



*Doing Christ's Work of Caring for God's People Through the
People of God*

Dickinson St. Lukes Homes, Inc.

Annual Report

March 2008

Board of Trustees

- **Darlene Pelton: Chair (2008) outgoing**
- **Todd Otto: Chairman Elect (unexpired term -2010)**
- **Kris Fehr: Vice Chair (2011)**
- **Jim Ozbun: Treasurer (2009)**
- **Don Staudinger: Director (un-expired term – 2009)**
- **Val Mack: Director (2012)**
- **Jan Fields: Director (2012)**
- **Frank Wald: Director (2008)**
- **Matt Kolling: Director (2006-2007)**

President's Report

At last year's Annual Meeting, we reported to you that Mr. Lyle Brudvig, was retiring as CEO of St. Luke's Nursing Home, after 25 years of service. The Search Committee continued to look for the right person to replace him. After many meetings, phone calls, and prayers, the interviews began. At this time we were sure that the right person had been sent to us.

Mrs. Karen Boulden was hired as CEO of St. Luke's. She came with a wealth of experience and knowledge about the residents and managing a nursing home. She started working before Mr. Brudvig retired, so the transition went quite smoothly.

We had a retirement dinner for Lyle and wished him well in his retirement. Most of all we thank him for his many years of service to St. Luke's and the residents.

We have also celebrated the 50th anniversary of St. Luke's Nursing Home.

The staff did an excellent job of putting together some history and making arrangements for the celebration. Thanks again.

The year has been extremely busy, with many accomplishments and progress in regards to the needs of the residents. As we look to the future, the Board of Directors will be called to action in preparation of a building project.

All of this has heightened the awareness of the responsibility of your Board of Directors. I want to say thank you for the opportunity to serve St. Luke's Nursing Home in this capacity. You have all been very gracious and helpful to me as your chairperson. Thank you to Mrs. Boulden and the staff for your dedication to the residents and St. Luke's Home. Your teamwork is invaluable. In confidence I ask that God will continue to give us what is necessary for the mission that is placed before us.

Darlene Pelton

Newly Nominated Trustees

- **Tim Priebe**
 - ◆ **General Counsel – Fisher Industries**
- **Jeffrey Briggs**
 - ◆ **Marathon Oil Production Superintendent**
- **Kristen Hedger**
 - ◆ **Director of Business development, Kildeer Manufacturing**

Mission Forward!

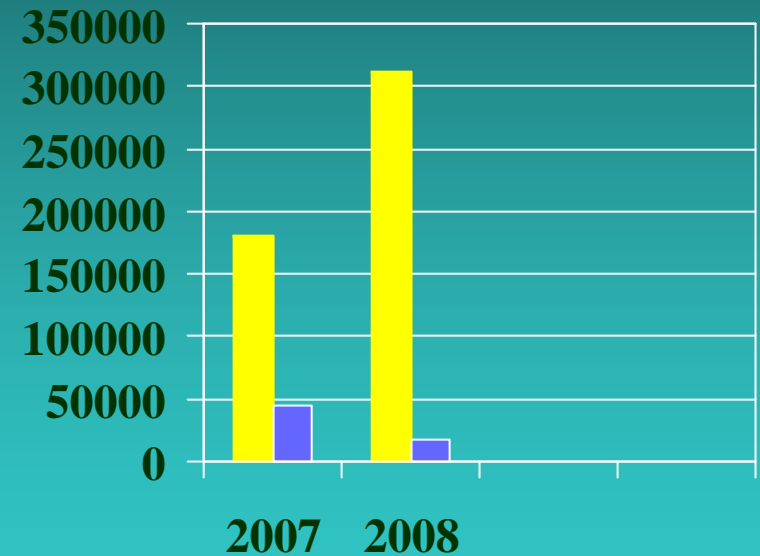
- Even considering the ever changing field of health care, this was an exceptional year of change for Dickinson St. Luke's homes, inc. Lyle Brudvig earned his retirement after a quarter of a century dedicated to health care. Thank you to him from St. Luke's for his dedicated service.
- As the health care industry continues to change at an ever increasing pace, consumer desires increase as well. Consumers question high costs. It becomes a matter of stewardship to provide vigilance in spending. At the same time, there is an expectation of excellence in customer service. The need for compassionate skilled care for residents and understanding and compassion for families is ever at the forefront of our priorities.
- The pace of change continues and even increases. Seniors are expecting new models of care. Park Avenue Villa will soon become licensed to offer assisted living services in all 38 apartments allowing seniors to age in place.
- Exciting times are upon us as we view into the future. Exciting for our residents and staff.
- It has been exciting to watch the independence and abilities of the residents increase as the Activity Department has newly expanded programming which included, as examples: a full week of evening trips from which residents could chose to view Christmas lights around town and a recent excursion, a trip to a livestock sale. Other opportunities for resident involvement and participation are already showing physical and emotional improvement in the resident's physical and emotional health reported objectively thorough quality indicator scores.
- The changes not only include residents and families, but the employees, who are such an integral part of the provision of excellent care. As a part of that "caring" culture, employee benefits were reviewed. Proposals were accepted from 5 companies. The decision was made to accept the proposal by American Trust of Dickinson for the employee pension portion of benefits. This is an exciting development for the employees as it allows employees and their spouses to confer with a hometown professional at any time they wish about their retirement program. Employees also have the ability to make their own decisions online and watch their accounts grow. New dental and vision plans were chosen as well. An employee benefit committee will form to make recommendations to the board about their desires for benefit options.

Karen Boulden
Administrator/CEO

St. Luke's Foundation

- Mission Forward
 - ◆ Foundation Director
 - ◆ Donor Perfect Software
 - ◆ Fundraising Consultant

Foundation Funds



■ Investment ■ Checking

Our Gratitude to the churches for spiritual support



■ Spiritual Resources

- ◆ Protestant
 - ◆ Services on Tuesday with community Pastors
 - ◆ Bible Study every Friday
- ◆ Catholic
 - ◆ Rosary each week
 - ◆ Mass weekly
 - ◆ Lenten Stations of the Cross
- The Activity Department provides spiritual care in the form of prayers and visits.
- Any residents on Hospice care receive extra spiritual care for themselves and their families

Dickinson ST. Luke's Home, Inc. Services

■ St. Luke's Home

- ◆ Skilled 24 hour nursing Care
- ◆ Therapy:
 - ◆ Physical
 - ◆ Occupational
 - ◆ Speech
 - ◆ Restorative
- ◆ Hospice Care
- ◆ Precious Moments end of life care

■ Park Avenue Villa

Now Here!

**Assisted Living
Services**

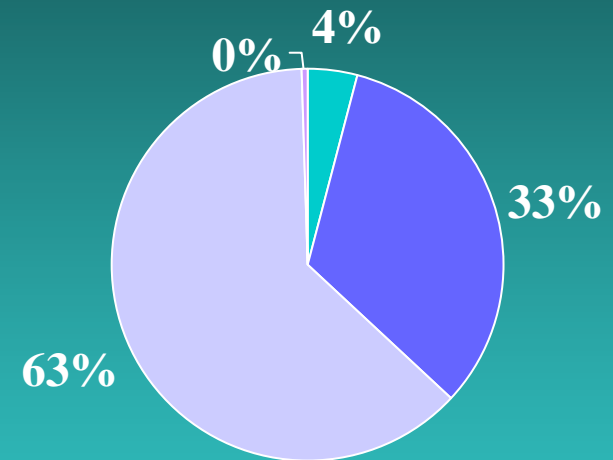
Coming Soon

Wireless Call system

Bath Spa Option

St. Luke's Home Payor Types

- ◆ 4 Major types
 - ◆ Medicaid
 - ◆ Medicare
 - ◆ Private
 - ◆ Hospice
- ◆ Medicare B minor
- ◆ Respite Care minor



ST. LUKE'S HOME AND ST. LUKE'S HOME FOUNDATION
COMBINED BALANCE SHEETS
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 233,896	\$ 198,534
Assets limited as to use	158,908	150,777
Receivables		
Resident, net of estimated uncollectibles of \$25,000 in 2007 and 2006	484,416	450,800
Current portion of annuity receivable	95,798	82,130
Other	-	16,667
Supplies	42,338	46,019
Prepaid expenses	25,543	31,655
	<u>1,040,899</u>	<u>976,582</u>
ASSETS LIMITED AS TO USE	<u>807,672</u>	<u>527,553</u>
PROPERTY AND EQUIPMENT		
Land and improvements	307,478	307,478
Buildings and fixed equipment	6,087,606	5,971,923
Major movable equipment	1,097,944	1,134,675
	<u>7,493,028</u>	<u>7,414,076</u>
Accumulated depreciation	<u>(4,993,575)</u>	<u>(4,790,557)</u>
	<u>2,499,453</u>	<u>2,623,519</u>
OTHER ASSETS		
Investments	59,220	35,789
Annuity receivable, less current portion	319,630	586,398
Prepaid annuity insurance premium, less current portion	-	111,434
Deferred financing costs, net of accumulated amortization of \$42,733 in 2007 and \$29,356 in 2006	96,602	109,979
Mineral rights	12,601	12,601
	<u>488,053</u>	<u>856,201</u>
Total assets	<u>\$ 4,836,077</u>	<u>\$ 4,983,855</u>

St. Luke's Home and Foundation Combined Financial Sheets

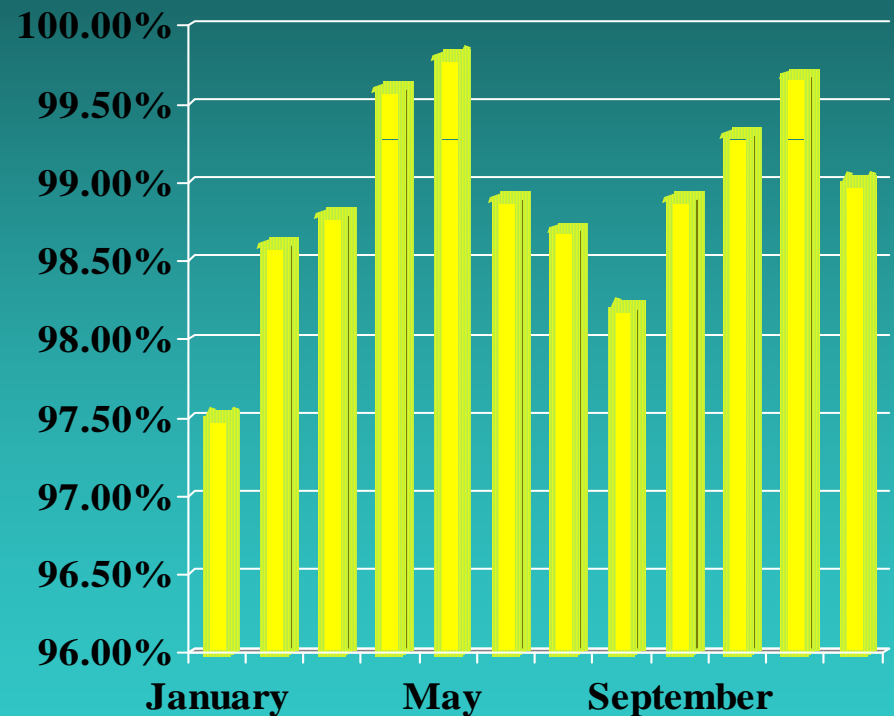
	<u>2007</u>	<u>2006</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 183,864	\$ 176,174
Current portion of charitable gift annuity payable	5,834	52,542
Accounts payable		
Trade	167,280	163,784
Trust funds and security deposits	38,760	41,148
Accrued expenses		
Salaries and wages	185,083	180,814
Vacation	161,000	151,118
Payroll taxes and other	34,854	38,318
Interest	22,827	22,299
	<u>799,502</u>	<u>826,197</u>
Total current liabilities		
	799,502	826,197
CHARITABLE GIFT ANNUITY PAYABLE, less current portion	-	487,435
LONG-TERM DEBT, less current maturities	<u>2,697,246</u>	<u>2,882,110</u>
Total liabilities	3,496,748	4,195,742
NET ASSETS - unrestricted	<u>1,339,329</u>	<u>788,113</u>
Total liabilities and net assets	<u>\$ 4,836,077</u>	<u>\$ 4,983,855</u>

ST. LUKE'S HOME AND ST. LUKE'S HOME FOUNDATION
COMBINED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
OPERATING INCOME		
Net resident service revenue	\$ 5,932,251	\$ 5,598,884
Other revenue	52,019	62,780
Total operating income	<u>5,984,270</u>	<u>5,661,664</u>
EXPENSES		
Professional care of residents	3,408,159	3,330,201
Property and household	631,375	618,548
General and administrative	614,455	555,126
Dietary	638,537	598,908
Depreciation and amortization	303,104	318,097
Interest	142,692	152,882
Provision for bad debts	(23,203)	36,172
Total expenses	<u>5,715,119</u>	<u>5,609,934</u>
OPERATING INCOME (LOSS)	<u>269,151</u>	<u>51,730</u>
OTHER INCOME (EXPENSE)		
Investment income	82,521	97,237
Unrestricted gifts	521,456	113,011
Gain on sale of equipment		
Charitable gift annuity expense	(64,458)	(61,842)
Gain on sale of equipment	24,950	-
Loss on annuity recievable	(282,404)	-
Loss on sale of real estate held in trust	-	(449,010)
Total other income (expense)	<u>282,065</u>	<u>(300,604)</u>
REVENUES IN EXCESS OF (LESS THAN) EXPENSES AND CHANGE IN UNRESTRICTED NET ASSETS	<u>551,216</u>	<u>(248,874)</u>
NET ASSETS, BEGINNING OF YEAR	<u>788,113</u>	<u>1,036,987</u>
NET ASSETS, END OF YEAR	<u>\$ 1,339,329</u>	<u>\$ 788,113</u>

St. Luke's Census 2007

The Chart depicts
census by month for
St. Luke's Home for
2007



Mission Forward!

Visioning forward to 2008 and Beyond

St. Luke's Home is moving into the next 50 years

With

A new physical structure to provide for the current and future resident's comfort, need, and desires.

- ❖ To provide a more homelike atmosphere.
- ❖ To provide space and privacy.
- ❖ To provide a physical atmosphere close to matching the caring mission provided on a relationship basis daily.

**Stay tuned for the very near future announcements of
progress**