	16,250	20,780	16,812	12,208	13,848	253,804	250,220
TOTAL OPERATING EXPENSES	334,320	356,846	375,014	383,103	330,558	350,651	340,254	318,400	357,515	320,997	357,422	349,367	4,174,447	4,304,850
NET OPERATING INCOME BEFORE DEPRECIATION	544,918	(94,104)	106,259	(23,644)	110,938	65,838	10,387	(60,596)	(90,164)	65,868	(98,451)	130,308	667,556	339,600
DEPRECIATION AND AMORITIZATION	44,600	44,642	44,698	44,698	46,555	43,485	41,231	41,231	41,308	42,438	42,185	45,249	522,321	531,145
NET OPERATING INCOME	500,317	(138,746)	61,561	(68,342)	64,383	22,353	(30,845)	(101,827)	(131,472)	23,430	(140,636)	85,059	145,235	(191,545)
CAPITAL CAMPAIGN, NET	43,951	4,361	100,226	(639)	8,680	39,709	6,298	22,017	2,767	102,036	99,573	(2,331)	426,649	221,545
TOTAL CAPITAL CAMPAIGN, NET	43,951	4,361	100,226	(639)	8,680	39,709	6,298	22,017	2,767	102,036	99,573	(2,331)	426,649	221,545
TOTAL REVENUE OVER/(UNDER) EXPENSE	544,269	(134,386)	161,788	(68,981)	73,063	62,062	(24,547)	(79,810)	(128,705)	125,466	(41,063)	82,728	571,884	30,000

Silver Key Senior Services
Balance Sheet
As of 6/30/2018
(In Whole Numbers)

	<u>Current Year</u>	<u>Prior Year</u>
ASSETS		
CURRENT		
CASH - OPERATING	141,957	113,220
CASH - CAPITAL CAMPAIGN	156,515	265,141
OPERATING RESERVE	110,153	9,902
ACCOUNTS RECEIVABLE	436,595	247,115
PLEDGES RECEIVABLE	9,352	71,071
PREPAID EXPENSES	81,890	147,912
OTHER CURRENT ASSETS	<u>37,573</u>	<u>235,646</u>
Total CURRENT	974,036	1,090,006
FIXED		
LAND & BUILDINGS	5,114,088	4,558,745
FURNITURE, FIXTURES & EQUIPMENT	1,303,188	1,216,165
VEHICLES	1,347,879	1,189,380
ACCUMULATED DEPR & AMORT	<u>(2,201,497)</u>	<u>(1,840,664)</u>
Total FIXED	5,563,659	5,123,626
OTHER ASSETS		
BENEFICIAL INTEREST IN TRUSTS	4,331,816	3,988,722
INVESTMENTS (OPER RESERVE)	1,098,144	1,628,676
OTHER ASSETS	<u>43,894</u>	<u>38,201</u>
Total OTHER ASSETS	5,473,853	5,655,599
Total ASSETS	<u><u>12,011,548</u></u>	<u><u>11,869,231</u></u>
LIABILITIES		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	167,254	143,110
SALARIES PAYABLE	101,001	114,840
ENT CREDIT UNION - RLOC	0	40,000
NOTE PAYABLE CURRENT - ENT CREDIT UNION	50,364	1,215,370
SECURITY DEPOSITS - MURRAY TENANTS	13,420	14,629
DEFERRED REVENUE	153,100	24,550
OTHER LIABILITIES	<u>0</u>	<u>0</u>
Total CURRENT LIABILITIES	485,139	1,552,499
LONG-TERM LIABILITIES		
N/P - ENT CREDIT UNION	637,793	0
LOC - ENT CREDIT UNION	<u>0</u>	<u>0</u>
Total LONG-TERM LIABILITIES	637,793	0
Total LIABILITIES	<u><u>1,122,932</u></u>	<u><u>1,552,499</u></u>
NET ASSETS		
NET ASSETS BEGINNING BALANCE		
	<u>10,316,732</u>	<u>8,803,192</u>
Total NET ASSETS BEGINNING BALANCE	10,316,732	8,803,192
REVENUE OVER (UNDER) EXPENSES		
	<u>571,884</u>	<u>1,513,540</u>
Total REVENUE OVER (UNDER) EXPENSES	571,884	1,513,540
Total NET ASSETS	<u><u>10,888,616</u></u>	<u><u>10,316,732</u></u>
TOTAL LIABILITIES & NET ASSETS	<u><u>12,011,548</u></u>	<u><u>11,869,231</u></u>

Silver Key - Operating Reserve Tracking



Month	RLOC Balance (paid off)		Operating Cash (\$250k bal)		Other Loans (paid off)		Operating Reserve (Inv) (\$2.5M bal)	
Jun 2017	40,000	X	122,914	X	1,215,370	X	1,628,676	X
Jul 2017	65,000	X	36,891	X	1,215,370	X	1,331,555	X
Aug 2017	-	✓	97,439	X	1,215,370	X	1,335,746	X
Sep 2017	100,000	X	147,775	X	1,115,370	X	1,361,526	X
Oct 2017	-	✓	179,728	X	1,115,370	X	1,074,619	X
Nov 2017	-	✓	228,442	X	1,152,269	X	1,091,270	X
Dec 2017	-	✓	365,666	✓	1,050,000	X	1,117,832	X
Jan 2018	-	✓	424,524	✓	1,050,000	X	1,140,486	X
Feb 2018	-	✓	350,358	✓	900,000	X	1,099,552	X
Mar 2018	-	✓	395,422	✓	900,000	X	1,095,077	X
Apr 2018	-	✓	262,132	✓	896,210	X	1,099,190	X
May 2018	-	✓	311,236	✓	692,254	X	1,100,230	X
Jun 2018	-	✓	252,110	X	688,157	X	1,098,144	X

SILVER KEY SENIOR SERVICES, INC.

CAPITAL CAMPAIGN - OVERVIEW

6/30/2018

Source of Funds:

156,515	Cash - Capital Campaign Account - Kirkpatrick
29,352	Pledges Receivable*
489,002	Left to Raise (Grants submitted ENT and Myron Stratton)
<u>674,869</u>	TOTAL SOURCES

Use of Funds:

(25,000)	Murray - final bill for build out
(25,000)	Donor Appreciation Signage
(36,000)	HVAC units (x3) est. - to be used as current units fail
(688,157)	ENT Loan - Principal Balance
<u>(749,157)</u>	TOTAL USES
<u>(74,288)</u>	NET OVER/(UNDER)**

***Pledges Receivable**

14,352	Pledges Receivable per books
5,000	Bequest receivable: Fleenor estate
10,000	Bequest receivable: Fordyce estate
<u>29,352</u>	

****Amounts to be used for interest-carry on building loan**

Funding by Category

	FY 2016-17		FY 2017-18	
GOV'T GRANTS	39,192.00	0.7%	153,148.80	2%
GOV'T CONTRACTS	1,717,995.60	29.3%	1,852,024.87	30%
Misc Grants	267,337.41	4.6%	478,480.45	8%
SK FOUNDATION	738,234.00	12.6%	330,245.00	5%
EVENTS	153,476.01	2.6%	158,150.05	3%
INDIVIDUAL CONTRIB	1,372,131.40	23.4%	976,331.11	16%
FEES/EARNED INC	877,953.03	15.0%	852,839.25	14%
WORKPLACE GIVING	-	0.0%		0%
IN KIND CONTRIB	702,891.40	12.0%	1,431,786.63	23%
TOTAL:	5,869,210.85	100.0%	6,233,006.16	100.0%
Capital Campaign & Other	814,930.27		549,670.36	
Total Income	6,684,141.12		6,782,676.52	

Silver Key Senior Services
Program Funding Sources

PROGRAM:	FUNDING SOURCES	PAYS FOR	NOTES:
Transportation	PPACG AAA	Trips (Cost per Unit) Trips (Cost per Unit) Trips (Cost per Unit)	Assisted Trips Unassisted Trips Visually Impaired Trips
	City of Colorado Springs	Trips (Cost per Unit)	Trips above and beyond Mtn Metro Service
	Pikes Peak RTA (Rural Transit Authority)	Trips (Cost per Unit)	Trips above and beyond Mtn Metro Service within the RTA area.
	El Paso County CDBG (Community Development Block Grant)	Driver position	Driver position; ends Oct 2018
Congregate Meals (Golden Circle)	PPACG AAA	Meals (Cost per Unit)	Congregate Meals
NSIP - Nutrition Services Incentive Program)	OAA Funding - pass thru PPACG AAA	Food	Must be 100% US produced food
Nutrition Counseling	PPACG AAA	Contact w/Client	Required due to providing Congregate Meals
Nutrition Education	PPACG AAA	Education Piece (Cost per Unit)	Required due to providing Congregate Meals and Home Delivered Meals
Home Delivered Meals (HDM)	PPACG AAA	Meals (Cost per Unit)	Geographically Isolated/Homebound
Meals on Wheels	Client Fees SK FDN EA Private Grants	Meals (Cost per Unit) Meals (Cost per Unit) Operating costs	SK imposed client restrictions
Food Pantry	Care and Share - CSFP, TEFAP		Gov't food programs supplied by Care & Share Community Donations SK funds if available/needed
Case Management	PPACG AAA	Unit of Svc (Cost per Unit) 1 hr = 1 Unit, can bill in 1/4 hr	Client Assessment required
	Private Grants	personnel costs	
SK SOS Screening & Evaluation	PPACG AAA	Unit of Svc (Cost per Unit) 1 hr = 1 Unit, can bill in 1/4 hr	Client Assessment required
SK SOS Education	PPACG AAA Private Grants	Education Training = Unit Case Manager position	Elder abuse/mental illness training



Concept Proposal



WISE MATÉ

A Social Enterprise for Silver Key

Devin Quach
Georgie Nahass
John Bowes
Isabella Goodman

UCCS
CC
USAFA
PPCC

Executive Summary

Through the Quad Innovation Partnerships' 2018 Summer Intensive, this team of students from CC, PPCC, UCCS and USAFA developed this detailed concept proposal for a social enterprise called Wise Mate to better leverage the existing assets of Silver Key to deepen the organization's impact through new revenue, employment opportunities for low-income seniors and other benefits to its target demographics. Wise Mate is a Yerba Mate beverage product concept delivering a high volume and low cost product that will serve a rapidly growing market.

In developing this concept, the team first assessed existing, underutilized assets that could play a role in a new social enterprise operation, specifically the organization's commercial kitchen. The kitchen is currently operated from 6AM to 2:30PM daily to produce meals for seniors in various forms in order to fulfill Silver Key's mission, but is not in use the rest of the day. The kitchen ultimately sits idle for 6,000 hours each year.

Within the kitchen are many additional assets including six ovens, two walk-in fridges, one walk-in freezer, two 60-quart soup kettles, and two 40-quart tilt skillets. A Yerba Mate brewing operation is proposed to utilize the soup kettles, tilt skillets, fridges, and freezer. Opportunities exist to expand the product line with Mate-infused baked goods that would utilize the ovens as well.

Formerly a specialty product only widely known in South America, Yerba Mate is quickly becoming a mainstay of the American market. According to Worldwide Market Reports, Yerba Mate is "prognosticated for a ravishing growth by 2023" and even companies like Wal-Mart are beginning to carry Mate products. The potential in Mate is massive, and pairing this with the social mission of Silver Key creates a great brand and product combination.

As detailed within this report, Silver Key will have to incur some expenses in order to develop a bottling facility, estimated at about \$7,000 for the recommended setup. There is already an empty spare room adjacent to the kitchen, so costs are primarily confined to basic equipment not already in the kitchen's inventory. The facility's capacity to house bottling operations means everything can fit within Silver Key's existing space, which also allows for easier transport of product into the retail and wholesale market. Silver Key already owns a fleet of delivery vehicles with sufficient capacity to serve Wise Mate's forecasted needs. The excess of accessible workers and management from Silver Key directly impacts operating efficiency and cost, and will allow adequate benchmarking of facility conditions and measurement of performance.

After thorough evaluation of the existing framework and assets available at Silver Key, this team believes Wise Mate is the best option available to incorporate all aspects of the underutilized kitchen and help fulfill the social mission of Silver Key. This business case analysis includes market research, a thorough list of alternatives, stakeholder analysis, cost/benefit analyses, potential unforeseen risks, as well as extensive marketing recommendations.

Preliminary financial analysis reveals Mate to be a viable product. The analysis contained within this report focuses on the ease of break even. Additional analysis is recommended to better understand the true profit potential in the total reachable market.

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Introduction:

The principle issue of this business case is finding an innovative and feasible solution for Silver Key's underutilized assets. In order to accomplish this objective, revenue, and eventually a profit, must be generated through use of the underutilized assets. Ideally, the revenue generating operation would also hire low income seniors in order to further Silver Key's social mission.

The primary asset within the scope of this business case is the commercial kitchen, which is unused approximately 6,000 hours a year. Additional assets include delivery trucks, human capital, vacant space and potential loans, which were also within the scope of this case.

Decision Methodology:

In determining creative and viable solutions to Silver Key's problem, a number of techniques and processes were used. Notably, the week-long Google Design Sprint as well as PESTLE* analysis generated unique and viable ideas for the problem. The overarching philosophy in applying these tools was to "think outside the oven" in order to break through conventional uses of a commercial kitchen while solving a pressing need or satisfying demand in the community. Some of the most viable of the many ideas considered through this process were:

- Family Box
 - A snack and food delivery system like Blue Apron that allows customers to get convenient, themed boxes delivered directly to their doorstep. Examples of some themed boxes are a date box, movie night box, and picnic box.
- Mechanical Soft
 - Food that is easy to swallow and chew. It appeals primarily to people who are unable to chew and swallow like hospital patients, seniors, and the physically challenged. A solution to this niche was to provide healthy, organic and nutritious meals that aren't provided in the market at this time.
- Mate
 - A natural energy drink made from Yerba Mate leaves that is generally enjoyed in South America. It has about the same amounts of caffeine as a cup of coffee, endorphins as chocolate, and antioxidants as green tea.

*PESTLE analysis incorporates Political, Economic, Social, Technological, Legal and Environmental factors to a problem in order to visualize all relevant aspects of an issue

Decision Matrix

- A decision matrix was used to quantify the product ideas in order to compare and decide on the best possible product.

Factors	Feasibility	Best Use of Assets	Sustainability	Incorporation of SK mission	Total
Weight (1-5)	4	3	2	3	
Family Box (1-5)	2	2	3	1	23
Mechanical Soft (1-5)	3	3	2	4	37
Yerba Mate (1-5)	4	3	4	3	42

- Reasoning of Weights
 - Feasibility
 - An unsustainable product will likely never be profitable and would consume more resources than it generates. It is a critical factor to meet Silver Key's objective, therefore, it was weighted four out of five.
 - Best Use of Assets
 - This was given a three out of five because Silver Key made it evident there were assets being unused within Silver Key that they would like to use.
 - Sustainability
 - The product has to remain marketable and relevant to be successful, but adaptations and flexibility are strong in Silver Key, so it was weighed a two out of five.
 - Incorporation of Silver Key Mission
 - A major component of the brand will be Silver Key's mission, therefore it is an important prerequisite to the business. It was weighed a three out of five because it is important but also not entirely critical.
- Calculation for Total
 - Summation of product's factors multiplied with each factor's weight

Each product was reviewed for each weight listed. Realistically, the family box idea would not be very feasible because it would not be a good use of assets and doesn't

incorporate the Silver Key mission. Mechanical soft did better in the ranking, but ultimately it wouldn't be easy or timely to choose to solely create and sell mechanical soft products.

Recommended Product: Yerba Mate

- Yerba mate was chosen because it was the best way to use multiple assets at once, like the open space and the kitchen. With the structure already in place, it would be quick and easy to produce and sell yerba mate. Also, the market for yerba mate is not saturated, especially locally, and there is already a consumer market established and on the rise. Now is a good time to enter the market.

Stakeholder Impact Analysis:

- Silver Key
 - Operating profits from the social enterprise will go directly to Silver Key to help with their mission and services to assist seniors. Profits can be utilized to support programs that serve the organization's mission.
 - Operating a social enterprise – regardless of product – will benefit Silver Key's reputation as an effective, impactful organization willing to think and act outside the box to realize their mission.
 - Yerba Mate holds potential to significantly leverage existing assets to deliver new revenue sources to Silver Key.
- Senior Citizens
 - By providing an operating subsidy to Silver Key, Yerba Mate holds potential for furthering Silver Key's impact among the region's senior citizens through expanded and/or new programs and services.
 - Bottling and other production-related work can be successfully completed by active seniors, opening part time work opportunities that can lend income and purpose to those who need it.

Product Elements: Pros and Cons Analysis

Yerba Mate is a versatile ingredient that can be produced, packaged and delivered in a variety of ways. This section compares many of the options through simple pro v. con analysis.

- Continues on Next Page -

PRODUCT		
ALTERNATIVES	PROS	CONS
Tea Bags	<ul style="list-style-type: none"> • Caters to another niche - home brewing Mate drinkers • Cheap • Great opportunity for variety • Adds diversity of products • Can spread brand and awareness of company to a different market 	<ul style="list-style-type: none"> • Certain high demand ingredients can reduce margins • Filling bags is time consuming • Availability of loose leaf tea could alter demand • Packaging is pricey
Mate Glass Bottles	<ul style="list-style-type: none"> • Convenient access to our liquid product • Recyclable • Longer shelf life 	<ul style="list-style-type: none"> • Expenses of bottles, labels, and caps • Fragile/ Heavy • Greater transportation expense
Baked Mate Goods	<ul style="list-style-type: none"> • Greater opportunities for expansion to mechanical soft • Uses the kitchen's baking equipment • More opportunities to hire employees 	<ul style="list-style-type: none"> • Flow wrap equipment expenses • More storage space needed • Unknown market demand and growth potential • Increased liability • Shorter shelf life than bottled and dry goods

Recommendation: Mate Glass Bottles

BOTTLING		
OPTIONS	PROS	CONS
Contracting <ul style="list-style-type: none"> • Involves brewing the mate in-house and outsourcing bottling to Denver (no contract-bottling operations in 	<ul style="list-style-type: none"> • Lower initial investment • Very easy to back out if product fails • Easier to certify organic, vegan, etc. • Faster output 	<ul style="list-style-type: none"> • Reduced utilization of the kitchen • Would likely operate at a loss for longer • More expensive in the long run • Involves logistical

Colorado Springs).		operations to Denver <ul style="list-style-type: none"> • Would require sanitary transportation equipment for the Mate
In-House Bottling <ul style="list-style-type: none"> • Would involve manually brewing, bottling, capping and labeling products in facility 	<ul style="list-style-type: none"> • More opportunities to hire seniors • Easier to control • Better return on investment • Cheaper and easier local logistics 	<ul style="list-style-type: none"> • Approx. \$7000 capital expenditure • Potentially lower quality and less consistent product • Greater risk

Recommendation: In-House Bottling

DISTRIBUTION		
ALTERNATIVES	PROS	CONS
Wholesale <ul style="list-style-type: none"> • Would involve establishing a business relationship with local retailers such as coffee shops as well as corporate/chain retailers like Whole Foods and Sprouts 	<ul style="list-style-type: none"> • More people see the product (Marketing) • Quick and easy way to push product en-masse • Eliminates the need for retail overhead • Reduced liability/liability protection • Greater order size • Would build brand recognition faster 	<ul style="list-style-type: none"> • At the mercy of retailers • Reduced control of the product image and price • Legal hurdles • Reduced margins
Retail <ul style="list-style-type: none"> • Would involve establishing a store front and selling to local consumers directly 	<ul style="list-style-type: none"> • Best control of brand image and price • Easier to get advertisement via community 	<ul style="list-style-type: none"> • Increased liability • Capital involved in selling product and building store front
Online Market <ul style="list-style-type: none"> • Would involve establishing an online marketplace as well as utilize preexisting ones such as Amazon 	<ul style="list-style-type: none"> • Best way to reach the most consumers • Very easy to get onto the market rapidly • Faster feedback and instant data on 	<ul style="list-style-type: none"> • Greater costs to distribute due to packaging and shipping • Greater competition due to variety online

	demand/success	
--	-----------------------	--

Recommendation: further evaluation required – see Implementation Section

PRODUCT STORAGE		
Options	PROS	CONS
Convert Space in Existing Facility	<ul style="list-style-type: none"> • Utilizes more underutilized assets • Provides an outlet for expansion • Complete control of space • Cheaper in the long run 	<ul style="list-style-type: none"> • Lots of capital involved in converting space and moving tenants • Expenses to certify the rooms to handle food
Renting Refrigerator Units	<ul style="list-style-type: none"> • No commitment on space • Fast implementation 	<ul style="list-style-type: none"> • Not viable for the long term • Monthly rental cost

Recommendation: Additional analysis required

WORKFORCE		
OPTIONS	PROS	CONS
Seniors	<ul style="list-style-type: none"> • Fits with mission • Highly marketable 	<ul style="list-style-type: none"> • Inability to perform • Liabilities
Students	<ul style="list-style-type: none"> • Quick & creative thinkers • Useful for more heavy lifting (Loading/unloading delivery trucks) • Useful Drivers 	<ul style="list-style-type: none"> • Doesn't really follow with main mission
Mixed	<ul style="list-style-type: none"> • Opportunity for intergenerational marketing & work community 	<ul style="list-style-type: none"> • Intergenerational differences could cause conflict

Recommendation: Any

Financial Analysis:

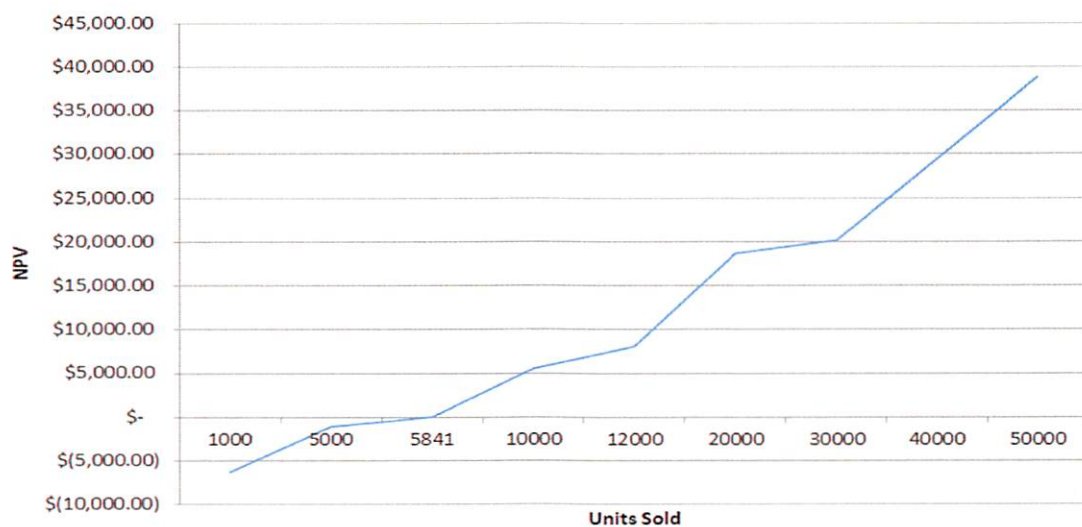
For cost analysis, three different product types were researched in order to find the per unit cost. For bottling, the cost estimations were much more comprehensive, as bottling is the recommended introductory product.

- Bottled mate costs (Table I, next page) took into account:
 - Contract vs in-house bottling
 - Equipment for in-house bottling
 - Bulk mate purchased via retail distributor
 - Shipping/distribution
 - Labels
 - Average additional ingredients
 - Four hourly employees averaging nine hours/ week
 - Management
 - The in-house bottling costs were calculated under the assumption that equipment expenses would be factored as fixed costs for the first batch to create a more realistic picture of the initial costs to get 1000 bottles on the market for testing. \$5,947.36 would not be a fixed cost for a batch once the equipment is paid off.
 - Sensitivity analysis on contract bottling vs in-house bottling can be found in the appendix

Table I			In House Bottling (First Batch Costs)		
Contract Bottling			Fixed Costs		
Facility use rate:		\$500.00	Filling Machine		\$3,000.00
Cost per flavor		\$100.00	Bottling Machine (1 kinex capper)		\$1,050.00
Machine config		\$300.00	Labeling Machine (2 easy labelers)		\$840.00
Delivery to Denver		\$143.22	Setup Costs		\$1,000.00
Cost of Vat (275 gal)		\$435.00	Average retailer delivery cost		\$57.36
Avg Retailer delivery cost		\$57.36	Total Fixed Costs		\$5,947.36
Total Fixed costs:		\$1,535.58	Variable Costs		
Variable Costs			Cost per bottle		\$0.51
Cost per bottle		\$0.67	Cost Per bottle lid		\$0.07
Cost Per bottle lid		\$0.07	Cost to produce mate		\$0.31
Cost to bottle 16oz bottle		\$0.60	Labels		\$0.25
Cost to produce mate		\$0.31	Labor		\$0.33
Labels		\$0.25	Management		\$0.27
Total Variable Costs/bottle		\$1.90	Total Variable Costs/bottle		\$1.74
Volume Based costs			Volume Based costs		
Units produced	Total cost	Cost per Bottle	Units produced	Total cost	Cost per Bottle
1000	\$3,435.58	\$3.44	1000	\$7,687.36	\$7.69
1500	\$4,385.58	\$2.92	1500	\$8,557.36	\$5.70
2000	\$5,335.58	\$2.67	2000	\$9,427.36	\$4.71
2500	\$6,285.58	\$2.51	2500	\$10,297.36	\$4.12
3000	\$7,235.58	\$2.41	3000	\$11,167.36	\$3.72
3500	\$8,185.58	\$2.34	3500	\$12,037.36	\$3.44
4000	\$9,135.58	\$2.28	4000	\$12,907.36	\$3.23
4500	\$10,085.58	\$2.24	4500	\$13,777.36	\$3.06
5000	\$11,035.58	\$2.21	5000	\$14,647.36	\$2.93

- In analyzing the capital expenditures of equipment for in-house bottling using capital budgeting tools (Figure 1), a number of scenarios were run that generated forecasts on the returns of a \$7000 equipment investment. This analysis operated under the assumption of the following, and the supporting document is attached with this report.
 - \$7000 initial investment
 - Four part-time seniors working 9 hours a week each and one manager
 - \$1.74 per unit cost
 - Local market penetration only (minimal, ultra-conservative demand)
 - Weekly output of 1000 bottles (minimal, ultra-conservative demand)

Units Sold v Net Present Value



The per unit costs of both tea bags and baked goods were also analyzed in order to provide options for product selection and diversity. Tea bagging and baked goods both provide high margins and utilize more of the kitchen.

- Bagging (Table II)
 - Employees (Same as Bottles)
 - Average Ingredients
 - Bulk mate
 - Packaging
 - Equipment

Bagged Tea Costs

Table II

Mate		
1 pound mate	=	\$8.00 dollars
3 grams mate	=	1 bag
1 bag	=	\$0.05 dollars
Avg Misc Materials		
1 bag	=	4 misc items
1 bag	=	\$0.16 dollars
Total cost		
1 bag	=	\$0.21 dollars

- Baking (Mate Muffins) (Table III)
 - Employees (Same as Bottles)
 - Average Ingredients
 - Bulk mate
 - Packaging
 - Equipment

More detailed sales and profit forecast were not developed for Bagging and Muffin options due to time constraints and the previously-mentioned prioritization of the seemingly more-viable bottled beverage product.

Market Research:

In order to understand what the target audience is looking for and expecting in a Yerba Mate product, market research was conducted in downtown Colorado Springs as well as on the campus of Colorado College. Testing was aimed at discovering the general flavor preference of potential consumers, the most effective style of marketing, and an average price point that consumers would be willing to spend on the product.

When testing for the flavor preference of consumers, participants were asked to taste the Yerba Mate and rate it on a scale of 1-7 with 7 being the best taste. The average response of downtown participants was 5.9, and the average response of participants at Colorado College was 5.3. This data, while helpful, does not necessarily impact the final product flavors, but rather demonstrates that the general public enjoys the taste of Yerba Mate and gives support that the product will sell well.

Marketing preference of consumers was a huge focus of testing, and valuable data was obtained. Two different styles of logos were tested: one featuring a close-up image of an 'employee' and another features a more generic logo with a brand name above. People significantly preferred the marketing style that highlighted the employee on the label, saying it was visually grabbing and intriguing. Participants that chose the other style of design said they chose it initially for the simplicity of the design, but when the social mission of Wise Mate was explained participants understood the label featuring the employee.

Preference for the method of packaging was also tested. The options presented to participants were a glass bottle and a cardboard carton, and participants were asked to elaborate on which packaging style felt more in line with the type of product Yerba Mate is. Participants almost exclusively chose the glass bottle saying it was more convenient, less prone

Muffin costs			Table III	
Mate				
1 pound YM	=		\$8.00	dollars
1 muffin	=		\$0.01	dollars
Bananas				
40 pounds banana	=		\$27.00	dollars
1 muffin	=		\$0.03	dollars
Chia Seeds				
25 pounds chia	=		\$43.32	dollars
1 muffin	=		\$0.01	dollars
Vanilla Extract				
32 ounces extract	=		\$99.00	dollars
1 muffin	=		\$0.04	dollars
Coconut Oil				
1 gallon oil	=		\$15.40	dollars
1 muffin	=		\$0.02	dollars
Maple Syrup				
1 gallon syrup	=		\$65.00	dollars
1 muffin	=		\$0.12	dollars
Whole wheat flour				
50 pounds flout	=		\$41.99	dollars
1 muffin	=		\$0.07	dollars
Baking Powder				
50 pounds powder	=		\$85.99	dollars
1 muffin	=		\$0.01	dollars
Salt				
25 pounds salt	=		\$50.00	dollars
1 muffin	=		\$0.01	dollars
Total cost				
1 muffin	=		\$0.32	dollars

to spills, and a more elegant way to drink a beverage. Participants also said cardboard packaging tainted the taste of the product, and whether this is placebo or actual leaking of cardboard into product, Wise Mate's mission is focused around providing a consistent and high quality product. The minority of people that chose the cardboard carton option said they did because of environmental concerns, but seeing as glass bottles are still recyclable there are no anticipated problems with bottling the product in glass.

The average price that participants said they were willing to spend was \$3.06 downtown, and \$3.76 at Colorado College for an average price of \$3.51. The discrepancy in price willing to be spent on the product can be attributed to the average demographic of people surveyed at both sites. The research team reasonably assumed higher disposable income among the test population on Colorado College campus compared to those downtown. For this reason, the price point of this product should be in the \$3.50 range which is within the average spending point of most consumers from research, and also within the competitive range of similar products on the market.

The nature of the Yerba Mate market, which is in its infancy, yields very little quantifiable data about the market globally and nationally. World Market Reports released a report in March of 2018 which was titled "Yerba Mate Industry Prognosticated For A Ravishing Growth By 2023". However, this report costs approximately \$2000. Purchasing this report is not entirely necessary, but it would not be an imprudent investment to gain insights about the market from those intimately familiar with it.

Implementation Timeline:

For the implementation of this business, a three phase process is recommended.

1. **Year One – Market Testing and Product Development:** In this phase, the market will be evaluated and recipes tweaked to create a product that is enjoyed by all and competitive with similar products.
 - a. Product
 - i. To start, multiple variations of recipes for liquid Yerba Mate are needed. These will be sourced from Chef Gerry, employees, and Silver Key's clients. The products should be certified fair trade, gluten free, and have an organic seal. Approximately 1000 bottles should be brewed in order to test the product in small scale markets such as the Pikes Peak Market
 - b. In house bottling, labeling, capping, and shipping
 - i. Research and buy the equipment necessary to create and ship bottled product in a certified organic and gluten-free way.
 - c. Fair Trade, Organic, and Gluten-Free Supplier
 - i. Prototypes would not necessarily need to fit this profile, but research should be done and infrastructure set in place to find suppliers who fit these requirements.
 - d. Website Creation

- i. The website will be the primary spot consumers will learn about the social enterprise's mission. A QR code linking to the website should be on the labels
 - ii. Collecting stories, B-roll, video, and images of the workers in the facility to display on labels and the website. Waivers of consent will need to be signed by the employees to share any media they are featured in
 - e. Market Research
 - i. With the 1,000 bottles of Mate, a stall will be set up at the Pikes Peak Market to get live data, and coffee shops will be contacted for small scale contracts.
- 2. **Years 2-3 - Wholesale Transition:** In this phase, the business will expand to wholesale distribution under the assumption that the product has garnered recognition and credibility with good data to back it up.
 - a. Sales
 - i. Gain initial traction with local specialty retailers, franchises and mission-aligned businesses to prove the product's market.
 - ii. Build sales relationships with Whole Foods, Natural Grocers, Sprouts, 7-11 and other national chains with a local presence, particularly those that have local "foragers" looking for new, local products.
 - iii. In pitching: market data, product success, and vision will be presented to potential buyers
 - iv. To meet orders and contracts, new employees will be trained in both brewing and bottling the product.
 - b. Evaluation of expansion
 - i. Expansion to spare space will be evaluated in this phase as well to include capital expenditure analysis and feasibility analysis to determine if or when expansion will be necessary to meet forecast demand, as validated by initial sales growth.
- 3. **Years 4+ Expansion:** This phase will capitalize on the work completed in earlier phases to develop a statewide and potentially nationwide footprint. Additional products may be developed to compliment the beverage line, and sold through existing relationships with retail chains.
 - a. Sales Growth:
 - i. Prioritize the development and growth of sales relationships that have the ability to grow beyond the Colorado Springs market. This business is impactful at the local level; it is transformative if it grows beyond the local.
 - ii. Perform analysis on sales data from previous years to identify most viable sales channels, and double down.
 - b. Multiple Products
 - i. Evaluate the viability of additional product lines to best leverage Silver Key's kitchen. For example, different styles of liquid mate, tea bags of yerba mate, loose leaf yerba mate, and baked goods with yerba mate in them. This will let the social enterprise reach out of the beverage industry.

c. Facility Expansion

- i. If there is enough demand, moving into a different facility might be necessary. With a more efficient production, expansion to sales in multiple states can be possible.
- ii. This phase could involve purchasing larger and more efficient bottling machines and equipment to be used in-house or in a new facility

Risks:

- The Yerba Mate market could develop rapidly in the time it takes to produce product and install a bottling operation at Silver Key, changing market circumstances.
- There is potential for unforeseen cost of equipment when installing the bottling operation at Silver Key, resulting in a higher cost of entry.
- Developing competitive tasting yerba mate that meets the standards of consumers and governing institutions could take longer than expected, resulting in either a noncompetitive product or an extended time frame to profit.
- Yerba Mate could sell at a lower rate than anticipated at Pikes Peak Market, leading to more incurred cost before the implementation of wholesale sales.
- The social mission of Wise Mate may not resonate with consumers, leading to a necessary reworking of the marketing strategy.
- Over consumption of high caffeine product such as Yerba Mate may lead to negative health effects and bad press.
- Rapid oversaturation of the market may impact sales and potential for regional expansion.
- Another high caffeine/ health vitality beverage trend may overshadow and consume the target audience.
- Due to rapid growth of market, environmental concerns with widespread farming of Yerba Mate in Argentina could impact sales and brand image in a negative way.
- With rapid growth and expansion of Yerba Mate, cultural appropriation claims from the religious sect of Mate drinkers could be made against Wise Mate.

Ultimately, the research team assesses these possibilities as posing a low risk to the overall business, though they merit additional consideration and mitigation. Overall, most of these risks pertain to Mate specifically and not to the general concept of a beverage company. A beverage company is excellent for flexibility and product diversity. The iterative process of designing good recipes is cheap, easy, and grants instant feedback. In the unlikely event that these risks compromise a Mate-based product, the exact same equipment can be used to produce an alternative beverage product. The cost of the additional equipment is a small fraction of the total asset base, contributing to our assessment of this being a very low risk, high reward concept.

Advantages:

There are two major benefits from this social enterprise: financial viability and social impact. In terms of quantifiable benefits, these two categories yield significant potential.

- Given a \$7000 investment and four part-time seniors, only 6000 bottles a year would need to be produced to break even in five years. A business of this size would be considered extremely small.
- A modest production of 1000 bottles a week would employ five-part time seniors and deliver profit of \$40,000 over five years. This is a baseline number with no growth forecast. It still represents a very small business, but a significant return on investment.
- Growth beyond the local market has not been modeled yet. Considering the popularity of competing products, it is reasonable to expect Wise Mate to grow rapidly and beyond the Colorado Springs region. This means higher profit and higher impact, though significant additional analysis is needed.

Unforeseen Complications:

There may be unforeseen costs and obstacles in producing and selling this product. Some unknown and some that cannot be quantified. In terms of known complications, the balance between management and cost efficiency will be difficult to strike at first; good management is expensive, and analysis performed for this concept sketch focused on a very lean operation. Additionally, bottling equipment is complex and will require much more research prior to purchase. FDA regulations and certifications are similarly complex and require additional research as well.

Conclusion & Next Steps:

Yerba mate is an emerging and relevant beverage in the health foods industry that is underserved in demand and variety. The creation of Wise Mate would be a viable and low risk social enterprise meeting all of the criteria set forth by Silver Key. The cost to entry is low, the impact is quantifiable, the product is unique and relevant, and the brand strategy compelling (Appendix A). Wise Mate can absolutely provide low income seniors a sense of purpose and a means to a better life through an age old energy beverage with a new surge in popularity.

We recommend additional research and validation in the following areas:

- Financial Forecasting – identify the feasible addressable market, perform more detailed cost analysis and sales growth forecasting, develop pricing
- Operations Design – develop specific job roles, equipment specifications, and production/distribution procedures to prove operational feasibility

- **Impact Analysis** – identify specific criteria to measure this product's support of Silver Key's mission
- **Competitor + Market Analysis** – what competing products exist on the market, what are their characteristics and how is Wise Mate different? What demographics do each competitor target, and how?
- **Sales + Marketing Development** – Identify launch customers and sales tactics
- **Launch Planning & Product Testing** – develop recipes, research equipment and regulatory compliance, etc.

Appendix A: Marketing Recommendations

Focusing on client employees and telling their story is the suggested branding strategy. Selling the story of the senior citizen brewers will prove instrumental to providing a unique product on the market that people will feel good about buying.

The Brand:

In order to find a way to sell the mission in one word, a number of words were tested and evaluated to generate a grand name. "Wise Mate" encompasses the image of the brand by bringing in a positive word that describes the beneficiary and producer of the product well. Wise is elegant, simple, and rolls off the tongue well.

The Label:

The label will generally be the first interaction consumers have with the product. It is essential to sell the story of the brand quickly and efficiently. In order to do this, an image and included story of one of the organizations brewers should be included on the labeling. Below are two prospective designs.



WISE MATE
NATURAL YERBA MATE

Vanilla Honey

ON THE FRONT:
GRACIE LEE
BAKER
FAVORITE FLAVOR:
VANILLA HONEY

Gracie has been working for Wise Mate for a year and a half. She loves her job and baking has been a passion of hers ever since she was a little girl.

Want to learn about how your purchase helps? Scan this code!



MADE LOCALLY IN COLORADO SPRINGS

PLEASE RECYCLE

© SILVER KEY 2018

Nutrition Facts	
Serving Size	
Servings Per Container	
Amount Per Serving	
Calories	Calories from Fat
% Daily Value*	
Total Fat	
Saturated Fat	
Trans Fat	
Cholesterol	
Sodium	
Total Carbohydrate	
Dietary Fiber	
Sugars	
Protein	
Vitamins	

Ingredients: water, yerba mate tea leaves, honey, vanilla extract, ascorbic acid



1 2 3 4 5 6



WISE MATE
NATURAL YERBA MATE

Vanilla Honey

SANDY SMITH
BOTTLER
FAVORITE FLAVOR:
VANILLA HONEY

Sandy has been working with Wise Mate for two years now. Her favorite music to listen to while she works is classic rock. Sandy loves dancing, eating licorice, and playing with her grandkids. Working with Wise Mate has given Sandy the ability to have more financial freedom and she enjoys working with her fellow employees.

Want to learn more about how your purchase helps low income seniors and students in Colorado Springs? Scan this QR code!



MADE LOCALLY IN COLORADO SPRINGS

PLEASE RECYCLE

© SILVER KEY 2018

Nutrition Facts	
Serving Size	
Servings Per Container	
Amount Per Serving	
Calories	Calories from Fat
% Daily Value*	
Total Fat	
Saturated Fat	
Trans Fat	
Cholesterol	
Sodium	
Total Carbohydrate	
Dietary Fiber	
Sugars	
Protein	
Vitamins	

Ingredients: water, yerba mate tea leaves, honey, vanilla extract, ascorbic acid



1 2 3 4 5 6

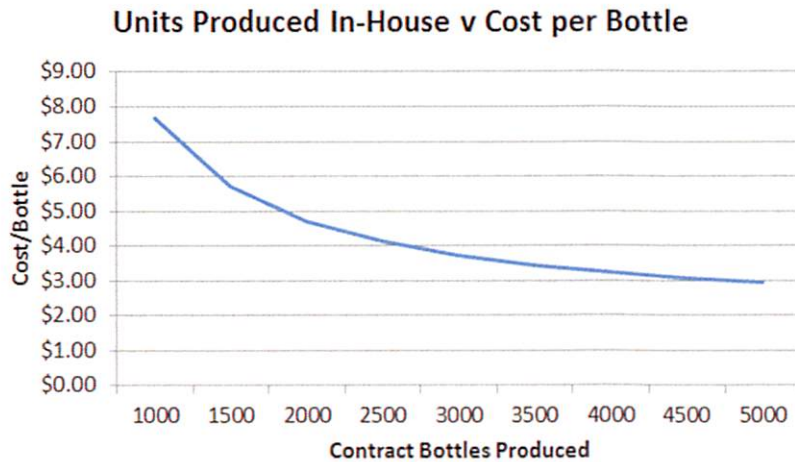
The Website:

From a QR code or just a google search, the question of how Yerba Mate sales help seniors should be answered quickly and elegantly. A prospective mission statement would be "We are giving low income seniors purpose and means to a good life by brewing natural energy beverages." Focusing on mission and the stories of the employees as well as the sustainable and responsible sources of the product will generate good feelings in a very emotional market, and that should be the focus of the website.

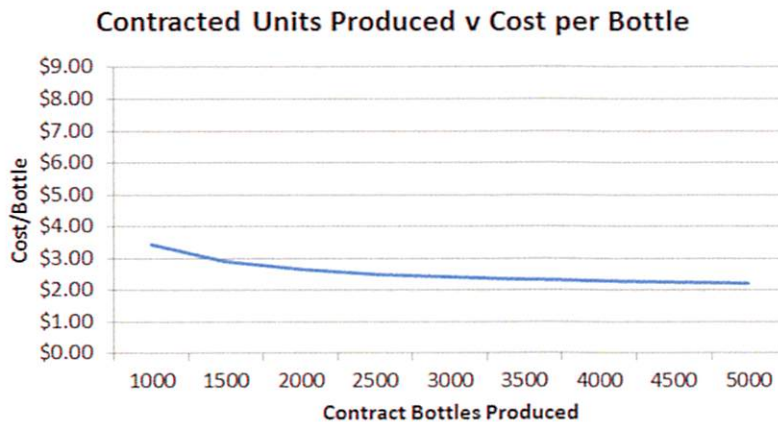
We suggest a homepage that has a short video showing the product being made by Seniors, in a fun environment with music, and maybe having a few excerpts about the impact from the Seniors themselves. Additional pages should include:

- Products
- The Process
- The Brewers
- About Us
- Locations/Contact Us

Appendix B: Additional Information



***Note: In-House bottling may be more expensive than contracts as a first batch, but this is due to factoring in equipment purchases as a fixed cost. Once the equipment is paid off, the cost per bottle is expected to drop to \$1.74**



Relevant legal codes for Bottling:

- EPA National Primary Drinking Water Regulation (40 CFR part 141)
- 21 Code of Federal Regulation (CFR) 110
- 21 CFR 165
- 21 CFR 129
- 40 CFR 143



Succession Plan President and CEO Position

The Board of Directors of Silver Key Senior Services recognizes that this is a plan for contingencies due to the disability, death or departure of the President and CEO.

If the organization is faced with the unlikely event of an untimely vacancy, Silver Key Senior Services has in place the following emergency succession plan to facilitate the transition to both interim and longer-term leadership.

The Board of Silver Key Senior Services has reviewed the job description of the President and CEO (see attached). The Board has a clear understanding of the President and CEO's role in organizational leadership; program development and administration; overall operations and financial operations; resource development and community presence; and Board of Director's relationships.

Succession Plan in Event of a Temporary, Unplanned Absence: Short-Term

A temporary absence is one of less than three months in which it is expected that the President and CEO will return to his/her position once the events precipitating the absence are resolved. An unplanned absence is one that arises unexpectedly, in contrast to a planned leave, such as a vacation or a sabbatical. The Board of Directors is authorized, or authorizes the Executive Committee of Silver Key Senior Services, to implement the terms of this emergency plan in the event of the unplanned absence of the President and CEO.

In the event of an unplanned absence of the President and CEO, the highest ranking staff member is to immediately inform the Board Chair (or highest ranking volunteer board member) of the absence. As soon as it is feasible, the Chair should convene a meeting of the Executive Committee to affirm the procedures prescribed in this plan or to make modifications as the Committee deems appropriate.

At the time that this plan was approved, the position of Acting President and CEO would be: Deborah Ridsen, Chief Operating Officer.

Should the standing appointee to the position of Acting President and CEO be unable to serve, the back-up appointee for the position of Acting President and CEO will be: Valerie Anders, Director of Finance

Authority and Compensation of the Acting President and CEO

The person appointed as Acting President and CEO shall have the full authority for decision-making and independent action as the regular President and CEO. Compensation will be determined by the Executive Committee

Board Oversight

The board committee responsible for monitoring the work of the Acting President and CEO shall be Board Chair or designee on behalf of the Executive Committee. The above named people will be sensitive to the special support needs of the Acting President and CEO in this temporary leadership role.

Communications Plan

Immediately upon transferring the responsibilities to the Acting President and CEO, the Board Chair will notify staff members, members of the Board of Directors and key volunteers of the delegation of authority.

As soon as possible after the Acting President and CEO has begun covering the unplanned absence, Board members and the Acting President and CEO shall communicate the temporary leadership structure to the following key external supporters of Silver Key Senior Services. This may include (but not be limited to) government contract officers, foundation program officers, civic leaders, major donors and others (please specify):

See attached list: A list will be provided of those that will be called personally as well as those that will be notified by email or letter.

Completion of Short-Term Emergency Succession Period

The decision about when the absent President and CEO returns to lead Silver Key Senior Services should be determined by the President and CEO and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working their way back up to a full-time commitment. Leave of absence, return to work and pay considerations will be pursuant to FMLA (Family Medical Leave Act) requirements/guidelines, and Silver Key's PTO (Paid Time Off) and EIB (Extended Illness Bank) benefits and policies. Refer to Silver Key Employee Handbook for full details.

Succession Plan in Event of a Temporary, Unplanned Absence: Long-Term

A long-term absence is one that is expected to last more than three months. The procedures and conditions to be followed should be the same as for a short-term absence with one addition:

The Executive Committee will give immediate consideration, in consultation with the Acting President and CEO, to **temporarily** filling the management position left vacant by the Acting President and CEO. This is in recognition of the fact that for a term of more than three months, it may not be reasonable to expect the Acting

President and CEO to carry the duties of both positions. The position description of a temporary manager would focus on covering the priority areas in which the Acting President and CEO needs assistance.

Completion of Long-Term Emergency Succession Period

The decision about when the absent President and CEO returns to Silver Key Senior Services should be determined by the President and CEO and the Board Chair. They will decide upon a mutually agreed upon schedule and start date. A reduced schedule for a set period of time can be allowed, by approval of the Board Chair, with the intention of working the way up to a full-time commitment.

Succession Plan in Event of a Permanent Change in President and CEO

A permanent change is one in which it is firmly determined that the President and CEO will not be returning to the position. The procedures and conditions should be the same as for a long-term temporary absence with one addition:

The Board of Directors will appoint a Transition and Search Committee to plan and carry out a transition to a new permanent President and CEO. The Board will also consider the need for outside consulting assistance depending on the circumstances of the transition and the board's capacity to plan and manage the transition and search. The Transition and Search Committee will also determine the need for an Interim President and CEO, and plan for the recruitment and selection of an Interim President and CEO and/or permanent President and CEO

Checklist for Acceptance of All Types of Emergency Succession Plans

- ☐ **Succession plan approval.** This succession plan will be approved by the Executive Committee and forwarded to the full Board of Directors for its vote and approval. This plan should be reviewed annually.
- ☐ **Signatories.** The Board Chair, the President and CEO, the Chief Operating Officer and the Acting President and CEO shall sign this plan, and the appointees designated in this plan.
- ☐ **Organizational Charts.** Two organizational charts need to be prepared and attached to this plan. Prepare and attach an organizational chart reflecting staffing positions and lines of authority/reporting throughout the organization. Prepare and attach a second organizational chart that reflects how that structure will change within the context of an emergency/unplanned absence of the President and CEO.
- ☐ **Important Organizational Information.** Complete the attached *Information and Contact Inventory* and attach it to this document. Also attach a current list of the organization's board of directors.
- ☐ **Copies.** Copies of this Emergency Succession Plan along with the corresponding documentation shall be maintained by The Board Chair, the President and CEO, the Acting President and CEO Appointee, the human resources department, and the organization's attorney.



Job Description

This job description presents the range of duties required and is not intended to reflect all duties performed within the job.

Position: Chief Executive Officer (CEO)

Program: Executive Administration

Reports To: Chair, Board of Directors

FLSA Status: Exempt

Approved By/Date: Board of Directors

About the Agency:

Silver Key Senior Services is a non-profit agency that provides multiple programs and services to seniors in The Greater Colorado Springs area. The agency has three broad programs; Senior Assistance, Transportation Services and Nutrition Services. Its mission is to partner with stakeholders to ensure that older adults age safely with dignity and independence.

Overview of Responsibilities:

Under the guidance of the Board of Directors, the CEO oversees the provision of the programs and services for seniors in The Greater Colorado Springs area in the view of the changing demographics of our service area and helps ensure the quality and relevance of Silver Key's existing core programs and services. The CEO demonstrates a deep passion and vision to meet the needs of the elderly.

Essential duties and responsibilities may include, but are not limited to, the following:

Strategic Planning-

The CEO role is primarily a strategic role; however, it has significant operational components. Working with senior management staff and the Board, the CEO assists in the ongoing development of a shared vision for the future of Silver Key Senior Services, strengthens the understanding and alignment around this vision, and develops appropriate goals and strategies to advance the vision. The CEO is responsible for leading the staff in the implementation of the strategic plan, annual plans and specific program goals and objectives.

General Management-

Working with senior management staff and the Board, the CEO establishes operational objectives that support the organization's vision, mission and strategic plan. The CEO is responsible for the delegation to and oversight of key staff that are responsible for the day-to-day operations of the organization. The CEO effectively manages the staff of the organization; develops and recommends operational policies/procedures for Board approval; and investigates and makes recommendations to the Board for growth activities, program enhancements and program efficiencies.

Program Management-

Silver Key Senior Services carries out its mission by offering specific programs and services for seniors throughout The Greater Colorado Springs area. Working closely with senior management staff, the CEO ensures that quality programs and services are implemented throughout program areas. The CEO develops and maintains systems for assessment of program and service outcomes and works with the management team to leverage opportunities and resolve problem areas. The CEO ensures compliance with laws, statutes, regulations and standards governing delivery of services through policy/procedure implementation and program oversight.

Fund-Raising and Resource Development-

The CEO provides for community awareness and outreach of the Silver Key mission and vision. The CEO is responsible for developing and implementing fund-raising and financial development strategies encompassing both public and private resources. The CEO, staff and board use their combined strengths, knowledge and relationships to help Silver Key Senior Services achieve its revenue objectives. A component of the strategic planning is to develop the financial resources necessary to accomplish the organization's vision.

Fiscal Management-

The CEO ensures that income is managed wisely and in keeping with the public trust and any applicable restrictions. It is the CEO's role to see that solid budgeting systems are in place and that the organization goals and strategic plan are based on sound budgetary and fiscal assumptions. The CEO must ensure that qualified employees are hired and trained to accurately monitor, assess and manage the financial health of Silver Key Senior Services. The CEO is responsible for the financial performance of service and program activities.

Board Management-

The CEO and the Board work together as partners, with joint responsibilities for developing and maintaining a strong working relationship and a system for sharing information. The CEO is required to maintain policies and procedures relative to efficient Board operation (e.g., board elections, by-law references in meetings, etc.).

Public Policy and Public Image-

The CEO is a key player in establishing and maintaining positive relationships with the many groups that support the work of Silver Key Senior Services. These groups support Silver Key financially or through joint partnerships in the provision of services. The CEO must maintain a positive and visible professional reputation in our local community and act as a goodwill ambassador for Silver Key Senior Services. The CEO must demonstrate excellent public speaking and presentation skills before diverse audiences.

The CEO is required to perform other duties as directed by the Board.

Key Reporting Relationships:

The CEO reports to the Executive Committee of the Board of Directors and is accountable to the Board of Directors.

The CEO supervises key senior staff of Silver Key Senior Services.

Qualifications:

The requirements listed below are representative of the knowledge, skill, and /or ability required and must be performed satisfactorily with or without reasonable accommodation.

Experience-

1. Five years of general management or executive management experience required. Candidate must have demonstrated experience in successfully establishing and managing operation budgets and in financial management oversight.
2. Demonstrated ability to lead an organization through transition and growth.
3. Experience in working with foundations, trusts and individual donors in order to create funding resources for major capital projects.
4. Experience working with a board of directors or similar policy making body required.
5. Experience in leading or participating in a strategic planning process preferred.
6. Experience in the field of aging preferred, including demographic changes and their effects on agencies such as Silver Key Senior Services.
7. BA/BS preferred in Public Health, Public or Business Administration, Social Work, Sociology, Psychology Law or related fields.

Skills and Abilities-

1. Understanding of and compassion for the special needs of the elderly.
2. Excellent verbal and written skills.
3. Strong organizational skills; must be able to balance multiple priorities.
4. Must be able to set goals and achieve results.

5. Must be able to lead a team of people with diverse talents and varying levels of experience and skills.
6. Must exercise good judgment.
7. Must possess good people skills.
8. A substantial amount of work at Silver Key is performed by volunteers. It is essential that the CEO have the ability to work effectively with volunteers.

Performance Measurement:

The performance of the CEO will be measured against the following performance criteria:

1. Knowledge growth in the areas of the needs of seniors
2. Successful supervision of staff
3. Meeting budget and financial goals
4. Achieving business and fundraising goals as stated on strategic plan
5. The successful development of community collaborations

Physical Demands:

The physical demands include sitting at a desk/computer workstation, using a computer keyboard and mouse, with repetitive arm, hand and finger movements. The ability to work effectively with frequent in-person interaction and numerous interruptions, work under pressure, handle multiple tasks, and prioritize competing demands is essential.

Pre-employment verification for this position includes criminal history background check, motor vehicle records check, employment history verification, academic/credential verification, credit check, reference check and drug test.

Board Elevator Speech

Updated 7-18

Silver Key is a nonprofit organization that works to make the greater Colorado Springs area the best in the nation to age. With our aging population, the need for a variety of services is expanding.

Silver Key's dedicated staff and more than 600 caring volunteers:

- Prepare and serve nutritious meals along with friendship and fun at 20 Silver Key Connections Café meal sites
- Provide convenient meals and a friendly visit for seniors at home through Silver Key Home Delivered Meals, including Meals on Wheels
- Help seniors remain active and independent with Silver Key Reserve & Ride transportation services
- Enable seniors to remain safe and healthy through vital Senior Assistance services including case management, guardianship, and our food pantry.

Silver Key serves in partnership with our stakeholders to support quality of life for seniors—allowing them the choice of safely aging in place with dignity and independence. Anyone age 60 and over can qualify for and benefit from Silver Key's services.

Sample Policy

Board Assessment of Organizational Effectiveness

WHEREAS, _____ (Charity/Foundation) board of directors seeks to establish a policy on effectiveness assessment to help ensure that the organization has defined, measurable goals and objectives in place to evaluate the success and impact of its program(s) in fulfilling these goals and objectives,

IT IS THEREFORE RESOLVED THAT the (Charity/Foundation) board of directors adopts the following policy:

1. At least once every two years, the (Charity/Foundation) will review its goals and objectives toward achieving its mission and will complete a performance and effectiveness assessment of its programs based on that review.
2. Such an assessment will be conducted under the authority of the _____ Committee of the Board.
3. The (Charity/Foundation) Board will receive a written report of this assessment:
 - (a) Describing the activities that the (Charity/Foundation) undertook in the prior two years to achieve its goals and objectives,
 - (b) Identifying the measures used to assess the (Charity/Foundation)'s effectiveness in achieving its goals and objectives,
 - (c) Analyzing the effectiveness of the (Charity/Foundation)'s programs in achieving the Foundation's goals and objectives,
 - (d) Recommending future actions the (Charity/Foundation) might take to increase effectiveness based on the findings.
4. At the conclusion of this process, the (Charity/Foundation) will revise the goals and objectives for the Foundation, as needed, for the upcoming term and will suggest means of measuring them.