

MARKLUND

To: **Members of the Marklund Board of Directors**

Tim Adkins	Gerry Estes	Laura Karlins	<u>Staff</u>
Jim Armbruster	Carol Donahue	Yaneth Medina	Kudus Badmus
Howard Brandeisky	Jerry Finis	Frank Murnane Jr.	Gil Fonger
Maleeha Basha	Karyn Fitch	Dan Whiston	Heather Graves
Carie Carney	Dan Foley	Ari Smith	Mary Kobbeman

From: Mike Herlihy
Chair of the Board of Directors

Subject: Board of Directors Meeting
7:00 P.M. Thursday, June 20, 2024
Marklund Hyde Center – Geneva, IL

6:45	Dinner	
7:00	Call to Order/ Changes to the Agenda	M. Herlihy
7:05	Mission Moment: Development	H. Graves
7:25	Board Chair Report Previous Minutes of April 4, 2024 (Tab 4)	M. Herlihy
7:30	Finance Committee Report – ACTION NEEDED • Approval of FY25 Budget (Tab 5)	J. Finis
7:45	MWC Expansion Update	G. Fonger
7:50	Governance Committee Report – ACTION NEEDED (Tab 6) • FY25 Slate of Officers/Committees • Annual Board Survey • New Board Members	M. Herlihy
8:00	Friend of the Year- ACTION NEEDED (Tab 7)	G. Fonger
8:05	Development Update (Tab 8)	H. Graves
8:10	MHC Incident Update	G. Fonger
8:35	President and CEO Report (Tab 9) • 2025 Board Calendar • Board Retreat Review Thurs. Aug. 8th	G. Fonger
8:30	Old Business/New Business/Announcements	M. Herlihy/G. Fonger
8:55	Adjournment	

**Next Meeting is at the Marklund Hyde Center
Wednesday, October 30, 2024 7:00 P.M. (Board)**

If you are not able to attend the meeting, or will be joining via Zoom in please let Mary Kobbeman know.
(mkobbeman@marklund.org)

**Finance
Committee
Meeting
5:30-6:45 p.m.
Corner Conference
Room**

**Board of
Directors
Meeting
7:00-8:30 p.m.**

**Location:
Marklund Hyde
Center, Geneva**

**Thursday,
June 20, 2024**

1. Finance Committee Agenda

**2. Previous Finance Committee
Minutes**

3. Financial Statements

4. Pervious Board Minutes

5. FY25 Budget

6. Governance Committee Report

7. Friend of the Year

8. Development Update

9. President & CEO Report

MARKLUND

Members of the Finance Committee

Marklund Board of Directors

Tim Adkins Yaneth Medina
Gerry Estes Frank Murnane Jr.
Jerry Finis Mike Herlihy
Dan Foley

Staff

Kudus Badmus
Gil Fonger
Mary Kobbeman

From: Jerry Finis
 Chairman of the Finance Committee

Subject: **Finance Committee Meeting**
 5:30 P.M. Thursday, June 20, 2024
 Marklund Hyde Center, Corner Conference Room, Geneva

Time	Agenda:	
5:30	Call to Order	J. Finis
5:30	Cerity Partners- Endowment Report	P. Fischbach
6:10	Previous Minutes (Tab 2) Minutes of April 4, 2024 Minutes of May 23, 2024	J. Finis
6:15	Financial Statements (Brief Highlights and Questions) (Tab 3) A. Marklund May 2024 (Att. #3a) B. Marklund Charities May 2024 (Att. #3b)	K. Badmus
6:40	Other Business	K. Badmus
6:45	Adjournment	J. Finis

Next meeting is scheduled for Wednesday, October 30th in Geneva. If you are unable to attend the meeting, please notify Mary Kobbeman (mkobbeman@marklund.org) if you will be joining with Zoom.

MARKLUND
MINUTES OF THE FINANCE COMMITTEE MEETING
Thursday, April 4, 2024 5:30 P.M.
Marklund Hyde Center
Geneva, IL

CALL TO ORDER

Jerry Finis called the meeting to order at 5:30 p.m.

PRESENT

Carol Donahue, Jerry Finis, Mike Herlihy,

ZOOM

Gerry Estes, Tim Adkins, Yaneth Medina

ABSENT

Dan Foley, Frank Murnane Jr.

STAFF

Kudus Badmus, Gil Fonger, Mary Kobbeman

PREVIOUS MINUTES

Jerry F. asked for a motion to approve the minutes of January 25, 2024. Gerry E. motioned, Carol D. seconded, and the minutes were approved.

FINANCIAL STATEMENTS

Kudus B. reviewed the February Financial Statements stating that YTD, overall Revenue was under budget by \$1.1M. Residential services were under budget by \$442K, while the Day School was under budget by \$500K. He also mentioned that the Center for Medicare and Medicaid Services (CMS) was still reviewing the approved \$2.50 per hour rate increase that was supposed to have taken effect since January, 2024. Mike H. asked whether the \$2.50 increase was added to the gross salary of the direct care staff. Kudus B. responded that \$1.25 was to be added to the hourly pay of frontline staff while the remaining \$1.25 was to be utilized at the discretion of management. He added that the estimated retro payment from the state for January and February totaled \$435K.

Kudus continued by saying that Salaries and Employee Benefits were under budget by \$300K. He mentioned that the ongoing retention program has been yielding favorable results, as reflected in the reduction in the Consulting – Nurses & Aides expenses. The weekly average reduction in agency spend approximates \$20K since the beginning of the 16-week initiative. Kudus B. also reviewed the MC/DD facilities (page 4) and bed hold implications of the tier reimbursement system. Mike H. inquired whether open bed days are accounted for in the budget. Kudus B. responded that allowances are made for hospitalizations and open bed days in every budget. He added that MWC is currently down by 4 tier 1 residents which was very unusual.

In concluding his report, Kudus B. stated that YTD operating results noted a cash loss of \$4.3M, unfavorable to budget by \$1.1M. He reiterated that the numbers do not include the pending retro payment of \$435K mentioned above.

Construction Budget Update

Gil F. provided a list of the unanticipated major items and mandated upgrades that necessitated the request for an increase of the previous Board-approved funds for the MWC expansion/renovation from \$16.5M to \$17.0M.

After a brief discussion with Gil F. satisfactorily answering questions posed by the committee members, Mike H. presented the following motions:

Authorize the President/CEO to spend up to \$1.5 Million from board authorized funds in the endowment for the construction of the Marklund Wasmond Center. Carol D. moved; Yaneth M. seconded. The motion passed unanimously.

Authorize the President/CEO to spend up to \$17.0 million and to do everything necessary, up to and including financing, construction documents, and permits, to be under construction for the 24-bed expansion and renovation of Marklund Wasmond Center. Carol D. moved, Yaneth M. seconded. The motion passed unanimously.

ADJOURNMENT

With no further business, Jerry F. called for a motion to adjourn. Carol D. motioned, Yaneth M. seconded, and the meeting was adjourned at 6:20 p.m.

MARKLUND
MINUTES OF THE FINANCE COMMITTEE MEETING
Thursday, May 23, 2024 5:30 P.M.
Marklund Hyde Center
Geneva, IL

CALL TO ORDER

Jerry Finis called the meeting to order at 5:30 p.m.

PRESENT

Gerry Estes, Jerry Finis, Dan Foley, Mike Herlihy, Yaneth Medina

ABSENT

Tim Adkins, Frank Murnane Jr.

STAFF

Kudus Badmus, Gil Fonger (Zoom), Mary Kobbeman

FISCAL YEAR 2025 MARKLUND BUDGET

Kudus B. opened his presentation by reviewing the Finance Committee Commission. He highlighted the key responsibilities of the Committee, emphasizing that reviewing the budget is one of its major functions. Kudus B. continued with an overview of each program, including the number of residents, community clients, and students served in each area. Additionally, he analyzed the five-year trends for Marklund and Development.

Kudus B. then reviewed the Variance Summary (tab 3), stating that the consolidated revenue for the FY 2025, approximately \$48M, is \$3.4M over the projected FY 2024 year-end revenue projections of \$44.5M. He further discussed the detailed revenue by program (tab 4). Kudus B. stated that Marklund's budgeted revenue of \$42M for FY 2025 from all funding sources noted an increase of \$4.6M or 12.3% over FY 2024 year-end projections. He indicated that the majority of the increase was related to the Day School program, with an estimated increase of \$3M. The Day School, with a current average enrollment of 77 students, is slated to grow by 20 students. He further stated that the NEC school program, which was suspended due to lack of teaching staff during FY 2024, now has a principal and three teachers hired to start the next fiscal year. Additionally, all teachers for each location have signed a contract for the upcoming school year.

Kudus B. stated that Expenses are budgeted at \$48.2M, reflecting an increase of \$3.1M or 7%, adding that the increase is primarily due to a net staffing expense increase of \$2.7M. He then referred to the Salary Variance schedule (tab 5), showing the year-end salary expense for each program compared to the FY 2025 staffing expenses. Pointing out that the School will see an increase of \$1.9M in staffing expenses in FY 2025, Kudus B. noted that this aligns with the budgeted revenue increase of \$3M mentioned above. He also stated that, due to the success of the recently completed retention initiative, the organization is able to forecast a reduction in nursing agency expenses of approximately \$1M in FY 2025. Gil F. added that, based on early results, the estimate is very achievable. Kudus B. concluded this portion of his presentation by stating that overall, the consolidated results of the FY 2025 are projected to contribute approximately \$1.5M to Marklund operations.

CAPITAL BUDGET

Kudus B. explained that the Capital Budget process involves categorizing items into four levels of priority. Items designated as priority 1 or 2 are intended to be acquired this fiscal year, while items listed under priority 3 or 4 will be fundraised for. The budgeted costs of priority 1 and 2 items totaled \$670K. Management will allocate \$200K of the board-designated endowment revenue and \$470K in restricted donations to cover funds needed to procure these items. The construction budget is tracked separately and is not part of this capital budget. With that, Kudus B. concluded the capital budget presentation.

MARKLUND CHARITIES

Kudus B. stated that in FY 2025, the revenue budget for Marklund Charities is \$5.9M, with a net income expected of \$4.4M. Expenses are in line with FY 2024 year-end projections. After further discussion, Jerry F. asked for a motion to approve the FY 2025 Budget. Yaneth M. motioned, and Gerry E. seconded. The motion passed without exception.

ADJOURNMENT

With no further business, Jerry F. called for a motion to adjourn. Mike H. motioned, Carol D. seconded, and the meeting was adjourned at 7:01 p.m.

MARKLUND

MAY 2024 FINANCIAL STATEMENTS

Index	Page Number
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▪ Divisional Monthly Census	3
▪ Divisional Year to Date Income Statement by Program	4-7
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▪ Statement of Cash Flows	10

DATE: June 11, 2024
TO: Board of Directors, Marklund
FROM: Kudus O. Badmus, Chief Financial Officer *KB*
SUBJECT: Summary Comments – May, 2024 Financial Statements

BALANCE SHEET

Overall, Cash and Cash Equivalents at the end of the month slightly increased by \$3K. *A net Fund balance transfers-In of \$2.1M was offset by a decrease of \$1.1M in Current Liabilities and Additions to Property, Plant & Equipment of \$800K.*

INCOME STATEMENT

YTD operating results noted a Cash loss of \$5.5M; unfavorable to budget by \$2.3K or 71%.

The following scope of explanation includes line items that have a 10% YTD variance from budget. Other line items are listed at the discretion of management.

**YTD
Operating Revenues**

YTD, Operating Revenues consisting of Residential Services, School Tuition, Community Day Services and Other are unfavorable to budget by \$2.4M or 7%. As mentioned in a previous Financial Statements, the approved direct care rate increase of \$2.50 per hour, estimated to approximate \$1.1M, has not been recorded. Once the hurdle at the Centers for Medicare & Medicaid Services (CMS) has been cleared, we will be able to record the revenue retroactively.

Residential Services:

YTD, this line item is unfavorable to budget by \$776K or 4% due to unfavorable residential census and increased hospitalizations. Nonetheless, once we are able to record the pending payments related to the approved rate increase mentioned above, this line item is expected to be in line with budget. Currently, census at MWC is under budget by 5 while the 16-beds and MPC operated at full census during the month.

School Tuition:

YTD, this line item is unfavorable to budget by \$1.5M or 18%. This program has particularly suffered from the effect of the shortage of teachers even though we had students on our waiting list. Additionally, we experienced some resignations during the school year that affected programming coupled with the temporary closure the school program at NEC. To combat this, we have instituted an annual contract system for all our teachers with an incentive that they will receive after fulfilling the terms of their contract.

Community Day Services:

The YTD results in this line item are unfavorable to budget by \$260K or 5% mostly due to the unfavorable YTD revenue of \$205K recorded for the Bridge Builder program and the impact of the unfavorable residential census mostly at MWC.

YTD
Operating Expenses**Salaries:**

YTD, Salaries approximates budget with a slight favorable variance of \$40K. As mentioned in earlier statements, we are beginning to see the results of the just completed 16-week retention initiative translated into more hiring of PSPs and paraprofessionals as reflected in the unfavorable variance of \$82K for the current month. While we are still facing some challenges with nurses. Our recruitment team have bought 7 teachers since March, 2024; and, all have signed a contract for the upcoming school year.

Benefits:

YTD, favorable to budget by \$365K or 7%; while this line item was budgeted at 24% of salaries, the current month's favorable variance of \$145K or 30% reflects an adjustment made based on the analysis of open positions for the fiscal year.

Consulting-Nurses & Aides:

The YTD favorable variance of \$300K or 6% in this line item is primarily due to the success of our retention initiative mentioned above. Current month noted a favorable variance of \$172K or 41%. Our hope is that our sustainability plan will help maintain these early results. For a complete picture of our staffing position, please see this line item and Salaries above together.

Medical:

The YTD unfavorable variance of \$231K or 23% is due to price increases and lingering supply chain issues necessitating the purchase of more expensive substitutes.

Housekeeping:

The YTD unfavorable variance of \$87K or 43% is mainly due to hiring of temporary staff to fill open positions. This is offset in part by a favorable variance of approximately \$23K in Salaries for this department.

Marklund Balance Sheet Fiscal Year 2024

	May	April
Current Assets		
Cash	\$ 4,331	\$ 1,256
Cash Equivalents	632,848	632,844
Inventory	134,182	134,182
Accounts Receivable Residential	4,306,625	4,413,854
Accounts Receivable Day School	1,359,280	1,309,248
Accounts Receivable Misc.	0	85
Due From Marklund Charities	144,005	89,305
Prepaid Assets	382,479	409,433
Total Current Assets	\$ 6,963,750	\$ 6,990,207
Other Assets		
Investments	\$ 0	\$ 0
Total Investments	\$ 0	\$ 0
Property, Plant & Equipment		
Land	\$ 4,939,992	\$ 4,939,992
Land Improvements	5,081,344	5,081,344
Leasehold Improvements	0	0
Construction in Progress (CIP)	3,980,727	3,211,759
Buildings / Building Improvements	48,567,879	48,549,612
Furniture and Equipment	7,393,165	7,413,885
Vehicles	1,192,191	1,192,191
Total Property, Plant & Equipment	\$ 71,155,298	\$ 70,388,783
Less: Accumulated Depreciation	35,432,627	35,222,872
Net Property, Plant & Equipment	\$ 35,722,671	\$ 35,165,911
Total Unrestricted Assets	\$ 42,686,421	\$ 42,156,118
Current Liabilities		
Accounts Payable	\$ 291,331	\$ 401,382
Payroll Payable	1,191,957	2,033,944
Due to Marklund Charities	1,432	1,432
Other Current Liabilities	3,428,007	3,779,652
Line of Credit	3,315,401	3,094,752
Current Portion of Notes Payable (FEC)	383,069	383,069
Total Current Liabilities	\$ 8,611,197	\$ 9,694,231
Long-Term Liabilities		
Notes Payable Net of Current Portion	\$ 967,458	\$ 999,381
Construction Pledge Line (MWC)	1,713,492	2,120,692
Total Long-Term Liabilities	\$ 2,680,950	\$ 3,120,073
Total Liabilities	\$ 11,292,147	\$ 12,814,304
Fund Balance		
Fund Balance Beginning Year	\$ 30,593,014	\$ 30,593,014
Net Income (Loss)	(8,091,673)	(7,606,422)
Fund Balance Transfers In - MPC	616,531	530,946
Fund Balance Transfers In - MWC	3,356,310	1,949,862
Fund Balance Transfers In - Mill Creek 16 bed homes	1,153,184	129,071
Fund Balance Transfers In - Community Day Services MPC	0	0
Fund Balance Transfers In - Community Day Services MWC	20,542	20,167
Fund Balance Transfers In - Community Day Services MHC	300,554	282,535
Fund Balance Transfers In - Community Day Services Elgin	1,232,471	1,232,471
Fund Balance Transfers In - Day School	1,876,653	1,874,379
Fund Balance Transfers In - Administration	163,038	162,141
Fund Balance Transfers In - Transportation	173,650	173,650
Fund Balance Transfers In - Bridge Builders	0	0
Fund Balance Transfers Out - Charities	0	0
Net Fund Balance	\$ 31,394,274	\$ 29,341,814
Total Unrestricted Liabilities & Fund Balance	\$ 42,686,421	\$ 42,156,118

Marklund Income Statement For the Month of May 2024

	Current Month			Year to Date			FY2023
	Actual	Budget	Variance	Actual	Budget	Variance	Actual May 2023
Revenues							
Residential Services	\$ 2,021,109	\$ 2,038,106	\$(108,824)	\$ 21,308,788	\$ 22,084,478	\$(775,690)	\$ 21,240,331
School (Multi Needs & Life Skills)	647,802	1,093,300	\$(370,720)	6,769,573	8,220,768	(1,451,195)	6,070,104
Community Day Services	395,866	484,824	\$(50,759)	4,765,229	5,025,297	(260,068)	4,226,743
Other Operating	3,368	8,267	3,923	147,104	90,939	56,165	80,103
Total Operating Revenue	\$ 3,068,145	\$ 3,624,497	\$(526,380)	\$ 32,990,694	\$ 35,421,482	\$(2,430,788)	\$ 31,617,281
Expenses							
Salaries	\$ 1,776,544	\$ 1,996,317	82,393	\$ 21,919,656	\$ 21,959,487	\$(39,831)	\$ 19,785,643
Employee Benefits	388,029	481,116	\$(144,952)	4,927,171	5,292,277	\$(365,106)	4,770,125
Employee Expenses	35,666	40,885	\$(18,977)	379,146	432,700	\$(53,554)	376,952
Consulting	32,374	38,757	1,516	382,661	415,323	\$(32,662)	323,052
Consulting - Nurses & Aides	383,552	422,029	\$(172,253)	4,345,328	4,642,323	\$(296,995)	4,106,735
Medical	86,634	93,271	49,576	1,257,356	1,025,979	231,377	1,067,596
Dietary & Support	60,246	53,083	6,205	608,513	583,917	24,596	586,982
Housekeeping	30,726	18,346	9,291	289,187	201,807	87,380	242,141
Occupancy	251,013	273,623	8,905	3,109,099	3,131,533	\$(22,434)	2,682,904
Equipment	114,813	118,064	\$(1,965)	1,291,386	1,320,409	\$(29,023)	1,254,304
Vehicles	17,314	18,621	\$(717)	176,717	206,100	\$(29,383)	159,202
Administrative (Including Insurance, Legal/Audit, Advertising, etc.)	55,792	69,761	\$(1,642)	856,749	806,874	49,875	669,729
Provider Taxes	109,279	116,955	\$(490)	1,281,115	1,286,507	\$(5,392)	1,202,065
Interest Expense	35,446	6,250	12,106	232,122	68,750	163,372	131,495
Client/Student	2,179	12,165	\$(1,076)	137,943	133,810	4,133	77,103
Total Operating Expenses	\$ 3,379,607	\$ 3,758,743	\$(172,080)	\$ 41,194,149	\$ 41,507,796	\$(313,647)	\$ 37,436,028
Operating Income	\$ (311,462)	\$ (134,246)	\$(354,300)	\$ (8,203,455)	\$ (6,086,314)	\$(2,117,141)	\$(5,818,747)
Non-Operating Income							
Interest Income	5	4	\$(0)	49	48	1	77
Miscellaneous Income	4,447	3,359	2,356	101,872	36,946	64,926	37,231
Gain (Loss) on Sale of Assets	0	0	\$(2,426)	(2,426)	0	(2,426)	(735)
Gain (Loss) on Investments	10,412	0	0	12,287	0	12,287	94,123
Unrestricted Gifts & Grants	0	0	0	0	0	0	0
Total Non-Operating Income	\$ 14,864	\$ 3,363	\$(70)	\$ 111,782	\$ 36,994	\$(74,788)	\$ 130,696
Net Income (Loss)	\$ (296,598)	\$ (130,883)	\$(354,370)	\$ (8,091,673)	\$ (6,049,320)	\$(2,042,353)	\$(5,688,051)
add back: Depreciation	226,710	258,449	\$(15,725)	2,613,366	2,842,944	\$(229,578)	2,397,470
add back: Bad Debt Allowance	0	0	0	0	0	0	0
add back: Gain (Loss) on Sale of Assets	0	0	2,426	2,426	0	2,426	735
Net Income (Loss)	\$ (69,888)	\$ 127,566	\$(367,669)	\$ (5,475,881)	\$ (3,206,376)	\$(2,269,505)	\$(3,289,846)
<i>(Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)</i>							
Fiscal Year 2024 Transfers In	\$ 1,354,084			\$ 3,013,539			

Marklund
 Divisional Census
 Fiscal Year 2024
 For Month Ending May 31, 2024

licensed beds		21	61	16	16	16	16	16	16	16	16	16	Community Day Services	Bridge Builders
Fee Source		MPC	MWC	MHH	MVH	MTH	MSH	MDH	MRH	Day School				
CENSUS DAILY RATE	IDHS (ICF/DD)			16	16	16	15	16	15.6					
				\$327.97	\$323.19	\$327.97	\$332.95	\$325.09	\$323.68					
AVERAGE DAILY RATE	IDHS (MC/DD)	21	54											
		\$475.31	\$390.67											
MONTHLY RATE	IDHS												148.5	
													\$2,670.90	
CLIENT DAILY RATE	DHS - Program 31U												6.4	
													130	
CLIENT HOURLY RATE													\$15.03	
DAILY RATE	private pay (residential)						1							
							\$336.03							
MONTHLY RATE	private pay (residential)												1	
													\$2,390.47	
MONTHLY RATE	private pay (community)												2	
													\$2,132.78	
CLIENT DAILY RATE	part-time												3.5	
													76	
CLIENT HOURLY RATE	private pay (community)												\$117.30	
DAILY RATE														
MONTHLY RATE	part-time													
AVERAGE MONTHLY RATE	private pay (community)													3
														\$1,019.74
AVERAGE MONTHLY RATE	private pay (community)													4
														\$2,300.00
Full Time Student DAILY RATE	School District													
										78				
										\$465.88				
Actual Census Based on Billable Days		21	54	16	16	16	16	16	15.6	78	15.6	161.4		7
Budgeted Census		20	58.8	15.8	15.8	15.6	15.7	15.8	15.8	119	15.8	164		23

Days
 Residential 31
 Community Day Services 22
 Day School 20

Marklund
Income Statement by Program
Year to Date May 31, 2024

	Philip Center			Wasmond Center			Mill Creek 16 bed Homes		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Revenues									
Residential Services	\$ 3,296,789	\$ 3,272,219	\$ 24,570	\$ 7,605,683	\$ 8,447,665	\$ (841,982)	\$ 10,406,316	\$ 10,364,594	\$ 41,722
School (Multi Needs & Life Skills)	0	0	0	0	0	0	0	0	0
Community Day Services	0	0	0	0	0	0	0	0	0
Other Operating	5,328	0	5,328	50,613	27,500	23,113	26,844	35,200	(8,356)
Total Operating Revenue	\$ 3,302,117	\$ 3,272,219	\$ 29,898	\$ 7,656,296	\$ 8,475,165	\$ (818,869)	\$ 10,433,160	\$ 10,399,794	\$ 33,366
Expenses									
Salaries	\$ 1,724,995	\$ 1,559,616	\$ 165,379	\$ 3,980,163	\$ 3,366,551	\$ 613,612	\$ 5,630,396	\$ 5,613,068	\$ 17,328
Employee Benefits	376,443	374,308	2,135	861,083	807,972	73,111	1,235,807	1,347,137	(111,330)
Employee Expense	12,626	14,713	(2,087)	44,831	40,631	4,200	47,782	42,211	5,571
Consulting	31,673	37,066	(5,393)	263,896	231,808	32,088	51,159	51,206	1,953
Consulting - Nurses & Aides	907,064	648,869	258,175	1,392,787	2,001,525	(608,738)	1,859,047	1,991,909	(132,862)
Medical	242,489	207,625	34,864	594,192	426,750	167,442	357,980	324,362	33,628
Dietary & Support	75,568	70,492	5,076	163,010	180,125	(17,115)	352,244	317,900	34,344
Housekeeping	25,106	17,476	7,630	36,466	35,383	1,083	55,690	41,800	13,890
Occupancy	260,717	237,389	23,328	288,832	281,539	7,293	601,414	737,600	(136,186)
Equipment	77,447	84,316	(6,869)	205,944	231,941	(25,997)	232,538	213,842	18,696
Vehicles	0	0	0	0	0	0	0	0	0
Administrative (not including salaries)	20,825	21,606	(781)	56,834	61,134	(4,300)	78,856	75,477	3,379
Provider Taxes	198,238	198,869	(631)	492,463	496,723	(4,260)	590,414	590,894	(480)
Interest Expense	0	0	0	0	0	0	0	0	0
Client/Student	6,663	11,183	(4,520)	13,823	17,417	(3,594)	29,009	34,650	(5,641)
Total Operating Expense	\$ 3,959,854	\$ 3,483,568	\$ 476,286	\$ 8,414,324	\$ 8,178,999	\$ 235,325	\$ 11,124,346	\$ 11,382,056	\$ (257,710)
Operating Income (Loss)	\$ (657,737)	\$ (211,349)	\$ (446,388)	\$ (758,028)	\$ 296,166	\$ (1,054,194)	\$ (691,186)	\$ (982,262)	\$ 291,076
Allocation of Administration 10%	\$ 395,985	\$ 348,357	\$ 47,628	\$ 841,432	\$ 817,900	\$ 23,532	\$ 1,112,435	\$ 1,138,206	\$ (25,771)
Allocation of Transportation	21,301	19,365	1,936	61,875	56,250	5,625	97,378	88,523	8,855
Allocation of Help Wanted	13,099	11,770	1,329	30,224	25,407	4,817	42,755	42,362	393
Total Allocated Expenses	\$ 430,385	\$ 379,492	\$ 50,893	\$ 933,531	\$ 899,557	\$ 33,974	\$ 1,252,568	\$ 1,269,091	\$ (16,523)
Income (Loss) Before Non-Operating Income	\$ (1,088,122)	\$ (590,841)	\$ (497,281)	\$ (1,691,559)	\$ (603,391)	\$ (1,088,168)	\$ (1,943,754)	\$ (2,251,353)	\$ 307,599
Non-Operating Income									
Interest Income	0	0	0	0	0	0	0	0	0
Miscellaneous Income	0	0	0	51,487	0	51,487	21	0	21
Gain (Loss) on Sale of Assets	0	0	0	(3,654)	0	(3,654)	0	0	0
Gain (Loss) on Investments	0	0	0	0	0	0	0	0	0
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
Total Non-Operating Income	\$ 0	\$ 0	\$ 0	\$ 47,833	\$ 0	\$ 47,833	\$ 21	\$ 0	\$ 21
Net Income (Loss)	\$ (1,088,122)	\$ (590,841)	\$ (497,281)	\$ (1,643,726)	\$ (603,391)	\$ (1,040,335)	\$ (1,943,733)	\$ (2,251,353)	\$ 307,620
add back: Depreciation	0	0	0	280,100	305,828	(25,728)	406,124	555,136	(149,012)
add back: Bad Debt Allowance	0	0	0	0	0	0	0	0	0
add back: Gain (Loss) on Sale of Assets	0	0	0	3,654	0	3,654	0	0	0
Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ (910,658)	\$ (404,980)	\$ (505,678)	\$ (1,359,972)	\$ (297,563)	\$ (1,062,409)	\$ (1,537,609)	\$ (1,696,217)	\$ 158,608
FY2023 YTD Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ (263,109)	\$ (274,694)	\$ 11,585	\$ (856,826)	\$ 124,631	\$ (983,457)	\$ (1,691,228)	\$ (1,443,844)	\$ (247,384)
Fiscal Year 2024 Transfers In	\$ 583,102			\$ 880,435			\$ 1,033,958		

Marklund
Income Statement by Program
Year to Date May 31, 2024

	Community Day Services MPC			Community Day Services MWC			Community Day Services MHC		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Revenues									
Residential Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
School (Multi Needs & Life Skills)	0	0	0	0	0	0	0	0	0
Community Day Services	305,861	323,363	(17,502)	1,375,037	1,422,564	(47,527)	2,956,908	2,946,510	10,398
Other Operating	0	0	0	14,230	2,658	11,572	22,395	3,025	19,370
Total Operating Revenue	\$ 305,861	\$ 323,363	\$ (17,502)	\$ 1,389,267	\$ 1,425,222	\$ (35,955)	\$ 2,979,303	\$ 2,949,535	\$ 29,768
Expenses									
Salaries	\$ 223,357	\$ 188,057	\$ 35,300	\$ 991,977	\$ 990,535	\$ 1,442	\$ 1,796,815	\$ 1,862,087	\$ (65,272)
Employee Benefits	49,938	45,134	4,804	215,317	237,728	(22,411)	394,585	446,901	(52,316)
Employee Expense	2,503	4,491	(1,988)	5,917	13,704	(7,787)	15,415	22,613	(7,198)
Consulting	0	183	(183)	0	0	0	0	275	(275)
Consulting - Nurses & Aides	0	0	0	0	0	0	122,196	0	122,196
Medical	5	1,833	(1,828)	2,638	7,333	(4,695)	41,320	29,333	11,987
Dietary & Support	0	46	(46)	4,629	2,888	1,741	4,750	2,429	2,321
Housekeeping	12,734	8,864	3,870	15,829	16,042	(213)	24,536	9,304	15,232
Occupancy	19,255	30,417	(11,162)	175,390	179,756	(4,366)	348,523	337,041	11,482
Equipment	6,710	8,240	(1,530)	38,732	44,054	(5,322)	65,973	64,791	1,182
Vehicles	0	0	0	0	0	0	0	0	0
Administrative (not including salaries)	4,435	4,642	(207)	17,343	18,708	(1,365)	43,411	46,119	(2,708)
Provider Taxes	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0
Client/Student	1,254	2,475	(1,221)	3,559	7,058	(3,499)	4,575	10,542	(5,967)
Total Operating Expense	\$ 320,191	\$ 294,382	\$ 25,809	\$ 1,471,331	\$ 1,517,806	\$ (46,475)	\$ 2,862,099	\$ 2,831,435	\$ 30,664
Operating Income (Loss)	\$ (14,330)	\$ 28,981	\$ (43,311)	\$ (82,064)	\$ (97,584)	\$ 10,520	\$ 117,204	\$ 118,100	\$ (996)
Allocation of Administration 10%	\$ 32,019	\$ 29,438	\$ 2,581	\$ 147,133	\$ 151,781	\$ (4,648)	\$ 286,210	\$ 283,144	\$ 3,066
Allocation of Transportation	7,497	6,815	682	31,862	28,966	2,896	67,473	61,339	6,134
Allocation of Help Wanted	1,696	1,419	277	7,533	7,475	58	13,644	14,053	(409)
Total Allocated Expenses	\$ 41,212	\$ 37,672	\$ 3,540	\$ 186,528	\$ 188,222	\$ (1,694)	\$ 367,327	\$ 358,536	\$ 8,991
Income (Loss) Before Non-Operating Income	\$ (55,542)	\$ (8,691)	\$ (46,851)	\$ (268,592)	\$ (280,806)	\$ 12,214	\$ (250,123)	\$ (240,436)	\$ (9,687)
Non-Operating Income									
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Income	0	0	0	0	0	0	100	0	100
Gain (Loss) on Sale of Assets	0	0	0	980	0	980	0	0	0
Gain (Loss) on Investments	0	0	0	0	0	0	0	0	0
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
Total Non-Operating Income	\$ 0	\$ 0	\$ 0	\$ 980	\$ 0	\$ 980	\$ 100	\$ 0	\$ 100
Net Income (Loss)	\$ (55,542)	\$ (8,691)	\$ (46,851)	\$ (267,612)	\$ (280,806)	\$ 13,194	\$ (250,023)	\$ (240,436)	\$ (9,587)
add back: Depreciation	\$ 1,922	\$ 2,800	\$ (878)	\$ 135,422	\$ 142,302	\$ (6,880)	\$ 223,104	\$ 252,779	\$ (29,675)
add back: Bad Debt Allowance	0	0	0	0	0	0	0	0	0
add back: Gain (Loss) on Sale of Assets	0	0	0	(980)	0	(980)	0	0	0
Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ (53,620)	\$ (5,891)	\$ (47,729)	\$ (133,170)	\$ (138,504)	\$ 5,334	\$ (26,919)	\$ 12,343	\$ (39,262)
FY2023 YTD Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ (66,116)	\$ (9,966)	\$ (56,150)	\$ (191,705)	\$ (280,673)	\$ 88,968	\$ (10,698)	\$ (313,959)	\$ 303,301
Fiscal Year 2024 Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 177,083	\$ 0	\$ 177,083

Marklund
Income Statement by Program
Year to Date May 31, 2024

	Bridge Builder NEC			Day School			Admin		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Revenues									
Residential Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
School (Multi Needs & Life Skills)	0	0	0	6,769,573	8,220,768	(1,451,195)	0	0	0
Community Day Services	127,423	332,860	(205,437)	0	0	0	0	0	0
Other Operating	29	0	29	5,701	0	5,701	21,964	22,556	(592)
Total Operating Revenue	\$ 127,452	\$ 332,860	\$ (205,408)	\$ 6,775,274	\$ 8,220,768	\$ (1,445,494)	\$ 21,964	\$ 22,556	\$ (592)
Expenses									
Salaries	\$ 302,270	\$ 415,515	\$(113,245)	\$ 4,897,607	\$ 5,856,357	\$(858,750)	\$ 2,067,535	\$ 1,937,582	\$ 129,953
Employee Benefits	66,474	99,772	(33,298)	1,108,229	1,405,526	(297,297)	554,019	487,020	66,999
Employee Expense	3,222	3,025	197	58,385	68,425	(10,040)	186,431	222,704	(34,273)
Consulting	338	0	338	33,595	94,783	(61,188)	0	0	0
Consulting - Nurses & Aides	0	0	0	64,233	0	64,233	0	0	0
Medical	5,062	1,146	3,916	13,610	27,638	(14,028)	50	458	(408)
Dietary & Support	192	183	9	6,894	7,929	(1,035)	1,226	1,925	(699)
Housekeeping	25,142	3,208	21,934	88,095	65,238	22,857	5,589	4,492	1,097
Occupancy	117,749	111,165	6,584	993,255	1,012,319	(19,064)	303,963	203,371	100,592
Equipment	16,769	14,482	2,287	271,226	282,892	(11,666)	371,791	371,458	333
Vehicles	0	0	0	0	0	0	0	0	0
Administrative (not including salaries)	9,752	6,947	2,805	80,211	86,244	(6,033)	545,041	485,630	59,411
Provider Taxes	0	0	0	0	0	0	0	0	0
Interest Expense	19,578	4,217	15,361	59,482	46,269	13,213	232,122	68,750	163,372
Client/Student	0	0	0	0	0	0	0	0	0
Total Operating Expense	\$ 566,548	\$ 659,610	\$ (93,062)	\$ 7,774,822	\$ 8,953,620	\$ (1,178,798)	\$ 4,269,767	\$ 3,783,390	\$ 486,377
Operating Income (Loss)	\$ (439,096)	\$ (326,750)	\$ (112,346)	\$ (999,548)	\$ (732,852)	\$ (266,696)	\$ (4,247,803)	\$ (3,760,834)	\$ (486,969)
Allocation of Administration 10%	\$ 56,655	\$ 65,961	\$(9,306)	\$ 777,482	\$ 895,362	\$(117,880)	\$ (3,649,351)	\$ (3,730,149)	\$ 80,798
Allocation of Transportation	15,619	14,199	1,420	58,102	52,419	5,283	0	0	0
Allocation of Help Wanted	2,295	3,136	(841)	37,950	44,198	(6,248)	(149,196)	(149,820)	624
Total Allocated Expenses	\$ 74,569	\$ 83,296	\$ (8,727)	\$ 873,534	\$ 992,379	\$ (118,845)	\$ (3,798,547)	\$ (3,879,969)	\$ 81,422
Income (Loss) Before Non-Operating Income	\$ (513,665)	\$ (410,046)	\$ (103,619)	\$ (1,873,082)	\$ (1,725,231)	\$ (147,851)	\$ (449,256)	\$ 119,135	\$ (568,391)
Non-Operating Income									
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49	\$ 48	\$ 1
Miscellaneous Income	0	0	0	178	0	178	50,087	36,946	13,140
Gain (Loss) on Sale of Assets	0	0	0	248	0	248	0	0	0
Gain (Loss) on Investments	0	0	0	0	0	0	12,287	0	12,287
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
Total Non-Operating Income	\$ 0	\$ 0	\$ 0	\$ 426	\$ 0	\$ 426	\$ 62,423	\$ 36,994	\$ 25,428
Net Income (Loss)	\$ (513,665)	\$ (410,046)	\$ (103,619)	\$ (1,872,656)	\$ (1,725,231)	\$ (147,425)	\$ (386,833)	\$ 156,129	\$ (542,963)
add back: Depreciation	\$ 85,045	\$ 84,363	\$ 682	\$ 907,202	\$ 973,763	\$ (66,561)	\$ 327,226	\$ 245,462	\$ 81,764
add back: Bad Debt Allowance	0	0	0	0	0	0	0	0	0
add back: Gain (Loss) on Sale of Assets	0	0	0	(246)	0	(246)	0	0	0
Net Income (Loss) Including Depreciation, Bad Debt Allowance & Gain (Loss) on Sale	\$ (428,620)	\$ (325,683)	\$ (102,937)	\$ (965,702)	\$ (751,468)	\$ (214,234)	\$ (59,607)	\$ 401,591	\$ (461,199)
FY2023 YTD Net Income (Loss) Including Depreciation, Bad Debt Allowance & Gain (Loss) on Sale	\$ 0	\$ 0	\$ 0	\$ (357,360)	\$ (141,155)	\$ (216,205)	\$ 147,193	\$ 130,525	\$ 16,668
Fiscal Year 2024 Transfers In	\$ 363,385			\$ 33,575			\$ 4,500		

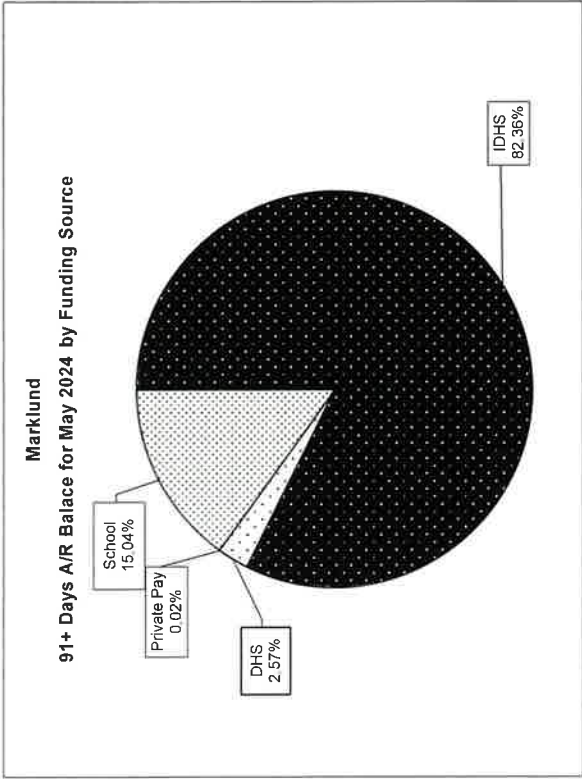
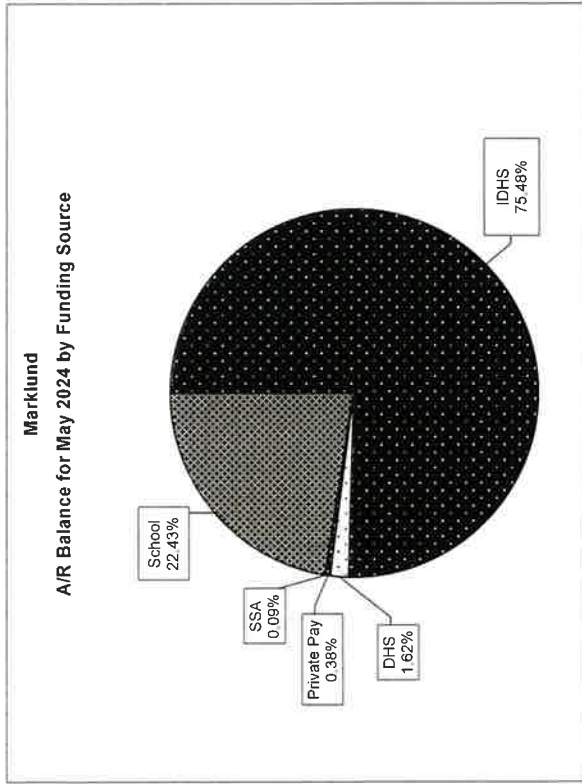
Marklund
Income Statement by Program
Year to Date May 31, 2024

	Actual	Transportation		Variance	Actual	Total Budget	Variance
		Budget					
Revenues							
Residential Services	\$ 21,308,788	\$ 0	\$ 0	\$ (775,690)	\$ 22,084,478	\$ (775,690)	
School (Multi Needs & Life Skills)	6,769,573	0	0	(1,451,195)	8,220,768	(1,451,195)	
Community Day Services	4,765,229	0	0	(260,068)	5,025,297	(260,068)	
Other Operating	147,104	0	0	56,165	90,939	56,165	
Total Operating Revenue	\$ 32,990,694	\$ 0	\$ 0	\$ (2,430,788)	\$ 35,421,482	\$ (2,430,788)	
Expenses							
Salaries	\$ 204,541	\$ 170,119	\$ 34,422	\$ (99,831)	\$ 21,919,656	\$ (99,831)	
Employee Benefits	45,277	40,829	4,448	(365,106)	5,292,277	(365,106)	
Employee Expense	34	183	(149)	(53,554)	432,700	(53,554)	
Consulting	0	0	0	(32,662)	415,323	(32,662)	
Consulting - Nurses & Aides	0	0	0	(296,995)	4,642,323	(296,995)	
Medical	0	0	0	231,377	1,025,979	231,377	
Dietary & Support	0	0	0	24,596	583,917	24,596	
Housekeeping	0	0	0	87,380	201,807	87,380	
Occupancy	0	934	(934)	(22,434)	3,131,533	(22,434)	
Equipment	4,256	4,394	(138)	(29,023)	1,320,409	(29,023)	
Vehicles	176,717	206,100	(29,383)	(29,383)	206,100	(29,383)	
Administrative (not including salaries)	40	367	(327)	(5,392)	1,286,507	(5,392)	
Provider Taxes	0	0	0	163,372	68,750	163,372	
Interest Expense	0	0	0	133,810	4,133	133,810	
Client/Student	0	0	0	4,133	133,810	4,133	
Total Operating Expense	\$ 430,865	\$ 422,926	\$ 7,939	\$ (313,607)	\$ 41,194,149	\$ (313,607)	
Operating Income (Loss)	\$ (430,865)	\$ (422,926)	\$ (7,939)	\$ (6,086,314)	\$ (6,086,314)	\$ (6,086,314)	
Allocation of Administration 10%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Allocation of Transportation	(361,107)	(328,276)	(32,831)	0	0	0	
Allocation of Help Wanted	0	0	0	0	0	0	
Total Allocated Expenses	\$ (361,107)	\$ (328,276)	\$ (32,831)	\$ 0	\$ 0	\$ 0	
Income (Loss) Before Non-Operating Income	\$ (69,758)	\$ (94,650)	\$ 24,892	\$ (2,117,141)	\$ (6,086,314)	\$ (2,117,141)	
Non-Operating Income							
Interest Income	\$ 0	\$ 0	\$ 0	\$ 49	\$ 48	\$ 1	
Miscellaneous Income	0	0	0	101,872	36,946	64,926	
Gain (Loss) on Sale of Assets	0	0	0	(2,426)	0	(2,426)	
Gain (Loss) on Investments	0	0	0	12,287	0	12,287	
Unrestricted Gifts & Grants	0	0	0	0	0	0	
Total Non-Operating Income	\$ 0	\$ 0	\$ 0	\$ 111,782	\$ 36,994	\$ 74,788	
Net Income (Loss)	\$ (69,758)	\$ (94,650)	\$ 24,892	\$ (8,091,673)	\$ (6,049,320)	\$ (2,042,353)	
add back: Depreciation	0	0	0	2,613,366	2,842,944	(229,578)	
add back: Bad Debt Allowance	0	0	0	0	0	0	
add back: Gain (Loss) on Sale of Assets	0	0	0	2,426	0	2,426	
Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ 0	\$ 0	\$ 0	\$ (5,475,881)	\$ (3,206,376)	\$ (2,269,505)	
FY2023 YTD Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)	\$ 0	\$ 0	\$ 0	\$ (3,289,846)	\$ (2,709,170)	\$ (1,080,676)	
Fiscal Year 2024 Transfers In	\$ 0	\$ 0	\$ 0	\$ 3,076,038	\$ 3,076,038	\$ 3,076,038	

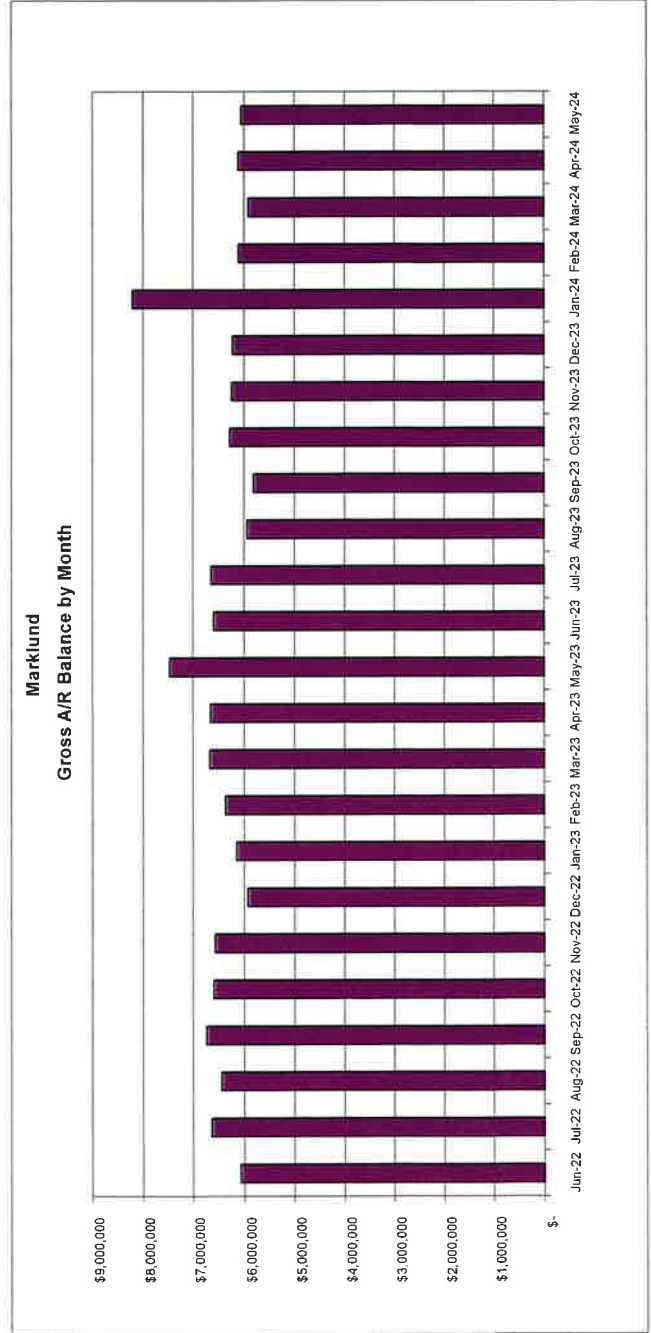
Marklund
AGING OF ACCOUNTS RECEIVABLE SCHEDULE
May 2024

A/R CATEGORY	0 - 30 DAYS	30 - 60 DAYS	60 - 90 DAYS	91+ DAYS	TOTAL	
1 PUBLIC AID (MPC)	307,671	1,309	1,309	453,494	\$ 763,783	
2 PUBLIC AID (MWC)	635,075	48,743	53,409	748,035	\$ 1,485,263	
3 PUBLIC AID (MHH)	151,552	8,244	30	95,904	\$ 255,730	
4 PUBLIC AID (MVH)	147,537	923	56	89,109	\$ 237,626	
5 PUBLIC AID (MTH)	148,771	630	630	4,408	\$ 154,438	
6 PUBLIC AID (MSH)	143,451	7,997	706	14,726	\$ 166,879	
7 PUBLIC AID (MDH)	148,271	2,278	2,278	31,701	\$ 184,528	
8 PUBLIC AID (MRH)	142,072	142,072	12	132,289	\$ 416,445	
9 SOCIAL SECURITY	3,484	918	888		\$ 5,290	
10 PRIVATE PAY	-	-	-	-	\$ -	
11 COMMUNITY DAY SERVICES - MPC	29,380	-	-	5,246	\$ 34,625	
12 COMMUNITY DAY SERVICES - MWC	119,556	4,681	9,816	97,298	\$ 231,351	
13 COMMUNITY DAY SERVICES - MHC	270,479	58,156	6,172	414,851	\$ 749,658	
14 COMMUNITY DAY SERVICES - Bridge Builders	12,259	2,000	-	565	\$ 14,824	
15 SCHOOL	718,218	267,412	4,011	369,640	\$ 1,359,280	
16 MISCELLANEOUS	-	-	-	-	\$ -	
	GROSS A/R TOTAL	\$ 2,977,777	\$ 545,364	\$ 79,317	\$ 2,457,265	\$ 6,059,723
	PERCENT OF GROSS TOTAL	49%	9%	1%	41%	
17 ALLOWANCE FOR BAD DEBTS					(393,818)	

LINE OF CREDIT	\$ 10,000,000
BORROWED YEAR TO DATE	<u>2,867,848</u>
AVAILABLE BALANCE	\$ 7,132,152
NET A/R BALANCE	\$ 5,665,905



Average A/R Balance for 24 months = \$ 6,434,526
 Note: IDHS & DHS Include Residential and Community Day Services



Marklund
Statement of Cash Flows
For the Period of 5/1/2024 to 5/31/2024

Cash and Cash Equivalents at Beginning of Period		\$ 634,100
Cash Flows from Operating Activities and Gains		
Change in Net Assets:		
Net Income (Loss)	\$ (485,253)	
Fund Balance Transfers Out	0	
Fund Balance Transfers In	<u>2,537,711</u>	
Sub Total		\$ 2,052,458
Adjustments to reconcile change in net assets to net cash		
Provided by (used in) Operating Activities and Gains:		
Loss (Gain) on Sale of Asset	\$ (2,426)	
Provision for Uncollectible Accounts	0	
Depreciation and Amortization	<u>242,724</u>	
Sub Total		\$ 240,298
(Increase) Decrease in Current Assets		
Inventory	\$ 0	
Receivables	2,584	
Prepaid Assets	<u>26,954</u>	
Sub Total		\$ 29,538
Increase (Decrease) in Current Liabilities		
Accounts Payable	\$ (110,051)	
Payroll Payable	(841,987)	
Due to Marklund Charities	(0)	
Other Current Liabilities	<u>(351,645)</u>	
Sub Total		\$ (1,303,683)
Net Cash Provided by (used in) Operating Activities and Gains		\$ 1,018,610
Cash Flows from Investing Activities		
Additions (Dispositions) of Property, Plant & Equipment (including CIP)	\$ (797,057)	
Sales (Purchase) of Marketable Securities	<u>0</u>	
Net Cash Provided by (used in) Investing Activities		\$ (797,057)
Cash Flows from Financing Activities		
Line of Credit	\$ 220,649	
Short Term Liabilities - Other	0	
Notes Payable	<u>(31,923)</u>	
Net Cash Provided by (used in) Financing Activities		\$ 188,726
Cash and Cash Equivalents at End of Period		\$ 637,179
Net Increase (Decrease) in Cash and Cash Equivalents		\$ 3,079

**Marklund Charities
May 2024 Financial Statement**

INDEX	PAGE NUMBER
Balance Sheet	11
Pledges Receivable Detail	12
Income Statement	13
Revenue Breakdown	14

DATE: June 12, 2024
TO: Board of Directors, Marklund
FROM: Kudus O. Badmus, Chief Financial Officer *KB*
SUBJECT: Summary Comments, Marklund Charities
May 2024 Financial Statements

Income Statement:

Fund-raising Income – Fundraising Income at the end of May is favorable to budget by \$3M. The favorable variance of \$2.5M in unrestricted gifts and grants is primarily due to \$2.3M in unbudgeted gifts. All other line items combined performed better than budget YTD by \$431K.

Fund-raising Expenses – YTD Fundraising expenses are unfavorable to budget by approximately \$47K mainly due to salaries.

Endowment Income & Unrealized Gain/ (Loss) – YTD activities noted a combined Net Gain of \$2.4M including \$463K in Fixed Income, a Realized Gain of \$325K and an Unrealized Gain of \$1.6M.

Public Relations – YTD Public Relations is favorable to budget by \$8K primarily due to timing of staff hiring.

Net Proceeds - YTD results noted a Net Gain of \$9.6M, favorable to budget by \$3.6M.

Marklund Charities

Balance Sheet - May 2024
FY2024

Cash & Cash Equivalents - Depreciation Reserve Fund	\$	1,644,377		Accounts Payable	\$	4,881
Restricted Cash-Grants & Donations		434,659		Due to Marklund		144,005
Cash - Auxiliary/ Operations		1,661,623		Accrued Legal & Audit		25,955
Petty Cash		200		Accrued Liabilities- Payroll		41,755
Accounts Receivable		35,453		Accrued Liabilities- Other		<u>272,871</u>
Prepaid Other		52,681		Total Current Liabilities	\$	489,468
Due From Marklund		<u>1,432</u>				
		Total Current Assets	\$			
		3,830,425				
Capital Campaign Funds		\$	4,203.47			
Capital Campaign Pledges (Net)			<u>234,039</u>			
		Total Capital Campaign Assets	\$			
		238,242		Net Assets		
Restricted Pledges (Net)		\$	<u>17,973</u>	Net Assets - Beginning of Year	\$	21,558,137
		Total Restricted Assets	\$	Board Restricted Endowment		3,162,741
		17,973		Depreciation Reserve Fund		1,000,000
Land		\$	<u>159,525</u>	Net Assets - Transfer In		-
		Total Fixed Assets	\$	Net Assets - Transfers (Out)		(8,892,933)
		159,525		Fundraising Contribution		9,778,658
		Total Investment Assets	\$	Public Relations		<u>(179,381)</u>
		-		Total Net Assets	\$	26,427,222
Board Restricted Endowment Fund		\$	3,216,515	Total Liabilities & Net Assets	\$	26,916,690
Endowment Income			5,085,608			
Net Endowment Gain/ (Loss)			6,594,784			
Endowment Fund			<u>7,773,619</u>			
		Total Endowment Assets	\$			
		22,670,525				
Total Assets			\$			
		26,916,690				

*Total Endowment Assets (not including pledges)
May 2023 19,406,777
May 2024 \$ 22,670,525

Marklund Charities
Pledges Receivable
Year to Date as of May 31, 2024

Capital Pledges:

(Pledges at Net Present Value before Allowance)

Foglia Educational Center	\$ 12,583
<i>Allowance</i>	<u>(377)</u>
Total Capital Pledge Balance	\$ 12,205

Capital Pledges:

(Pledges at Net Present Value before Allowance)

Wasmond Center	\$ 228,694
<i>Allowance</i>	<u>(6,861)</u>
Total Capital Pledge Balance	\$ 221,833

Restricted Pledges:

(Pledges at Net Present Value before Allowance)

Locker Room Expansion	\$ 18,529
<i>Allowance</i>	<u>(556)</u>
Total Restricted Pledge Balance	\$ 17,973

Marklund Charities
P & L -May 2024

Revenues	May		Budget		Variance		May		Y-T-D		% of total Fundraising income		Variance		% of Y-T-D Last Year		
	May		Budget		Variance		Last Year	Y-T-D		income		Y-T-D Budget		Variance		Y-T-D Last Year	
	\$		\$	\$	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	%	\$	
Unrestricted Gifts & Grants	\$ 2,026,264	\$ (66)	\$ 16,561	\$ 2,009,703	\$ (66)	\$ 18,824	\$ 5,876,526	70%	\$ 3,355,006	\$ 2,521,520	75%	\$ 3,313,410	\$ 576,376	-8%	\$ 608,900	18%	\$ 31,296
Special Events (net)	0	0	0	0	0	0	491,804	6%	600,000	(108,196)	-18%	608,900	31,296	0%	790,086	15%	69,533
Fund-in-Need	110,212	0	0	110,212	0	5,016	718,775	9%	0	718,775	0%	0	(425)	0%	0	0%	0
Capital Campaign	18,765	950	31,090	(12,325)	(25)	28,514	731,248	9%	861,465	(130,217)	-15%	861,465	(425)	0%	0	0%	0
Restricted Program	950	0	975	(25)	0	55,033	10,300	0%	10,725	(425)	-4%	10,725	0	0%	0	0%	0
Endowment	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Other	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Total Fundraising Income	\$ 2,156,125	\$ 0	\$ 48,626	\$ 2,107,499	\$ 2,107,499	\$ 107,387	\$ 8,399,162	88%	\$ 5,446,300	\$ 2,952,862	54%	\$ 5,389,600	\$ 582,486	10%	\$ 5,389,600	54%	\$ 5,389,600
Legacy																	
Unrestricted Gifts & Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 553,860	\$ 0	0%	\$ 0	\$ 553,860	0%	\$ 0	\$ 0	0%	\$ 0	0%	\$ 0
Capital Campaign	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Restricted Program	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Endowment	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Total Legacy	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 553,860	\$ 0	0%	\$ 0	\$ 553,860	0%	\$ 0	\$ 582,486	10%	\$ 582,486	10%	\$ 582,486
Expenses																	
Salaries	\$ 68,549	\$ 0	\$ 64,497	\$ 4,052	\$ 4,052	\$ 68,687	\$ 719,661	9%	\$ 673,010	\$ 46,651	9%	\$ 671,967	\$ 50,546	1%	\$ 108,648	8%	\$ 8,817
Payroll Taxes	5,501	0	4,934	567	567	4,642	55,262	1%	51,487	3,775	1%	51,487	3,775	1%	108,648	8%	\$ 8,817
Other Benefits	6,355	0	10,546	(4,191)	(4,191)	8,337	110,965	1%	110,036	929	1%	110,036	929	1%	26,821	2%	\$ 44,601
Employee Expenses	298	0	534	(236)	(236)	589	5,979	0%	7,516	(1,537)	-2%	7,516	(1,537)	-2%	33,000	0%	\$ 31,984
Occupancy Expense	2,373	0	2,483	(110)	(110)	2,372	26,318	0%	27,327	(1,009)	-4%	27,327	(1,009)	-4%	33,000	0%	\$ 31,984
Office Expenses	4,293	0	4,509	(216)	(216)	3,432	47,759	1%	49,595	(1,836)	-4%	49,595	(1,836)	-4%	31,984	0%	\$ 9,583
Legal, Audit & Insurance	3,000	0	3,000	0	0	3,000	33,000	0%	37,059	(4,059)	-12%	37,059	(4,059)	-12%	31,984	0%	\$ 9,583
Printing	3,314	0	3,369	(55)	(55)	2,998	36,599	0%	14,425	(22,174)	-61%	14,425	(22,174)	-61%	31,984	0%	\$ 9,583
Other Expense	573	0	1,270	(697)	(697)	441	13,003	0%	0	13,003	0%	14,425	(1,422)	-10%	9,583	0%	\$ 9,583
Administrative-Outside Services	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Total Expenses	\$ 94,255	\$ 0	\$ 95,142	\$ (887)	\$ (887)	\$ 94,498	\$ 1,048,545	12%	\$ 1,003,455	\$ 45,090	12%	\$ 1,003,455	\$ 45,090	4%	\$ 985,968	12%	\$ 985,968
Net Fundraising	\$ 2,061,870	\$ 0	\$ (46,516)	\$ 2,108,386	\$ 2,108,386	\$ 12,890	\$ 7,350,617	88%	\$ 4,442,845	\$ 2,907,772	65%	\$ 4,403,633	\$ 368,144	8%	\$ 4,403,633	65%	\$ 4,403,633
Other Income																	
Interest Income	\$ 594	\$ 0	\$ 500	\$ 94	\$ 94	\$ 620	\$ 7,583	0%	\$ 5,500	\$ 2,083	0%	\$ 5,500	\$ 2,083	0%	\$ 6,368	0%	\$ 6,368
Investment Income	0	0	0	0	0	2,706	19,198	0%	0	19,198	0%	0	19,198	0%	52,799	0%	\$ 52,799
Investment Realized Gain / Loss	0	0	0	0	0	(112,360)	0	0%	0	0	0%	0	0	0%	(326,582)	0%	\$ (326,582)
Investment Unrealized Gain/ (Loss)	0	0	0	0	0	117,947	(9,288)	0%	537,483	(74,286)	0%	537,483	(74,286)	0%	363,883	0%	\$ 363,883
Endowment Income	16,490	0	9,456	7,034	7,034	(1,890)	463,197	0%	576,062	(250,816)	-45%	576,062	(250,816)	-45%	1,019,381	0%	\$ 1,019,381
Endowment Realized Gain/ (Loss)	0	0	0	0	0	0	325,246	0%	615,664	1,006,441	165%	615,664	1,006,441	165%	(313,878)	0%	\$ (313,878)
Endowment Unrealized Gain/ (Loss)	734,952	0	152,340	582,612	582,612	(197,574)	1,622,105	0%	1,734,709	693,332	107%	1,734,709	693,332	107%	1,315,471	0%	\$ 1,315,471
Net Other Income	\$ 752,036	\$ 0	\$ 162,296	\$ 589,740	\$ 589,740	\$ (190,550)	\$ 2,428,041	3%	\$ 1,734,709	\$ 693,332	10%	\$ 1,734,709	\$ 693,332	10%	\$ 1,315,471	3%	\$ 1,315,471
Other Expense																	
Public Relations	\$ 22,893	\$ 0	\$ 17,886	\$ 5,007	\$ 5,007	\$ 17,919	\$ 179,381	0%	\$ 187,141	\$ (7,760)	-4%	\$ 187,141	\$ (7,760)	-4%	\$ 153,650	0%	\$ 153,650
In Kind Expenses	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
In Kind Revenue	0	0	0	0	0	0	0	0%	0	0	0%	0	0	0%	0	0%	0
Net Other Expenses	\$ 22,893	\$ 0	\$ 17,886	\$ 5,007	\$ 5,007	\$ 17,919	\$ 179,381	0%	\$ 187,141	\$ (7,760)	-4%	\$ 187,141	\$ (7,760)	-4%	\$ 153,650	0%	\$ 153,650
Net Proceeds	\$ 2,791,012	\$ 0	\$ 97,894	\$ 2,693,118	\$ 2,693,118	\$ (195,579)	\$ 9,599,277	88%	\$ 5,990,413	\$ 3,608,864	62%	\$ 5,990,413	\$ 3,608,864	62%	\$ 5,565,453	62%	\$ 5,565,453

Marklund Charities
Revenue Trend by Category
YTD May

Revenues	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
Unrestricted Gifts	222,630	259,974	297,837	240,839	\$ 239,940	\$ 195,179
Special Events (net)	570,509	576,376	599,006	653,936	598,532	459,467
Special Events (Fund-in-Need)	491,804	608,900	496,368	458,861	418,349	461,375
Restricted Program	42,787	53,548	179,680	106,486	31,623	71,625
Endowment	10,300	10,800	15,950	10,900	8,550	9,675
Major gifts (single gift of \$15k+)	5,268,092	3,034,420	5,386,262	4,248,017	2,155,300	508,255
Direct Mail/ Care Letter/ WEB	316,687	176,299	175,373	189,696	177,581	188,931
Grants	648,672	451,188	294,300	475,902	264,199	174,310
Third Party	193,908	47,701	35,180	21,198	40,461	70,599
Corporate Partners	16,000	56,613	21,000	42,609	27,500	52,450
Total Fundraising Income	7,781,387	\$ 5,275,819	\$ 7,500,957	\$ 6,448,445	\$ 3,962,035	\$ 2,191,866
Capital Campaign	\$ 617,775	\$ 31,296	\$ 39,192	\$ 206,651	\$ 1,969,809	\$ 1,685,420
Legacies/Bequests	\$ 0	\$ 82,526	\$ 100,000	\$ 260,363	\$ 113,975	\$ 5,017

MARKLUND
MINUTES OF THE BOARD OF DIRECTORS MEETING
Thursday, April 4, 2024
Marklund Hyde Center
Geneva, IL

CALL TO ORDER

Mike Herlihy called the meeting to order at 7:00 p.m.

PRESENT

Howard Brandeisky, Carol Donahue, Carie Carney, Jerry Finis, Karyn Fitch, Mike Herlihy, Laura Karlins, Ari Smith

ZOOM

Tim Adkins, Jim Armbruster, Maleeha Basha, Gerry Estes, Dan Foley, Yaneth Medina

ABSENT

Frank Murnane Jr., Dan Whiston

STAFF IN ATTENDANCE

Kudus Badmus, Gil Fonger, Mary Kobbeman

MISISON MOMENT – SUCCESSION PLANNING

Rena Henderson Mason, Bold Agenda reviewed the Succession Planning process with the board.

PREVIOUS MINUTES

Mike H. asked for a motion to approve the minutes of January 25, 2024. Jerry F. moved, Carol D. seconded, and the minutes were approved without exception.

FINANCE COMMITTEE REPORT

Jerry F. shared a summary of the Finance Committee meeting. Operating Revenues are unfavorable to budget by 4%. Residential Services, YTD is unfavorable to budget by \$442K due to residential census and increased hospitalization days. The state-approved direct care rate increase of \$2.50 has not been passed down yet due to procedural delay with CMS approval; thus, the revenue associated with this has not been recognized in the financial statements. School Tuition is unfavorable to budget by \$505K due to continued shortage of teaching staff, and closing the NEC MDS program. The committee also discussed a revision to the construction budget.

MWC EXPANSION/RENOVATION UPDATE

Gil F. updated the Board on the increases in major items for the MWC expansion/renovation. Major increases included replacing gas piping, creation of a temporary parking lot, adding an isolation room, adding plumbing fixtures to residential rooms, new flooring in CDS, HVAC system, soil stabilization and permit fee increase. At the advice of the Finance Committee and after a Board discussion, Mike H asked for a motion **to authorize the President/CEO to spend up to \$1.5 Million from board authorized funds in the endowment for the construction of the Marklund Wasmond Center.** Carol D. moved; Yaneth M. seconded. Carie C. recused herself and the motion passed unanimously. Mike H. asked for a motion **to authorize the President/CEO to spend up to \$17.0 million and to do everything necessary, up to and including financing, construction documents and permits, in order to be under construction for the 24-bed**

expansion and renovation of Marklund Wasmond Center, Carol D. moved, Yaneth M. seconded. Carie C. recused herself and the motion passed unanimously.

DEVELOPMENT

Gil F. informed the Board Heather was in Paris running a marathon. Currently, projecting to be \$1.35M better than budget. He thanked the Board for making it the 3rd largest Top Hat Ball in Marklund history with a net revenue of \$880K. Management designated \$250K to the MWC renovation/expansion project. FY24 grants have been strong and the Leadership Giving Circle has 282 individual donors.

PRESIDENT AND CEO REPORT

Gil F. shared that the new Retention Strategy Initiative has had a positive effect on bringing down the need for agency staff and we have hired two former agency nurses into permanent positions. The goal is to increase retention to 60% by June. We completed the 8th annual Voice of the Employee survey, and the Net Promoter Score jumped up to 18.4 from 8.0 last year. We have not received the \$4.3M in Employee Retention Credit (ERC) funds, the status is listed at processing.

OLD/ NEW BUSINESS

Gil F. shared the Kane County Magazine two page spread on Top Hat Ball. He also shared that Karyn and Duane Fitch are this year's Marklund Hero award recipients.

ADJOURNMENT

With no further business, Mike H. asked for a motion to adjourn the meeting. Jerry F. moved; Carie C. seconded. The meeting was adjourned at 8:28 p.m.



How to get into the Marklund Intranet/Board Portal:

Not to be confused with the INTERNET, the INTRANET is an internal communication platform that can only be accessed by Marklund employees, parents and board members, and features specific information important to these groups.

Open the Marklund website at www.marklund.org. Follow these instructions to access the Intranet and get to the **Board Portal**:

1. On the Home Page, you'll find the word "Login" at the top right in the orange bar. Click on LOGIN.
2. Type in the USERNAME box: **MarklundBoard**
3. Type in the PASSWORD box: **!M@rkBD21**
4. Use the mouse to click the "Login" button—(Please note: Do Not Press Enter—that will not work)
5. Once the page has loaded, you'll be back at the top of the home page. At the top of the screen near the right, you will see a dropdown tab that says "Board Member."
6. Mover the cursor over the "Board" tab
7. Click on the link you would like to get into (for example, News, Packet Materials, Board Member Information, Board Manual)

If you have any questions, please contact Mary Kobbemann, executive assistant, at mkobbemann@marklund.org, or Dawn Lassiter-Brueske, Chief Communications Officer, at dlassiter@marklund.org.

Fiscal Year 2025 Budget Marklund

Executive Summary

The *M2030 strategic plan*, now in full swing, has already achieved significant milestones since its inception in FY 2022. These accomplishments include the expansion of the locker room (MHC), construction of a Maintenance building (MHC), and the construction of the Nathan Education Center in Elgin. These projects, totaling over 11.3M, were completed without the need for any loans. In FY 2024, construction work also began on the expansion of MWC. Upon completion in the summer of 2025, this newly improved state-of-the-art facility will house our current two MC/DD programs (MPC & MWC) with an additional 3 beds; all 85 beds will now be 24/7 vent capable. The FY 2025 budget includes some costs associated with maintaining consistent operations at MPC while construction is ongoing at MWC.

In FY 2025, Marklund Revenues are budgeted at \$42M, which is up \$4.6M or 12.3% from our projected year-end numbers. The approved \$2.5/hour rate adjustment for direct care and front-line employees represents \$1.5M or 32% of the increase, while the school accounts for \$3M or 65%. The school revenue increase encompasses a full year activity at the NEC facility and approximately \$900K for our per diem rate adjustment.

Expenses are budgeted at \$48.2M, reflecting an increase of \$3.1M or 7%. This increase is primarily attributed to a net staffing expense increase of \$2.7M. Due to the success of our recently completed 16-week retention program, we can budget a reduction of \$1M in nursing agency expenses. Additionally, the retention bonuses (\$500K) currently being paid to MPC staff until the transfer of the current 21 residents to MWC have been factored into this budget. Special attention has been given to attracting new teachers to our schools by modifying the program design, allowing more planning time for the teaching staff and the hiring of more RBTs for our Life Skills programs. To ensure program stability and discourage teacher resignations during the school year, all teachers and instructional coaches will sign annual contracts with the Marklund Day School beginning in FY 2025. Furthermore, to remain competitive and continue to attract qualified prospects, management has included an average merit increase of 3% for all eligible employees.

For FY 2025, Marklund is projecting a GAAP operating loss of \$6.2M, or a cash basis net loss of \$3M, after adding back non-cash items related to depreciation and bad debt allowances. Management expects to transfer \$100K in existing restricted and designated donations to offset some of the net loss while Development activities are expected to cover the remaining balance. Overall, consolidated results are projected to contribute approximately \$1.5M to Marklund operations.



Fiscal Year 2025

Operations Overview

RESIDENTIAL		
IDPA	Private Pay	
21		Philip Center
61		Wasmond Center
95	1	Mill Creek 16-beds

VOCATIONAL (Community Day Services)		
IDPA	DHS	Private Pay
11		Philip Center
48	2	Wasmond Center
95	7	Hyde Center
		13 Bridge Builder

EDUCATIONAL	
18	Bloomingdale- multi needs
25	Ann Haskins- life skills
6	Elgin- multi needs
9	FEC- multi needs
28	FEC- life skills
11	NEC- life skills

Marklund
Fiscal Year 2025
Budget Summary by Program

	Philip Center	Wasmond Center	Mill Creek 16 Bed Homes	Community Day Service	Day School	Admin	Trans	Total	Charities	Consolidated
Revenue										
Program Revenue	\$ 3,853,991	\$ 8,977,335	\$ 12,493,475	\$ 6,129,608	\$ 10,409,880	\$ -	\$ -	\$ 41,864,289	\$ -	\$ 41,864,289
Other Operating Revenue	7,000	31,364	48,000	7,995	-	33,956	-	128,315	-	128,315
Other Non-Operating Revenue	-	-	-	-	-	56,628	-	56,628	-	56,628
Fundraising	-	-	-	-	-	-	-	-	5,876,221	5,876,221
Total Revenue	\$ 3,860,991	\$ 9,008,699	\$ 12,541,475	\$ 6,137,603	\$ 10,409,880	\$ 90,584	\$ -	\$ 42,049,232	\$ 5,876,221	\$ 47,925,453
Expenses										
Salaries	\$ 2,172,703	\$ 4,517,246	\$ 6,515,986	\$ 3,961,407	\$ 7,384,734	\$ 2,416,845	\$ 205,813	\$ 27,174,734	\$ 842,511	\$ 28,017,245
Employee Benefits	456,268	948,622	1,368,357	831,895	1,550,795	507,537	43,221	5,706,695	176,927	5,883,622
Employee Expense	21,008	53,606	60,599	72,099	149,532	163,727	200	520,771	7,285	528,056
Consulting	38,938	242,740	54,604	-	11,000	-	-	347,282	-	347,282
Consulting - Nurses & Aides	750,119	1,295,957	1,773,018	113,817	40,000	-	-	3,972,911	-	3,972,911
Medical	253,700	568,000	383,700	51,200	25,100	250	-	1,281,950	-	1,281,950
Dietary & Support	82,900	196,040	378,938	10,930	8,800	-	-	677,608	-	677,608
Housekeeping	28,739	45,460	70,937	82,017	97,732	9,000	-	333,885	-	333,885
Occupancy	120,661	179,281	365,808	333,400	323,068	85,860	-	1,408,078	39,868	1,447,946
Equipment	31,550	63,146	131,912	62,402	89,087	365,256	-	743,353	38,028	781,381
Vehicles	-	-	-	-	-	-	129,857	129,857	-	129,857
Administrative (not including salaries)	32,537	83,659	112,265	96,299	108,206	522,986	200	956,152	113,400	1,069,552
Provider Taxes	225,864	512,877	715,795	-	-	-	-	1,454,536	-	1,454,536
Interest Expense	-	-	-	-	-	245,000	-	245,000	-	245,000
Client/Student	10,000	17,200	35,000	26,875	82,006	-	-	171,081	-	171,081
Public Relations	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	229,664	229,664
Total Direct Expenses	\$ 4,420,525	\$ 9,302,162	\$ 12,363,047	\$ 6,146,670	\$ 10,895,964	\$ 4,665,606	\$ 455,479	\$ 48,249,453	\$ 1,447,683	\$ 49,697,136
Allocation of Administration 10%	\$ 416,830	\$ 877,140	\$ 1,165,764	\$ 579,596	\$ 1,027,427	\$ (4,066,757)	\$ -	\$ -	\$ -	\$ -
Allocation of Transportation	22,374	64,991	102,280	124,182	65,464	-	(379,291)	-	-	-
Allocation of Help Wanted	14,081	29,276	42,230	25,674	47,859	(159,120)	-	-	-	-
Total Allocated Expenses	\$ 453,285	\$ 971,407	\$ 1,310,274	\$ 729,452	\$ 1,140,750	\$ (4,225,877)	\$ (379,291)	\$ -	\$ -	\$ -
Total Expenses	\$ 4,873,810	\$ 10,273,569	\$ 13,673,321	\$ 6,876,122	\$ 12,036,714	\$ 439,729	\$ 76,188	\$ 48,249,453	\$ 1,447,683	\$ 49,697,136
Net Income (Loss)	\$ (1,012,819)	\$ (1,264,870)	\$ (1,131,846)	\$ (738,519)	\$ (1,626,834)	\$ (349,145)	\$ (76,188)	\$ (6,200,221)	\$ 4,428,538	\$ (1,771,683)
add back: Depreciation	\$ 195,538	\$ 578,328	\$ 396,128	\$ 504,329	\$ 1,025,904	\$ 349,145	\$ 76,188	\$ 3,125,560	\$ -	\$ 3,125,560
add back: Bad Debt Allowance	5,000	10,000	15,000	-	-	-	-	30,000	-	30,000
Net Income(Loss)	\$ (812,281)	\$ (676,542)	\$ (720,718)	\$ (234,190)	\$ (600,930)	\$ -	\$ -	\$ (3,044,661)	\$ 4,428,538	\$ 1,383,877
(Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)										
Transfer to Operations (Existing Donations)	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 100,000
Adjusted Net Income (Loss)	\$ (812,281)	\$ (676,542)	\$ (720,718)	\$ (134,190)	\$ (600,930)	\$ -	\$ -	\$ (2,944,661)	\$ 4,428,538	\$ 1,483,877
<i>Gifts not included in fundraising totals</i>										
Endowment									\$ 11,400	\$ 11,400
Capital Campaign									11,400	11,400
Legacy Gifts									-	-

Marklund

Fiscal Year 2025

Variance Summary - Marklund

	FY2024 Budget	FY2024 Y/E Projections	FY2025 Budget	Increase (Decrease)	% Increase (Decrease)
Revenue					
Program Revenue	\$ 38,645,250	\$ 37,190,350	\$ 41,864,289	\$ 4,673,939	12.57%
Other Operating Revenue	99,206	133,068	128,315	(4,753)	-3.57%
Other Non-Operating Revenue	40,357	117,533	56,628	(60,905)	-51.82%
Total Revenues	\$ 38,784,813	\$ 37,440,951	\$ 42,049,232	\$ 4,608,281	12.31%
Expenses					
Salaries	\$ 24,055,803	\$ 23,881,383	\$ 27,174,734	\$ 3,293,351	13.79%
Employee Benefits	5,773,391	5,252,381	5,706,695	454,314	8.65%
Employee Expense	473,591	451,940	520,771	68,831	15.23%
Consulting	452,078	410,404	347,282	(63,122)	-15.38%
Consulting - Nurses & Aides	5,064,353	4,982,812	3,972,911	(1,009,901)	-20.27%
Medical	1,119,250	1,323,133	1,281,950	(41,183)	-3.11%
Dietary & Support	637,000	658,972	677,608	18,636	2.83%
Housekeeping	220,154	323,103	333,885	10,782	3.34%
Occupancy	1,215,455	1,340,487	1,408,078	67,591	5.04%
Equipment	628,882	703,698	743,353	39,655	5.64%
Vehicles	127,129	119,801	129,857	10,056	8.39%
Administrative (Not Including Salaries)	906,135	1,025,709	956,152	(69,557)	-6.78%
Provider Taxes	1,403,462	1,397,580	1,454,536	56,956	4.08%
Interest Expense	75,000	257,636	245,000	(12,636)	-4.90%
Client/Student	145,975	159,383	171,081	11,698	7.34%
Depreciation	3,101,393	2,839,406	3,125,560	286,154	10.08%
Total Direct Expenses	\$ 45,399,051	\$ 45,127,828	\$ 48,249,453	\$ 3,121,625	6.92%
Net Income (Loss)	\$ (6,614,238)	\$ (7,686,877)	\$ (6,200,221)	\$ 1,486,656	
add back: depreciation, bad debt & gain (loss) on sale	3,131,393	2,869,406	3,155,560	286,154	
Net Income (Loss)	\$ (3,482,845)	\$ (4,817,471)	\$ (3,044,661)	\$ 1,772,810	
(Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)					
Transfer to Operations (Existing Donations)	200,000	2,199,878	100,000		
Adjusted Net Income (Loss)	\$ (3,282,845)	\$ (2,617,593)	\$ (2,944,661)		

Marklund

Fiscal Year 2025

Variance Summary - Charities

	FY2024 Budget	FY2024 Y/E Projections	FY2025 Budget	Increase/ (Decrease)	% Increase (Decrease)
Revenues					
Unrestricted Gifts & Grants	\$ 3,410,000	\$ 5,009,062	\$ 3,488,400	\$ (1,520,662)	-30.4%
Special Events (net)	808,079	759,358	859,821	100,463	13.2%
Fund-in-Need	630,000	521,904	630,000	108,096	20.7%
Restricted Program	<u>888,000</u>	<u>790,771</u>	<u>898,000</u>	<u>107,229</u>	<u>13.6%</u>
Total Fundraising Income	\$ 5,736,079	\$ 7,081,095	\$ 5,876,221	\$ (1,204,874)	-17.0%
Expenses					
Salaries	\$ 779,098	\$ 814,504	\$ 842,511	\$ 28,007	3.4%
Payroll Taxes	59,601	62,289	64,452	2,163	3.5%
Other Benefits	127,383	121,982	112,475	(9,507)	-7.8%
Employee Expenses	8,050	6,390	7,285	895	14.0%
Occupancy Expense	29,810	28,499	39,868	11,369	39.9%
Office Expenses	54,104	47,914	52,116	4,202	8.8%
Legal & Audit	36,000	36,000	41,004	5,004	13.9%
Printing	40,428	43,514	41,028	(2,486)	-5.7%
Other Expense	15,695	14,186	17,280	3,094	21.8%
Administrative-Outside Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Total Expenses	\$ 1,150,169	\$ 1,175,278	\$ 1,218,019	\$ 42,741	3.6%
Net Fundraising	\$ 4,585,910	\$ 5,905,817	\$ 4,658,202	\$ (1,247,615)	-21.1%
Public Relations	\$ 209,405	\$ 190,138	\$ 229,664	\$ 39,526	20.8%
Net Fundraising Proceeds	\$ 4,376,505	\$ 5,715,679	\$ 4,428,538	\$ (1,287,141)	-22.5%
<i>total revenue not included in above totals</i>	<i>\$ 11,700</i>	<i>\$ 663,259</i>	<i>\$ 11,400</i>	<i>\$ (651,859)</i>	
<i>endowment</i>	<i>11,700</i>	<i>11,400</i>	<i>11,400</i>	<i>0</i>	
<i>capital campaign</i>	<i>0</i>	<i>651,859</i>	<i>0</i>	<i>(651,859)</i>	
<i>legacy gifts</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Interest Income	\$ 6,000	\$ 7,772	\$ 7,008	\$ (764)	
Endowment expected rate of return	\$ 1,467,465	\$ 2,868,333	\$ 1,643,673	\$ (1,224,660)	
<i>income</i>	<i>550,711</i>	<i>591,446</i>	<i>574,035</i>	<i>(17,411)</i>	
<i>realized gain/(loss)</i>	<i>576,062</i>	<i>335,405</i>	<i>517,135</i>	<i>181,730</i>	
<i>unrealized gain/(loss)</i>	<i>340,692</i>	<i>1,941,482</i>	<i>552,503</i>	<i>(1,388,979)</i>	

Marklund
Fiscal Year 2025
Salary Variances

	3/31/24	FY2024 Y/E	FY2025	Increase	% Increase
	Actual	Salary	Salary Budget	(Decrease)	(Decrease)
	YTD Salaries	Projections	Salary Budget	(Decrease)	(Decrease)
Philip Center	\$ 1,357,962	\$ 1,807,324	\$ 2,172,703	\$ 365,379	20.2%
Wasmond Center	3,239,813	4,311,897	4,517,246	205,349	4.8%
Mill Creek - 16 Bed Homes	4,565,062	6,075,682	6,515,986	440,304	7.2%
Community Day Service	2,702,129	3,596,288	3,961,407	365,119	10.2%
Day School	4,120,910	5,484,556	7,384,734	1,900,178	34.6%
Administration	1,681,526	2,387,959	2,416,845	28,886	1.2%
Transportation	163,555	217,677	205,813	(11,864)	-5.5%
Development	585,802	814,504	842,511	28,007	3.4%
Total Salaries	\$ 18,416,758	\$ 24,695,887	\$ 28,017,245	\$ 3,321,358	13.4%

Marklund
Fiscal Year 2025
Agency Variances

	3/31/24 Actual YTD Agency	FY2024 Y/E Agency Projections	FY2025 Agency Budget	Increase (Decrease)	% Increase (Decrease)
Philip Center	\$ 803,699	\$ 1,071,599	\$ 750,119	\$ (321,480)	-30.0%
Wasmond Center	1,214,959	1,619,945	1,295,957	(323,988)	-20.0%
Mill Creek - 16 bed homes	1,564,428	2,085,903	1,773,018	(312,885)	-15.0%
Community Day Service	100,427	133,903	113,817	(20,086)	-15.0%
Day School	53,597	71,462	40,000	(31,462)	-44.0%
Total Agency	\$ 3,737,109	\$ 4,982,812	\$ 3,972,911	\$ (1,009,901)	-20.3%

Marklund
Fiscal Year 2025
Agency Calculation

<u>Agency Calculation - Nursing</u>				
<u>Nursing</u>	<u>Hours</u>	<u>Salary</u> <u>(Marklund)</u>	<u>Agency Premium</u>	<u>Total</u>
MPC	3,063	\$ 137,850	\$ 81,178	\$ 219,028
16-Beds	6,790	305,551	179,936	485,487
Wasmond	6,091	274,110	161,420	435,530
CDS - Geneva	679	<u>30,537</u>	<u>17,983</u>	<u>48,519</u>
Subtotal Nursing		<u>\$ 748,047</u>	<u>\$ 440,517</u>	<u>\$ 1,188,564</u>
<u>Agency Calculation - Aides</u>				
<u>Aides</u>	<u>Hours</u>	<u>Salary</u> <u>(Marklund)</u>	<u>Agency Premium</u>	<u>Total</u>
MPC	12,070	\$ 313,826	\$ 217,264	\$ 531,091
16-Beds	29,262	760,814	526,717	1,287,531
Wasmond	19,555	508,434	351,993	860,427
CDS - Geneva	1,484	<u>38,585</u>	<u>26,713</u>	<u>65,298</u>
Subtotal Aides		<u>\$ 1,621,660</u>	<u>\$ 1,122,687</u>	<u>\$ 2,744,347</u>
Grand Total		<u>\$ 2,369,707</u>	<u>\$ 1,563,204</u>	<u>\$ 3,932,911</u>
		Less Marklund Benefits 21%	\$ (328,273)	
		Net Agency Impact	<u>\$ 1,234,931</u>	

Fiscal Year 2025

Capital Budget

The Leadership Team has thoroughly reviewed every item listed in this \$1.8M capital budget for fiscal year 2025. Each item has been extensively scrutinized and found to be appropriate and needed; assigned priority levels have also been analyzed to match expected timing of purchases.

Items categorized as priority 1 and 2, totaling \$670K, represent those that will be replaced or acquired at some point during this fiscal year. Items marked as a priority 3 or 4 may only be purchased if funds are donated, otherwise, they can wait until subsequent fiscal years. Emergency/Safety related procurements would be acquired to meet their respective immediate needs. Such acquisitions are generally brought forward at the Leadership meeting following their acquisition.

We have allocated \$200K of the board designated endowment revenue and approximately \$470K in restricted donations to cover capital items assigned priority levels 1 & 2.

Any Capital Campaign funds for building construction or major renovations are tracked separately and not included in this capital budget.

Marklund Charities

Fiscal Year 2025

Variance Summary

	FY2024 Budget	FY2024 Year-End Projections	Variance	FY2025 Budget	Increase/ (Decrease)	
Revenues						
Unrestricted Gifts & Grants	\$ 3,410,000	\$ 5,009,062	\$ 1,599,062	\$ 3,488,400	\$ (1,520,662)	
Special Events (net)	808,079	759,358	(48,721)	859,821	100,463	
Fund-in-Need	630,000	521,904	(108,096)	630,000	108,096	
Restricted Program	888,000	790,771	(97,229)	898,000	107,229	
Total Fundraising Income	\$ 5,736,079	\$ 7,081,095	\$ 1,345,016	\$ 5,876,221	\$ (1,204,874)	-17.0%
Expenses						
Salaries	\$ 779,098	\$ 814,504	\$ 35,406	\$ 842,511	\$ 28,007	
Payroll Taxes	59,601	62,289	2,688	64,452	2,163	
Other Benefits	127,383	121,982	(5,401)	112,475	(9,507)	
Employee Expenses	8,050	6,390	(1,660)	7,285	895	
Occupancy Expense	29,810	28,499	(1,311)	39,868	11,369	
Office Expenses	54,104	47,914	(6,190)	52,116	4,202	
Legal & Audit	36,000	36,000	0	41,004	5,004	
Printing	40,428	43,514	3,086	41,028	(2,486)	
Other Expense	15,695	14,186	(1,509)	17,280	3,094	
Administrative-Outside Services	-	-	-	-	-	
Total Expenses	\$ 1,150,169	\$ 1,175,278	\$ 25,109	\$ 1,218,019	\$ 42,741	3.6%
Net Fundraising	\$ 4,585,910	\$ 5,905,817	\$ 1,319,907	\$ 4,658,202	\$ (1,247,615)	-21.1%
Public Relations	\$ 209,405	\$ 190,138	\$ (19,267)	\$ 229,664	\$ 39,526	20.8%
Net Fundraising Proceeds	\$ 4,376,505	\$ 5,715,679	\$ 1,339,174	\$ 4,428,538	\$ (1,287,141)	-22.5%
<i>total revenue not included in above totals</i>	<i>\$ 11,700</i>	<i>\$ 663,259</i>	<i>\$ 651,559</i>	<i>\$ 11,400</i>	<i>\$ (651,859)</i>	
<i>endowment</i>	<i>11,700</i>	<i>11,400</i>	<i>(300)</i>	<i>11,400</i>	<i>0</i>	
<i>capital campaign</i>	<i>-</i>	<i>651,859</i>	<i>651,859</i>	<i>-</i>	<i>(651,859)</i>	
<i>legacy gifts</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	
Interest Income	\$ 6,000	7,772	\$ 1,772	\$ 7,008	(764)	
Endowment expected rate of return	\$ 1,467,465	\$ 2,868,333	\$ 1,400,868	\$ 1,643,673	\$ (1,224,660)	
<i>income</i>	<i>550,711</i>	<i>591,446</i>	<i>40,735</i>	<i>574,035</i>	<i>(17,411)</i>	
<i>realized gain/(loss)</i>	<i>576,062</i>	<i>335,405</i>	<i>(240,657)</i>	<i>517,135</i>	<i>181,730</i>	
<i>unrealized gain/(loss)</i>	<i>340,692</i>	<i>1,941,482</i>	<i>1,600,790</i>	<i>552,503</i>	<i>(1,388,979)</i>	

FY-25 Slate of Officers

Chair	Mike Herlihy
Vice Chair	Carol Donahue
Treasurer	Jerry Finis
Secretary	Jim Armbruster

FY-25 Executive Committee

Chair/Governance	Mike Herlihy
Vice Chair	Carol Donahue
Finance	Jerry Finis
Secretary	Jim Armbruster
Member-at-Large	Frank Murnane, Jr.

BOARD COMMITTEES

FY25

<u>EXECUTIVE</u>	<u>DEVELOPMENT</u>	<u>GOVERNANCE</u>	<u>FINANCE</u>
Jim Armbruster	Jim Armbruster	Jim Armbruster	Carol Donahue
Carol Donahue	Howard Brandeisky	Howard Brandeisky	Gerry Estes
Jerry Finis	Carie Carney	Mike Herlihy (Chair)	Jerry Finis (Chair)
Mike Herlihy (Chair)	Laura Karlins (Chair)	Laura Karlins	Dan Foley
Frank Murnane, Jr.	Ari Smith	Frank Murnane	Yaneth Medina
	Karyn Fitch	Yaneth Medina	Frank Murnane, Jr.
	Dan Whiston		Tim Adkins
	Maleeha Basha		David Van Daff
	Julie Schrager		

**Governance Committee
Annual Board Survey
June 20, 2024**

Executive Summary

Overall, the committee was pleased with the results of the annual survey. The desire is always to have 100% board participation, which we did, receiving 15 out of 15 surveys this year.

There were 30 survey questions, which was the same as last year. The maximum score was 5.0.

- Over 80% (24/30) of the questions were rated as a 4 or 5.
- Only one respondent rated any of the questions below a 3.
- The committee requested comments on any rating of a 3 or less.
- There was a total of 7 rating with a 3 or less; only one comment was received (Section A) and it was unrelated to a lower rating.

Overall, the committee felt the survey questions were very appropriate and cover the broad functions of the board:

- How well has the board done its job?
- How well has the board conducted itself?
- Board's relationship with President/CEO?
- Performance of the individual board members?
- Feedback to the Chair of the board

There were two survey questions that the committee made a special attempt to understand:

C.1 There is a clear understanding of where the board's role ends and the President/CEO's begins.

All board members rated this question as a five, except for three (one rated it a 4 and two rated as a 3). The committee was reminded of when Gil was first hired (2011) and brought in a facilitator for onboarding who said: the Board is about the WHAT and the Staff is about HOW. The President/CEO assists the board in developing the WHAT and leads the staff on the HOW.

D.3 I am familiar with what is in the organization's by-laws and governing policies.

All board members rated this question as a 4 or 5, except for one respondent who gave it a 2; it was the ONLY rating below a 3.

The committee felt both questions were an opportunity for discussion as part of a mission moment or at the annual board retreat.

Overall, the Governance committee felt the survey was an accurate representation of the board.



Board Self-Evaluation Questionnaire 2024 Results

Circle the response that **best** reflects your opinion. The rating scale for each statement is: Strongly Disagree (1); Disagree (2); May or Not Sure (3); Agree (4); Strongly Agree (5).

A. How Well Has the Board Done Its Job?

- | | | | | | |
|--|---|---|---|------------|-------------|
| 1. Our organization has a strategic plan or a set of clear long-range goals and priorities | 1 | 2 | 3 | 4-1 | 5-14 |
| 2. The board’s meeting agenda clearly reflects our strategic plan and priorities. | 1 | 2 | 3 | 4-1 | 5-14 |
| 3. The board has insured that the organization also has a one-year operational or business plan. | 1 | 2 | 3 | 4 | 5-15 |
| 4. The board ensures that the proper fiduciary functions of the board are accomplished. | 1 | 2 | 3 | 4-1 | 5-14 |

Comments: Timely or a regular schedule

B. How Well Has the Board Conducted Itself?

- | | | | | | |
|--|---|---|------------|------------|-------------|
| 1. Board members are aware of what is expected of them. | 1 | 2 | 3-1 | 4-3 | 5-11 |
| 2. The agenda of board meetings is well planned so that we are able to get through all necessary board business. | 1 | 2 | 3 | 4-2 | 5-13 |
| 3. It seems like most board members come to meetings prepared. | 1 | 2 | 3-1 | 4-2 | 5-12 |
| 4. We receive written reports to the board in advance of our meetings. | 1 | 2 | 3 | 4-1 | 5-14 |
| 5. All board members participate in important board discussions. | 1 | 2 | 3 | 4-1 | 5-14 |
| 6. We do a good job encouraging and dealing with different points of view. | 1 | 2 | 3-1 | 4-4 | 5-10 |

Comments: N/A

C. Board's Relationship with President/CEO

- | | | | | | | |
|---|---|---|-----|-----|------|-------|
| 1. There is a clear understanding of where the board's role ends and the President/CEO's begins. | 1 | 2 | 3-2 | 4-1 | 5-12 | |
| 2. There is a good two-way communication between the board and the President/CEO. | 1 | 2 | 3 | 4-2 | 5-13 | |
| 3. The board trusts the judgment of the President/CEO | 1 | 2 | 3 | 4 | 5-15 | |
| 4. The Executive Committee has developed formal criteria and a process for evaluating the President/CEO. | 1 | 2 | 3 | 4-2 | 5-12 | N/A-1 |
| 5. The board evaluates the President/CEO primarily on the accomplishments of the organization's strategic goals and priorities. | 1 | 2 | 3 | 4-1 | 5-14 | N/A-1 |

Comments: N/A

D. Performance of Individual Board Members

- | | | | | | | |
|--|---|-----|-----|-----|------|--|
| 1. I am aware of what is expected of me as a board member. | 1 | 2 | 3-1 | 4 | 5-14 | |
| 2. I read the minutes, reports and other materials in advance of our Board meetings. | 1 | 2 | 3 | 4-1 | 5-14 | |
| 3. I am familiar with what is in the organization's by-laws and governing policies. | 1 | 2-1 | 3 | 4-4 | 5-10 | |
| 4. I am a good listener at board meetings. | 1 | 2 | 3 | 4-2 | 5-13 | |
| 5. I follow through on things I have said I would do. | 1 | 2 | 3 | 4-2 | 5-13 | |
| 6. I maintain the confidentiality of all board decisions. | 1 | 2 | 3 | 4 | 5-15 | |
| 7. When I have a different opinion than the majority, I raise it. | 1 | 2 | 3 | 4-3 | 5-12 | |
| 8. I support board decisions once they are made even if I do not agree with them. | 1 | 2 | 3 | 4 | 5-15 | |
| 9. I stay informed about issues relevant to our mission and bring information to the attention of the board. | 1 | 2 | 3 | 4-3 | 5-12 | |

Comments: N/A

E. Feedback to the Chair of the Board

- 1. The Chair is well-prepared for board meetings. 1 2 3 4 **5-15**
- 2. The Chair helps the board to stick to the agenda. 1 2 3 **4-1 5-14**
- 3. The Chair ensures that every board member has an opportunity to be heard. 1 2 3 **4-2 5-13**
- 4. The Chair helps the board work well together. 1 2 3 4 **5-15**
- 5. The Chair demonstrates good listening skills. 1 2 3 4 **5-15**
- 6. The board supports the Chair. 1 2 3 4 **5-15**

Comments: N/A



David Van Daff

Director of Global Industry Development, National Academy of Sports Medicine (NASM)

With more than 25 years of comprehensive experience in fitness, wellness, and sport, David Van Daff brings a vast level of expertise in fitness industry business operations, multi-facility management and training, and education to the National Academy of Sports Medicine (NASM).

As **Director of Global Industry Development**, David leads both the Domestic and International Fitness Industry Divisions for NASM and ClubConnect, the global industry's premier fitness education and training platform.

Prior to rejoining NASM, he served in roles as Executive Vice President of Fitness for Fusionetics and Vice President of Business Development and Public Affairs for NASM. In addition, David led fitness operations, personal training, and education for over 400 health clubs at Bally Total Fitness for 14 years.

He is often interviewed by national media—including *The Wall Street Journal*, *USA Today*, *The New York Times*, *Shape*, *Men's Fitness*, *Men's Health*, *Women's Health*, and *InStyle*—for his expertise in the fitness, health, and wellness industry.

David holds a Bachelor of Arts from the University of Kansas and a Master of Science from the University of Tennessee. He also has an extensive array of certifications and credentials in personal training, corrective exercise, fitness nutrition, performance enhancement, and weight loss. He currently resides in Chicago with his family.



JULIE SCHRAGER

Julie has worked as Schiff Hardin's in-house legal writing coach for almost twelve years. In that role, she works one-on-one with the firm's summer associates, associates, and partners to improve their legal writing skills. She also hosts workshops addressing common legal writing challenges, including writing persuasively, writing for business development, and revising and editing your own work. Julie also participates in Schiff's recruiting efforts by hosting writing workshops for 1Ls at law schools around the country and through diversity programs.

Julie graduated from Harvard College in 1986 and the University of Chicago Law School in 1989. After graduation, she worked as an associate in the litigation and legislation practice areas at Arnold & Porter in Washington, D.C. and as an Assistant United States Attorney in the Civil Division of the U.S. Attorney's office in Boston as well as Special Associate White House Counsel. Julie taught legal writing full-time at Chicago-Kent College of Law for several years and continues to teach there periodically.

Friend of the Year 2025 Nomination

Sue and John Wick

John and Sue Wick started their Marklund journey when their daughter, Erin, was admitted as a resident at Marklund Philip Center in December 2003. Almost instantly – they engaged fully and began volunteering, helping with fundraising, and donating generously; they very quickly became part of the Marklund family!

Their heart for our residents and staff has been evident in their amazing generosity. From supporting the MPC staff with fresh coffee, surprise meals, and donations for staff appreciation, to becoming Guardian Angel donors, to funding capital campaigns along with various events and appeals - their generosity is extraordinary. To date, their personal donations and sponsorships through the years have totaled well over \$500,000. Beyond their monetary gifts and support they have been amazing volunteers serving in a variety of ways through our events and committees. They embody our definition of a Marklund Friend of the Year.

When their beloved Erin passed away in 2014, their giving took on even more meaning, keeping her legacy alive through continuous and unwavering support and dedication to Marklund. They have been part of several Top Hat Ball videos sharing their family story, as well as volunteering for a variety of fundraising opportunities, including the former annual WYLL radiothon where they shared their story with listeners on AM 1160. Sue and John received the Marklund Hero Award in 2016 for their commitment.

John served on the Marklund Board of Directors from 2008 to 2017 and held the position of Finance Chair/Treasurer during his tenure. Sue has tirelessly volunteered on the Top Hat Ball planning committee since 2008 providing in-kind support, and also supports our Golf Classic Auction as well.

The Development Team, along with the Pres/CEO, are honored to recommend Sue and John Wick to the Marklund Board of Directors as our **2025 Friend of the Year**.

Marklund Development Update

June 2024

NARRATIVE SUMMARY

Charities ended May favorable to budget by \$938,994 after receiving a generous \$2MM major gift, securing a few large grants and having a strong year with the Annual Fund. We're really happy with overall giving in FY24, and hope the projected increase for giving in the USA in 2025 holds true into the next year. (**The Lilly Family School of Philanthropy at Indiana University predicts a 3.9% increase based on economic conditions*)

The Marklund Golf Classic exceeded budget, netting just over \$267,000. Thank you to Laura, Jerry Frank, Carie (FCL) and Yaneth (Wintrust) for supporting the event!

MWC Expansion/Renovation Project

30 Gifts

*\$3,273,175

Gifts can be made as a five-year pledge, with many naming opportunities still available!

**includes a management designation of \$1,250,000 moved from operations to capital in FY24.*

EVENTS

- **Save-the-Date! 29th Annual Top Hat Ball – Saturday, February 8, 2025**

Marriott Michigan Avenue

FY24 Actual:	Total NET	\$880,000
	Total GROSS	\$1,339,803

FY23 Actual:	Total NET	\$1,040,188
	Total GROSS	\$1,453,231

Contact Jeannine Zupo 530-593-5479 jzupo@marklund.org

- **RWR Series FY24**

11th Annual in Geneva - October 15, 2023

FY24 Budget: \$100,125/700 participants

FY24 Actual: \$111,183/610 participants

FY23 Actual: \$104,142/671 participants

7th Annual in Bloomingdale - April 21, 2024

FY24 Budget: \$65,000/500 participants

FY24 Actual: \$51,256/482 participants

FY23 Actual: \$47,515/407 participants

Contact Lauren Spitler 530-593-5473 lspitler@marklund.org

- **42st Annual Golf Classic – June 6, 2024** (*all reflecting net revenue*)

Cog Hill Golf and Country Club

FY24 Budget: \$218,975 (*budget was set prior to the FY23 event)

FY24 Actual: \$267,156

FY23 Actual: \$248,141 (*included Rich Harvest Farms spots for a separate event)

Contact Jeannine Zupo 530-593-5479 izupo@marklund.org

THIRD PARTY EVENTS

Contact Lauren Spitler 530-593-5473 lspitler@marklund.org

FY24 Budget: \$40,000

FY24 Actual: *\$193,908 (\$48,230 in FY23)

**We received a very generous gift of \$169,054 as the benefactor of FCL's Annual Casino Night, which was unexpected, and will not repeat.*

FY24 GRANTS (as of 6/10/24)

Contact Carrie Seida 530-953-5304 cseida@marklund.org

Total Cash Received: \$653,672 (\$451,181 in FY23)

Awarded but not Received: \$468,916 (\$288,900 in FY23)

Outstanding Submissions: \$219,899 (\$455,826 in FY23)

Recent Awards

Hanover Township	\$25,000 for MWC Expansion
INC Mental Health Alliance	\$125,000 for Therapy Services at MHC
Community Fnd. of Fox River Valley	\$100,000 for MHC Baseball Field Repairs
Community Fnd. of Fox River Valley	\$4,000 for Rec. Therapy at FEC
DuPage Foundation	\$5,000 for AHC
Sam's Club in Elgin	\$1,000 for MWC Expansion/Renovation
Osaic Foundation	\$1,000 for MWC Expansion/Renovation
St. Charles Kiwanis Foundation	\$950 for FEC - Social Emotional Learning
Batavia Mother's Club	\$500 for Rec. Therapy at FEC

ANNUAL GIVING (as of 6/10/24) *Does not include special event giving, capital campaign or endowment gifts

Contact Taylor Egan 530-593-5482 tegan@marklund.org

\$662,136 (\$596,168 in FY23)

Individuals: \$556,356 (\$460,604 in FY23)

Organizations: \$105,780 (\$135,565 in FY23)

Major Gifts (single gifts of \$15,000 or greater)

\$5,268,092 (*\$3,034,420 in FY23*)

Direct Mail Appeals (*from annual giving totals above*)

\$392,475 (*\$229,650 in FY23*)

Leadership Giving Circle Donors (*\$1,000 + donors through 6/10/24*)

Contact Natalie Sarby 530-593-5461 nsarby@marklund.org

Donors: **480** (*463 in FY23*)

Individuals: **314** (*290 in FY23*)

Orgs: **166** (*173 in FY23*)

Gil Fonger
President & CEO Report
Marklund

Board of Directors
June 20, 2024

Executive Summary

Overall, I feel that we are finishing the fiscal year in very good shape. Here is my fiscal year-end wrap-up. Just to give some perspective, in the past 10 years (since July 2014) we have gone from:

	FY15	FY25
○ Budget (revenue):	\$17.6M	\$47.9M
○ Serving:	157	305
○ Employees (FT)	328	508
○ Fundraising (net)	\$1.9M	\$4.4M

Major milestones in FY24:

- Broke ground in March on the **\$17M MWC Expansion/Renovation**. The expansion is slated to be done by early January 2025 and the entire project completed by early August. Obtained approval from ComEd to create a **temporary parking** lot for the MWC project.
- Our 16-week **Strategic Retention Initiative** kicked off in January with the goal of increasing our retention by 30% for PSPs and Parapros by the end of June. Our retention rate on February 1 was 33% and as of June 1 we hit 43%, an increase of 30.3%.
- The success of our retention initiative allowed us to **decrease our agency budget** in FY25 by \$1M.
- Despite pessimistic projections by legislators, we received a **surprise increase** in the state budget of \$1/hour for direct care and ICF/MC/DDs will now be eligible for a 15% wage adjustment. Both require approval by CMS; neither increase is in the current Marklund FY25 budget.
- We will be reopening the MDS program at the **Nathan Education Center** in August (have already hired a principal, instructional coach and four teachers!).
- **Recruiting** had a very successful year in finding staff. Nurses continue to be a challenge.

In April Marklund experienced one of the most difficult (if not worse) situations we have ever faced in our 70-years of service with the discovery of a **sexual abuse** case on the Geneva campus. We were able to successfully navigate the care of the resident, parent/guardian relationship, and intense media interest (including social media) with a minimum amount of negative reporting.

The staff is doing a phenomenal job of responding to the ongoing **state regulatory review** of the incident. IDPH made the decision to also involve MPC and MWC as part of the review.

- Grateful for our **Finance and management staff** for overseeing a very difficult budget with open residential beds and the continued use of agency in order to serve those entrusted to us.
- The amazing success of **Development** in not only keeping our donors engaged but also having record-breaking results in all categories.
- The successful opening of the new **Bridge Builder** program.
- Very happy that the **Client-Care Index** has averaged over 92% for the year with the significant increase in volunteers and trips into the community.
- We will be submitting our **Proximity Waiver** to DHS this month in order to receive the necessary approval to create our LIFTS communities. Our Provisional CILA license has been extended until December 31, 2024.
- **Endowment** is currently over \$22.0M. A 10% increase over last year. It was at \$7.7M in May 2010.
- Our **Voter Voice** program has 749 participants that engage 14 of 17 U.S. House Representatives, 32 of 59 State Senators, and 51 of 118 State Representative.
- Our 8th annual **Voice of the Employee Survey** had a participation rate of 73%. A good response is considered anything over 70%. Overall, the results were very positive with the Net Promoter Score – *Would you recommend Marklund to a family member or friend as a place to work* – increased by 50%.
- Working with Bold Agenda on **succession planning** process.
- Did my annual “**Listening Tour**” at all facilities.
- Grateful to be able to give **raises** again in FY25 and NOT have to increase the cost of health benefits.
- Adding two great new board members: **Julie Schrager** and **David Van Daff**.
- Marklund continues to be blessed with an **amazing staff!**

The key disappointments have been:

- Still have not received the **rate methodology** for the FY24 pay raise!
- Had to shut down the **MDS program** at the new Nathan Education Center due to staffing.
- Still waiting for the **Employee Retention Credit** (\$4.3M) that we applied for last June.
- The continued **high use of agency staff**. Fortunately, over the last few months this has gotten MUCH better!
- Not able to fill our school because of the **lack of teacher and paras** and not the lack of students who need our program.
- An **unusual number** of open beds at MWC.

I am so very thankful for each of you and the way you willingly share of your time, talent and treasure. It is an honor to serve Marklund with you. Your guidance, passion, insight and trust are critical to making our mission and vision a reality.

God bless you!

Gil

2025 Board Dates

Jan. 23

April 3

May 22 Finance Committee

June 19

Aug. 7 Board Retreat

Oct. 30

MARKLUND

To: **Members of the Marklund Board of Directors**

Tim Adkins	Carol Donahue	Laura Karlins
Jim Armbruster	Gerry Estes	Yaneth Medina
Dr. Maleeha Basha	Jerry Finis	Frank Murnane Jr.
Howard Brandeisky	Karyn Fitch	Ari Smith
Carie Carney	Dan Foley	Dan Whiston

Staff

Kudus Badmus
Gil Fonger
Heather Graves
Mary Kobbeman

From: Mike Herlihy
Chair, Board of Directors

Subject: **Board Retreat**
8:45 A.M. Thursday, August 8, 2024
Foglia Education Center– 1S376Wyatt Dr. Geneva

TIME AGENDA:

8:45	Arrive – Marklund Day School - Geneva	All
9:00	Welcome & Overview	Mike Herlihy
9:05	Board Agenda Overview	Rena Henderson Mason
9:15	Board’s Role in Leadership Transition	Rena Henderson Mason
9:45	Board Self-Assessment	Rena Henderson Mason
10:30	Break	
10:45	Vision For the Board	Rena Henderson Mason
11:15	Getting the Best Performance from the Board	Rena Henderson Mason
12:15	Lunch	Board/SPOT
1:00	Board Picture	All
1:15	M2023 Discussion	Gil Fonger
2:00	LIFTS	Gil Fonger
2:30	Question/Comments	Mike Herlihy
3:00	Adjourn	Mike Herlihy

Next meeting is at the Marklund Hyde Center
Wednesday, October 30, 2024 at 7:00 pm