



National Lutheran
Communities & Services

*Honor
Inspire
Support*

ANNUAL REPORT 2017



Our Mission

National Lutheran Communities & Services (NLCS) honors, inspires and supports choice and opportunity in service to seniors.



Table of Contents

- 2 Honor, Inspire, Support**
Lawrence R. Bradshaw, President & CEO
National Lutheran Communities & Services

- 3 Enhancing Our Mission**
Dr. Tommie L. Robinson, Jr., Ph.D., Chair
National Lutheran Communities & Services
Board of Trustees

- 4 Highlights from the National Lutheran Family**

- 6 Faithful Living and Caring**
Featuring Bill and Ruth Wertman, Donors

- 7 A Heart for Giving**
Featuring Jerry and Nancy Fee, Donors

- 8 Honoring a Loved One**
Featuring Bill Knebel, Donor

- 9 Donors**

- 20 Financial Performance and Stewardship**

- 22 Consolidated Financial Statements**



HONOR, INSPIRE, SUPPORT

In 2017, the National Lutheran family served more than 1900 seniors within our communities and services, along with employing approximately 600 professionals in our growing ranks. Our combined charitable care and unreimbursed care totals exceeded \$8 million, allowing us to keep our 127-year-promise of never asking anyone to leave because they could no longer afford the cost of care.

We also rolled out several strategic measures, whereby we can continue to evaluate our performance, quality and accountability, and track that between now and 2020. As part of those measures, a missional one was the number of meaningful interactions the National Lutheran family aggregates. In our first year alone, we exceeded 20,000 meaningful interactions with seniors throughout the geographical areas we serve. This criterion focuses on the lives of seniors we are able to affect—not only those residing in our communities or utilizing our services, but those who may avail themselves of educational programming we offer, a variety of community outreach initiatives, or even our grant program (Impact1890). Through the 33 grants totaling \$263,000, awarded in 2017, we touched the lives of 8,500 seniors.

In July, the National Lutheran Communities & Services (NLCS) Board of Trustees unveiled a revised mission statement. The impetus for this change was three-fold. First, to ensure the statement accurately reflects what we are doing today and what we will be doing in the future; second, to recognize that how we serve seniors will always need to adapt and change; and finally, the statement needed to be succinct, so all staff and board members could easily recite and explain it.

NLCS honors, inspires and supports choice and opportunity in service to seniors.

Here is to another year of honoring, inspiring, and supporting choice and opportunity in service to seniors. Thank you for your continued support and partnership in this endeavor, as our mission would not be possible without you.

**Lawrence R. Bradshaw, *President & CEO*
National Lutheran Communities & Services**



ENHANCING OUR MISSION

The National Lutheran Communities & Services (NLCS) Board of Trustees dedicates countless hours to shepherd the organization's strategic vision and ensures that we are charting a path that is in alignment with our mission and calling. This year, we've continued to expand and enhance our mission to serve seniors.

In particular, the Board spent several months exploring our mission statement and examining whether it accurately reflected what we do today, and what we will do in the future. We also looked at whether the current statement was easy for staff and board members to recite. We found that the iteration adopted in 2011 could use some refinement:

"To fulfill its Christian ministry, National Lutheran Communities & Services provides an array of options for seniors, including, residential living along with home and health care services which are designed to meet individual needs."

The Board sought to streamline the mission statement to make it more succinct and easier to recall. While the heart of our mission will never change, how we serve the needs of seniors must constantly adapt and evolve.

While my tenure as Board Chair closed in 2017, I am immensely proud of all the work we have accomplished with your partnership over these last two years. I will remain on the Board as Immediate Past Chair, while my colleague Lisa Behr will take on the role of NLCS Board Chair effective January of 2018. I have every confidence that she will continue to keep our mission front and center as she spearheads the activities of our Board.

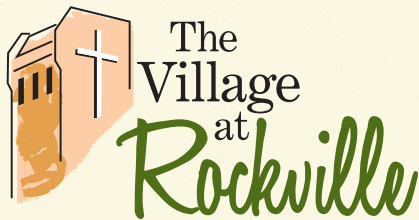
I know great things are in store for National Lutheran Communities & Services. Thank you for your continued support of our mission with your time, talent and treasure.



**Dr. Tommie L. Robinson, Jr., Ph.D., *Chair
National Lutheran Communities & Services
Board of Trustees***

HIGHLIGHTS FROM THE NATIONAL LUTHERAN FAMILY

National Lutheran Communities & Services (NLCS) is honored to have served seniors for 127 years. Each year the National Lutheran family's reach grows—from expanding and innovating services within our communities to launching new programs for those who live at home, there is no shortage of lives touched by our mission. That mission is to honor, inspire and support choice and opportunity in service to seniors throughout Maryland and Virginia. Here is a glimpse of what the National Lutheran family was up to in 2017.



A National Lutheran Community



THE VILLAGE AT
ORCHARD RIDGE

A National Lutheran Community



The Village at
**PROVIDENCE
POINT**

A National Lutheran Community



A National Lutheran Community



A National Lutheran Service



A National Lutheran Service



Impact1890

A National Lutheran Program

*1900+
Seniors
Served*



\$8 Million

BENEVOLENT CARE
Charitable Care + Unreimbursed Care

16,234
HOME CARE
& HOME
HEALTH VISITS

21,138
MEANINGFUL INTERACTIONS
purposeful touchpoints with seniors in the greater
geographic areas that we serve

89
ARTS & MUSIC
PROGRAMS

\$24,510
RAISED FOR SENIORS
AFFECTED BY HURRICANES

42
EDUCATIONAL
PROGRAMS

\$16,200
RAISED FOR WALK TO
END ALZHEIMER'S

33
GRANTS
TOTALING
\$263,000

\$62,453
IN TUITION REIMBURSEMENT
to Employees

7
INTERNSHIPS
& TRAINING
PROGRAMS
with 20 Students

255+
VOLUNTEERS
Serving 8,000+ Hours

571+
EMPLOYEES

FAITHFUL LIVING AND CARING

by **Alice Benson**
Director of Philanthropy

Ruth and Bill Wertman are longtime residents of the Metro D.C. Area. They both grew up attending Keller Memorial Lutheran Church (Washington, D.C.), where they were confirmed and married. They have rich roots at The Village at Rockville—several of Bill’s relatives lived there so moving to a cottage in 2008 was a natural decision for them. That’s when they moved their membership from St. Stephen Lutheran Silver Spring to Emmanuel Bethesda, which is closer.

“Now, it seems like we have always lived here,” Bill stated.

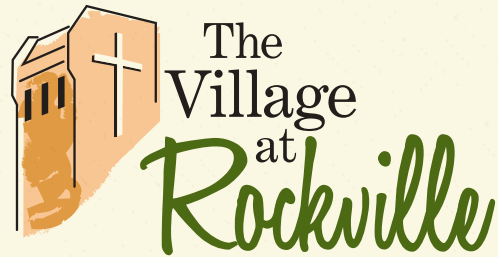
The Wertmans have been supporters of the Magnify/Chapel Renovation Campaign. Music and worship are important to both of them.

“Hymns have the ability to sum up all aspects of the liturgy and scripture. The right hymn at the right time can pierce my heart like an arrow,” said Ruth.

Bill is especially excited about how the new pipe organ will add to the beauty of the music.

Bill and Ruth feel called to care about others.

“We can’t save the world, but we can help a small portion of it,” Ruth said.



A National Lutheran Community

That is one of the reasons they have included The Village at Rockville in their estate plans, which makes them members of the Sarah Utermehle Legacy Society. They know this planned future gift will help their neighbors who may run out of resources, and provide peace of mind for years to come.



Bill and Ruth Wertman

A HEART FOR GIVING

by **Belinda “Dee Dee” Barbour**
Director of Philanthropy

It all started with a Naval Academy football game and the dance that followed where Nancy and Jerry Fee first met. Although their courtship was briefly on hiatus with school and distance, they would eventually reconnect, marry, and begin their lives together. Jerry’s extensive naval career took them throughout the U.S. and abroad.

Their careers flourished and their family grew. They raised two children, who both learned to ski in the Alps. Jerry and Nancy worked hard and enjoyed a comfortable life, managing to save money as well as invest in the stock market. The Fees eventually landed back in the Maryland and Virginia area where they first met. Knowing that they ultimately wanted to get out of the city, the Fees bought a weekend retreat in the Shenandoah Valley where the family could keep up with their love of skiing.

As retirement grew closer, they expanded the weekend retreat into their full-time home. During this time, they developed wonderful friendships within their community and new church. It was through the church that they learned of the plans to build a Lutheran retirement community in the Winchester area. They were very intrigued and especially excited that this planned community was rumored to include a chapel as well as other amenities.

Nancy and Jerry did their homework when it came time to select their home at The Village at Orchard Ridge. Having friends and family



THE VILLAGE AT ORCHARD RIDGE

A National Lutheran Community

living in similar communities throughout the U.S., they were very familiar with the offerings. They became actively involved in the planning stage and served on a focus group. They moved to the new community in 2013 “with high expectations—of which all have been exceeded,” stated Jerry.

Soon after the Fees moved in they made a very generous philanthropic gift. They have continued this high level commitment each year, primarily to benefit the Winchester Benevolent Endowment Fund, which provides funds for the needs of residents who are no longer able to afford the cost of care. When asked what compels them to make these annual gifts, they answered that they give because they are able and because they want to support their friends and neighbors at The Village at Orchard Ridge—the place where they are happy to call home.



Jerry and Nancy Fee

HONORING A LOVED ONE

by **Tim Peifer**
Director of Philanthropy

Bill Knebel's story begins on a farm in the rural landscape of Indiana. One of five sons, Bill learned the value of hard work, a close family and traditional values that carried through his life. While attending Purdue University, Bill, along with a few of his older brothers and several friends, heeded the call for service. At the time, he felt a bigger draw to national service, so Bill joined the Army and worked his way through the Signal Corps. While serving his country in World War II, Bill was stationed around the South Pacific Rim and eventually was part of the occupying Army in Japan.

When Bill returned home he continued with his studies at Purdue in electrical engineering. While running the family farm and working on his studies, he met his wife, Marie and as he said, "God intended for us to be together." Marie grew up in the Lutheran Church Missouri Synod and Bill was a member of the United Church of the Brethren, which later merged to become the United Methodist Church. Upon graduating from Purdue, Bill got a job with General Electric, which eventually led to an offer at a plant in Waynesboro, Va. Bill and Marie fell in love with the area and both agreed it was a wonderful place to raise their four girls and son.

Bill takes great pleasure in having a tight-knit family and throughout his life, his fondest joy is praising Marie as a great wife and homemaker to their kids. Though Marie passed before him, Bill loves the 64 years they shared together. In



memory of Marie, Bill contributed to The Legacy at North Augusta's Tree of Light program, established in 2017, which benefits the benevolent and endowment fund. The Tree of Light, adorned with ornaments, is a symbol that represents enduring love and everlasting hope honoring loved ones still with us and in memory of those gone before us.

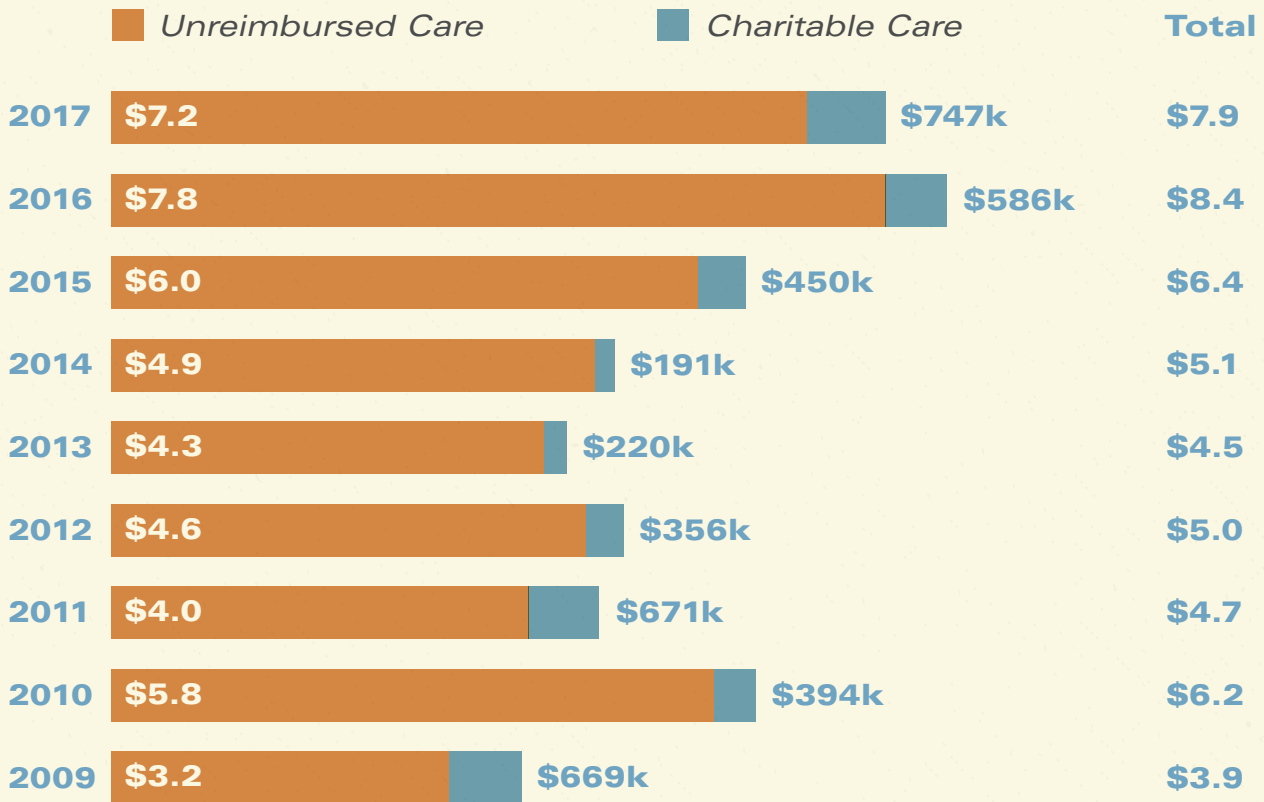
Bill is proud of his and Marie's decision to come to The Legacy at North Augusta years ago. From his tight-knit family beginnings on their rural family farm in Indiana to his three great grandchildren, Bill is quite proud of his family. He has every intention to pass along his values and the importance of a close-knit family to the next generation of Knebels, just like it was done for him.



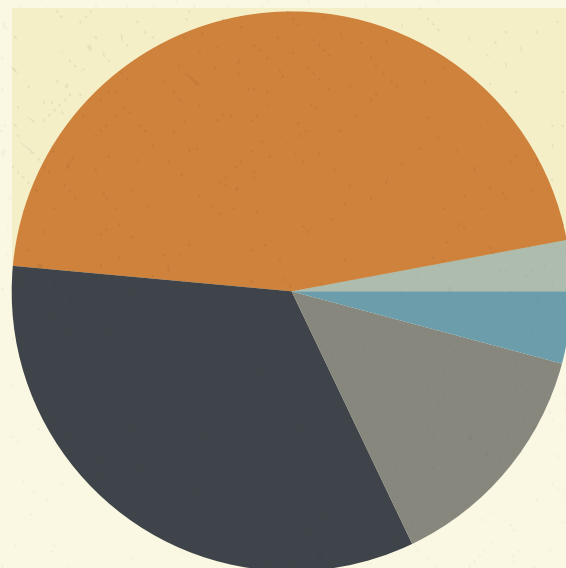
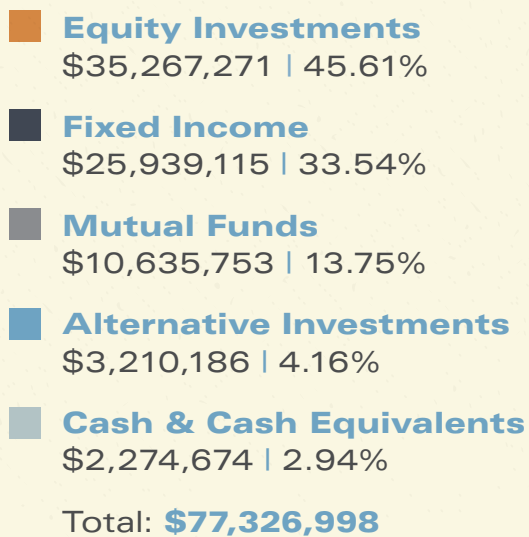
Bill and Marie Knebel

FINANCIAL PERFORMANCE AND STEWARDSHIP

Total Benevolent Care *in millions*



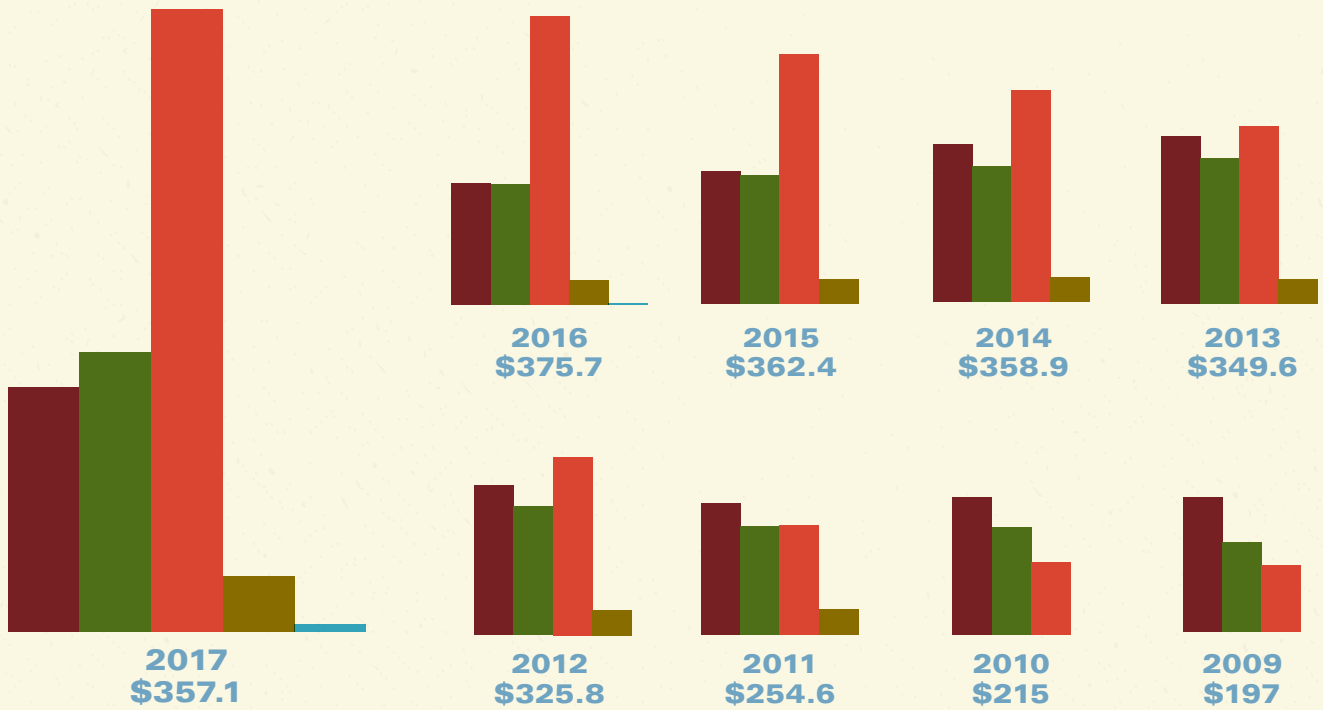
Investment Allocations



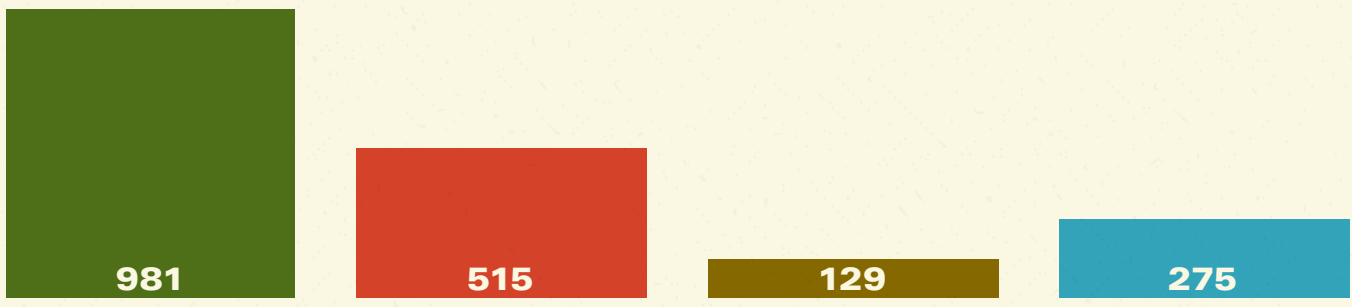
- NATIONAL LUTHERAN COMMUNITIES & SERVICES
- THE VILLAGE AT ROCKVILLE
- THE VILLAGE AT ORCHARD RIDGE

- THE LEGACY AT NORTH AUGUSTA
- MYPOTENTIAL AT HOME

Total Assets *in millions*



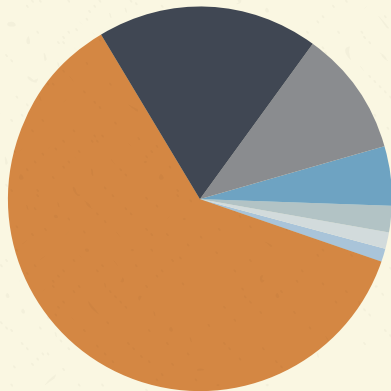
1,900 Seniors Served in 2017



2017 Employee Tenure

- 0-4 yrs = **350**
- 5-9 yrs = **106**
- 10-14 yrs = **60**
- 15-19 yrs = **29**
- 20-24 yrs = **12**
- 25-29 yrs = **8**
- 30+ yrs = **6**

Total Employees = **571**



NATIONAL LUTHERAN COMMUNITIES & SERVICES
CONSOLIDATED BALANCE SHEET
YEARS ENDED DECEMBER 31, 2016 AND 2017

Assets	2016	2017
Current Assets		
Cash and cash equivalents	\$5,928,510	\$3,819,154
Accounts receivable	2,391,939	2,034,842
Accounts receivable, other	-	-
Notes receivable-residents	-	-
Inventory	296,433	315,970
Prepaid expenses and other assets	1,144,365	795,911
Pledges receivable	105,312	75,074
Current portion of assets whose use is limited	6,214,672	5,505,713
Total current assets	16,081,231	12,546,664
Assets whose use is limited, net	20,184,494	14,597,578
Investments	84,747,783	77,326,998
Property and equipment, net	244,259,558	241,115,080
Funds held in trust by others	1,939,999	1,984,790
Pledges receivable, net	38,073	63,862
Deferred costs, net	8,461,649	9,471,876
Total assets	\$375,712,787	\$357,106,848
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$1,384,144	\$1,411,527
Accrued payable, construction	1,499,819	-
Accrued interest	3,774,853	3,745,713
Accrued expenses	2,910,230	2,904,905
Current portion of long-term debt	5,065,000	1,760,000
Current portion of annuities payable	38,885	35,350
Total current liabilities	14,672,931	9,857,495
Resident deposits	2,076,230	2,356,226
Monthly fees paid in advance	-	-
Deferred revenues from entrance fees	36,765,521	45,850,178
Refundable entrance fees	33,536,332	43,683,455
Future project refundable deposits	-	-
Long-term debt, net	134,558,005	116,603,722
Annuities payable, net	219,431	187,563
Total liabilities	221,828,450	218,538,639
Net Assets		
Unrestricted	148,943,402	132,923,895
Temporarily restricted	2,586,671	3,205,749
Permanently restricted	2,354,264	2,438,565
Total net assets	153,884,337	138,568,209
Total liabilities and net assets	\$375,712,787	\$357,106,848

NATIONAL LUTHERAN COMMUNITIES & SERVICES
CONSOLIDATED STATEMENT OF OPERATIONS
YEARS ENDED DECEMBER 31, 2016 AND 2017

Unrestricted revenues	2016	2017
Net resident service revenues	\$46,194,372	\$50,531,288
Contributions	139,874	122,586
Management fee	500,000	612,809
Interest and dividends	1,976,311	2,081,455
Realized gains	550,800	2,944,657
Other than temporary losses	-	-
Other income	463,213	74,227
Net assets released from restriction - operations	50,122	203,734
Total current assets	\$49,874,692	\$56,570,756
Expenses		
Salaries and wages	\$25,535,465	\$27,458,655
Employee benefits and payroll taxes	6,134,611	6,498,236
Medicare services	3,325,994	3,182,224
Other resident care	832,901	893,681
Professional fees	1,377,535	1,590,013
Supplies	1,085,362	1,054,540
Food services	1,988,624	2,204,536
Utilities and other occupancy	3,348,071	3,701,557
Depreciation and amortization	10,367,659	12,726,199
Interest	5,103,681	8,462,868
Insurance and licenses	595,099	633,749
Minor equipment	284,100	268,042
Repairs and maintenance	1,214,470	1,435,785
Advertising and recruitment	757,339	767,123
Information technology	1,241,316	1,386,436
Legal and accounting	235,932	272,906
Dues and subscriptions	1,334,552	1,094,040
Miscellaneous	1,283,055	1,148,686
Bad debt expense	762,126	1,292,364
Annuities	30,192	7,592
Loss on sale/disposal of assets	-	83,293
Total expenses	\$66,838,084	\$76,162,525
Operating loss	(16,963,392)	(19,591,769)
Net assets released from restriction – capital purchases	269,135	-
Unrealized losses (Gains)	4,250,571	3,572,262
Change in unrestricted net assets	\$(12,443,686)	\$(16,019,507)

NATIONAL LUTHERAN COMMUNITIES & SERVICES CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2015 AND 2016

Unrestricted Net Assets	2016	2017
Operating loss	\$(16,963,392)	\$(19,591,769)
Net assets released from restriction – capital purchases	269,135	-
Unrealized gains (losses)	4,250,571	3,572,262
Change in unrestricted net assets	(12,443,686)	(16,019,507)
Temporarily Restricted Net Assets		
Contributions	474,057	734,846
Contributions of funds held in trust by others	-	-
Change in value of funds held in trust by others	(21,819)	87,966
Distributions of funds held in trust by others	(271,783)	-
Net assets released from restriction – operations	(50,122)	(203,734)
Net assets released from restriction – capital purchases	(269,135)	-
Change in temporarily restricted net assets	(138,802)	619,078
Permanently Restricted Net Assets		
Contributions	332,898	127,476
Contributions of funds held in trust by others	128,281	-
Change in value of funds held in trust by others	(19,972)	(43,175)
Uncollectible pledges receivable	(75,010)	-
Change in permanently restricted net assets	366,197	84,301
Change in net assets	(12,216,291)	(15,316,128)
Net Assets, Beginning		
Net Assets, Ending	166,100,628	153,884,337
	\$153,884,337	\$138,568,209



National Lutheran Communities & Services 2017 Members and Officers

Chair, Dr. Tommie L. Robinson, Jr., Ph. D
Vice Chair, Ms. Lisa Behr
Treasurer, Rev. Debbie Dukes
Secretary, Rev. Scott Ickert
President & CEO, Mr. Lawrence R. Bradshaw
Donna Duss, RN MSN RAC-CT
Ms. Elizabeth Flury
Rev. William H. Hall, II
Dr. Classie G. Hoyle, Ph.D.
Rev. Dr. Wollom A. Jensen
Rev. Joseph P. Lettrich
Mr. Mike Rodgers
Ms. Julie Swanson
Rev. John Wertz, Jr.

The Village at Rockville Board of Trustees 2017 Members and Officers

Chair, Rev. Dr. Scott S. Ickert
Vice Chair, Mrs. Jeanne Buster
Treasurer, Mr. Cornell Abod
Secretary, Ms. Neva Babcock, RN
President & CEO, Mr. Lawrence R. Bradshaw
Mrs. Bonnie Keller
Dr. Irene Fraser

The Village at Orchard Ridge Board of Directors 2017 Members and Officers

Chair, Mr. Doug McCarthy
Vice Chair, Dr. Rachel A. Carlson
Treasurer, Dr. George J. Kriz
Secretary, Rev. Nathan Robinson
President & CEO, Mr. Lawrence R. Bradshaw
Mrs. Jennifer A. Macks
Dr. Lisa M. Zerull

The Legacy at North Augusta Board of Directors 2017 Members and Officers

Chair, Rev. John Wertz, Jr.
Vice Chair, Rev. Rod Ronneberg
Treasurer, Richard K. Halterman, II
Secretary, Rev. Robert D. McCarty
President & CEO, Mr. Lawrence R. Bradshaw
Mr. Earl Flower
Dr. Steven Mosher

Contact Us

National Lutheran Communities & Services

2301 Research Boulevard
Suite 310
Rockville, MD 20850
P: 301-354-2710
F: 240-386-8623
www.nationallutheran.org

The Village at Rockville

9701 Veirs Drive
Rockville, MD 20850
P: 301-424-9560
F: 301-424-9574
www.thevillageatrockville.org

The Village at Orchard Ridge

400 Clocktower Ridge Drive
Winchester, VA 22603
P: 540-431-2800
F: 540-678-3534
www.thevillageatorchardridge.org

The Legacy at North Augusta

1410A North Augusta Street
Staunton, VA 24401
P: 540-885-5454
F: 540-885-5598
www.thelegacyatnorthaugusta.org

The Village at Providence Point

Information Center
1997 Annapolis Exchange Parkway
Suite 300
Annapolis, MD 21401
P: 410-972-4597
www.thevillageatprovidencepoint.org

The Village at Providence Point is subject to approval by the Maryland Department of Aging.

myPotential at Home

621 W. Jubal Early Drive
Suite D
Winchester, VA 22601
P: 540-931-0160
www.mypotentialathome.com

Impact1890

2301 Research Boulevard
Suite 310
Rockville, MD 20850
P: 301-354-2710
www.impact1890.org

Support the Mission

National Lutheran Communities & Services, The Village at Rockville, The Village at Orchard Ridge, and The Legacy at North Augusta are grateful for your many financial gifts. Your contributions enable us to continue our proud heritage of serving seniors and their families.

For information about supporting our ministry, please contact the Office of Philanthropy at 301-354-2705 or philanthropy@nationallutheran.org

Credits

Design: Exclamation Communications! Inc.

Printing: Spectrum Printing & Graphics

Editors: Emily Foster, Kristen Leger, Courtney Malengo

Contributors: Gale Adams, Kathryn Baerwald, Belinda "Dee Dee" Barbour, Alice Benson, Lawrence R. Bradshaw, Tim Peifer, Tommie Robinson

National Lutheran Communities & Services (NLCS) is a faith based, not-for-profit ministry of the Evangelical Lutheran Church in America's (ELCA) Delaware-Maryland, Metropolitan Washington, D.C. and Virginia Synods, serving people of all beliefs. NLCS honors, inspires and supports choice and opportunity in service to seniors.





National Lutheran
Communities & Services

WWW.NATIONALLUTHERAN.ORG