

# ST. JOHN'S LUTHERAN MINISTRIES

IS A COMMUNITY OF DIVERSE PEOPLE SHARING GOD'S HEALING PRESENCE.

## OUR MISSION

IS TO PROVIDE LIVING OPPORTUNITIES WITHIN NURTURING ENVIRONMENTS OF *hope, dignity, and love.*



# 2009 Annual Report

*"Little children, let us love, not in word or speech, but in truth and action. And this is his commandment, that we should love one another." 1 John 3: 18 & 23*

## AS A MINISTRY OF THE CHURCH AND AS A NOT-FOR-PROFIT CORPORATION, ST. JOHN'S IS COMMITTED TO:

- Being a mission directed organization, whose source is God's Word of love and hope to all humanity through the gift of Jesus Christ.
- Providing a continuum of housing opportunities and supportive services primarily for older persons.
- Providing appropriate care, service, employment, and volunteer opportunities to all people without regard to:
  - Religious Preference
  - Race or National Origin
  - Gender, Age, or Marital Status
  - Diagnosis or Disability
  - Financial Status
- Being an innovative leader in our field and sharing our knowledge and gifts.
- Taking risks on behalf of people in need.
- Practicing good stewardship through wise management of our gifts and resources.
- Developing faithful, effective collaborations and partnerships within and beyond the Lutheran Church.
- Being a place where all people are recognized and celebrated as both givers and receivers of love.

## ST. JOHN'S OWNERSHIP CONGREGATIONS

St. John's is a ministry of the church and is a not-for-profit corporation owned by 22 Lutheran churches of the ELCA. These congregations support us with gifts of time, talent, and prayer as well as provide board members to govern St. John's. Many thanks to the following ownership churches for their gift of St. John's to the world:

American Lutheran Church, *Billings*  
American Lutheran Church of Harlowton, *Harlowton*  
American Lutheran Church of Lavina, *Lavina*  
Atonement Lutheran Church, *Billings*  
Bethlehem Evangelical Lutheran Church, *Billings*  
Emmanuel Lutheran Church, *Shepherd*  
First American Lutheran Church, *Hardin*  
First English Lutheran Church, *Billings*  
First Lutheran Church, *Miles City*  
Grace Lutheran Church, *Ryegate*  
Immanuel Lutheran Church, *Absarokee*

Joliet Lutheran Church, *Joliet*  
King of Glory Lutheran Church, *Billings*  
Lutheran Church of the Good Shepherd, *Billings*  
Melville Lutheran Church, *Melville*  
Messiah Evangelical Lutheran Church, *Billings*  
Messiah Lutheran Church of Red Lodge, *Red Lodge*  
Our Savior's Lutheran Church, *Laurel*  
Peace Lutheran Church, *Billings*  
St. James Lutheran Church, *Columbus*  
Zion Lutheran Church of Lewistown, *Lewistown*  
Zion Lutheran Church of Roundup, *Roundup*

The mission of St. John's is "to provide living opportunities within nurturing environments of hope, dignity and love." I suppose our mission could be simplified even more... love one another. While the enclosed information provided as our 2009 Annual Report contains the important statistics and facts regarding the number of people served and a snapshot of our current financial state... it cannot capture the essence of this ministry. Love is experienced, but how can it be measured?

There are the statistical highlights...a nurturing home to 1,099 seniors...home and community based services to another 237 seniors...free birthparent counseling to 97 women and 111 other family members... 73 children placed in forever homes through a variety of adoption services...child development, elementary after-school care, and Vacation Bible School programs to 370 children and 12 Iraqi refugees were welcomed into our community. This past year we started to measure those who sought educational services provided on our campus with 339 students from nine colleges and universities represented plus another 1,684 lifelong learners. We estimate that over 8,500 people enjoyed our 12th Summer Concert Series.

We continue to give great thanks for the sponsorship and prayers of our 22 ownership congregations also listed within the report. We celebrate the leadership provided by our volunteer Board of Directors, and we especially hold up the service of three of those who have completed some 25 years of service...Pat Bellinghausen, Marcia Hurd and Rev. Tom Schlotterback...thank you!

So those are some of the facts...but how can we measure love? Maybe it is partially captured in a letter I received on December 9th. *"There are no ways adequate to thank you all for providing our family with the opportunity to live in your nurturing environments of hope, dignity and love. Without exception, at every turn, every challenge, every crisis, someone was there to listen, problem solve, and lend a helping hand. No task was too big or small. And during the most challenging, toughest of times you just seemed to find the patience and care to just love us more. I have no idea where the staff finds the strength...all I know is when I could not - they did."*

It's about welcoming the stranger and loving our neighbor as ourselves. It continues to be a great honor to serve with such a dedicated group of staff who reflect God's love in truth and action.



Kent Burgess  
President/CEO



# Providing hope, dignity, and love to....

# 2009 Financials

## People Served

St. John's ministry extends beyond providing senior housing on its campuses located in Billings and Laurel. St. John's also provides management services for Sapphire Lutheran Homes in Hamilton, Montana and in January 2008, merged Lutheran Social Services of Montana into the ministry of St. John's.

### Senior Communities

St. John's Lutheran Home	199
St. John's Chapel Court	137
Skilled Nursing Cottages	84
Transitional Care Cottage	184
Assisted Living Cottages	58
Mission Ridge	126
The Vista	95
The Crossings	40
Richardson Cottage (at The Crossings)	17
Sapphire Lutheran Home	159
<b>Total Senior Housing</b>	<b>1,099</b>

### Home & Community Based

Outpatient Rehabilitation	113
Mission Ridge Wellness	102
Senior Day Services	22
<b>Total Children Served</b>	<b>237</b>
<b>Total Seniors Served</b>	<b>1,336</b>
Summer Concert Series	8,754
Three Worshiping Congregations	

### Lutheran Social Services

Birthparents Counseled	97
Birth-other Counseled	111
Adoptive Parents Served	51
Children Placed	16
Private Adoption Clients	12
International Adoptions	7
International Placement Services	34
China Program	4
Refugee Resettlement	12
<b>Total Direct Service</b>	<b>344</b>
LSS Community Outreach	2,217
<b>Total LSS</b>	<b>2,561</b>
St. John's Center for Generations	167
Vacation Bible School	201
<b>Total Children Served</b>	<b>323</b>
College Students	339
Life Long Learners & Community Education	1,684
<b>Total Students/Education</b>	<b>2,023</b>

## Census

Community	Average Daily	Licensed Capacity	Percent Capacity	2009 Admissions
St. John's Lutheran Home (traditional)	117	122	96%	74
Skilled Nursing Cottages	46.3	48	96%	40
Transitional Care Cottage	13.4	16	84%	172
St. John's Assisted Living Cottages	31.8	36	88%	18
Chapel Court Retirement Apartments	102.6	108	95%	29
Senior Day Services	6.9	10	69%	11
Center for Generations	137	137	100%	
Mission Ridge Independent Living	110.9	121	92%	14
The Vista Assisted Living	54.7	61	90%	46
The Crossings*	25	37	68%	24
Richardson Cottage* (at The Crossings)	11.5	12	95%	5
Sapphire Lutheran Homes (Hamilton, MT)	38	41	93%	6
Bitterroot Manor (Hamilton, MT)	59	60	98%	3
Canyon View Apartments (Hamilton, MT)	23	24	100%	5

### Combined Balance Sheets

St. John's Lutheran Ministries, Inc.  
December 31, 2009 and December 31, 2008

	2009	2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,905,293	\$ 2,219,070
Assets limited as to use	790,289	754,134
Receivables (net of est. uncollectibles)	1,062,686	1,091,909
Other	137,613	384,247
Supplies	352,196	314,067
Prepaid expenses	36,938	32,583
Total current assets	4,285,015	4,796,010
<b>ASSETS LIMITED AS TO USE</b>	<b>10,763,037</b>	<b>8,591,965</b>
<b>NET PROPERTY AND EQUIPMENT</b>	<b>31,483,650</b>	<b>32,955,566</b>
<b>OTHER ASSETS</b>		
Investment in Joint Venture	638,215	-
Beneficial interest in trust	69,374	69,374
Deferred financing costs (net)	686,348	725,922
Total other assets	1,393,937	795,296
Total Assets	47,925,639	47,138,837
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	455,471	435,539
Accounts payable	795,686	630,791
Accrued expenses		
Salaries and wages	153,893	470,478
Vacation	590,284	608,181
Interest	222,289	225,008
Payroll taxes and other	388,268	392,744
Entrance Fees and Deposits	328,100	350,750
Est. liab. to insurance trust	75,000	75,000
Est. liab. to annuity beneficiaries (current)	118,000	104,000
Total current liabilities	3,126,991	3,292,491
<b>EST. LIAB. TO ANNUITY BENEFICIARIES,</b>		
less current portion	387,726	365,959
<b>LONG-TERM DEBT,</b>		
less current maturities	29,761,482	30,226,867
Total liabilities	33,276,199	33,885,317
<b>NET ASSETS</b>		
Unrestricted	13,246,702	11,889,101
Temporarily restricted	488,433	527,799
Permanently restricted	914,305	836,620
Total net assets	14,649,440	13,253,520
Total liabilities and net assets	\$ 47,925,639	\$ 47,138,837

### Combined Statements of Operations\*

St. John's Lutheran Ministries, Inc.  
For years ended December 31, 2009 and December 31, 2008

	2009	2008
<b>UNRESTRICTED REVENUES</b>		
Net resident service revenue	\$ 20,596,029	\$ 19,384,691
Retirement residence rent revenue	1,517,152	1,453,065
Lutheran Social Services of Montana	358,023	460,860
Other revenue	380,254	281,312
Total revenues	22,851,458	21,579,928
<b>EXPENSES</b>		
Professional care of residents	13,380,670	12,690,952
General and administrative	3,646,595	3,680,171
Depreciation	2,299,135	2,280,831
Interest	1,816,695	1,831,561
Property and household	1,548,811	1,592,448
Dietary	1,516,629	1,530,585
Lutheran Social Services of Montana	345,488	367,698
Provision for bad debts	81,479	87,726
Total expenses	24,635,502	24,061,972
<b>OPERATING INCOME (LOSS)</b>	<b>(1,784,044)</b>	<b>(2,482,044)</b>
<b>OTHER INCOME</b>		
Interest and dividends	407,671	585,811
Income from investment in joint venture	638,215	-
Unrestricted contributions	450,403	469,803
Realized gains (loss) on investments	129,692	(106,945)
Other income (expense)	(599)	1,634
Other income, net	1,625,382	950,303
<b>EXPENSES IN EXCESS OF REVENUES</b>	<b>(158,662)</b>	<b>(1,531,741)</b>
<b>TRANSFER OF EQUITY FROM LSS OF MT</b>	<b>-</b>	<b>228,953</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>378,586</b>	<b>130,144</b>
<b>UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	<b>1,137,677</b>	<b>(2,002,420)</b>
<b>INCREASE (DEC.) IN UNRESTRICTED NET ASSETS</b>	<b>\$ 1,357,601</b>	<b>(\$ 3,175,064)</b>

### Feasibility

BOND RATIOS	Covenant	Actual	Budget	Study
Days Cash on Hand	105	153	144	127
Debt Service Coverage Ratio	1.15	1.82	1.22	1.33

### Eide Bailly LLP, Auditors

\*This is a consolidated statement that includes all departments of St. John's Lutheran Ministries including Nursing, Retirement, The Crossings, Foundation, and Lutheran Social Services of Montana.