



## Board of Director - Agenda

7/23/2019

1. Call to order /Establish Quorum/ Introductions		Jan Martin	Process
2. Changes to the agenda		Jan Martin	
A.			
3. Consent Items		Jan Martin	Vote
A. Agenda	7/23/2019		
B. Minutes	6/18/2019		
4. CEO Report	June	Jason DeaBueno	Discussion
Behaviorial Health Policies &			
A. Procedures for Medicaid billing		Jason DeaBueno	Information/vote
Additional Matters for approval			
5. Committee Reports			
A. Finance Committee		Val Anders/Dave Bunkers	Information
Financial Packet Review		Dave Bunkers	Vote
Additional Matters for Approval			Vote
B. Building Committee		Jason DeaBueno	Information
Additional Matters for Approval			
6. Old Business			
A. Organization restructure		Jason DeaBueno	Information
7. New Business			
	Penrose House		
	Cripple Creek		
A. Board Retreat - October 15	Room 9am-2pm	Jason DeaBueno	Information
B.			
8. Related Board Reports			
A. Foundation		Jason DeaBueno	no report
Matters for Approval			
B. Silver Key Enterprise		Jason DeaBueno	Information
Matters for Approval			
C. Senior Heritage Plaza		Jason DeaBueno	no report
Matters for Approval			
9. Next meeting			
	Tuesday, August 20, 2019		

<https://www.silverkey.org/wp-login.php>

Board Member Login: skboard@silverkey.org

Password: sk-board@1625\$



Silver Key  
Connections  
Café

Silver Key  
Home  
Delivered  
Meals  
including Meals on Wheels

Silver Key  
Reserve  
& Ride

Silver Key  
Senior  
Assistance

Silver Key  
Active  
Living

Silver Key Friends  
Thrift Store

## Board of Director - Meeting Minutes

06/18/19 Scribe: Paula Humber

### Board Members

Present Absent

1	Jan Martin, Chair	X	
2	Lynne Jones, Vice Chair		X
3	Greg Broeckelman, Secretary	X	
4	Dave Bunkers, Treasurer	X	
5	Carla Hartsell, Imd. Past Chair	X	
6	Becky Hurley		X
7	David Lord	X	
8	Steve Hunsinger	X	
9	Cmdr. Scott Whittington	X	
10	Mike Rowe	X	
11	Gary Geiser	X	
12	Cari Karns	X	

### Leadership Team:

1	Jason DeaBueno	X	
2	Paula Humber	X	
3	Valerie Anders	X	
4	Cathy Grossman	X	
5	Derek Wilson	X	
6	Dayton Romero	X	
7	Peggy Leidel		X
8	Victoria Salser	X	

### Key Points from Board of Directors Agenda 06/18/19

	<u>Yes</u>	<u>No</u>	<u>Additional notes</u>	<u>Action required</u>
1. Call to order				
A. Establish Quorum	X			
B. Introduction		X		
2. Changes to the agenda		X		
3. Consent Items				
A. Agenda	X			Cari Karns moved to approve the agenda; Scott Whittington seconded the motion; Agenda was unanimously approved
B. Minutes	X			Cari Karns moved to approve the minutes of April 19; Scott Whittington seconded the motion; Agenda was unanimously approved
4. CEO Report - April & May			Jason reviewed his report	none
A. Ratify Board Resolution increasing RLOC	X		An electronic vote was obtained prior to the board meeting for a unanimous approval to move forward with increasing the RLOC to \$750K. This resolution was brought forward at this June meeting to ratify for the minutes the approval of the resolution.	Carla Hartsell moved to ratify the board resolution which was electronically approved by the board via email; Cari Karns seconded the motion; the motion was unanimously approved.
B. Additional Matters			Jason brought forward to the board the changes to services effective July 1.	Silver Key will need to increase meal price; reduce hours in food pantry; reduce geographic coverage for transportation; staff reduction; closure of 8 Café sites including Woodland Park

	<u>Yes</u>	<u>No</u>	<u>Additional notes</u>	<u>Action required</u>
<b>5. Committee Reports</b>				
A. Finance Committee Financial Packet Review Additional Matters for Approval				
			2019-20 Budget	Cari Kars moved to approve the 2019-20 budget as presented; Carla Hartsell seconded the motion. The motion was unanimously approved.
B. Building Committee Building Committee Review				
<b>6. Old Business</b>				
A. Organization restructure				
<b>7. New Business</b>				
A. Regency Towers Fire			Silver Key will be the lead on procurement of funds donated for those affected by the Regency Towers Fire.	Moving forward a policy will be developed on Silver Key's role within the community for emergency/crisis situations.
<b>8. Related Board Reports</b>				
A. Foundation Matters for Approval				
B. Silver Key Enterprise Matters for Approval				
C. Senior Heritage Plaza Matters for Approval				
<b>9. Board Reports</b>				
Matters for Approval				
<b>10. Next meeting</b>				
Tuesday, July 23, 2019				

Adjourned at 5:07 p.m.

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Secretary/Chair :

July 2019

## CEO Report

Dear Board,

The transition to the reduced service model has been activated and has been progressing as much as possible to the initial intent.

While there have been some stumbles and challenges; overall, the transition is going well.

Concurrently, we have learned that Silver Key has been designed a \$500,000 El Paso County Economic Development allocation contingent on procurement of the Low Income Housing Tax Credit approval for the Silver Key Apartment initiative.

Too, the efforts related to Silver Key's response to the Regency Tower fire continues to be a recognition of our organization in positive light.

Respectfully submitted,  
Jason DeaBueno

## Governance Decisions, Monitoring & Accountability

### 1. Current Significant Issues & Opportunities

#### a. Woodland Park

- i. The state of Colorado intervened in the process to close Connection Café locations and this resulted in Silver Key electing to continue to provide support to Woodland Park.

#### Board Dialogue/Consultation

- In the strategic planning we will want to be thinking about whether geographic limitations are part of Silver Key's mission as we are being approached by Park county to expand services.

#### b. Pantry

- i. Moving the pantry to a volunteer supported model likely makes sense in the future. However, until that point, this area of service challenges our overall financial resources.

#### Board Dialogue/Consultation

- Are there any organizations that we can brainstorm that might be interested in co-branding the Pantry. Derek was successful at

ensuring we did not lose RMHC as a sponsor to the organization due to the Connection Café reductions.

**c. Budget/Medicaid**

- i. We will continue to experience budget shortfalls for the first quarter. However, the path of Medicaid has been paved and we are approved to move to the credentialing process. Learned that we are out 60 days for actual contract.

**Board Dialogue/Consultation**

- Paula has been working to move us forward with non-emergent medical transport Medicaid supported rides. Are there any questions about this effort?

**2. Matters for Approval**

- i. Ratify the behavioral health (Medicaid) policies that had an e-vote.

**3. Risk and Compliance – Issues that Board needs visibility to and expected updates to conclusion.**

**3.1. Risk and Compliance Management**

Issue	Level of Risk (1 Low; 2 Medium; 3 High)	Comments
1. None to report		

**3.2. Risk and Compliance Updates or Incidents**

None

**3.3. Funder Obligation Concerns**

Funder	Level of Risk (1 Low; 2 Medium; 3 High)	Details & Comments
1. None		.

**1.3. Funder Obligation Concerns Updates**

1. None		
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#### **4. Update on Operational Activities**

##### **(Expectations Document)**

Will be re-developed alongside the executive committee.

##### **Key Accomplishments**

- a. Met with a Professional Employer Organization to evaluate the options for improved HR process and benefits.
- b. Howard and Derek met to begin to establish the foundation of foundation board sponsored Development Committee.
- c. Silver Key procured the Metro Mobility Contract for transportation.
- d. Waitlist models have been developed for all program areas.
- e. Policy and Procedural Manual is being developed.
- f. Volunteer model is being developed and strengthened.

#### **5. Matters for Noting**

- a. New Staff (None)
  - i. Hiring Freeze
- b. Vacancy still exists at Silver Key with RMHC leaving the location.

**OSBORNE, PARSONS & ROSACKER, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

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June 26, 2019

Board of Directors  
Silver Key Senior Services, Inc.  
& Silver Key Senior Services Foundation, Inc.  
1625 S. Murray Blvd.  
Colorado Springs, CO 80916

We are engaged to audit the financial statements of Silver Key Senior Services, Inc. & Silver Key Senior Services Foundation, Inc. (collectively the “Organization”) for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

**Our Responsibility under U.S. Generally Accepted Auditing Standards and the Uniform Guidance**

As stated in our engagement letter dated June 26, 2019, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the Organization’s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We will also consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free of material misstatement, we will perform tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions is not an objective of our audit. Also in accordance with the Uniform Guidance, we will examine, on a test basis, evidence about the Organization’s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the Organization’s compliance with those requirements. While our audit will provide a reasonable basis for

our opinion, it will not provide a legal determination on the Organization's compliance with those requirements.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Planned Scope, Timing of the Audit, and Other**

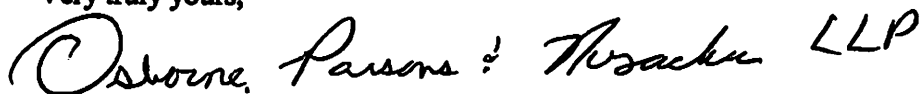
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Mitchell K. Downs, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Directors and Management of Silver Key Senior Services, Inc. & Silver Key Senior Services Foundation, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Osborne, Parsons & Rosacker LLP".

Osborne, Parsons & Rosacker, LLP



**OSBORNE, PARSONS & ROSACKER, LLP**  
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June 26, 2019

Board of Directors & Management  
Silver Key Senior Services, Inc.  
& Silver Key Senior Services Foundation, Inc.  
1625 S. Murray Blvd.  
Colorado Springs, CO 80916

We are pleased to confirm our understanding of the services we are to provide for Silver Key Senior Services, Inc. & Silver Key Senior Services Foundation, Inc. (collectively the “Organization”) for the year ended June 30, 2019.

We will audit the financial statements of the Organization, which comprise the consolidating statement of financial position as of June 30, 2019, the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements (the financial statements). Also, the following supplementary information accompanying the financial statements will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards.

**Audit Objectives**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal

awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of the Organization. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue reports, or we may withdraw from this engagement.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material

misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from the Organization's attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are

required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Organization's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Organization's major programs. The purpose of these procedures will be to express an opinion on the Organization's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

### **Other Services**

We will prepare the Organization's federal and state information returns for the year ended June 30, 2019, based on the information provided by you. We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the Organization in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statements, schedule of expenditures of federal awards, related notes, and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax return, but management must make all decisions with regard to those matters.

### **Management Responsibilities**

Management is responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance

that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to

include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the tax services, financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter the tax services provided and our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.



### **Engagement Administration, Fees, and Other**

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Organization; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Osborne, Parsons & Rosacker, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Department of Health and Human Services and the Department of Transportation, or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Osborne, Parsons & Rosacker, LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of Health and Human

Silver Key Senior Services, Inc.  
& Silver Key Senior Services Foundation, Inc.  
June 26, 2019  
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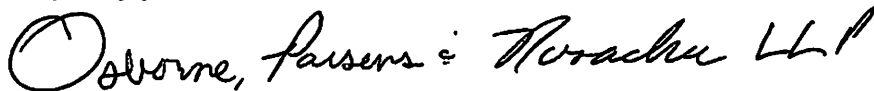
Services and the Department of Transportation. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Mitchell K. Downs, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

We estimate that our fees for the following services will not exceed \$18,000 for the Consolidated Audit, \$1,600 for the Silver Key Senior Services, Inc.'s 990 & 990T, and \$1,300 for the Silver Key Senior Services Foundation, Inc.'s 990. You will also be billed for travel and other out-of-pocket costs such as confirmations, report production, word processing, postage, etc. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



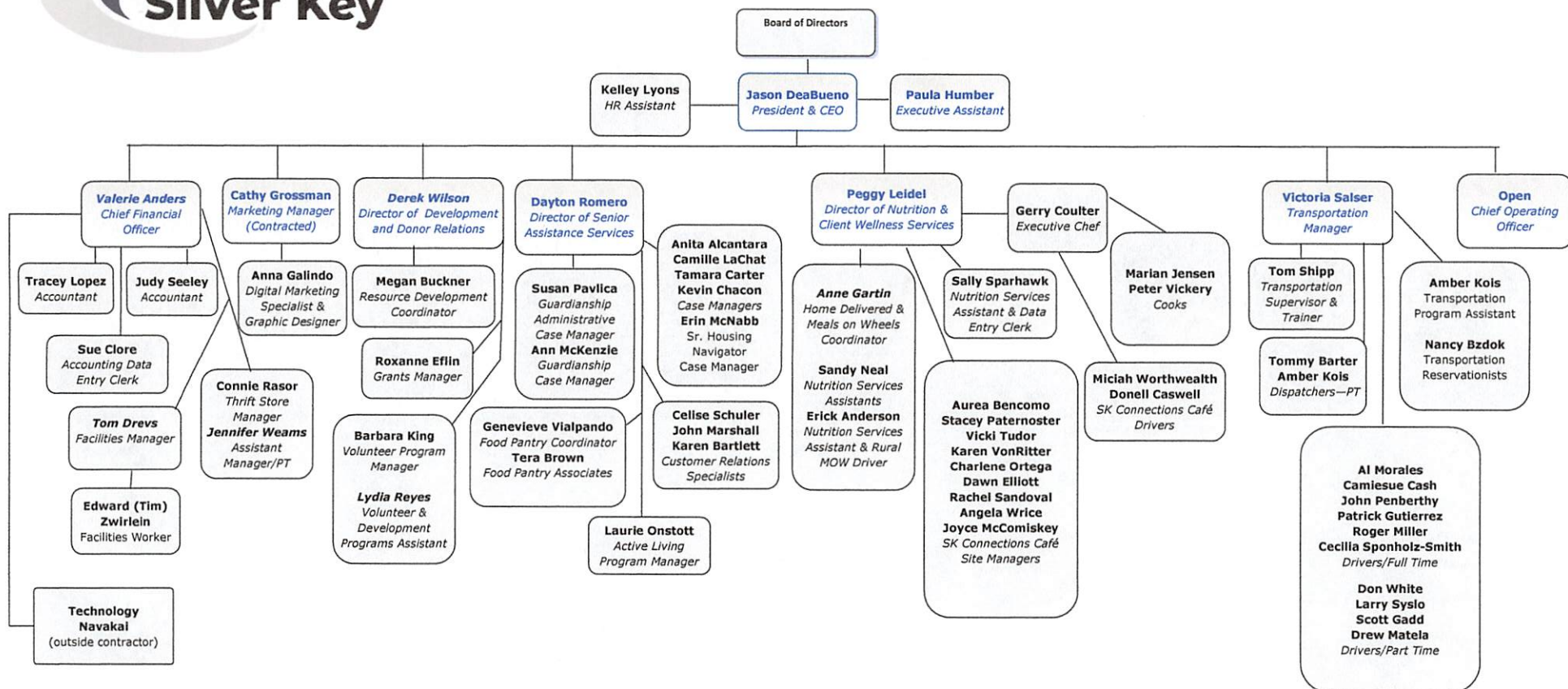
Osborne, Parsons & Rosacker, LLP

RESPONSE: This letter correctly sets forth the understanding of Silver Key Senior Services, Inc. & Silver Key Senior Services Foundation, Inc.

Signature:  Title: Owner & CEO Date: 7/3/19



## Organizational Chart 2019



Updated: 7/12/2019



**Financial Package  
FY 2018 - 2019  
Twelve Months Ending June 30, 2019  
UNAUDITED**

**Board of Directors**



## Executive Summary

### **CURRENT:**

Fiscal Year End as of June 2019 Results: YTD net loss of (\$219,592) vs. \$214,951 budgeted net income...Net Operating income before depreciation \$19,689 vs. \$192,696 budget.

### **LAG-OPERATING RESULTS:**

>**Donations and Support** - YTD donations, bequest, and foundation support came in \$1.2m, exceeded budget by \$219k, due to unexpected bequests/estate gifts received during the year of \$275k.

>**Government Grants** - YTD \$2.1m, over budget by \$141k. Received three Colorado Springs-CDBG award letters totaling \$95k effective June 2019 - ESG funding : \$30k Rapid Re-Housing, 100% of request, \$50k Housing Navigation, 100% of request, \$15k Food Security (food pantry and meals), 50% of request.

>**Other Grants** - YTD received \$432k, behind budget by (\$423k) .

>**Program Revenues** - YTD \$650k vs budget of \$812k below budget -20% = (\$162k), Reserve & Ride donations down by (\$16k) and Home Delivered Meals down by (\$82k) = 14 thousand meals and Connection Café donations down by (\$18k), receive on average .67 per meal, all three program fees/donations are below budget

>**Other Revenue** - YTD \$112k above budget due to miscellaneous income from insurance reimbursement for vehicle hail damage last summer. Investments income \$46k during June fiscal year to date income \$33k, current value of Operating Reserve account \$1,128,613.

>**Payroll & Related Expenses** - YTD (3%) over budget (\$72k), salaries over (\$20k) due to overlap of CEOs in February and additional grant fund positions not part of original budget. Employee benefits over by (\$52k) year to date, 7 additional employees elected health benefits as of January 2019. Salaries and benefits continued to increase as open positions were filled July 2018 head count was 68, as of June 2019 head count was 73 an increase of 5 people = 7% growth

>**Operating Expenses:** YTD as a whole under budget by \$37k.

>**YTD Program Overview:** Reserve and Ride revenue \$1.1m, expenses \$1m, net income \$149k; Nutrition & Wellness revenue \$1.4m, expenses \$1.6m, net loss (\$195k); Senior Assistance & Pantry revenue \$568k, expenses \$732k, net loss (\$164k); Active Living revenue of \$250k booked last fiscal year, 2018-19 expenses to date \$52k; Thrift Store revenue \$112k, expenses \$62k, net income \$49k; General & Administrative net (\$923); Development & Marketing revenue \$947k, expenses (\$361k), net income \$586k; Capital Campaign net income \$330k.

>**Cash Flow** - necessary to draw funds from Ent Line of Credit of \$150k to cover payroll and operating expenses during June 2019. Ent LOC balance as of June 30, 2019 \$420,000 - required additional operating cash to support the organization through realignment and implementation of Medicaid. Ent line of credit increased to \$750k during June 2019 - current funding does not provide excess funds to pay the LOC down. Predict continued cash challenges next fiscal year unless additional sustainable funding sources are located and implemented.

>**LEAD - PROJECTED 2019-20 FISCAL YEAR:** - estimate annual revenue \$4.5m, expenses projected at \$4.3m with net income before depreciation \$24k. Projecting a negative cash flow through out the year with the continued use of the Ent Line of Credit. Implementation of Medicaid funding for senior assistance (case management services) with the goal to be operational by October 2019. Original estimated Medicaid net income for nine months \$482k received notice that rates reduced by 45% effective 7-1-2019, this means \$218k less revenue. Currently projecting net income of \$264,000 during 2019-20. Other unknown 2019-20 factors: Home Delivered Meals numbers - budgeted a 75% decrease and currently only 35%, PPACG-AAA carryover funds normally release RFP in November (2018-19 received \$141k), City CDBG funding for the Connection Cafe program and Medicaid Non-emergent Medical Transportation. 2019-20 cash flow budget presented to Finance Committee July 16th showed a negative cash of (\$183k) and a balance of \$600k on the Line of Credit at 6-30-2020 fiscal year end.

**Silver Key Senior Services**

Statement of Revenues and Expenditures

FY 2018-2019 (Summary)

UNAUDITED

	Actual Mo Jun-19	Budget Mo Jun-19	\$ Variance	Actual 12 Months Jun-19	Budget 12 Months Jun-19	\$ Variance	% Variance	Annual Budget
<b>OPERATING REVENUE</b>								
DONATIONS	15,362	22,000	(6,638)	361,407	374,500	(13,093)	-3.5%	374,500
BEQUESTS	86,784	4,000	82,784	275,225	48,000	227,225	473.4%	48,000
SPONSORSHIPS - OTHER	2,267	2,260	7	28,199	27,120	1,079	4.0%	27,120
SPECIAL EVENTS/SPONSORSHIPS, NET	(39,130)	-	(39,130)	111,797	124,000	(12,203)	-9.8%	124,000
FOUNDATION SUPPORT	35,174	27,200	7,974	333,395	330,000	3,395	1.0%	330,000
DISTRIBUTIONS FROM TRUSTS	11,673	10,800	873	143,047	129,600	13,447	10.4%	129,600
IN-KIND DONATIONS	-	-	-	-	-	-	n/a	-
<b>TOTAL DONATIONS/SUPPORT</b>	<b>112,131</b>	<b>66,260</b>	<b>45,871</b>	<b>1,253,069</b>	<b>1,033,220</b>	<b>219,849</b>	<b>21.3%</b>	<b>1,033,220</b>
GOVERNMENT GRANTS	294,951	171,475	123,476	2,144,175	2,002,534	141,641	7.1%	2,002,534
OTHER GRANTS	94,870	96,000	(1,130)	431,666	855,400	(423,734)	-49.5%	855,400
<b>TOTAL GRANTS</b>	<b>389,821</b>	<b>267,475</b>	<b>122,346</b>	<b>2,575,840</b>	<b>2,857,934</b>	<b>(282,094)</b>	<b>-9.9%</b>	<b>2,857,934</b>
PROGRAM FEES	35,881	67,040	(31,159)	537,784	708,250	(170,466)	-24.1%	708,250
THRIFT STORE SALES	9,369	8,700	669	111,999	103,700	8,299	8.0%	103,700
<b>TOTAL PROGRAM REVENUE</b>	<b>45,250</b>	<b>75,740</b>	<b>(30,490)</b>	<b>649,783</b>	<b>811,950</b>	<b>(162,167)</b>	<b>-20.0%</b>	<b>811,950</b>
<b>OTHER REVENUE</b>								
BENEFICIAL INT IN TRUSTS - CHANGE	-	1,000	(1,000)	-	12,000	(12,000)	-100.0%	12,000
INVESTMENT INC - OPER INV, NET OF FEES	46,126	1,825	44,301	33,325	24,000	9,325	38.9%	24,000
INVESTMENT INC - OTHER (Social Enterprise)	-	250	(250)	(584)	3,000	(3,584)	-119.5%	3,000
MURRAY LEASE INCOME, NET	25,953	11,730	14,223	127,295	129,550	(2,255)	-1.7%	129,550
DISPOSAL OF FIXED ASSETS	-	-	-	-	-	-	n/a	-
MISCELLANEOUS INCOME	45,853	-	45,853	121,091	-	121,091	n/a	-
<b>TOTAL OTHER REVENUE</b>	<b>117,931</b>	<b>14,805</b>	<b>103,126</b>	<b>281,127</b>	<b>168,550</b>	<b>112,577</b>	<b>66.8%</b>	<b>168,550</b>
<b>TOTAL OPERATING REVENUE</b>	<b>665,133</b>	<b>424,280</b>	<b>240,853</b>	<b>4,759,819</b>	<b>4,871,654</b>	<b>(111,835)</b>	<b>-2.3%</b>	<b>4,871,654</b>
<b>OPERATING EXPENSES</b>								
SALARIES, TAXES AND BENEFITS	227,428	212,526	14,902	2,786,446	2,714,142	72,304	2.7%	2,714,142
SENIOR ASSISTANCE	18,010	11,400	6,610	138,421	140,550	(2,129)	-1.5%	140,550
TRANSPORTATION	19,457	33,675	(14,218)	411,621	415,560	(3,939)	-0.9%	415,560
NUTRITION	61,111	62,400	(1,289)	769,569	755,460	14,109	1.9%	755,460
DEVELOPMENT & MARKETING	439	3,329	(2,890)	27,576	68,904	(41,328)	-60.0%	68,904
PROGRAM SUPPLIES	1,727	4,709	(2,982)	53,339	56,508	(3,169)	-5.6%	56,508
OFFICE EXPENSES/SUPPLIES	3,612	3,775	(163)	53,500	45,300	8,200	18.1%	45,300
OCCUPANCY EXPENSES	25,696	22,612	3,084	258,922	272,344	(13,422)	-4.9%	272,344
OTHER GENERAL AND ADMINISTRATIVE	38,682	16,745	21,937	240,737	235,990	4,747	2.0%	235,990
<b>TOTAL OPERATING EXPENSES</b>	<b>396,161</b>	<b>371,171</b>	<b>24,990</b>	<b>4,740,130</b>	<b>4,704,758</b>	<b>35,372</b>	<b>0.8%</b>	<b>4,704,758</b>
<b>NET OPERATING INCOME BEFORE DEPRECIATION</b>	<b>268,973</b>	<b>53,109</b>	<b>216,660</b>	<b>19,689</b>	<b>166,896</b>	<b>(147,207)</b>	<b>-88.2%</b>	<b>166,896</b>
<b>DEPRECIATION AND AMORITIZATION</b>	<b>46,557</b>	<b>43,065</b>	<b>3,492</b>	<b>568,819</b>	<b>519,545</b>	<b>49,274</b>	<b>9.5%</b>	<b>519,545</b>
<b>NET OPERATING INCOME/(LOSS)</b>	<b>222,416</b>	<b>10,044</b>	<b>213,168</b>	<b>(549,130)</b>	<b>(352,649)</b>	<b>(196,481)</b>	<b>55.7%</b>	<b>(352,649)</b>
<b>TOTAL CAPITAL CAMPAIGN, NET</b>	<b>(53)</b>	<b>47,300</b>	<b>(47,353)</b>	<b>329,539</b>	<b>567,600</b>	<b>(238,061)</b>	<b>-41.9%</b>	<b>567,600</b>
<b>TOTAL REVENUE OVER/(UNDER) EXPENSE</b>	<b>222,363</b>	<b>57,344</b>	<b>165,815</b>	<b>(219,592)</b>	<b>214,951</b>	<b>(434,543)</b>	<b>-202.2%</b>	<b>214,951</b>



**Silver Key Senior Services**

**Balance Sheet**

**UNAUDITED**

	as of 6/30/19 Current Year	as of 5/31/19 Current Year	6/30/2018 Prior Year
<b>ASSETS</b>			
<b>CURRENT</b>			
CASH - OPERATING	121,089	4,793	155,356
CASH - CAPITAL CAMPAIGN	0	0	156,515
OPERATING RESERVE	129	438	110,153
Total CASH	121,218	5,231	422,024
ACCOUNTS RECEIVABLE	693,061	633,848	582,508
PLEDGES RECEIVABLE	(200)	51,600	11,352
PREPAID EXPENSES	68,738	107,804	105,322
OTHER CURRENT ASSETS (Estate/Bequests)	186,784	100,000	37,571
Total Receivables	948,383	893,252	736,753
Total CURRENT	1,069,601	898,483	1,158,777
<b>FIXED</b>			
LAND & BUILDINGS	5,207,540	5,199,875	5,114,284
FURNITURE, FIXTURES & EQUIPMENT	1,475,367	1,439,790	1,303,188
VEHICLES	1,428,017	1,326,623	1,347,879
ACCUMULATED DEPR & AMORT	(2,726,133)	(2,679,576)	(2,203,925)
Total FIXED	5,384,791	5,286,712	5,561,426
<b>OTHER ASSETS</b>			
BENEFICIAL INTEREST IN TRUSTS	4,422,540	4,422,540	4,422,540
INVESTMENTS (OPER RESERVE)	1,128,613	1,082,489	1,098,144
OTHER ASSETS	19,992	34,551	43,894
Total OTHER ASSETS	5,571,145	5,539,580	5,564,578
Total ASSETS	12,025,537	11,724,775	12,284,781
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
ACCOUNTS PAYABLE	200,070	205,408	213,013
SALARIES PAYABLE	120,529	136,888	101,001
ENT CREDIT UNION - RLOC	420,000	270,000	0
NOTE PAYABLE CURRENT - ENT CREDIT UNION	16,064	46,284	54,461
SECURITY DEPOSITS - MURRAY TENANTS	13,425	15,130	13,420
DEFERRED REVENUE	0	48,120	53,100
OTHER LIABILITIES	0	0	0
Total CURRENT LIABILITIES	770,088	721,830	434,995
<b>LONG-TERM LIABILITIES</b>			
N/P - ENT CREDIT UNION	258,951	228,730	633,696
LOC - ENT CREDIT UNION	0	0	0
Total LONG-TERM LIABILITIES	258,951	228,730	633,696
Total LIABILITIES	1,029,039	950,560	1,068,691
<b>NET ASSETS</b>	11,216,090	11,216,090	10,316,732
NET ASSETS BEGINNING BALANCE	11,216,090	11,216,090	10,316,732
REVENUE OVER (UNDER) EXPENSES	(219,592)	(441,875)	899,358
Total NET ASSETS	10,996,498	10,774,215	11,216,090
TOTAL LIABILITIES & NET ASSETS	12,025,537	11,724,775	12,284,781

2017-18 Notes:  
Estates \$470,826  
Capital Campaign \$426,649  
NextFifty Grant \$250,000

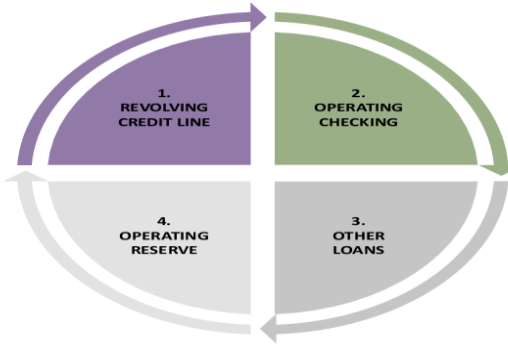
**SILVER KEY**

BUDGET FY 2018-2019

## CASH FLOW PROJECTIONS

	2018-19	6/30/2019
	BUDGET	ACTUAL
Net Income (loss) before Capital Campaign	(326,849)	(549,130)
Depreciation and Amortization	519,545	568,819
Capital Expenditures (1700-1770)		
Murray Building & Grounds		(93,256)
Thrift Store - HUBSCRUB	(12,000)	(17,435)
Technology Assets (Grant funded)	(40,600)	(47,732)
Furniture & Fixtures (Capital Campaign)		(8,528)
AED Units (Grant funded)		(5,359)
2019 Subaru Foster - Housing Navigator (RNR Foundation funded)		(25,355)
2 Vehicles (CDOT funded)	(118,930)	(58,122)
Kitchen Equipment (AAA funding)		(101,853)
Install 2 Electric Inverters in Nutrition Vehicles (AAA funded)		(10,321)
2019 Honda Odyssey Van (AAA funded)		(32,951)
Active Living - furniture & A/V Equipment		(14,859)
Estimated Net increase (decrease) in cash	21,166	(396,082)
Operating Cash on Hand	252,110	121,218
Capital Campaign Net Income		329,539
Outstanding Balance Ent Line of Credit	-	420,000
Investment Operating Reserves		1,128,613

### Silver Key - Operating Reserve Tracking



Month	\$500k/4% RLOC Balance (paid off)		Operating Cash (\$1.2 M)		Days of Cash on Hand days Goal		3.125% Ent Other Loans (paid off)		Operating Reserve (Inv) (\$2.5M bal)	
Jun 2017	40,000	X	122,914	X	11	X	1,215,370	X	1,628,676	X
Jul 2017	65,000	X	36,891	X	3	X	1,215,370	X	1,331,555	X
Aug 2017	-	✓	97,439	X	8	X	1,215,370	X	1,335,746	X
Sep 2017	100,000	X	147,983	X	12	X	1,115,370	X	1,361,526	X
Oct 2017	-	✓	179,728	X	15	X	1,115,370	X	1,074,619	X
Nov 2017	-	✓	228,442	X	21	X	1,152,269	X	1,091,270	X
Dec 2017	-	✓	365,666	X	32	X	1,050,000	X	1,117,832	X
Jan 2018	-	✓	424,524	X	39	X	1,050,000	X	1,140,486	X
Feb 2018	-	✓	350,358	X	31	X	900,000	X	1,099,552	X
Mar 2018	-	✓	395,422	X	34	X	900,000	X	1,095,077	X
Apr 2018	-	✓	262,132	X	24	X	896,210	X	1,099,190	X
May 2018	-	✓	311,236	X	27	X	692,254	X	1,100,230	X
Jun 2018	-	✓	252,110	X	22	X	688,157	X	1,098,144	X
Jul 2018	-	✓	251,690	X	22	X	683,659	X	1,117,753	X
Aug 2018	-	✓	162,272	X	13	X	674,687	X	1,125,593	X
Sep 2018	-	✓	130,534	X	12	X	620,002	X	1,123,514	X
Oct 2018	-	✓	192,929	X	15	X	515,400	X	1,062,487	X
Nov 2018	-	✓	101,384	X	7	X	450,541	X	1,069,836	X
Dec 2018	-	✓	216,298	X	17	X	445,511	X	1,017,431	X
Jan 2019	-	✓	363,163	X	27	X	440,433	X	1,076,793	X
Feb 2019	-	✓	209,325	X	15	X	290,433	X	1,097,557	X
Mar 2019	100,000	X	79,266	X	6	X	292,021	X	1,105,352	X
Apr 2019	200,000	X	57,350	X	4	X	280,525	X	1,126,403	X
May 2019	270,000	X	5,231	X	0	X	275,014	X	1,082,489	X
June 2019	420,000	X	121,089	X	9	X	275,014	X	1,128,613	X

\*\*(Draft) Foundation Endowment Policy - all operating reserve goals achieved and maintained three consecutive months. Silver Key transfer unrestricted bequest/estate gifts to Foundation Endowment - Operating.