

**Finance  
Committee  
Meeting  
5:30-6:45 pm**

**Board of  
Directors  
Meeting  
7:00-8:30pm**

**Location:  
Marklund  
Hyde Center,  
Geneva**

**Thursday,  
January 30,  
2020**

<b>1</b>	<b>1. Finance Committee Agenda</b>
<b>2</b>	<b>2. Previous Finance Minutes Oct. 23, 2019</b>
<b>3</b>	<b>3. Financial Statements</b>
<b>4</b>	<b>4. CILA / CDS</b>
<b>5</b>	<b>5. Previous Board Minutes - October 23, 2019</b>
<b>6</b>	<b>6. Creating the Future - Results Q2</b>
<b>7</b>	<b>7. Marklund Advocacy Award</b>
<b>8</b>	<b>8. Development Update</b>
<b>9</b>	<b>9. President and CEO Report</b>
<b>10</b>	

**MARKLUND**

To: **Members of the Finance Committee**

**Marklund Board of Directors**

Jeff Blanchette ✓ Mike Herlihy ✓  
- Gerry Estes ✓ Melissa Kud ✓  
Sonya Evanosky Frank Murnane ✓

**Staff**

Kudus Badmus ✓  
Gil Fonger ✓  
Mary Kobbeman ✓

From: Mike Herlihy  
Chairman of the Finance Committee

Subject: **Finance Committee Meeting**  
**5:30 P.M. Thursday, January 30, 2020**  
**Marklund Hyde Center, Geneva**

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<b>Time</b>	<b>Agenda:</b>	
5:30	1. Call to Order	M. Herlihy
5:30	2. Previous Minutes – Minutes of October 23, 2019 (Tab 2)	M. Herlihy
5:35	✓ 3. TCI Endowment Report	✓ <u>B. Giffin</u>
6:05	4. Financial Statements (Brief Highlights and Questions)(Tab 3) A. Marklund: December 2019 - Att. #4a B. Charities: December 2019 - Att. #4b C. Discussion/preliminary yearend projections	K. Badmus
6:40	5. Other Business A. CILA/CDS (Tab 4) B. Employee Retirement Savings Plan RFP	M. Herlihy G. Fonger K. Badmus
6:45	6. Adjournment	M. Herlihy

**Next meeting is scheduled for Thursday, April 2, 2020 in Geneva. If you are unable to attend the meeting, please notify Mary Kobbeman ([mkobbeman@marklund.org](mailto:mkobbeman@marklund.org)) if you will be calling in. The conference call-in number is 1-800-510-5879, guest # 095522**

**MARKLUND**  
**MINUTES OF THE FINANCE COMMITTEE MEETING**  
**Thursday, October 23, 2019 5:30 P.M.**  
**Marklund Hyde Center**  
**Geneva, IL**

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**CALL TO ORDER**

Mike Herlihy called the meeting to order at 5:40 p.m.

**ALSO PRESENT**

Gerry Estes, Sonya Evanosky, Frank Murnane

**NOT PRESENT**

Jeff Blanchette, Duane Fitch, Melissa Kud

**GUEST**

Greg Bergman, KPMG, Jamie Silver, KPMG

**STAFF**

Kudus Badmus, Gil Fonger, Mary Kobbeman

**PREVIOUS MINTUES**

Mike H. asked for a motion to approve the meeting minutes of 6/27/2019. Gerry E. motioned, Sonya E. seconded. All were in favor and the minutes were approved without exception.

**KPMG – FY2019 AUDIT REPORT**

Jared Silver opened by going over the audit methodology and the significant accounting policy changes that came into effect in fiscal year 2019. Some major changes that affected the non-profit sector include the reclassification of Temporarily Restricted net assets and expansion of the presentation of the Functional Expenses disclosure. He mentioned that based on all analysis and results, KMPG will issue an unqualified opinion on the Financial Statements and a customary disclaimer of opinion on the Benefits Plan. Greg Bergman walked the committee through the remaining presentation. He went over management application of the rules and accounting estimates. Mike H. asked how materiality levels are determined. Jared answered that it depends on the level of income and expenses but basically a percentage of either or both. After further discussion, the representatives concluded their presentation.

**FINANCIAL STATEMENTS**

Kudus B. turned the committee's attention to the balance sheet, pointing out that the West Suburban Bank loan has been paid off and closed. A majority of the banking relationship has switched to Wintrust. YTD, Marklund has paid \$726K from donated Capital Campaign funds and \$859K of borrowed money to cover the Geneva School construction expenses. There are still \$200K in cash donations available for future disbursements. Operating activities noted a YTD revenue of \$7.5M, under budget by \$80K. This is mainly due to an unprecedented number of open bed days stemming from hospitalizations and loss of clients. Mike H. asked for further clarification on the open bed days and Kudus responded that budgeted YTD open bed days were 105 as opposed to 369 actual for the first quarter. Gerry E. asked whether this will be the trend; Kudus answered that this is somewhat unusual and that the Social Services department

# MARKLUND

## DECEMBER 2019 FINANCIAL STATEMENTS

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**DATE:** January 22, 2020  
**TO:** Board of Directors, Marklund  
**FROM:** Kudus O. Badmus, Chief Financial Officer *KB*  
**SUBJECT:** Summary Comments – December, 2019 Financial Statements

**BALANCE SHEET**

Overall, Cash and Cash Equivalents increased by \$123K or 14% from last month. Larger transactions that affected cash include the following: a decrease in Accounts Receivables of \$71K or 2% and a Restricted Transfers-in of \$112K offset by a decrease in Total Current Liabilities of \$17K or less than 1%.

**INCOME STATEMENT**

YTD operating results noted a Cash gain of \$735K; favorable to budget by \$343K or 87%.

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**

Operating Revenues consisting of Residential Services, School Tuition, Community Day Services and Other noted an unfavorable variance of \$135K or less than 1%.

**Residential Services:**

YTD, this line item is unfavorable to budget by \$157K or 2% due to a large number of unreimbursed hospital days and vacancies created by the loss of several residents during the first half of the fiscal year. However, while we have been able to fill some spots, finding an appropriate prospect for the open beds at MPC is taking longer than anticipated due to the readiness of the prospects on our waiting list. For the month, while MPC operated at 3 residents below budget, one of the discharges was temporary to allow for I.V. infusion therapy at another facility.

**School Tuition:**

YTD, this line item approximates budget with a slight favorable variance of \$7K. Although the program operated at 1 student under budget this month, YTD average enrollments are in line with budgeted expectations.

**Community Day Services:**

YTD, this line item is unfavorable to budget by \$33K, mostly the result of our open beds. As mentioned in Residential Services, we recorded a large number of open bed days in the first half of the fiscal year. Overall, the CDS programs operated at 4 clients below budget during the current month.

YTD  
**Operating Expenses**

- Salaries:** YTD favorable to budget by \$145K or 2%. The majority, \$120K, of this variance relates to the timing of hiring of Paraprofessionals and remunerations for closed days at the school. As we near the end of the fiscal year, the gap is expected to be closer. Overall, for the month we operated at 42 FTE open positions, of which 3 and 28 represent nurses and PSP's respectively. A large number of our direct care openings were covered through overtime and our In-House Registry staff. As an incentive, we also award pick-up bonuses to staff willing to take on extra shifts. Additionally, sign-on bonuses have been instituted for our Housekeeping and Laundry departments.
- Benefits:** YTD, favorable to budget by \$55K or 2%; for the most part, this line item correlates with the Salaries line item. We budgeted Benefits at 26% of salaries for fiscal year 2020.
- Consulting:** YTD, unfavorable to budget by \$17K or 20% due to the utilization of Agency to fill open positions for teachers at the school. The positions have now been filled by regular staff.
- Consulting-Nurses & Aides:** YTD, this line item is favorable to budget by \$122K or 43% reflecting the difficulty in getting contract Aides and Nurses to fill our open positions. We have been using our In-House Registry and current employees to cover staff shortages.
- Occupancy:** The YTD favorable variance of \$83K (7%) mainly reflects depreciation and timing of certain expenses including gas and electric.
- Interest:** YTD, favorable to budget by \$106K due to the minimal use of the Line of Credit. Also, interest on the construction loan is currently part of Construction in Progress and recorded in Operations.

# Marklund Balance Sheet Fiscal Year 2020

	December	November
<b>Current Assets</b>		
Cash	\$ 682,363	\$ 562,082
Cash Equivalents	319,366	316,186
Inventory	94,167	90,190
Accounts Receivable Residential	3,680,870	3,600,133
Accounts Receivable Day School	882,272	1,014,622
Accounts Receivable Misc.	0	0
Due From Marklund Charities	74,258	94,106
Prepaid Assets	479,769	442,883
<b>Total Current Assets</b>	<b>\$ 6,213,065</b>	<b>\$ 6,120,202</b>
<b>Other Assets</b>		
Investments	\$ 0	\$ 0
<b>Total Investments</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Property, Plant &amp; Equipment</b>		
Land	\$ 5,039,992	\$ 5,039,992
Land Improvements	2,718,484	2,718,484
Leasehold Improvements	0	0
Construction in Progress (CIP)	3,567,008	2,804,646
Buildings / Building Improvements	29,547,490	29,536,386
Furniture and Equipment	6,711,005	6,658,575
Vehicles	772,255	768,576
<b>Total Property, Plant &amp; Equipment</b>	<b>\$ 48,356,234</b>	<b>\$ 47,526,659</b>
Less: Accumulated Depreciation	27,245,753	27,100,227
<b>Net Property, Plant &amp; Equipment</b>	<b>\$ 21,110,481</b>	<b>\$ 20,426,432</b>
<b>Total Unrestricted Assets</b>	<b>\$ 27,323,546</b>	<b>\$ 26,546,634</b>
<b>Current Liabilities</b>		
Accounts Payable	\$ 472,847	\$ 472,871
Payroll Payable	1,492,369	1,286,543
Due to Marklund Charities	1,001,850	1,011,871
Other Current Liabilities	864,991	1,077,544
Line of Credit	0	0
Current Portion of Notes Payable	0	0
<b>Total Current Liabilities</b>	<b>\$ 3,832,057</b>	<b>\$ 3,848,829</b>
<b>Long-Term Liabilities</b>		
Notes Payable Net of Current Portion	\$ 2,594,521	\$ 1,845,033
<b>Total Long-Term Liabilities</b>	<b>\$ 2,594,521</b>	<b>\$ 1,845,033</b>
<b>Total Liabilities</b>	<b>\$ 6,426,578</b>	<b>\$ 5,693,862</b>
<b>Fund Balance</b>		
Fund Balance Beginning Year	\$ 20,115,028	\$ 20,115,028
Net Income (Loss)	(254,645)	(186,821)
Fund Balance Transfers In - MPC	10,892	7,305
Fund Balance Transfers In - MWC	136,104	110,710
Fund Balance Transfers In - Mill Creek 16 bed homes	159,579	129,976
Fund Balance Transfers In - Community Day Services MPC	0	0
Fund Balance Transfers In - Community Day Services MWC	32,961	6,394
Fund Balance Transfers In - Community Day Services MHC	13,249	9,750
Fund Balance Transfers In - Day School	497,845	490,179
Fund Balance Transfers In - Administration	185,955	170,251
Fund Balance Transfers In - Transportation	0	0
<b>Net Fund Balance</b>	<b>\$ 20,896,968</b>	<b>\$ 20,852,772</b>
<b>Total Unrestricted Liabilities &amp; Fund Balance</b>	<b>\$ 27,323,546</b>	<b>\$ 26,546,634</b>





**Marklund**  
 Divisional Census  
 Fiscal Year 2020  
 For Month Ending December 31, 2019

	licensed beds					Community Day Services									
	21	57	16	16	16	16	16	16	16	16	16	16	16	16	16
	MPC	MWC	MHH	MVH	MTH	MSH	MDH	MRH	multi needs	life skills	Elgin	MPC	MWC	MHC	
	Fee Source														
CENSUS DAILY RATE	IDHS		15.8 \$250.20	16 \$246.75	16 \$250.20	15 \$253.77	16 \$247.13	16 \$246.10							
AVERAGE DAILY RATE	IDHS	18.1 \$481.22	56.7 \$395.89												
MONTHLY RATE	IDHS											8 \$1,952.99	41 \$1,952.99	94.0 \$1,952.99	
CLIENT DAYS HOURLY RATE	<i>part-time</i> DHS - Program 75E-G														1 8 \$15.48
CLIENT DAYS HOURLY RATE	DHS - Program 31U														2 30 88 \$11.62
DAILY RATE	private pay					1 \$277.71									
MONTHLY RATE	private pay (residential)														1 \$1,975.59
MONTHLY RATE	private pay (community)														1 4 \$1,848.56
CLIENT DAYS DAILY RATE	<i>part-time</i> private pay (community)														9 34 \$91.56
Full Time Student DAILY RATE	School District								18 \$443.98	40 \$443.98	11 \$443.98				
Actual Census Based on Billable Days		18.1	56.7	15.8	16	16	16	16	18	40	11	8	43.6	113.8	
Budgeted Census		20.7	56.7	15.8	15.8	15.8	16	16	18	41	11	10	46	113	

days  
 Residential 31  
 Community Day Services 19  
 Day School 15

**Marklund  
Income Statement by Program  
Year to Date December 31, 2019**

	Philip Center			Wasmond Center			Mill Creek 16 bed Homes		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenues</b>									
Residential Services	\$ 1,678,068	\$ 1,811,090	\$ (133,022)	\$ 4,002,585	\$ 3,989,717	\$ 12,868	\$ 4,288,646	\$ 4,325,660	\$ (37,014)
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	2,195	4,272	(2,077)	10,987	7,566	3,421	39,621	18,216	21,405
<b>Total Operating Revenue</b>	<b>\$ 1,680,263</b>	<b>\$ 1,815,362</b>	<b>\$ (135,099)</b>	<b>\$ 4,013,572</b>	<b>\$ 3,997,283</b>	<b>\$ 16,289</b>	<b>\$ 4,328,267</b>	<b>\$ 4,343,876</b>	<b>\$ (15,609)</b>
<b>Expenses</b>									
Salaries	\$ 852,173	\$ 880,104	\$ (27,931)	\$ 1,784,862	\$ 1,674,402	\$ 110,460	\$ 2,837,303	\$ 2,791,370	\$ 45,933
Employee Benefits	218,481	228,830	(10,349)	460,534	435,334	25,200	722,404	725,746	(3,342)
Employee Expense	12,908	10,710	2,198	18,053	10,266	7,787	16,171	24,336	(8,165)
Consulting	19,782	19,900	(118)	27,382	30,402	(3,020)	22,958	36,612	(13,654)
Consulting - Nurses & Aides	34,487	43,578	(9,091)	54,313	39,678	14,635	74,529	190,980	(116,451)
Medical	71,024	78,000	(6,976)	126,264	127,866	(1,602)	124,073	130,728	(6,655)
Dietary & Support	28,549	30,882	(2,333)	74,113	72,954	1,159	136,418	141,084	(4,666)
Housekeeping	21,953	6,672	15,281	18,113	19,848	(1,735)	40,312	20,700	19,612
Occupancy	116,474	121,490	(5,016)	134,354	140,803	(6,449)	329,642	351,766	(22,124)
Equipment	37,653	31,536	6,117	94,156	104,526	(10,370)	77,985	92,208	(14,223)
Vehicles	0	0	0	0	0	0	0	0	0
Administrative (not including salaries)	15,187	15,258	(71)	35,493	35,953	(460)	43,528	50,262	(6,734)
Provider Taxes	80,760	81,180	(420)	165,680	167,694	(2,014)	246,546	247,644	(1,098)
Interest Expense	0	0	0	0	0	0	0	0	0
Client/Student	5,529	5,100	429	8,340	6,654	1,686	10,289	18,000	(7,711)
<b>Total Operating Expense</b>	<b>\$ 1,514,960</b>	<b>\$ 1,553,240</b>	<b>\$ (38,280)</b>	<b>\$ 3,001,657</b>	<b>\$ 2,866,380</b>	<b>\$ 135,277</b>	<b>\$ 4,682,158</b>	<b>\$ 4,821,436</b>	<b>\$ (139,278)</b>
<b>Operating Income (Loss)</b>	<b>\$ 165,303</b>	<b>\$ 262,122</b>	<b>\$ (96,819)</b>	<b>\$ 1,011,915</b>	<b>\$ 1,130,903</b>	<b>\$ (118,988)</b>	<b>\$ (353,891)</b>	<b>\$ (477,560)</b>	<b>\$ 123,659</b>
Allocation of Administration 10%	\$ 151,496	\$ 155,324	\$ (3,828)	\$ 300,166	\$ 286,638	\$ 13,528	\$ 468,216	\$ 482,144	\$ (13,928)
Allocation of Transportation	2,773	3,164	(391)	7,527	8,588	(1,061)	12,677	14,463	(1,786)
Allocation of Help Wanted	3,269	4,093	(824)	6,846	7,787	(941)	10,883	12,982	(2,099)
<b>Total Allocated Expenses</b>	<b>\$ 157,538</b>	<b>\$ 162,581</b>	<b>\$ (5,043)</b>	<b>\$ 314,539</b>	<b>\$ 303,013</b>	<b>\$ 11,526</b>	<b>\$ 491,776</b>	<b>\$ 509,589</b>	<b>\$ (17,813)</b>
<b>Income (Loss) Before Non-Operating Income</b>	<b>\$ 7,765</b>	<b>\$ 99,541</b>	<b>\$ (91,776)</b>	<b>\$ 697,376</b>	<b>\$ 827,890</b>	<b>\$ (130,514)</b>	<b>\$ (845,667)</b>	<b>\$ (987,149)</b>	<b>\$ 141,482</b>
<b>Non-Operating Income</b>									
Interest Income	0	0	0	0	0	0	0	0	0
Miscellaneous Income	0	0	0	85	0	85	17	0	17
Gain (Loss) on Sale of Assets	0	0	0	0	0	0	0	0	0
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Income</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 85</b>	<b>\$ 0</b>	<b>\$ 85</b>	<b>\$ 17</b>	<b>\$ 0</b>	<b>\$ 17</b>
<b>Net Income (Loss)</b>	<b>\$ 7,765</b>	<b>\$ 99,541</b>	<b>\$ (91,776)</b>	<b>\$ 697,461</b>	<b>\$ 827,890</b>	<b>\$ (130,429)</b>	<b>\$ (845,649)</b>	<b>\$ (987,149)</b>	<b>\$ 141,500</b>
add back: Depreciation	\$ 89,322	\$ 87,762	\$ 1,560	\$ 134,836	\$ 144,534	\$ (9,698)	\$ 243,167	\$ 254,160	\$ (10,993)
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	0	0	0	0	0	0
<b>Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance &amp; Gain on Sale)</b>	<b>\$ 97,087</b>	<b>\$ 187,303</b>	<b>\$ (90,216)</b>	<b>\$ 832,297</b>	<b>\$ 972,424</b>	<b>\$ (140,127)</b>	<b>\$ (602,482)</b>	<b>\$ (732,989)</b>	<b>\$ 130,507</b>
<b>FY2019 YTD Net Income (Loss) (Excluding Depreciation, Bad Debt Allowance &amp; Gain on Sale)</b>	<b>\$ (295,957)</b>	<b>\$ (254,026)</b>	<b>\$ (41,931)</b>	<b>\$ (365,034)</b>	<b>\$ (306,411)</b>	<b>\$ (58,623)</b>	<b>\$ (350,580)</b>	<b>\$ (337,835)</b>	<b>\$ (12,745)</b>
<b>Fiscal Year 2020 Transfers In</b>	<b>\$ 2,994</b>			<b>\$ 2,626</b>			<b>\$ 19,112</b>		

**Marklund**  
**Income Statement by Program**  
**Year to Date December 31, 2019**

	Community Day Services MPC			Community Day Services MWC			Community Day Services MHC		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenues</b>									
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	100,160	114,929	(14,769)	500,869	504,354	(3,485)	1,206,785	1,221,483	(14,698)
Other Operating	530	0	530	3,081	2,700	381	12,354	588	11,766
<b>Total Operating Revenue</b>	<b>\$ 100,690</b>	<b>\$ 114,929</b>	<b>\$ (14,239)</b>	<b>\$ 503,950</b>	<b>\$ 507,054</b>	<b>\$ (3,104)</b>	<b>\$ 1,219,139</b>	<b>\$ 1,222,071</b>	<b>\$ (2,932)</b>
<b>Expenses</b>									
Salaries	\$ 66,779	\$ 72,892	\$ (6,113)	\$ 350,118	\$ 450,434	\$ (100,316)	\$ 869,118	\$ 909,878	\$ (40,760)
Employee Benefits	16,656	18,958	(2,302)	93,178	117,116	(23,938)	223,176	236,572	(13,396)
Employee Expense	317	1,860	(1,543)	2,606	4,656	(2,050)	8,874	12,600	(3,726)
Consulting	0	48	(48)	0	0	0	291	102	189
Consulting - Nurses & Aides	0	0	0	0	0	0	0	0	0
Medical	510	6,600	(6,090)	725	5,022	(4,297)	10,040	14,250	(4,210)
Dietary & Support	0	252	(252)	1,774	2,124	(350)	2,404	3,000	(596)
Housekeeping	800	630	170	6,788	6,246	542	12,257	14,346	(2,089)
Occupancy	2,832	8,842	(6,010)	73,449	78,556	(5,107)	199,520	215,215	(15,695)
Equipment	1,178	2,322	(1,144)	22,668	23,274	(606)	28,102	31,458	(3,356)
Vehicles	0	0	0	0	0	0	0	0	0
Administrative (not including salaries)	2,642	3,793	(1,151)	6,242	7,144	(902)	7,043	9,220	(2,177)
Provider Taxes	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0
Client/Student	669	678	(9)	3,571	2,904	667	6,571	4,050	2,521
<b>Total Operating Expense</b>	<b>\$ 92,383</b>	<b>\$ 116,875</b>	<b>\$ (24,492)</b>	<b>\$ 561,119</b>	<b>\$ 697,476</b>	<b>\$ (136,357)</b>	<b>\$ 1,367,396</b>	<b>\$ 1,450,691</b>	<b>\$ (83,295)</b>
<b>Operating Income (Loss)</b>	<b>\$ 8,307</b>	<b>\$ (1,946)</b>	<b>\$ 10,253</b>	<b>\$ (57,169)</b>	<b>\$ (190,422)</b>	<b>\$ 133,253</b>	<b>\$ (148,257)</b>	<b>\$ (228,620)</b>	<b>\$ 80,363</b>
Allocation of Administration 10%	\$ 9,238	\$ 11,688	\$ (2,450)	\$ 56,112	\$ 69,748	\$ (13,636)	\$ 136,740	\$ 145,069	\$ (8,329)
Allocation of Transportation	658	728	(90)	2,936	3,350	(414)	7,212	8,229	(1,017)
Allocation of Help Wanted	256	339	(83)	1,343	2,095	(752)	3,334	4,231	(897)
<b>Total Allocated Expenses</b>	<b>\$ 10,132</b>	<b>\$ 12,755</b>	<b>\$ (2,623)</b>	<b>\$ 60,391</b>	<b>\$ 75,193</b>	<b>\$ (14,802)</b>	<b>\$ 147,286</b>	<b>\$ 157,529</b>	<b>\$ (10,243)</b>
<b>Income (Loss) Before Non-Operating Income</b>	<b>\$ (1,825)</b>	<b>\$ (14,701)</b>	<b>\$ 12,876</b>	<b>\$ (117,560)</b>	<b>\$ (265,615)</b>	<b>\$ 148,055</b>	<b>\$ (295,543)</b>	<b>\$ (386,149)</b>	<b>\$ 90,606</b>
<b>Non-Operating Income</b>									
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Income	0	0	0	0	0	0	142	0	142
Gain (Loss) on Sale of Assets	0	0	0	0	0	0	0	0	0
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Income</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 142</b>	<b>\$ 0</b>	<b>\$ 142</b>
<b>Net Income (Loss)</b>	<b>\$ (1,825)</b>	<b>\$ (14,701)</b>	<b>\$ 12,876</b>	<b>\$ (117,560)</b>	<b>\$ (265,615)</b>	<b>\$ 148,055</b>	<b>\$ (295,401)</b>	<b>\$ (386,149)</b>	<b>\$ 90,748</b>
add back: Depreciation	\$ 0	\$ 1,266	\$ (1,266)	\$ 63,379	\$ 64,086	\$ (707)	\$ 157,491	\$ 163,446	\$ (5,955)
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	0	0	0	0	0	0
<b>Net Income (Loss)</b>	<b>\$ (1,825)</b>	<b>\$ (13,435)</b>	<b>\$ 11,610</b>	<b>\$ (54,181)</b>	<b>\$ (201,529)</b>	<b>\$ 147,348</b>	<b>\$ (137,910)</b>	<b>\$ (222,703)</b>	<b>\$ 84,793</b>
<i>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</i>									
FY2019 YTD Net Income (Loss)	\$ 0	\$ 0	\$ 0	\$ (127,338)	\$ (132,383)	\$ 5,045	\$ 21,605	\$ (120,716)	\$ 142,321
<i>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</i>									
<b>Fiscal Year 2020 Transfers In</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,166</b>	<b>\$ 0</b>	<b>\$ 3,166</b>

**Marklund  
Income Statement by Program  
Year to Date December 31, 2019**

	Day School			Admin			Transportation		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>Revenues</b>									
Residential Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
School (Multi Needs & Life Skills)	3,301,798	3,294,571	7,227	0	0	0	0	0	0
Community Day Services	0	0	0	0	0	0	0	0	0
Other Operating	0	552	(552)	15,045	1,698	13,347	0	0	0
<b>Total Operating Revenue</b>	<b>\$ 3,301,798</b>	<b>\$ 3,295,123</b>	<b>\$ 6,675</b>	<b>\$ 15,045</b>	<b>\$ 1,698</b>	<b>\$ 13,347</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Expenses</b>									
Salaries	\$ 1,668,237	\$ 1,822,372	\$(154,135)	\$ 890,547	\$ 862,634	\$ 27,913	\$ 0	\$ 0	\$ 0
Employee Benefits	426,777	473,822	(47,045)	244,734	224,286	20,448	0	0	0
Employee Expense	15,877	20,448	(4,571)	96,658	84,954	11,704	0	0	0
Consulting	33,775	0	33,775	0	0	0	0	0	0
Consulting - Nurses & Aides	1,840	12,774	(10,934)	0	0	0	0	0	0
Medical	3,552	14,448	(10,896)	0	0	0	0	0	0
Dietary & Support	3,298	2,070	1,228	762	1,188	(426)	0	0	0
Housekeeping	31,187	23,852	7,335	2,079	2,250	(171)	0	0	0
Occupancy	165,469	180,383	(14,914)	76,059	84,137	(8,078)	1,019	1,020	(1)
Equipment	89,285	95,898	(6,613)	121,998	116,820	5,178	860	1,314	(454)
Vehicles	0	0	0	0	0	0	82,693	90,726	(8,033)
Administrative (not including salaries)	30,773	35,686	(4,913)	198,916	158,160	40,756	250	198	52
Provider Taxes	0	0	0	0	0	0	0	0	0
Interest Expense	0	90,000	(90,000)	14,303	30,000	(15,697)	0	0	0
Client/Student	13,922	19,020	(5,098)	0	0	0	0	0	0
<b>Total Operating Expense</b>	<b>\$ 2,483,992</b>	<b>\$ 2,790,753</b>	<b>\$ (306,761)</b>	<b>\$ 1,646,056</b>	<b>\$ 1,564,429</b>	<b>\$ 81,627</b>	<b>\$ 84,822</b>	<b>\$ 93,258</b>	<b>\$ (8,436)</b>
<b>Operating Income (Loss)</b>	<b>\$ 817,806</b>	<b>\$ 504,370</b>	<b>\$ 313,436</b>	<b>\$ (1,631,011)</b>	<b>\$ (1,562,731)</b>	<b>\$ (68,280)</b>	<b>\$ (84,822)</b>	<b>\$ (93,258)</b>	<b>\$ 8,436</b>
Allocation of Administration 10%	\$ 248,399	\$ 279,075	\$(30,676)	\$ (1,370,367)	\$ (1,429,686)	\$ 59,319	\$ 0	\$ 0	\$ 0
Allocation of Transportation	4,531	5,170	(639)	0	0	0	(38,294)	(43,692)	5,398
Allocation of Help Wanted	6,399	8,475	(2,076)	(32,330)	(40,002)	7,672	0	0	0
<b>Total Allocated Expenses</b>	<b>\$ 259,329</b>	<b>\$ 292,720</b>	<b>\$ (33,391)</b>	<b>\$ (1,402,697)</b>	<b>\$ (1,469,688)</b>	<b>\$ 66,991</b>	<b>\$ (38,294)</b>	<b>\$ (43,692)</b>	<b>\$ 5,398</b>
<b>Income (Loss) Before Non-Operating Income</b>	<b>\$ 558,477</b>	<b>\$ 211,650</b>	<b>\$ 346,827</b>	<b>\$ (228,314)</b>	<b>\$ (93,043)</b>	<b>\$ (135,271)</b>	<b>\$ (46,528)</b>	<b>\$ (49,566)</b>	<b>\$ 3,038</b>
<b>Non-Operating Income</b>									
Interest Income	\$ 0	\$ 0	\$ 0	\$ 771	\$ 0	\$ 771	\$ 0	\$ 0	\$ 0
Miscellaneous Income	119	0	119	9,842	11,670	(1,828)	0	0	0
Gain (Loss) on Sale of Assets	0	0	0	0	0	0	6,200	0	6,200
Unrestricted Gifts & Grants	0	0	0	0	0	0	0	0	0
<b>Total Non-Operating Income</b>	<b>\$ 119</b>	<b>\$ 0</b>	<b>\$ 119</b>	<b>\$ 10,613</b>	<b>\$ 11,670</b>	<b>\$ (1,057)</b>	<b>\$ 6,200</b>	<b>\$ 0</b>	<b>\$ 6,200</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 46,528	\$ 49,566	\$(3,038)
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	0	0	0	(6,200)	0	(6,200)
<b>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</b>	<b>\$ 747,417</b>	<b>\$ 407,412</b>	<b>\$ 340,005</b>	<b>\$ (145,014)</b>	<b>\$ (3,805)</b>	<b>\$ (141,209)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Net Income (Loss)</b>	<b>\$ 558,596</b>	<b>\$ 211,650</b>	<b>\$ 346,946</b>	<b>\$ (217,702)</b>	<b>\$ (81,373)</b>	<b>\$ (136,329)</b>	<b>\$ (40,328)</b>	<b>\$ (49,566)</b>	<b>\$ 9,238</b>
add back: Depreciation	\$ 188,821	\$ 195,762	\$(6,941)	\$ 72,688	\$ 77,568	\$(4,880)	\$ 4		

**Marklund**  
**Income Statement by Program**  
**Year to Date December 31, 2019**

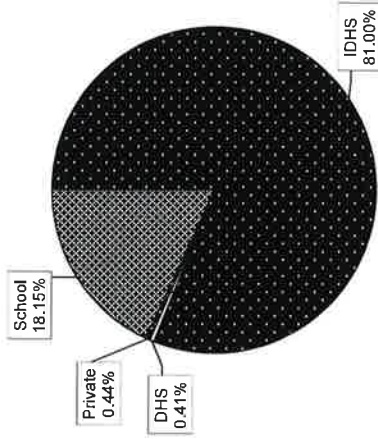
	Actual	Total Budget	Variance
<b>Revenues</b>			
Residential Services	\$ 9,989,299	\$ 10,126,467	\$(157,168)
School (Multi Needs & Life Skills)	3,301,798	3,294,571	7,227
Community Day Services	1,807,814	1,840,766	(32,952)
Other Operating	83,813	35,592	48,221
<b>Total Operating Revenue</b>	<b>\$ 15,162,724</b>	<b>\$ 15,297,396</b>	<b>\$(134,672)</b>
<b>Expenses</b>			
Salaries	\$ 9,319,137	\$ 9,464,086	\$(144,949)
Employee Benefits	2,405,941	2,460,664	\$(54,723)
Employee Expense	171,464	169,830	1,634
Consulting	104,188	87,064	17,124
Consulting - Nurses & Aides	165,168	287,010	(121,842)
Medical	336,188	376,914	(40,726)
Dietary & Support	247,318	253,554	(6,236)
Housekeeping	133,490	94,524	38,966
Occupancy	1,098,818	1,182,212	(83,394)
Equipment	473,885	499,356	(25,471)
Vehicles	82,693	90,726	(8,033)
Administrative (not including salaries)	340,074	315,674	24,400
Provider Taxes	492,986	496,518	(3,532)
Interest Expense	14,303	120,000	(105,697)
Client/Student	48,891	56,406	(7,515)
<b>Total Operating Expense</b>	<b>\$ 15,434,544</b>	<b>\$ 15,954,538</b>	<b>\$(519,994)</b>
<b>Operating Income (Loss)</b>	<b>\$(271,820)</b>	<b>\$(657,142)</b>	<b>\$385,322</b>
Allocation of Administration 10%	\$ 0	\$ 0	\$ 0
Allocation of Transportation	0	0	0
Allocation of Help Wanted	0	0	0
<b>Total Allocated Expenses</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>Income (Loss) Before Non-Operating Income</b>	<b>\$(271,820)</b>	<b>\$(657,142)</b>	<b>\$385,322</b>
<b>Non-Operating Income</b>			
Interest Income	\$ 771	\$ 0	\$ 771
Miscellaneous Income	10,204	11,670	(1,466)
Gain (Loss) on Sale of Assets	6,200	0	6,200
Unrestricted Gifts & Grants	0	0	0
<b>Total Non-Operating Income</b>	<b>\$ 17,175</b>	<b>\$ 11,670</b>	<b>\$ 5,505</b>
<b>Net Income (Loss)</b>	<b>\$(254,645)</b>	<b>\$(645,472)</b>	<b>\$390,827</b>
add back: Depreciation	\$ 996,233	\$ 1,038,150	\$(41,917)
add back: Bad Debt Allowance	0	0	0
add back: Gain (Loss) on Sale of Assets	(6,200)	0	(6,200)
<b>Net Income (Loss)</b>	<b>\$ 735,388</b>	<b>\$ 392,678</b>	<b>\$ 342,710</b>
<i>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</i>			
FY2019 YTD Net Income (Loss)	\$ (553,615)	\$ (798,687)	\$ 245,072
<i>(Excluding Depreciation, Bad Debt Allowance &amp; Gain (Loss) on Sale)</i>			
<b>Fiscal Year 2020 Transfers In</b>	<b>\$ 41,305</b>		

**MARKLUND**  
**AGING OF ACCOUNTS RECEIVABLE SCHEDULE**  
**December 2019**

A/R CATEGORY	0 - 30 DAYS	30 - 60 DAYS	60 - 90 DAYS	91+ DAYS	TOTAL	
1 PUBLIC AID (MPC)	267,955	18,906	25,474	266,099	\$ 578,434	
2 PUBLIC AID (MWC)	679,855	51,720	96,146	671,003	\$ 1,498,723	
3 PUBLIC AID (MHH)	114,860	21,186	17,053	175,479	\$ 328,578	
4 PUBLIC AID (MVH)	111,936	4,070	4,178	105,372	\$ 225,556	
5 PUBLIC AID (MTH)	116,027	2,707	2,928	54,543	\$ 176,205	
6 PUBLIC AID (MSH)	103,164	-	-	-	\$ 103,164	
7 PUBLIC AID (MDH)	110,458	1,633	1,759	16,418	\$ 130,268	
8 PUBLIC AID (MRH)	111,185	16,981	17,799	116,249	\$ 262,214	
9 RESIDENTIAL RESPITE CARE	-	-	-	-	\$ -	
10 SOCIAL SECURITY	-	-	-	-	\$ -	
11 PRIVATE PAY	-	-	-	-	\$ -	
12 COMMUNITY DAY SERVICES - MPC	15,624	528	1,681	1,189	\$ 19,022	
13 COMMUNITY DAY SERVICES - MWC	83,668	4,850	4,677	79,334	\$ 172,529	
14 COMMUNITY DAY SERVICES - Mill Creek	201,853	17,499	19,553	244,290	\$ 483,195	
15 SCHOOL	460,407	290,807	72,813	58,245	\$ 882,272	
16 REST	-	-	-	-	\$ -	
17 MISCELLANEOUS	-	-	-	-	\$ -	
	GROSS A/R TOTAL	\$ 2,376,992	\$ 430,888	\$ 264,060	\$ 1,788,221	\$ 4,860,160
	PERCENT OF GROSS TOTAL	49%	9%	5%	37%	
17 ALLOWANCE FOR BAD DEBTS					(297,018)	
LINE OF CREDIT						\$ 7,000,000
BORROWED YEAR TO DATE						NET A/R BALANCE
AVAILABLE BALANCE						\$ 4,563,142

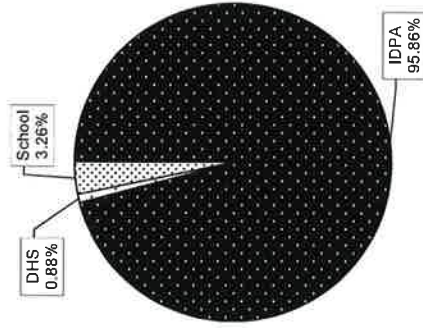
Marklund

A/R Balance for December 2019 by Funding Source



Marklund

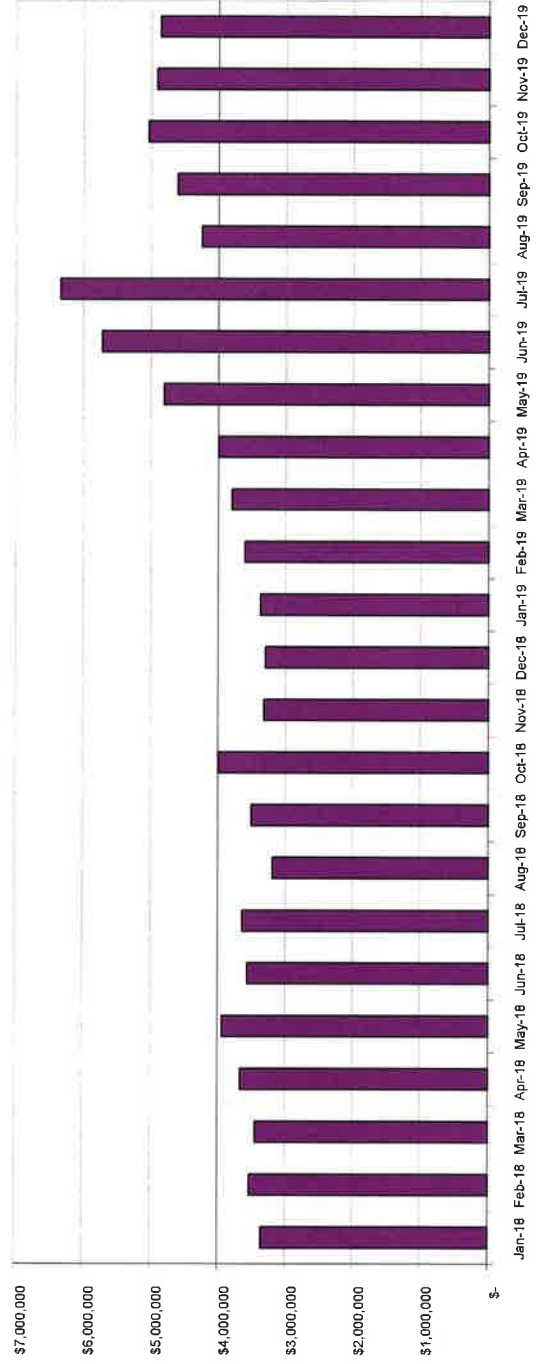
91+ Days A/R Balance for December 2019 by Funding Source



Average A/R Balance for 24 months = \$4,073,037

Note: IDHS & DHS Include Residential and Community Day Services

Marklund  
A/R Balance by Month



**Marklund**  
**Statement of Cash Flows**  
**For the Period of 12/1/2019 to 12/31/2019**

<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>\$</b>	<b>878,268</b>
<b>Cash Flows from Operating Activities and Gains</b>		
<b>Change in Net Assets:</b>		
Net Income (Loss)	\$	(67,824)
Fund Balance Transfers Out		0
Fund Balance Transfers In		<u>112,020</u>
Sub Total	\$	44,196
<b>Adjustments to reconcile change in net assets to net cash</b>		
<b>Provided by (used in) Operating Activities and Gains:</b>		
Loss (Gain) on Sale of Asset	\$	(6,200)
Provision for Uncollectible Accounts		0
Depreciation and Amortization		<u>168,546</u>
Sub Total	\$	162,346
<b>(Increase) Decrease in Current Assets</b>		
Inventory	\$	(3,977)
Receivables		71,461
Prepaid Assets		<u>(36,886)</u>
Sub Total	\$	30,598
<b>(Increase) Decrease in Current Liabilities</b>		
Accounts Payable	\$	(24)
Payroll Payable		205,826
Due to Marklund Charities		(10,021)
Other Current Liabilities		<u>(212,553)</u>
Sub Total	\$	(16,772)
<b>Net Cash Provided by (used in) Operating Activities and Gains</b>	<b>\$</b>	<b>220,368</b>
<b>Cash Flows from Investing Activities</b>		
Additions (Dispositions) of Property, Plant & Equipment (including CIP)	\$	<u>(846,395)</u>
<b>Net Cash Provided by (used in) Investing Activities</b>	<b>\$</b>	<b>(846,395)</b>
<b>Cash Flows from Financing Activities</b>		
Line of Credit	\$	0
Short Term Liabilities - Other		0
Notes Payable		<u>749,488</u>
<b>Net Cash Provided by (used in) Financing Activities</b>	<b>\$</b>	<b>749,488</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>\$</b>	<b>1,001,729</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$</b>	<b>123,461</b>



**Marklund Charities  
December 2019 Financial Statement**

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

**DATE:** January 21, 2020  
**TO:** Board of Directors, Marklund  
**FROM:** Kudus O. Badmus, Chief Financial Officer *KB*  
**SUBJECT:** Summary Comments, Marklund Charities  
December 2019 Financial Statements

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**Income Statement:**

**Fund-raising Income** – Net Fund-raising Income for the first half of the fiscal year is favorable to budget by \$749K or 31% mostly the result of a favorable variance of \$323K and \$502K in Unrestricted Gifts & Grants and Capital Campaign Revenue respectively. YTD Restricted Program is behind budget by \$67K purely due to timing.

**Fund-raising Expenses** – Overall, YTD Fundraising Expenses are in line with budget with a slight unfavorable variance of \$8K or 2%. We are not projecting any significant fluctuations in expenses for the rest of the fiscal year.

**Endowment Income & Unrealized Gain/ (Loss)** – YTD activities noted a combined Net Gain of \$896K including approximately \$333K in Fixed Income, a Realized Gain of \$709K and an Unrealized Loss of \$146K. Last year for the same period, the portfolio generated approximately \$919K loss overall.

**Public Relations** – This expense line item is in line with budget.

**Net Proceeds** - YTD results noted a Net Gain of \$3.6M, favorable to budget by approximately \$1.7M.

## Marklund Charities

Balance Sheet - December 2019  
FY2020

Cash & Cash Equivalents - Depreciation Reserve Fund	\$	1,376,537			Accounts Payable	\$	6,065
Restricted Cash-Grants & Donations		556,411			Due to Marklund		74,258
Cash - Auxiliary/ Operations		1,899,372			Accrued Legal & Audit		25,955
Petty Cash		200			Accrued Liabilities-Other		<u>210,304</u>
Accounts Receivable		28,518			<b>Total Current Liabilities</b>	<b>\$</b>	<b>316,583</b>
Prepaid Other		43,541					
Due From Marklund		<u>1,001,850</u>					
<b>Total Current Assets</b>	<b>\$</b>	<b>4,906,429</b>					
Restricted Pledges Receivable	\$	0					
Restricted Allowance & Discount for Pledges Receivable		<u>0</u>					
<b>Total Pledges</b>	<b>\$</b>	<b>0</b>			<b>Net Assets</b>		
Land		159,525			Net Assets - Beginning of Year	\$	15,682,163
Leasehold Improvements		0			Board Restricted Endowment		1,000,000
Furniture & Equipment		0			Depreciation Reserve Fund		1,000,000
Accumulated Depreciation		<u>0</u>			Net Assets - Transfer In		2,000,000
<b>Total Fixed Assets</b>	<b>\$</b>	<b>159,525</b>			Net Assets - Transfers (Out)		(1,036,584)
Restricted -Capital Campaign Funds		675,776			Fundraising Contribution		3,622,831
Capital Campaign Pledges (Net)		<u>2,172,393</u>			Public Relations		<u>(69,926)</u>
<b>Total Capital Campaign Assets</b>	<b>\$</b>	<b>2,848,169</b>			<b>Total Net Assets</b>	<b>\$</b>	<b>22,198,483</b>
Board Restricted Endowment Fund		1,000,000			<b>Total Liabilities &amp; Net Assets</b>	<b>\$</b>	<b>22,515,066</b>
Endowment Income		2,844,429					
Net Endowment Unrealized Gain/ (Loss)		3,147,746					
Endowment Fund		7,608,769					
Endowment Pledges (Net)		<u>0</u>					
<b>Total Endowment Assets</b>	<b>\$</b>	<b>14,600,943</b>					
<b>Total Assets</b>		<b>\$ 22,515,066</b>					

*\*Total Endowment Assets (not including pledges)*

December 2018 \$ 12,359,617

December 2019 \$ 14,600,943

**Marklund Charities**  
**Pledges Receivable**  
**Year to Date as of December 31, 2019**

**Capital Pledges:**

*(Pledges at Net Present Value before Allowance)*

<b>MDS-Geneva</b>	<b>\$2,224,957</b>
<b>Sub Total before allowance:</b>	<b>\$2,224,957</b>
<i>Allowance</i>	<u><i>(52,565)</i></u>
<b>Total Capital Pledge Balance</b>	<b>\$2,172,393</b>

# Marklund Charities

## P & L - December 2019

Revenues	December 2019		December Last Year		% of total Fundraising			Y-T-D	Variance	% of variance	Y-T-D Last Year
	Budget	Variance	Budget	Variance	income	Y-T-D Budget	Y-T-D				
Unrestricted Gifts & Grants	\$ 392,046	\$ (2,233)	\$ 284,339	\$ 322,594	32%	\$ 695,411	\$ 1,018,005	\$ 322,594	46%	\$ 455,868	
Special Events (net)	51	51	1,550	(12,674)	2%	90,000	77,326	(12,674)	-14%	80,073	
Fund-in-Need	0	0	0	1,954	0%	0	1,954	1,954	0%	0	
Community Events (net)	0	0	0	0	0%	0	0	0	0%	0	
Capital Campaign	271,888	51,055	26,161	502,258	57%	1,325,000	1,827,258	502,258	38%	244,170	
Restricted Program	79,953	13,469	61,486	(66,925)	8%	326,530	259,605	(66,925)	-20%	335,499	
Endowment	400	(450)	5,917	1,825	0%	5,100	6,925	1,825	36%	10,442	
Other	0	0	0	0	0%	0	0	0	0%	0	
<b>Total Fundraising Income</b>	<b>\$ 744,339</b>	<b>\$ 61,893</b>	<b>\$ 379,453</b>	<b>\$ 749,032</b>		<b>\$ 2,442,041</b>	<b>\$ 3,191,073</b>	<b>\$ 749,032</b>		<b>\$ 1,126,053</b>	
<b>Legacy</b>											
Unrestricted Gifts & Grants	\$ 15,000	\$ 0	\$ 0	\$ 15,000			\$ 15,000	\$ 15,000		\$ 0	
Capital Campaign	0	0	0	0			0	0		0	
Restricted Program	0	0	0	0			0	0		0	
Endowment	0	0	5,017	0			0	0		5,017	
<b>Total Legacy</b>	<b>\$ 15,000</b>	<b>\$ 0</b>	<b>\$ 5,017</b>	<b>\$ 15,000</b>			<b>\$ 15,000</b>	<b>\$ 15,000</b>		<b>\$ 5,017</b>	
<b>Expenses</b>											
Salaries & Benefits	\$ 70,226	\$ 4,555	\$ 61,914	\$ 13,481	13%	\$ 387,402	\$ 400,883	\$ 13,481	2%	\$ 364,955	
Employee Expenses	794	(439)	763	117	0%	9,088	9,205	117	0%	6,748	
Occupancy Expense	589	(31)	776	(271)	0%	3,720	3,449	(271)	0%	4,725	
Office Expenses	3,231	(3,432)	3,511	(2,069)	1%	28,426	26,357	(2,069)	0%	24,428	
Legal, Audit & Insurance	2,100	0	1,250	0	0%	12,600	12,600	0	0%	7,500	
Printing	26	(10,412)	8,878	(2,815)	1%	20,726	17,911	(2,815)	0%	19,541	
Other Expense	1,462	292	1,193	(608)	0%	8,040	7,432	(608)	0%	8,927	
Administrative-Outside Services	0	0	4,548	0	0%	0	0	0	0%	13,632	
<b>Total Expenses</b>	<b>\$ 78,427</b>	<b>\$ (9,468)</b>	<b>\$ 82,833</b>	<b>\$ 7,835</b>		<b>\$ 470,002</b>	<b>\$ 477,837</b>	<b>\$ 7,835</b>		<b>\$ 450,456</b>	
<b>Net Fundraising</b>	<b>\$ 665,912</b>	<b>\$ 71,361</b>	<b>\$ 296,620</b>	<b>\$ 741,196</b>	<b>85%</b>	<b>\$ 1,972,039</b>	<b>\$ 2,713,235</b>	<b>\$ 741,196</b>	<b>38%</b>	<b>\$ 675,597</b>	
<b>Other Income</b>											
Interest Income	\$ 1,188	\$ 1,188	\$ 3,647	\$ 13,774		\$ 0	\$ 13,774	\$ 13,774		\$ 14,955	
Endowment Income	252,268	252,268	250,253	332,967		0	332,967	332,967		335,438	
Endowment Realized Gain/ (Loss)	0	(0)	0	708,523		0	708,523	708,523		(199,101)	
Endowment Unrealized Gain/ (Loss)	87,102	87,102	(945,910)	(145,669)		0	(145,669)	(145,669)		(1,055,615)	
<b>Net Other Income</b>	<b>\$ 340,557</b>	<b>\$ 340,557</b>	<b>\$ (692,010)</b>	<b>\$ 909,596</b>		<b>\$ 0</b>	<b>\$ 909,596</b>	<b>\$ 909,596</b>		<b>\$ (904,323)</b>	
<b>Other Expense</b>											
Public Relations	\$ 8,381	\$ (3,036)	\$ 9,190	\$ 79		\$ 69,847	\$ 69,926	\$ 79		\$ 54,638	
In Kind Expenses	0	0	0	0		0	0	0		0	
In Kind Revenue	0	0	0	0		0	0	0		0	
<b>Net Proceeds</b>	<b>\$ 998,088</b>	<b>\$ 414,954</b>	<b>\$ (404,580)</b>	<b>\$ 1,650,713</b>		<b>\$ 1,902,192</b>	<b>\$ 3,552,905</b>	<b>\$ 1,650,713</b>		<b>\$ (283,364)</b>	

**Marklund Charities**  
**Revenue Trend by Category**  
**YTD December**

<b>Revenues</b>	<b>FY2020</b>	<b>FY2019</b>	<b>FY2018</b>	<b>FY2017</b>	<b>FY2016</b>	<b>FY2015</b>
Unrestricted Gifts	\$ 134,038	\$ 133,266	\$ 137,334	\$ 80,516	\$ 81,811	\$ 118,943
Special Events (net)	77,326	80,073	144,560	59,489	51,991	45,422
Special Events (Fund-in-Need)	1,954	-	37,800	-	350	390
Community Events (net)	-	-	15,688	27,897	19,862	20,352
Restricted Program	74,038	42,567	20,946	51,532	14,338	10,689
Endowment	4,925	5,425	5,360	4,880	3,794	2,402
Major gifts (single gift of \$15k+)	727,700	262,700	439,700	572,822	309,440	248,812
Direct Mail/ Care Letter/ WEB	114,211	139,824	132,700	90,881	92,381	100,903
Grants	192,574	143,050	130,487	190,701	122,893	162,450
CDBG	-	-	-	-	-	45,630
Third Party	18,548	34,461	49,878	34,902	23,102	21,306
Corporate Partners	3,500	35,500	23,098	23,500	12,240	7,000
Other	-	-	-	82	628	-
<b>Total Fundraising Income</b>	<b>\$ 1,348,815</b>	<b>\$ 876,865</b>	<b>\$ 1,137,551</b>	<b>\$ 1,137,202</b>	<b>\$ 732,829</b>	<b>\$ 784,300</b>
Capital Campaign	\$ 1,827,258	\$ 244,170	\$ 60	\$ 6,146	\$ 2,705	\$ 100
Legacies/Bequests	\$ 15,000	\$ 5,017	\$ 606,366	\$ 868,383	\$ 11,652	\$ 528,985

**Marklund**  
**CILA proforma (8 bed)**

Discussion Copy
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	<i><b>CILA with Average Revenue</b></i>
<b>Revenue</b>	
Operating revenue	\$ 439,968
Other revenue	-
<b>Total revenue</b>	<b>\$ 439,968</b>
<b>Expense</b>	
Salaries	\$ 252,166
Employee Benefits	65,563
Employee Expense	2,600
Consulting	2,088
Medical	240
Dietary & Support	11,750
Housekeeping	3,400
Occupancy	35,707
Equipment	6,206
Vehicles	9,711
Administrative (Not Including Salaries)	7,650
Interest Expense	30,936
Client/Student	3,500
Depreciation	87,443
<b>Total Operating Expense</b>	<b>\$ 518,959</b>
Allocation of Administration 10%	\$ 51,896
Allocation of Transportation	-
Allocation of Help Wanted	1,800
<b>Total Allocated Expense</b>	<b>\$ 53,696</b>
<b>Total Expense</b>	<b>\$ 572,655</b>
<b>Net Income (Loss)</b>	<b>\$ (132,687)</b>
add back: Depreciation	87,443
add back: Bad Debt Allowance	-
<b>Net Income (Loss)</b>	<b>\$ (45,245)</b>

(Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)

	15 full-time clients (7- 31U & 8- private pay) actuals	18 full-time clients (7- 31U & 11- private pay) actuals
<b>Revenue</b>		
Operating revenue	\$ 266,744	\$ 333,220
Other revenue	-	-
<b>Total revenue</b>	<b>\$ 266,744</b>	<b>\$ 333,220</b>
<b>Expense</b>		
Salaries	\$ 196,724	\$ 210,244
Employee Benefits	51,148	54,663
Employee Expense	1,211	1,236
Consulting	-	-
Medical	2,014	2,014
Dietary & Support	550	550
Housekeeping	1,171	1,171
Occupancy	61,261	61,261
Equipment	3,229	3,229
Vehicles	6,166	6,166
Administrative (Not Including Salaries)	3,395	3,395
Interest Expense	-	-
Client/Student	1,158	1,158
Depreciation	34,720	34,720
<b>Total Direct Expense</b>	<b>\$ 362,747</b>	<b>\$ 379,807</b>
Allocation of Administration 10%	\$ 36,275	\$ 37,981
Allocation of Transportation		
Allocation of Help Wanted		
<b>Total Allocated Expense</b>	<b>\$ 36,275</b>	<b>\$ 37,981</b>
<b>Total Expense</b>	<b>\$ 399,022</b>	<b>\$ 417,788</b>
<b>Net Income</b>	<b>\$ (132,279)</b>	<b>\$ (84,568)</b>
<b>Bad Debt Allowance</b>	-	-
<b>Depreciation</b>	34,720	34,720
<b>Cash Basis Net Income</b>	<b>\$ (97,559)</b>	<b>\$ (49,848)</b>



**MARKLUND**  
**MINUTES OF THE BOARD OF DIRECTORS MEETING**  
**Wednesday, October 23, 2019, 7:00 P.M.**  
**Marklund Hyde Center**  
**Geneva, IL**

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**CALL TO ORDER**

Frank M. called the meeting to order at 7:00 p.m.

**ALSO PRESENT**

Jim Armbruster, Howard Brandeisky, Carie Carney, Gerry Estes, Maria Dombrowski, Sonya Evansky, Mike Herlihy, Laura Karlins, Frank Murnane, George Webster, Jack Zimmerman

**VIA CONFERENCE CALL**

Melissa Kud, Jeff Risch

**NOT PRESENT**

Jeff Blanchette, Duane Fitch, Dan Foley

**STAFF**

Kudus Badmus, Gil Fonger, Heather Graves, Mary Kobbeman

**PREVIOUS MINUTES**

Frank M. asked for a motion to approve the minutes of August 16, 2019. Howard B. motioned, Laura K. seconded, and the minutes were approved without exception.

**MISSION MOMENT – Facility Services**

Gil F. introduced Kerry Berg, Director of Facility Services, and Bob Wasmond, Maintenance Engineer. They updated the Board on all the tasks and responsibilities of the Facility Services department.

**FINANCE COMMITTEE REPORT**

Mike H. shared a summary of the Finance Committee Meeting, which included the KPMG audit report. Marklund had a clean audit and an unqualified opinion will be issued. KPMG confirmed that we adopted the new not-for-profit standards in 2019. The new lease standard, that will affect all entities, has been delayed until FY22. Mike H. then went on to review the FY20 YTD first quarter which is operating at \$174K favorable to budget; this includes the \$100K unfavorable impact to revenue due to open bed days being higher than estimated. Our usage of the line of credit is back to zero and a majority of the bank accounts have been migrated to Wintrust. Marklund Charities is \$360K favorable to budget.

**STRATEGIC PLAN Q1**

Gil F. provided an update on the FY20 Strategic Plan. The Client Care Index is currently at 96%. The new net revenue will be reported on in January. As of September 1, Turnover is at 56%. The Marklund Action Network reached its goal of 300 contacts; the new goal is 360 for the year. The LIFTS initiative has completed all first quarter tasks except for the estimated cost on building group homes. We are in the process of working with FCL Builders and will have costs next month. The LIFTS team will be meeting the Rep. Moller, Rep. Gables, Director Stark and DHS staff on Friday Nov. 1, to present the LIFTS model. Gil F. has reviewed the licensure requirements. The process to get a provisional license should take approximately three months. He learned that you could not go past the provisional license phase without having a home in place; the State Fire Marshall has to do a physical inspection. Kudus is working on the proforma for the homes and Community Day Services. We plan to have an estimate on operational costs in December; a report will be presented at the January board meeting. It is anticipated that management will have a completed plan for the LIFTS initiative to present to the board at the April meeting for approval.

## REVIEW OF THE MDS-GENEVA EXPANSION PROGRESS

The Geneva expansion is better than budget by \$10K and has not used any of the contingency budget while adding \$200K of added value (e.g. heavy-duty asphalt, paver parking and audio visual equipment) due to savings as a result of excellent value engineering. The walls are scheduled to start going up the week of October 28. The roof is slated to start in mid-December. Occupancy continues to look on track for finishing in mid-May.

## GOVERNANCE

Frank M. reviewed the Board of Directors Statement of Expectations; there were no changes to the responsibilities from last year. Under section 4.3 of the bylaws, the committee is recommending changes to the Emeritus class. The change would give an Emeritus Director the same rights and responsibilities as any other Director. An Emeritus Director would have term limits set when the director is nominated. Frank M. asked for a motion to approve the changes made to section 4.3 of the bylaws. Mike H. motioned, Carie C. seconded and the motion passed without exception.

## DEVELOPMENT UPDATE

Heather G. thanked the Board for their hard work at the Geneva 5K. Our current net is \$75K with donations still coming in; the goal was \$90K. Natalie is reaching out to those that did not participate this year to make a donation. November 26<sup>th</sup> is the Thank-a-thon and Top Hat Ball is coming up February 1<sup>st</sup>.

Frank M. provided the Board with a Capital Campaign update stating that so far the campaign has raised \$3.5M; \$700K has already been spent on building the Geneva Day School. The public phase starts in January. He anticipates another \$500K coming by next month. He thanked the committee for their dedication to the campaign. The campaign goal is \$6M and the cost to build the school is \$10M.

## PRESIDENT AND CEO REPORT

Gil F. shared that ABC News was at MHC this week to do a story on our resident, Heather, and her Eye Gaze technology, which staff had programmed to speak to Alexa. This allows Heather to be more independent. He also thanked the board for their participation in the Geneva *Run, Walk & Roll*. Jim A. had the largest corporate team (ATMI Precast) and Laura K. had the largest family team (Team Scott) this year. Marklund has completed the six-month follow-up from the Voice of the Employee survey that was done in February. The response rate was very high. Both MHC and MPC increased their Net Promotor Score. MDS saw a reduction largely due to the recent resignation of the assistant principal and concerns about parapro support. A new assistant principal has been hired and the parapro concerns are being addressed. MWC saw a significant decrease due to changes to the PSP work schedules in order to bring better services to our residents. The PSPs are getting accustomed to the new schedule and almost all of the open positions are now filled. We expect to see an improvement in these numbers in the annual survey that will be given out in February. The Parent/Guardian Survey participation rate showed a 50% increase over last year and 70% over the last average of the last four years. The results of the survey showed that 100% of those surveyed are satisfied with the level of care that their loved ones receive.

## OLD BUSINESS/NEW BUSINESS/ ANNOUNCEMENTS

Gil F. read a letter from Viviana Figueroa, parent of Andres Silva a student at the Marklund Day school in Bloomingdale. She is concerned about the change in the school year calendar from 225 days to 200 days. Gil F. informed the Board that the calendar change was made to more closely align MDS to the public school calendar, allowing for summer and holiday breaks. This will allow Marklund to stay competitive in the teacher market.

## ADJOURNMENT

With no further business, Frank M. asked for a motion to adjourn the meeting. Mike H. motioned, Howard B. seconded, and the meeting was adjourned at 8:50 p.m.



## FY20 Strategic Plan

### Final

### ***“Creating the Future”***

- ✓ Client Care Index
- ✓ Net Revenue
- ✓ Retention
- ✓ Advocacy
- ✓ LIFTS (Living Independently with Flexible Team Supports) Initiative

### Strategic Imperatives

1. **Diversify revenue sources and reduce dependency on the State of Illinois**
2. **Continually improve client care**
3. **Increase community awareness of Marklund**
4. **Attract and retain great staff.**

## FY20 Strategic Objectives

---

- ✓ 96% Client Care Index – 95.2% (Dec 31)
- ✓ \$3.1M New Net Revenue
- ✓ 45% PSP/Parapro Turnover – 51% (Dec 1)
- ✓ 360 in *Voter Voice* – 341 (Dec 31)

**Strategic Plan  
FY2020  
Earned Revenue Detail**

	BUDGET			ACTUAL			
	1st qtr.	2nd qtr.	YTD	1st qtr.	2nd qtr.	YTD	variance
<b>Development</b>							
Revenue	\$ 269,918	\$ 842,023	\$ 1,111,941	\$ 482,469	\$ 859,421	\$ 1,341,890	\$ 229,949
Expenses	225,228	244,774	470,002	225,424	252,413	477,837	7,835
<b>Net Income / (loss) depreciation &amp; gain/(loss)</b>	<b>\$ 44,690</b>	<b>\$ 597,249</b>	<b>\$ 641,939</b>	<b>\$ 257,044</b>	<b>\$ 607,009</b>	<b>\$ 864,053</b>	<b>\$ 222,114</b>
<b>Net Income / (loss) after depreciation &amp; gain/(loss)</b>	<b>\$ 44,690</b>	<b>\$ 597,249</b>	<b>\$ 641,939</b>	<b>\$ 257,044</b>	<b>\$ 607,009</b>	<b>\$ 864,053</b>	<b>\$ 222,114</b>
<b>Day School</b>							
Revenue	\$ 1,621,842	\$ 1,673,281	\$ 3,295,123	\$ 1,610,234	\$ 1,691,682	\$ 3,301,916	\$ 6,793
Expenses	1,541,231	1,542,245	3,083,475	1,410,748	1,332,575	2,743,323	(340,152)
<b>Net Income / (loss) depreciation &amp; gain/(loss)</b>	<b>\$ 80,612</b>	<b>\$ 131,036</b>	<b>\$ 211,648</b>	<b>\$ 199,486</b>	<b>\$ 359,107</b>	<b>\$ 558,593</b>	<b>\$ 346,946</b>
<b>Net Income / (loss) after depreciation &amp; gain/(loss)</b>	<b>\$ 97,881</b>	<b>\$ 97,881</b>	<b>\$ 195,762</b>	<b>\$ 94,079</b>	<b>\$ 94,742</b>	<b>\$ 188,821</b>	<b>(6,941)</b>
<b>Total - All Initiatives</b>							
Revenue	\$ 1,891,760	\$ 2,515,304	\$ 4,407,064	\$ 2,092,703	\$ 2,551,104	\$ 4,643,807	\$ 236,743
Expenses	1,766,459	1,787,019	3,553,477	1,636,172	1,584,988	3,221,160	(332,317)
<b>Net Income / (loss) depreciation &amp; gain/(loss)</b>	<b>\$ 125,302</b>	<b>\$ 728,285</b>	<b>\$ 853,587</b>	<b>\$ 456,531</b>	<b>\$ 966,116</b>	<b>\$ 1,422,646</b>	<b>\$ 569,059</b>
<b>Net Income / (loss) after depreciation &amp; gain/(loss)</b>	<b>\$ 97,881</b>	<b>\$ 97,881</b>	<b>\$ 195,762</b>	<b>\$ 94,079</b>	<b>\$ 94,742</b>	<b>\$ 188,821</b>	<b>(6,941)</b>
<b>Net Income / (loss) after depreciation &amp; gain/(loss)</b>	<b>\$ 223,183</b>	<b>\$ 826,166</b>	<b>\$ 1,049,349</b>	<b>\$ 550,610</b>	<b>\$ 1,060,858</b>	<b>\$ 1,611,468</b>	<b>\$ 562,119</b>

**Note:**  
 gifts not included in fundraising totals \$ 665,050 \$ 665,050 \$ 1,330,100 \$ 760,730 \$ 1,088,452 \$ 1,849,183  
 endowment 2,550 \$ 5,100 \$ 4,200 \$ 6,925  
 capital campaign \$ 662,500 \$ 662,500 \$ 1,325,000 \$ 758,005 \$ 1,069,252 \$ 1,827,258  
 legacy gifts 15,000 \$ 15,000

**Audiences**



**Objectives**



**Promise**

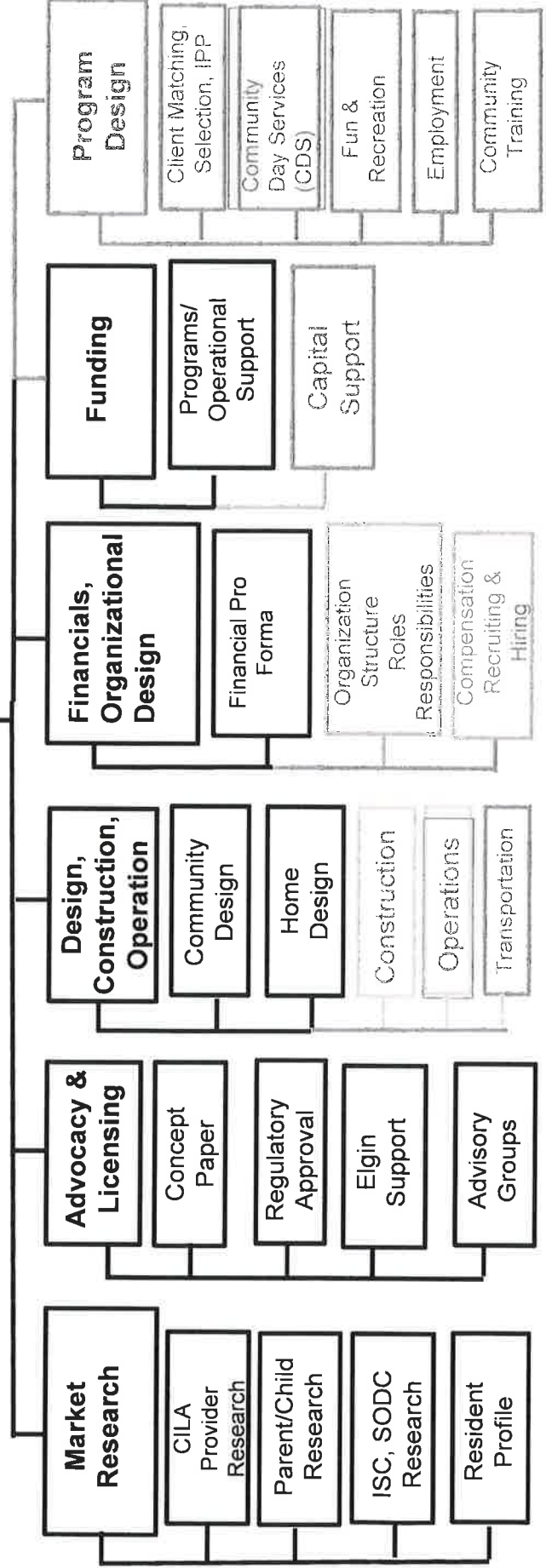


**KPI**



**Initiatives/Projects**

Initiatives and projects in gray are contingent upon license approval. They will be confirmed/edited in January of 2020, or as soon as we have approval. See calendar, next.



# The Pre-Approval Calendar

Work in Progress as of 8/8/19

Project	July	August	September	October	Nov/December	January 2020
	Basecamp Research Best Practices	Board Retreat	State Concept Introduction	Application Filed	Approval	Update Strategic Plan LIFTS Part II
<b>Market Research</b>						
CILA	→					
Provider Research	→					
Parent/Child Research	→					
ISC, SODC Research	→					
Resident Profile						
<b>Advocacy, Licensing</b>						
Pre-approval Prep	→					
White Paper/ Waiver	→		⊗	⊗	★	
Regulatory Approval						
Elgin Support						
Advisory Groups						
<b>Design, Construction</b>						
Community Design			→	→	→	
Home Design			→	→	→	8/8/19

Audiences

Adults w ID/DDs  
in Illinois

Parents & Guardians of  
adults w ID/DDs

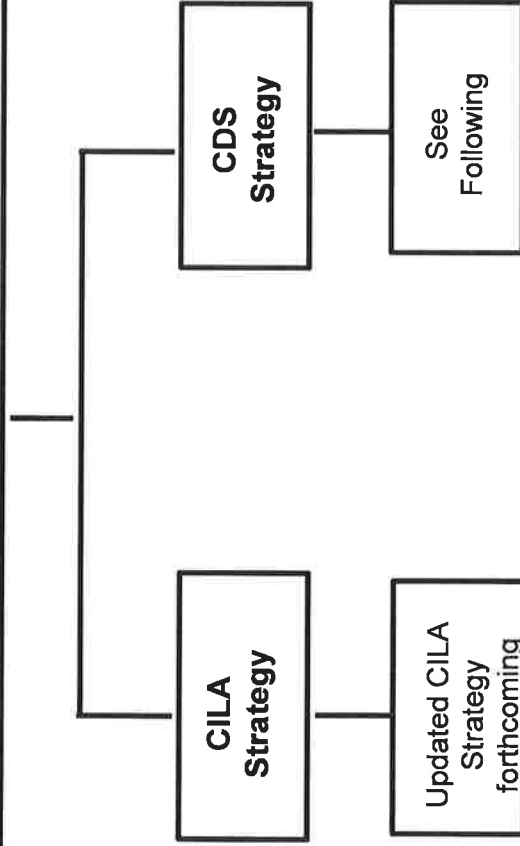
Objectives

Greater Quality of Life  
for adults w ID/DDs

Greater Peace of Mind for  
Parents of Adults w ID/DDs

Promise

Homes that promote a happy, safe, purpose-filled  
life for adults with intellectual and developmental disabilities





# The Marklund CDS Strategy

21 January 2020

## Audiences

Mild Behavioral & Intellectual Disabilities

Moderate Behavioral & Intellectual Disabilities

## Objectives

Launch October 1, 2020

TBD w Parent Survey

TBD w Participant Survey

100% Community Participation w/in 24 months

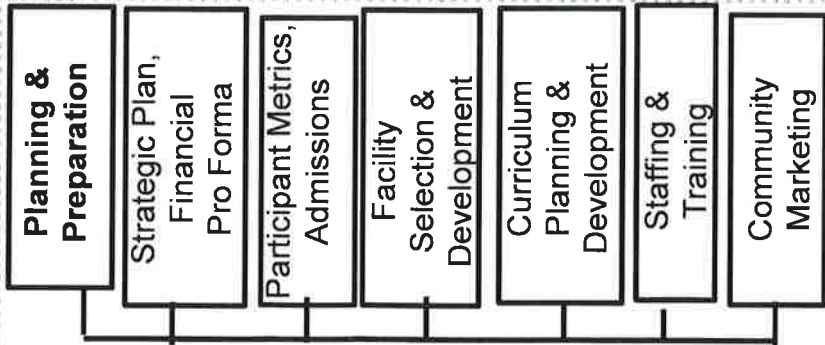
## Promise

*Pre - Launch*

Greater promise for a happy, safe purpose-filled life for every individual

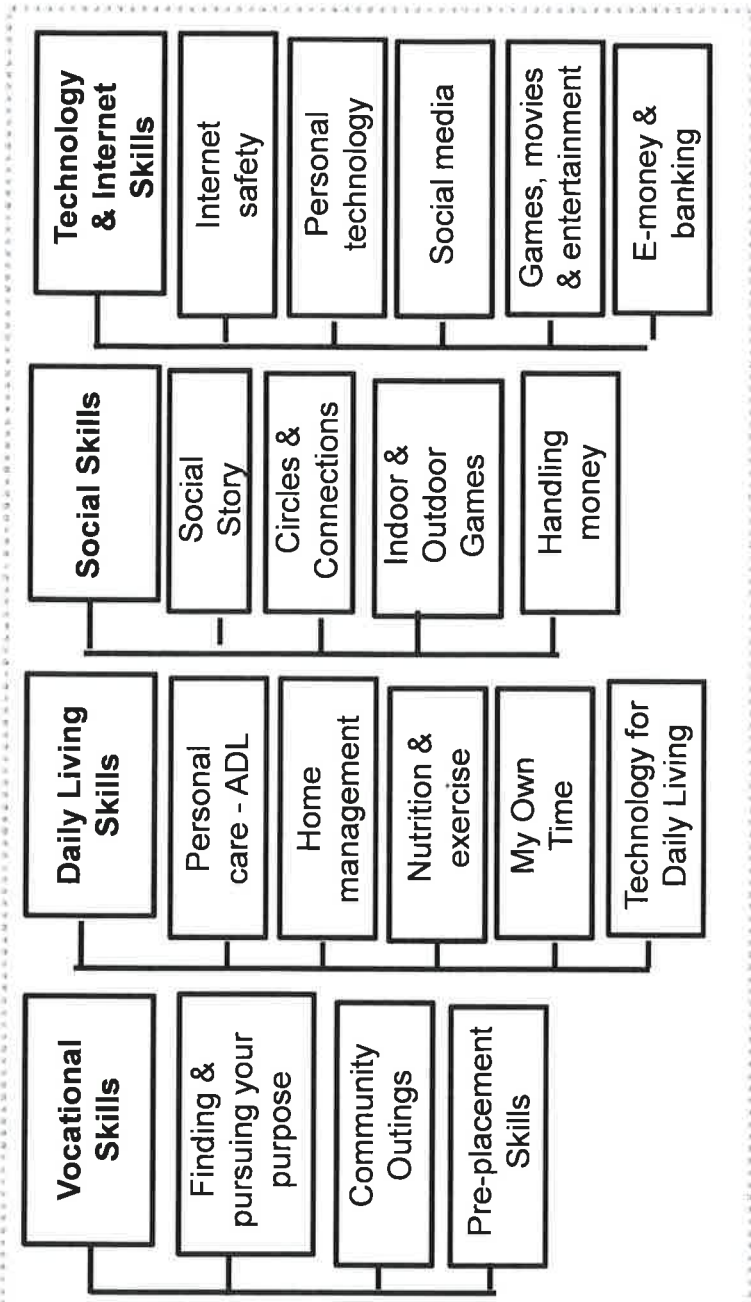
**Work in Progress!**

## Initiatives



## Projects

### *Curriculum*



## Requirements

Operative audience metrics

1 – 5 staff ratio;  
max 15 students to open

Breakeven financial pro forma

**The Initiative:**

**Planning & Preparation**

**The Goal:**

**A welcoming community & ready to launch 10/1**

<b>Project Objective</b>		<b>Jan – March '20</b>	<b>April - June</b>	<b>July – Sept.</b>	<b>Oct. – Dec.</b>
Strategic Plan & Financial Pro Forma	Who, What, How, When, Break even operations	<ul style="list-style-type: none"> <li>Complete strategic plan</li> <li>First draft pro forma</li> <li>Begin plan implementation</li> <li><b>Board green lights plan</b></li> <li>Determine DHS reqs</li> </ul>	<ul style="list-style-type: none"> <li>Update plan and pro forma as needed</li> <li>Formalize Advisory Board</li> <li><b>Board formally approves plan</b></li> <li>Include DHS as required</li> </ul>	<ul style="list-style-type: none"> <li>See Apr – Jun</li> <li>Develop parent and participant surveys</li> <li>Administer surveys 9/21</li> <li><b>Board progress report</b></li> </ul>	<b>Marklund CDS begins operation 10/1/20</b>
Participant Metrics, Admissions	Acceptance criteria and 15 committed participants	<ul style="list-style-type: none"> <li>Develop and pre-test acceptance criteria w MDS</li> <li>Confirm criteria in financial pro forma</li> <li>Communicate to ISCs</li> </ul>	<ul style="list-style-type: none"> <li>Refine criteria as experience suggests</li> <li>Communicate to ISCs</li> <li>Begin reviewing packets</li> </ul>	<ul style="list-style-type: none"> <li>Begin interviews &amp; assessments</li> <li>80% participants x 8/30</li> <li>15 participants x 9/15</li> <li>Orientation 9/21 – 9/25</li> </ul>	<ul style="list-style-type: none"> <li>Begin program</li> </ul>
Facility Selection & Development	Rental space, resources & permissions to operate	<ul style="list-style-type: none"> <li>Draft rental space criteria and send to brokers</li> <li>Visit and score space opportunities</li> <li>Narrow to short list w renovation needs per space</li> </ul>	<ul style="list-style-type: none"> <li><b>Recommend space to board</b></li> <li><b>Sign contract</b></li> <li><b>Begin renovations</b></li> <li>Approve equipment, furniture, supplies, transit</li> <li>Begin purchasing</li> </ul>	<ul style="list-style-type: none"> <li>Complete renovations</li> <li>Complete purchasing</li> <li>Set up space</li> <li>Fire marshal, DHS approvals</li> <li><b>Space ready for use x 9/15</b></li> </ul>	21 January 2020
Curriculum Planning & Development	A viable, marketable curriculum	<ul style="list-style-type: none"> <li>Audit policies and procedures required for CDS program</li> <li>Draft curriculum</li> <li>Audit ML – MDS curricula for usable programs, materials</li> <li>Pre-test curriculum w parents</li> </ul>	<ul style="list-style-type: none"> <li>Develop resource needs</li> <li>Begin research for existing content, programs, materials</li> <li>Finalize sourcing of all curriculum content, materials</li> <li>Approve curriculum budget</li> </ul>	<ul style="list-style-type: none"> <li>Draft policy manuals as needed</li> <li>Curriculum final x 8/15</li> <li>Teaching plans developed and finalized</li> <li><b>Work in Progress!</b></li> </ul>	
Staffing & Training	Qualified staff ready by July 1	<ul style="list-style-type: none"> <li>Develop RACI and timeline</li> <li>Finalize staffing needs: FT, PT, qualifications</li> <li>Write job descriptions</li> </ul>	<ul style="list-style-type: none"> <li>Complete all recruiting</li> <li>Fill vacancy chains as needed</li> </ul>	<ul style="list-style-type: none"> <li>Staff set x 7/15</li> <li>7/1 CDS manager in place</li> <li>All staff at work x 9/15</li> <li>Prepare orientation</li> </ul>	
Community Marketing	- Awareness - Acceptance - Partners - Participants	<ul style="list-style-type: none"> <li>Meet w Elgin CC</li> <li>Develop, launch Elgin plan</li> <li>Develop, launch plan to identify REC, LEI, VOL opportunities</li> <li>Begin recruiting partners and advisors</li> </ul>	<ul style="list-style-type: none"> <li>Begin discovery meetings w potential outside partners</li> <li>Sign outing and volunteer partners as they offer</li> <li>Form board of advisors and hold first meeting</li> </ul>	<ul style="list-style-type: none"> <li>7/1 start participant marketing</li> <li>Complete REC LEI VOL opportunity plan</li> <li>Hold second board meeting</li> </ul>	<b>Opening Ceremony</b>

**Marklund**  
**CILA proforma (8 bed)**

Discussion  
Copy

	<i><b>CILA with Average Revenue</b></i>
<b>Revenue</b>	
Operating revenue	\$ 439,968
Other revenue	-
<b>Total revenue</b>	<b>\$ 439,968</b>
<b>Expense</b>	
Salaries	\$ 252,166
Employee Benefits	65,563
Employee Expense	2,600
Consulting	2,088
Medical	240
Dietary & Support	11,750
Housekeeping	3,400
Occupancy	35,707
Equipment	6,206
Vehicles	9,711
Administrative (Not Including Salaries)	7,650
Interest Expense	30,936
Client/Student	3,500
Depreciation	87,443
<b>Total Operating Expense</b>	<b>\$ 518,959</b>
Allocation of Administration 10%	\$ 51,896
Allocation of Transportation	-
Allocation of Help Wanted	1,800
<b>Total Allocated Expense</b>	<b>\$ 53,696</b>
<b>Total Expense</b>	<b>\$ 572,655</b>
<b>Net Income (Loss)</b>	<b>\$ (132,687)</b>
add back: Depreciation	87,443
add back: Bad Debt Allowance	-
<b>Net Income (Loss)</b>	<b>\$ (45,245)</b>

(Excluding Depreciation, Bad Debt Allowance & Gain (Loss) on Sale)

	<i>15 full-time clients (7- 31U &amp; 8- private pay) actuals</i>	<i>18 full-time clients (7- 31U &amp; 11- private pay) actuals</i>
<b>Revenue</b>		
Operating revenue	\$ 266,744	\$ 333,220
Other revenue	-	-
<b>Total revenue</b>	<b>\$ 266,744</b>	<b>\$ 333,220</b>
<b>Expense</b>		
Salaries	\$ 196,724	\$ 210,244
Employee Benefits	51,148	54,663
Employee Expense	1,211	1,236
Consulting	-	-
Medical	2,014	2,014
Dietary & Support	550	550
Housekeeping	1,171	1,171
Occupancy	61,261	61,261
Equipment	3,229	3,229
Vehicles	6,166	6,166
Administrative (Not Including Salaries)	3,395	3,395
Interest Expense	-	-
Client/Student	1,158	1,158
Depreciation	34,720	34,720
<b>Total Direct Expense</b>	<b>\$ 362,747</b>	<b>\$ 379,807</b>
Allocation of Administration 10%	\$ 36,275	\$ 37,981
Allocation of Transportation		
Allocation of Help Wanted		
<b>Total Allocated Expense</b>	<b>\$ 36,275</b>	<b>\$ 37,981</b>
<b>Total Expense</b>	<b>\$ 399,022</b>	<b>\$ 417,788</b>
<b>Net Income</b>	<b>\$ (132,279)</b>	<b>\$ (84,568)</b>
<b>Bad Debt Allowance</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>	<b>34,720</b>	<b>34,720</b>
<b>Cash Basis Net Income</b>	<b>\$ (97,559)</b>	<b>\$ (49,848)</b>



CONCEPT  
 SITE PLANS

MARKLUND  
 GROUP  
 HOMES  
 SOUTH WATER ROAD  
 ELGIN, IL

FOR:

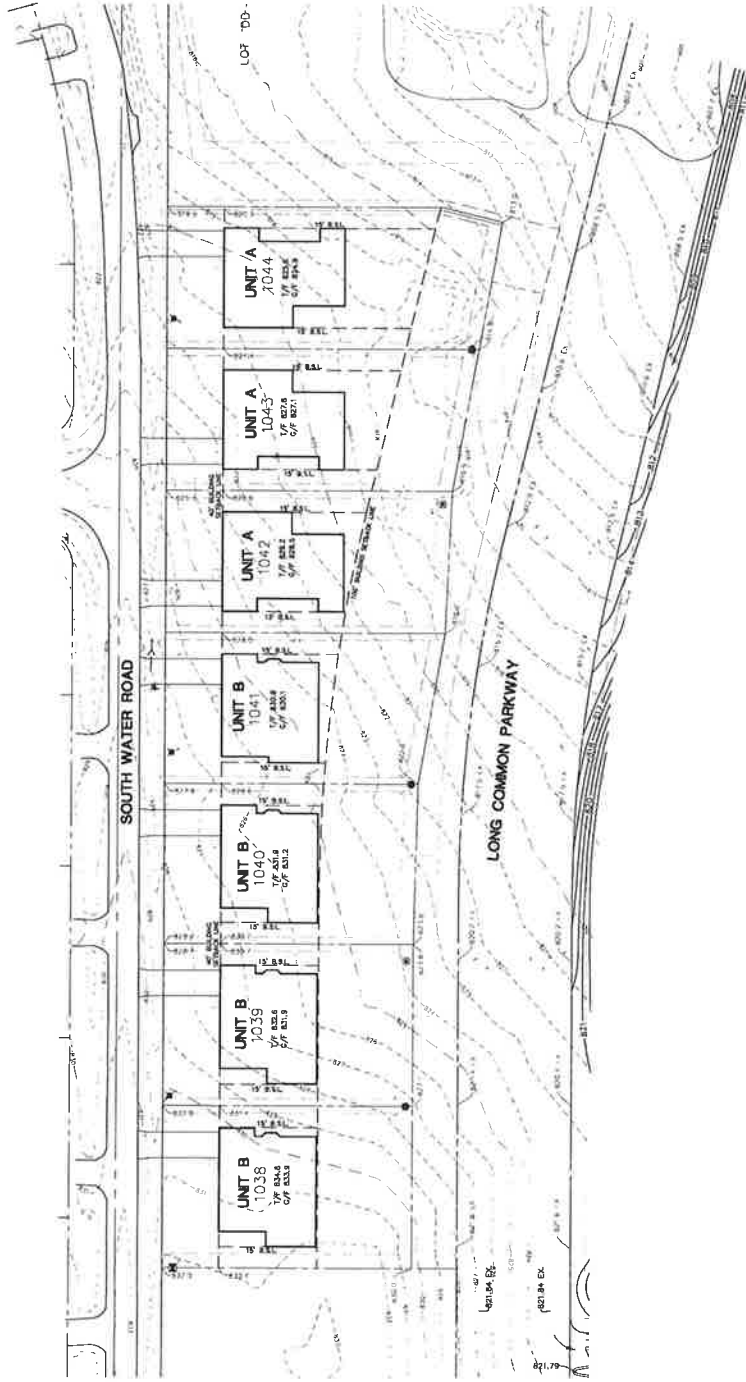
**Marklund**  
 18450 WYATT DR  
 GENEVA, IL 60134

DESIGN / BUILDER

**FCL BUILDERS**  
 1155 S. W. 11th Ave., Suite 100,  
 Fort Lauderdale, FL 33315

SP-1

PROJECT # 19047  
 DATE: 10/16/19  
 SCALE: AS NOTED  
 COPYRIGHT 2019  
 arete design studio, llc  
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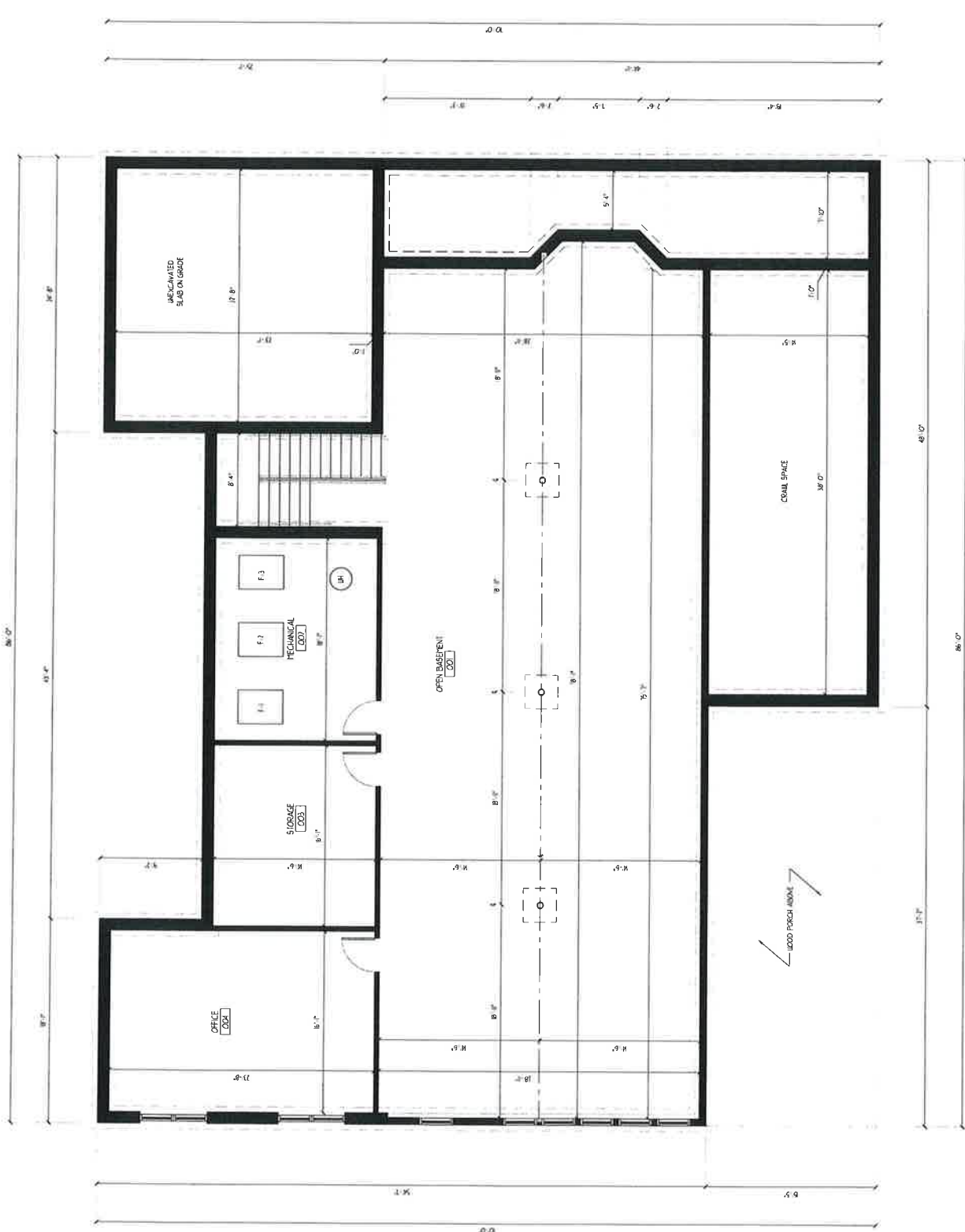


1 CONCEPT SITE PLANS









1 PROPOSED BASEMENT PLAN  
SCALE: 1/4" = 1'-0"

PROJECT NO. 2014  
SHEET NUMBER  
**Bp-1**

MARKLUND GROUP HOMES  
SOUTH WATER ROAD  
ELGIN, IL  
2 STORY UNIT A

CLIENT  
**Marklund**  
15450 WYATT DR.  
GENEA, IL

DESIGN ARCHITECT  
**FCL BUILDERS**  
1150 SPRING LAKE DRIVE  
ITASCA, IL 60143

DATE: 11/11/14  
DRAWN BY: J. HARRIS  
CHECKED BY: J. HARRIS  
PROJECT MANAGER: J. HARRIS

arete design studio  
interior architecture • planning • design  
1121 S. WASHINGTON ST., SUITE 100  
CHICAGO, IL 60607



DESIGNED BY: MCGUIRE ARCHITECTS  
 1100 N. WYATT DR., SUITE 100  
 GENEVA, IL 60133

arete design studio.

NO.	REVISION
1	ISSUED FOR PERMIT
2	ISSUED FOR PERMIT
3	ISSUED FOR PERMIT
4	ISSUED FOR PERMIT
5	ISSUED FOR PERMIT
6	ISSUED FOR PERMIT
7	ISSUED FOR PERMIT
8	ISSUED FOR PERMIT
9	ISSUED FOR PERMIT
10	ISSUED FOR PERMIT

**FCL BUILDERS**  
 GENERAL CONTRACTORS  
 1150 SPRING LAKE DRIVE  
 ITASCA, IL 60143

**Marklund**  
 ARCHITECTS  
 18450 WYATT DRIVE  
 GENEVA, IL

**PROJECT**  
 MARKLUND GROUP HOMES  
 SOUTH WATER ROAD  
 ELGIN, IL

**FIRST FLOOR PLAN**

**SHEET NUMBER**  
 FP-1

**PROPOSED 1ST FLOOR PLAN**  
 SCALE: 1/4" = 1'-0"







## **Marklund Advocacy Award**

The Marklund Advocacy Award recognizes those in our community who consistently share and utilize their skills and talents above and beyond daily expectations to positively impact the lives of or those we serve.

Through their dedication, leadership and efforts positively affected legislative and/or regulatory policy compatible with Marklund's mission and goals.

This winner will be nominated by the legislative team for excellence in advocacy on behalf of Marklund. The nominee will be approved by the Board and the Marklund Advocacy Award will be presented at the April Volunteer luncheon.

## **Anna Moeller – D 43rd**

Member of the Illinois House of Representatives



Anna Moeller is a member of the Illinois House of Representatives who was sworn in March 31, 2014 to replace Keith Farnham, who resigned on March 19, 2014. She had previously served on the Elgin City Council and as Executive Director of the McHenry County Council of Governments. She was named an Edgar Fellow in 2012. She represents the 43rd district which includes all or parts of Elgin, Barrington Hills, Carpentersville, East Dundee and South Elgin.

She is an experienced public administration professional working in economic development, community planning, budgeting and non-profit management. She is an active volunteer in the Elgin community and has served on the Human Relations Commission, Planning and Development Commission, as Vice-President of the Northeast Neighborhood Association, Treasurer of the Channing Elementary School PTO, tutor for the Literacy Connection, member of the design team for the Elgin Math and Science Elementary School and as an elected member of the Elgin City Council.

Anna has a BA in History and Master of Public Administration (MPA) from Northern Illinois University.

**Narrative Summary**

We ended Q2 favorable to budget by \$224K due to several large major gifts, and the year-end campaign. With Top Hat in a few days, and a heavy Q4 ahead - we hope to continue trending upward. The Capital Campaign committee is working hard, having raised \$3.9 million to-date. The public phase kicked off last week and our hefty goal is to reach \$5 million by the end of the fiscal year.

If you look at our KPIs, you may notice that number of overall donors is down, and has fluctuated quite a bit over the past three years. Between picking up the Little Angels events, and then discontinuing them; discontinuing the pancake breakfast, along with three larger third party events running their course as well, (Super Bowling in Hoffman Estates, the Borchardts and Clarks' family fundraisers) – this was expected. All of these events can equate to several hundred donors in a given year. Despite this, the number of LGC donors has risen each year. While the Pancake Breakfast and Pledge Run took many hours, and heavy lifting from the entire fundraising team, and the management team – they only raised \$10K and \$12K respectively. With an intentional shift to focus on major gifts - that money can be raised, and exceeded much more efficiently, while we steward and spend time transitioning those donors to support other events and campaigns. *(For example: the RWR events in Bloomingdale and Geneva; Brighter Smiles and Project Sweet Dreams in Elgin)*

**8th Annual Run, Walk & Roll 5K/1 Mile Walk – Geneva**

INFO	UPDATE
<p><b><u>Sunday, October 18, 2020</u></b>                      Marklund Hyde Center, 8:30 am</p> <p>* <b><i>NEW</i></b> Start time!</p>	<p><b><u>FY19 Actual</u></b>  <b>\$81,826/627 Participants</b>  <i>(FY18 = \$67,500, 575 participants)</i></p> <p><b><u>FY20 Budget</u></b>                      \$90,000/620 participants</p>
<p><b>Contact: Natalie Sarby at 630.593.5461 or <a href="mailto:nsarby@marklund.org">nsarby@marklund.org</a></b></p>	

**24th Annual Top Hat Ball**

INFO	UPDATE
<p><b><u>Saturday, February 1, 2020</u></b>                      Venue: <b>Marriott Magnificent Mile</b>                      Theme: Vintage Circus                      Chairs: Catie and Max Schmidt</p> <p><b>578 registered guests as of 1/20 (*570 in FY19)</b></p> <p><a href="http://www.marklund.org/tophatball">www.marklund.org/tophatball</a></p>	<p><b><u>FY19 Actual</u></b>                      Total NET = \$790,013 <i>(FY18 = \$674,627)</i>                      Total GROSS = \$1,081,500 <i>(FY18 = \$939,840)</i>                      Expense Ratio: 27% <i>(FY18: 28%)</i></p> <p><b><u>FY20 Budget</u></b>                      Total NET = \$761,438                      Total GROSS = \$1,042,700                      Expense Ratio: 27%</p>
<p><b>Contact: Jeannine Zupo at 630.593.5445 or <a href="mailto:jzupo@marklund.org">jzupo@marklund.org</a></b></p>	

### 3<sup>rd</sup> Annual Run, Walk & Roll 5K/1 Mile Walk – Bloomingdale

INFO	UPDATE
<u>Sunday, April 26, 2020</u> Marklund Philip Center, 8:00 am	<u>FY19 Actual</u> Total NET = \$50,443/501 participants (FY18 = \$38,500/393 participants) <u>FY20 Budget</u> \$55,000/546 participants
Contact: Natalie Sarby at 630.593.5461 or <a href="mailto:nsarby@marklund.org">nsarby@marklund.org</a>	

### 38<sup>th</sup> Annual Marklund Golf Classic

INFO	UPDATE
<u>Wednesday, June 3, 2020</u> Cog Hill Golf & Country Club 11:00 AM Shotgun Start	<u>FY19 Actual</u> Total NET = \$200,011 (FY18 = \$201,830) Expense Ratio: 24% (FY18 = 25%)  <u>FY20 Budget</u> \$224,546/Expense ratio 23%
Contact: Jeannine Zupo at 630.593.5445 or <a href="mailto:jzupo@marklund.org">jzupo@marklund.org</a>	

### Annual MWC Fundraiser – Project TBD

INFO	UPDATE
FY20 Project will be unveiled in the Spring!	<u>FY19 Actual – Project Sweet Dreams</u> Total NET = \$71,362  Number of beds funded: 24 beds/dressers in the north wing
Contact: Natalie Sarby at 630.593.5461 or <a href="mailto:nsarby@marklund.org">nsarby@marklund.org</a>	

#### THIRD PARTY EVENTS

Contact: Natalie Sarby at 630.593.5461 or [nsarby@marklund.org](mailto:nsarby@marklund.org)

#### Third Party Events

FY19 Total: \$71,520

FY20 Total to-date: \$20,001

#### Upcoming Events

Run, Walk & Roll 5K/1M Bloomingdale: Sunday, April 26<sup>th</sup>

**REGISTRATION IS OPEN!**



**FY20 GRANTS** (as of 1/20/20)

**Total Cash Received:** \$182,574\* (*\$146,550 in FY19*)  
Awarded but not received - \$30,000 (*\$15,000 in FY19*)  
Outstanding Submissions - \$173,000 (*\$101,000 in FY19*)

*\*Does not include capital campaign gifts – those are tracked separately*

**Recent Awards**

Ecolab – Elk Grove Village - \$3,000 for MPC Airvo2  
Ecolab – Naperville - \$3,000 for MHC new beds  
St. Margaret Mary Parish in Naperville - \$2,000 GOF  
The Dunham Fund - \$250,000 MDS-Geneva (*Thank you to Jim Armbruster for assistance with this grant*)  
Global Children Foundation - \$1,000 GOF  
Russo Power - \$6,000 – MDS-Geneva  
Walter & Caroline Sueske Foundation - \$2,000 – MPC Bair Hugger  
George M. Eisenberg Foundation for Charities - \$40,000 – MPC GOF  
McMaster-Carr Supply Company - \$7,500 – GOF  
Laughing Acres Family Foundation - \$5,000 – Hemoglobin Pulse Oximeters - MHC  
DuPage Medical Group Charitable Fund - \$20,000 - Bed Replacements - MWC

**Corporate Partners**

FCL Builders - \$27,500  
Stumm Insurance - \$22,500  
Wintrust Financial - \$20,000 (*from our local market*)

**ANNUAL GIVING** (as of 1/20) – (*does not include major gifts or special event giving*)

**\$318,283** (*\$348,206 in FY19*)

**Individuals: \$254,957** (*\$262,907 in FY19*)

**Organizations: \$63,326** (*\$85,300 in FY19*)

**Major Gifts**

**\$846,550** (*single gifts of \$15,000 +*) (*\$376,550 in FY19*)

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

**\$151,302 in gift revenue** (*\$122,350 in FY19*)

**Leadership Giving Circle Donors** (*\$1,000+ donors as of 1/20/20*)

**178 donors** (*FY19 - 155*)

99 individuals

79 corporations

**Gil Fonger**  
**President & CEO Report**  
**Marklund**

**Board of Directors**  
**January 30, 2020**

**Executive Summary**

As I begin my tenth year at Marklund, I feel very good about the strategic direction approved by the Board and confident that our strong performance in the first half of the fiscal year will continue.

As you can see from the **December KPIs** (attached), the **Client Care Index** is averaging 95.2% through the first two quarters, which is below our goal of 96.0% for the FY20. There are no obvious areas of structural deficiencies (e.g. low staffing that leads to less outings), just normal areas that can fluctuate from month-to-month. The range of 95-96% may end up being about as high as we can expect that measure.

**YTD Net Fundraising** is almost \$250K better than budget and is at the highest level we have ever been at mid-year. I am very pleased that our **Turnover** rate has consistently dropped since it spiked up in September; it is currently at 51% as of December 1. We were at 73% at this same point last year. Our **Volunteer** hours are up significantly over this same time last year.

The **FY20 budget** is doing well. Through Q2, we are almost **\$350K (2.3%)** better than budget in net income (before fundraising), which is \$100K better than last year at this time, despite having more open beds than we anticipated. Senior staff is continuing to do an excellent job of managing a tight budget.

Overall, I feel very good about the progress we have made through Q2 in our strategic plan, **Creating the Future**. Unfortunately, we did not get approval from the State (DHS) in November to go forward with our plans to build CILAs on the Elgin property. We are continuing our CILA plans and confident that, through working with our legislators, we will eventually get the approval to move forward. I will be presenting a CDS (Community Day Services) strategy and plans to begin a program in the Elgin area for those we plan to serve residentially. Our hope is to get final approval in April and have the new program in place by October.

I have talked to the Chair regarding the creation of a **Marklund 2030** strategic plan. With the expansion of the school, the merger with Little Angels, the potential expansion into group homes and the new MCDD rate, a lot has gone on over the past four years. It feels like the right time to take a longer look at future opportunities for our continued growth. We would do preliminary planning with the staff and then a staff/board mix. The final plan will be created at the all-day Board Retreat in August.

Between our efforts to move the CILA initiative forward and the emergency rules for therapeutic day schools, we have had numerous interactions with our **state legislators** over the past few

months. We have met with or had conversations with the following since September: State Senators Castro and DeWitte and State Representatives Moeller, Pappas, Ugaste and Wheeler.

You will see in your packet a new **Marklund Advocacy Award** that I would like the board to consider creating. Advocacy will involve more than just legislation but can come from any number of ways that *friends* of Marklund are helpful in advancing our efforts. The award would be presented at our annual Volunteer Awards Luncheon in April.

We are continuing to work with the IHCA to **update the reimbursement rate** for our Geneva campus (Intermediate Care Facility). The state commissioned an outside firm (Navigant) this year to do an extensive survey of ICF and CILA rates. The report will come out in May/June so it will not have any impact on revising rates for FY21 (unfortunately!). Frankly, I believe the Governor is waiting on the referendum to revise the state constitution to allow for a graduated income tax before making the large institutional changes that the report will – no doubt – reveal.

We are working with IDPH to increase our authorized census at the **Marklund Wasmond Center** from 57 to 61. The Administrator determined that two of the current rooms could accommodate an additional bed and a third room could be converted from an office to a two-person room. We could utilize the new beds for fulltime or respite clients.

The construction of the **Marklund Day School – Geneva** is continuing to come along on budget and on time. Completion is on track for mid-May. Here are the dates/times for the opening of the new school:

- |                      |              |                 |
|----------------------|--------------|-----------------|
| • Major Donors/Board | 6 – 8 pm     | Thurs, June 18  |
| • Ribbon Cutting     | 10 am – 1 pm | Friday, June 19 |
| • Patron Reception   | 6 – 8 pm     | Friday, June 19 |

We have invited the Governor to the Ribbon Cutting so that could affect the exact time of the opening.

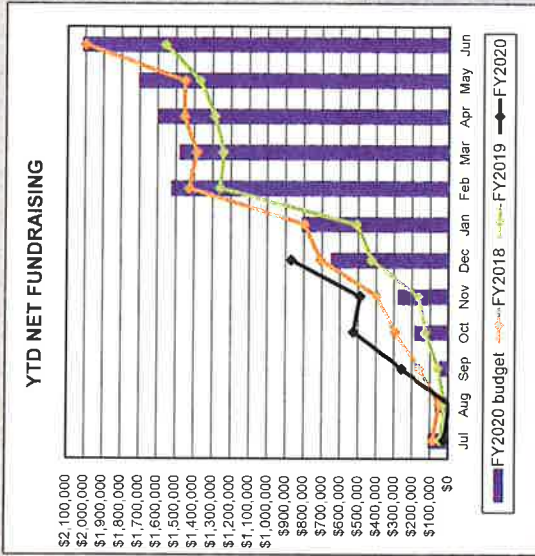
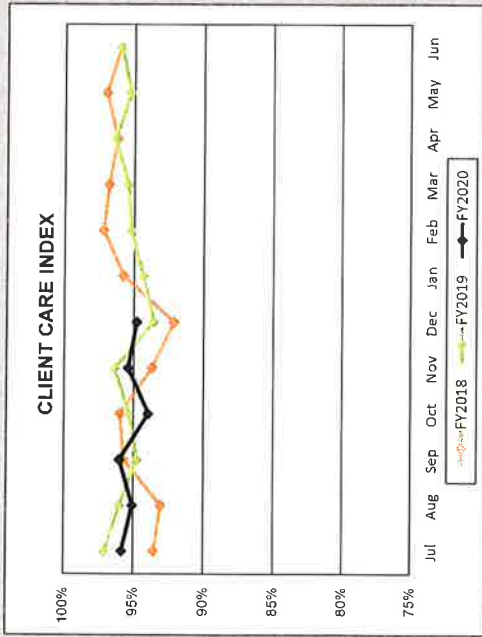
The capital campaign is coming along very well. We are currently at \$4M, which is amazing in such a short amount of time. I am deeply grateful to our Capital Campaign Committee (**Frank Murnane** – Chair, **Jim Armbruster**, **Mike Herlihy** and **Jack Zimmerman**). They have shown a lot of energy and are working very hard to reach our goal of \$6M. As of January, we have transitioned from the *silent* to the *public* phase of the campaign. I want to thank the entire board for your support of the school expansion.

I feel that our first half of the fiscal year has put us in a good position to finish the year strong. As always, we have many challenges and opportunities before us but I am confident that we have the energy, talent and resources to meet them.

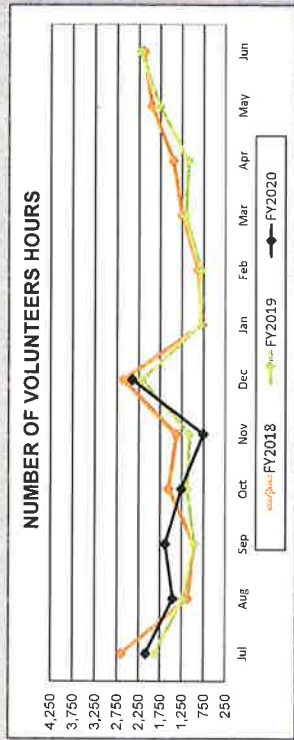
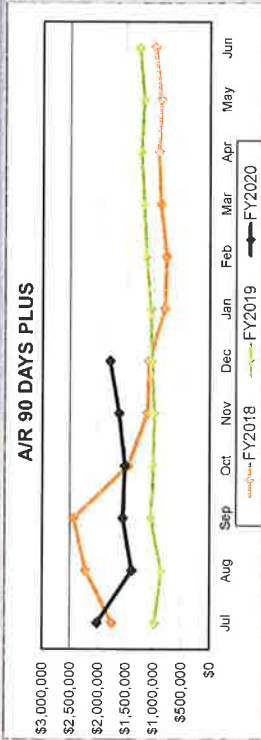
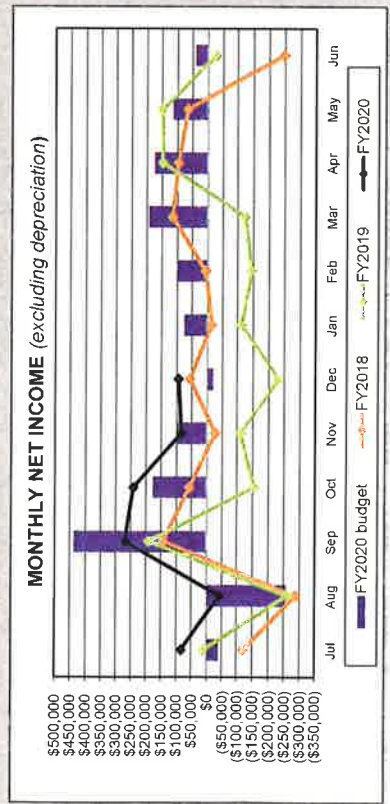
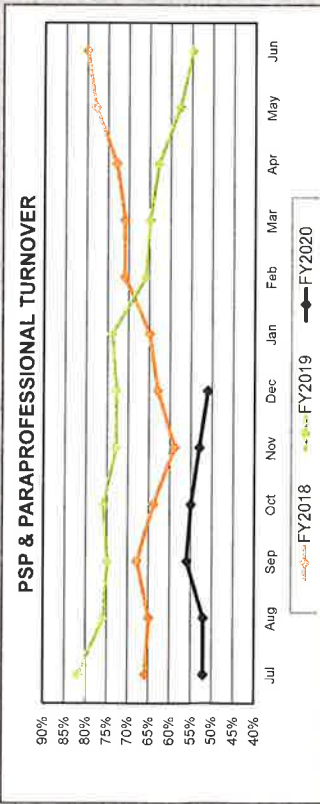
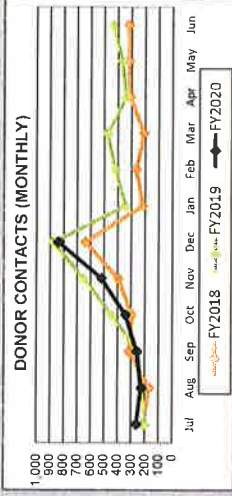
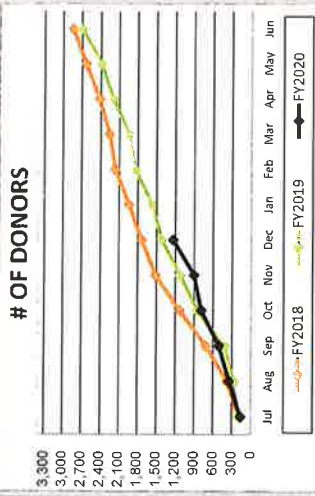
Thank you for your continued guidance and support.

Gil

# Marklund Key Performance Indicators



# December FY2020



The FY20 Client Care Index goal is 96.0%; we are currently averaging 95.2%. This is the most important performance indicator we track. YTD Net Fundraising is almost \$250K better than budget. This is the highest that we have ever been this early in the fiscal year. The PSP & Para Turnover improved another 2% over last month. We were at 73% at this same time last year. Our Monthly Net Income is almost \$350K better than budget. The total number of Volunteer Hours is almost 15% better than last year. Through mid-year we are continuing to do very well! Thank you for all you do for those we serve!