

Financial Operations 1st Quarter 2026

2026 is off to a good start in regard to revenue. Income for the 1st quarter of 2026 was \$188.7K more than the income of the 1st quarter of 2025 and total operating expenses for the 1st quarter of 2026 were \$245.8K more than the 1st quarter of 2025. The total net income in the 1st quarter of 2026 was \$57.1K less than that of the same period last year but total net income for the 1st quarter of 2026 is \$334.3K more than was projected.

Income for the year through the end of the 1st quarter is 10.3% (\$151.1K) above 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. General Public Donations were \$23.7K below budget, Investment Income was \$58.9K below budget, and Printing Income was \$6.7K below budget. The following, with their respective amounts, were above budget: Masonic Donations \$85.1K, NC Masonic Foundation \$84.5K, Legacies \$43.8K, DSS Per Diem \$12.3K, Grants \$9.0K, and Other Income \$3.8K. We ended the 1st quarter with expenses exceeding our revenue by \$145.5K. During the 1st quarter, we received our first budgeted transfer of \$270.2K from our investment account with the NC Masonic Foundation.

Operating expenses through March 2026 were \$189.0K (10.6%) below budget. Performance by department through the end of the 1st quarter was as follows:

- Administration was 16.4% or \$52.7K over budget,
- Community Support Center was 20.8% or \$6.1K below budget,
- Direct Care was 18.6% or \$163.1K below budget,
- Maintenance was 5.6% or \$12.0K over budget,
- Development was 35.3% or \$66.2K below budget,
- ILP was 6.4% or \$9.4K below budget,
- Archives was 100.0% or \$9.0K below budget.

At the end of March, the School of Graphic Arts had a deficit of \$6.7K expenses over revenue. The School of Graphic Arts has a decrease of \$1.6K 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 \$50.8K below budgeted income for the 1st quarter and expenses were \$44.2K below budget projections. Without capital expenditure, SGA had a deficit of \$3,185 at the end of the 1st quarter of 2026.

Investments with the NC Masonic Foundation as of the end of the 1st quarter are 75% stock and 25% fixed income. As of the end of March 2026, the income portion of the account was down 0.34% and the stock portion of the account was down 2.38%, with a quarter-end balance of \$32.5M. One withdrawal, in the amount of \$270.2K, was made from the account during the 1st quarter of 2026, as budgeted.

There were several capital improvements made during the 1st quarter of 2026 that totaled \$168,268. These improvements include the following: camera replacements of older cameras on the newer camera system, computer, roof replacements, and upper-campus home renovations. SGA had one capital improvement totaling \$3,480 for a wide format scanner.

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 of \$10,299 (5.89%). 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 received our initial renewal quote from Blue Cross Blue Shield but are working to get a further reduction from BCBS. Our dental, vision, and life insurance coverage have a guaranteed rate renewal at the previous year's rate. The voluntary life insurance and vision are paid by the employees as payroll deduction.

2026 is off to a good start in regard to income received in the 1st quarter. Masonic Donations are over budgeted projections and more than the previous year however, General Public Donations are below budget projections and less than the previous year. We will strive to have both areas of donations more than previous years through financial development focuses. We continue to make sound financial decisions, always keeping the children as our focus.