

Financial Operations 1st Quarter 2025

2025 is off to a good start in regard to revenue. Income for the 1st quarter of 2025 was \$196.5K more than the income of the 1st quarter of 2024 and total operating expenses for the 1st quarter of 2025 were \$1.0K more than the 1st quarter of 2024. The total net income in the 1st quarter of 2025 was \$195.5K more than that of the same period last year and total net income for the 1st quarter of 2025 is \$304.3K more than was projected.

Income for the year through the end of the 1st quarter is 4.9% (\$73.6K) below the projected budget amount. Operating income line items were divided when compared to budgeted amounts, with some being below budget while others were over budget at the end of the 1st quarter. Masonic Donations were \$74.6K below budget, Legacies were \$176.0K below budget, and Printing Income was \$2.6K below budget. The following, with their respective amounts, were above budget: Grand Lodge \$12.5K, NC Masonic Foundation \$6.8K, General Public Donations \$66.7K, Investment Income \$17.8K, DSS Per Diem \$31.5K, Grants \$7.5K, Other Income \$3.2K, Calendar Donations \$30.9K, and 150th Donations \$2.7K. We ended the 1st quarter with expenses exceeding our revenue by \$88.5K. During the 1st quarter, we received our first budgeted transfer of \$261.2K from our investment account with the NC Masonic Foundation.

Operating expenses through March 2025 were \$347.2K (19.8%) below budget. Performance by department through the end of the 1st quarter was as follows:

- Administration was 35.7% or \$135.9K below budget,
- Community Support Center was 29.0% or \$9.0K below budget,
- Direct Care was 18.5% or \$152.9K below budget,
- Maintenance was 5.5% or \$11.4K over budget,
- Development was 13.7% or \$21.7K below budget,
- ILP was 21.7% or \$31.3K below budget,
- Archives was 100.0% or \$7.9K below budget.

At the end of March, the School of Graphic Arts had a deficit of \$2.6K expenses over revenue. The School of Graphic Arts has a decrease of \$2.0K in revenue at the end of the 1st quarter as compared to last year at the end of the 1st quarter. The School of Graphic Arts is \$25.3K below budgeted income for the 1st quarter and expenses were \$22.7K below budget projections. Without capital expenditure, SGA had a deficit of \$952 at the end of the 1st quarter of 2025.

Investments with the NC Masonic Foundation as of the end of the 1st quarter are 73% stock and 27% fixed income. As of the end of March 2025, the income portion of the account was up 2.7% and the stock portion of the account was down 2.61%, with a quarter-end balance of \$29.1M. One withdrawal, in the amount of \$261.2K, was made from the account during the 1st quarter of 2025, as budgeted.

There were several capital improvements made during the 1st quarter of 2025 that totaled \$109,319. These improvements include the following: New HVAC unit in Cobb Center, new projector in the Chapel basement, new roofs on two cottages, office furniture for two offices, and

the completion of the camera project. SGA had one capital improvement totaling \$1,624 for conference room furniture.

We are in the process of renewing the insurance policies for liability insurance for The Home. Liability insurance, including D & O, professional liability, property and auto insurance and workers compensation, will be renewed as of May 1, 2025, with an annual increase that is undetermined at this time. These policies include abuse coverage with a \$1.0M limit, an umbrella policy with a \$5.0M coverage limit (abuse coverage is capped at \$2.0M under the umbrella policy) and Directors & Officers coverage with a \$5.0M limit.

We are in the process of renewing the insurance policies for medical coverage for the staff. The renewals for our health, dental, and life insurances are effective June 1st each year. We continue to work with Eben Concepts for the renewal. We have not received our renewal quote from Blue Cross Blue Shield at this time. We will continue our dental, vision, and life insurance coverage with Principal provided the renewal rates are acceptable. The voluntary life insurance and vision are paid by the employees as payroll deduction.

2025 is off to a good start in regard to income received in the 1st quarter. General Public Donations are over budgeted projections by a good amount which is a good trend. One focus is to solicit the general public for donations, which is a goal of the commercials. We will continue to work toward increasing and maintaining more donors from the general public who want to help and support children. We continue to make sound financial decisions, always keeping the children as our focus.