

# Lutheran Social Services of Michigan

Serving People as an Expression of the Love of Christ



## 2011 ANNUAL REPORT

The past year was the first in a three-year strategic vision. We started with our mission, vision and the “ends” we seek in service. Our understanding of serving as an expression of the love of Christ means we hope that seniors live independently as long as they want to; that children have loving, lifelong connections; and that persons with disabilities live as part of a community, realizing their hopes and dreams. We next sought to define where we fit in a changing world. The top 10 trends affecting us are health care reform, the decline of mainline Protestant churches, greater collaboration among organizations, institutional decline and increased privatization of services, the explosion of technology applications, the increase in complexity in human services, a slowed economic recovery, major demographic shifts, increased political polarization, and increased dependency on philanthropic support for nonprofit organizations.

We asked ourselves: How should Lutheran Social Services of Michigan live out these changes? Our response led to strategies we can implement over three years, starting in 2011.

Our role in providing in-home support, rehabilitation services and skilled care will increasingly be part of provider networks that support seniors and disabled adults. In 2011, we acquired a private-duty home care franchise, Home Care Assistance, to grow our ability to help people in their homes. We plan to merge all our home care services into a single entity.

In our child welfare division, we installed an Internet-based e-learning curriculum that enables workers to be trained remotely and tested for competence.

The LSSM Foundation completed a feasibility study that indicated this is a good time to approach donors and ask for their support to build our endowment.

We were blessed to finish the year with a positive financial margin. We are grateful to you – our church, our leaders, our donors and our volunteers – for the impact we make together in a changing world.

W. Emmett Braselton Jr.  
Chair, Board of Directors

Mark Stutrud  
President and CEO



W. Emmett  
Braselton Jr.



Mark Stutrud

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## Home care promotes comfort, independence

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In 2011 **Barb Mandell** was a happy and healthy member of the community. She lived with her husband in a Southfield high-rise and was enjoying a full life when she was struck by a rare, debilitating autoimmune disorder. The disease made her extremely weak. She couldn't walk or swallow and had to be fed through a tube.

Barb became concerned about her independence. She knew that her husband, Steve, couldn't care for her alone. Barb's daughter, Meredith Louk, a registered nurse, turned to Home Care Assistance. The organization helped Meredith create a plan that enabled Barb to stay at home while she recovered.

Barb's condition improved, but she suffered a relapse. Last fall, while she was convalescing in a rehabilitation center, her husband died during a heart procedure. Barb wanted to go home but knew she couldn't live alone. Home Care Assistance came to the rescue with its live-in program.

Barb's caregiver, Tasha Green, lives in at Barb's apartment five days a week. Tasha helps Barb shower and dress, makes most of her meals, helps her with physical and occupational therapy, and reminds her to take her medications on schedule. In the evenings, Barb and Tasha play gin rummy. Handling the cards is good therapy for Barb.

By midwinter, Barb had regained much of her strength. She was able to eat more and started cooking again. She started taking her medications without needing to be reminded. She even took a few steps without her walker. "Tasha won't let me be lazy," said Barb. "I don't know what I would have done without her help."

Every day 8,000 Americans turn 65, said Robert Louis-Ferdinand, executive director of Home Care Services for Lutheran Social Services of Michigan. More than 89 percent say they prefer to stay in their own homes as they age.

"With the right planning, many seniors can afford private-duty home care. It's much less costly than a residential center," he said.

In addition to private-duty care, Lutheran Social Services provides home care through Medicaid waivers and Community Mental Health.



Barb Mandell with caregiver Tasha Green



Home care preserves independence.



A class for girls at Neighborhood House.



## Working hard for a new life

**Diana** was only 14 when her Baghdad home was destroyed by a bomb in 2005. With religious persecution mounting against Chaldeans (Iraqi Catholics), the family didn't feel safe in Iraq. They fled to Syria, where they struggled to make a living. Diana's father returned to Iraq in 2007 to settle some business affairs, and the family lost touch with him. Last year, they learned he had died.

Granted refugee status, Diana arrived in Michigan in January 2011 with her mother, older sister and younger brother. They stayed with an aunt for a few weeks before moving into their own apartment in Madison Heights.

Diana's mother suffered from post-traumatic stress and other health problems. She was unable to work. Her sister also had stress-related health problems, and her brother, 18, was still in high school. Diana, now 20, felt responsible for the family's welfare. It was a lot of weight on her slender shoulders.

Lutheran Social Services' Refugee Services team went to work on Diana's behalf. Within a few weeks, they found her a full-time job as a hotel housekeeper. They taught her how to budget her income so she could pay the rent and her mother's medical bills. She took classes to learn English as a second language. After just a few months, Diana had saved enough to buy a 2002 Chevrolet Ventura, and Lutheran Social Services helped her get her license.

For a while she had another job as well, doing factory work on the night shift for an auto supplier in Dearborn. When she was temporarily laid off at the factory, she increased her hours at the hotel.

Last fall, Lutheran Social Services helped Diana secure a grant, funded by the Michigan Department of Human Services, to take a one-year medical assistant training program at the Dorsey School in Madison Heights. She enrolled in January and looks forward to landing a better-paying, steadier job when she graduates next December. Someday she hopes she can study architecture or interior design – her dream since childhood.

"I was lost when I came here, and Lutheran Social Services helped me improve myself with English and a job," said Diana. "I am very grateful. I feel like I have a future here."



Diana is happy with her new life in Michigan.



A class for girls at Neighborhood House.



Pets are welcome at group homes.



Detroit teens help out

# Promoting Lutheran Social Services

**Mike Kneale** is an avid promoter of Lutheran Social Services, making sure his friends, business associates and fellow congregants know about the good work of the organization.

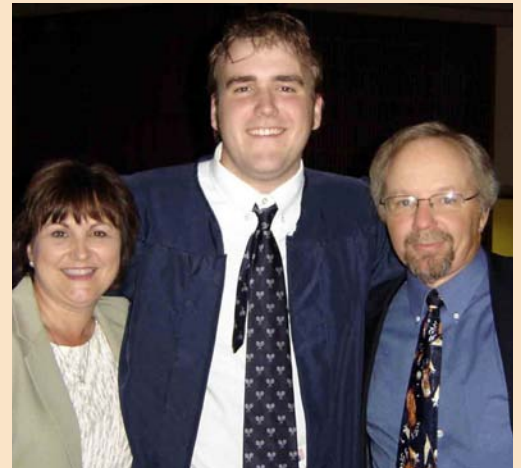
Mike made his first donation to Lutheran Social Services in 1989, when he was 29 years old, after Carl Thomas, longtime president of the organization, came to speak at his church. "I was impressed that he took the time to talk to me, since I was just a young guy," said Mike.

He attended Wayne State University, where he played on the tennis team and earned his bachelor's degree in music industry management. Through a band in which he worked as a pianist and arranger, he met his wife, Judy, a singer. He went on to become a financial advisor and portfolio manager at Morgan Stanley and later obtained his MBA from Wayne State.

Residents of Bloomfield Hills, the Kneales joined Beautiful Savior Lutheran Church. Its pastor, Phil Hemke (now Lutheran Social Services' director of church relations), saw Mike's leadership potential. The Kneales raised funds for the church and planned special events. When their son Christopher, now 22, was a teenager, they participated in a variety of fundraising activities for youth work camp trips, which they joined as a family.

Mike began to put his fundraising skills to work for Lutheran Social Services in 2009, as plans were being made for a gala 75th anniversary celebration featuring singer John Tesh. In addition to making a personal contribution, Mike arranged for major support from his company, Morgan Stanley Smith Barney in Birmingham, and brought in several friends and business associates as major sponsors. The event was Lutheran Social Services' most successful fundraising event. Since then, the KSG Group at Morgan Stanley has made additional contributions to Lutheran Social Services programs.

Mike has served on Lutheran Social Services' Finance Committee for several years, and in 2011 he was invited to join the board of directors.



The Kneale family:  
Judy, Christopher and Mike

## Help Us Help Others

You can help us by donating funds, goods or services, or by volunteering at one of our centers. Call the Development Department at (800) 421-3062 for more information. Visit our website at [www.lssm.org](http://www.lssm.org) to see a complete list of those who donated to Lutheran Social Services in 2011 or who joined the Heritage Society by including us in their estate plans.



Detroit teens help out at Gateshead Crossing.

MapleCreek has its own health clinic.



**CHEBOYGAN**  
Grebe Village  
(subsidized senior housing)

**ONAWAY**  
Lynn Street Manor  
(subsidized senior housing)

**ALPENA**  
Luther Community Manor  
(subsidized senior housing)

**CEDAR**  
Lincoln Home  
(for persons with disabilities)

**WILLIAMSBURG**  
Hope Village (senior living community)

**TRAVERSE CITY**  
East Bay Home (for persons with disabilities)

**GAYLORD**  
Lutheran Adoption Service

**CADILLAC**  
The Lakeview (skilled nursing/rehab)

**CLARE**  
Lutheran Adoption Service

**SCOTTVILLE**  
Maplewood Home (for persons with disabilities)  
Scottville Home (for persons with disabilities)

**MONTAGUE**  
SHAWL II (subsidized senior housing)

**WHITEHALL**  
SHAWL I (subsidized senior housing)

**NORTH MUSKEGON**  
Hansen Home (for persons with disabilities)  
Woodridge Home (for persons with disabilities)

**MT. PLEASANT**  
Immanuel Village  
(subsidized senior housing)

**GLADWIN**  
White Pines Home  
(for persons with disabilities)

**MIDLAND**  
Andrews Home (for persons with disabilities)  
Foelling Home (for persons with disabilities)  
Home Care

**BAY CITY**  
Lutheran Adoption Service

**SAGINAW**  
ACTION Thrift Store  
Foster Care  
Home Care  
Luther Manor (skilled nursing/rehab)  
Neighborhood House (community center)

**FLINT**  
Foster Care

**PORT HURON**  
Foster Care  
Lutheran Adoption Service

**GRAND RAPIDS**  
MapleCreek (senior living community)  
The Cottages (condo-like homes)  
The Lodge (skilled nursing/rehab)  
The Terraces (catered independent living)  
The Woods (memory care)  
Allen Manor (subsidized senior housing)  
Foster Care  
Home Care  
Lutheran Adoption Service  
Refugee Services

**LANSING**  
Alison House (subsidized housing  
for adults with disabilities)  
Foster Care  
Lutheran Adoption Service  
Refugee Services

**ROCHESTER HILLS**  
Danish Village (subsidized senior housing)

**HARRISON TOWNSHIP**  
CLEAVE (home for persons with disabilities)

**STERLING HEIGHTS**  
Refugee Services

**MADISON HEIGHTS**  
Refugee Services

**GROSSE POINTE WOODS**  
Home Care

**ALLEGAN**  
Grand Ravine (subsidized senior housing)

**CHARLOTTE**  
Families First

**BATTLE CREEK**  
Families First  
Home-Based Services (for children)  
Refugee Services

**ANN ARBOR**  
Foster Care  
Lutheran Adoption Service  
Sequoia Place (subsidized  
senior housing)  
Home Care

**SOUTHFIELD**  
Family Connections  
Foster Care  
Lutheran Adoption  
Service  
Refugee Services

**DEARBORN**  
Refugee Services

**WESTLAND**  
Wayne County Family Center  
(shelter for homeless families)

**MONROE**  
Home Care  
Ninth Street Home (for persons with disabilities)  
North Monroe Home (for persons with disabilities)  
Village Pines of Monroe (subsidized family housing)

**KALAMAZOO**  
Family Reunification  
Foster Care  
Lutheran Adoption Service

**JACKSON**  
Foster Care  
Lutheran Adoption Service  
Michigan Education &  
Training Voucher Program

**BENTON HARBOR**  
Foster Care

## LUTHERAN SOCIAL SERVICES OF MICHIGAN

HOPE • COMPASSION • SOLUTIONS

Serving people as an expression  
of the love of Christ



An adoptive family at the Tulip Time Parade in Holland



Refugees from Iraq learn English.



A foster father with his children



Danish Village residents enjoy gardening.

## LUTHERAN SOCIAL SERVICES OF MICHIGAN FINANCIAL SUMMARY 2011 Annual Report

### BALANCE SHEET

#### Assets

Cash and Investments .....	\$23,771,100
Accounts Receivable .....	11,094,933
Funds Held in Trust .....	3,072,867
Other Assets .....	6,501,602
Fixed Assets .....	46,721,120
(net of depreciation)	
<b>Total Assets .....</b>	<b>\$91,161,622</b>

#### Liabilities

Accounts Payable/Accrued Expenses .....	\$ 8,503,341
Line of Credit .....	831,251
Funds Held in Trust/Deferred Revenue .....	2,771,251
Other Liabilities .....	1,217,807
Long-Term Debt .....	42,821,274
<b>Total Liabilities .....</b>	<b>56,144,924</b>
Fund Balance .....	35,016,698
<b>Total Liabilities and Fund Balance .....</b>	<b>\$91,161,622</b>

### INCOME AND EXPENSE SUMMARY

Total Revenue .....	\$85,310,113
Total Expense .....	81,216,983
Surplus from Operations .....	4,093,130
Other Expense, net* .....	(2,094,508)
<b>Net Income Over Expense .....</b>	<b>\$ 1,998,622</b>

### ADMINISTRATIVE EXPENSE

2011 .....	6.24%
2010 .....	5.79%
2009 .....	6.11%

\*Includes the unrealized loss on market-value adjustments to investments and the noncash market-value adjustments to interest rate swaps.

### ORGANIZATION REVENUE BY SOURCE

Net Residential Fees .....	\$41,106,978	48.19%
Foster Care Fees .....	14,877,839	17.44%
Grants and Contracts .....	11,004,116	12.90%
Program Fees .....	9,199,851	10.78%
Contributions and Bequests .....	6,937,027	8.13%
Management Fees/Other Income .....	1,753,136	2.05%
Interest and Capital Gains .....	431,166	0.51%
<b>Total Revenue .....</b>	<b>\$85,310,113</b>	<b>100.00%</b>

### ORGANIZATION EXPENSE BY SERVICE AREA

Senior Adults .....	\$40,205,894	49.50%
Children and Families .....	17,392,092	21.42%
Outreach .....	7,854,071	9.67%
Administration .....	5,068,885	6.24%
Persons with Disabilities .....	4,943,055	6.09%
In-Home Services .....	4,551,113	5.60%
Advancement .....	985,122	1.21%
Management Contracts .....	216,751	0.27%
<b>Total Expense .....</b>	<b>\$81,216,983</b>	<b>100.00%</b>

Figures for 2011 are subject to audit. The balance sheet and income and expense summary do not include corporations managed by or in partnership with Lutheran Social Services of Michigan. The 2011 audited financial statements, including accompanying notes, are available upon request.

Revenue	
Interest/Capital Gains .....	0.51%
Mgmt Fees and Other .....	2.05%
Contributions/Bequests .....	8.13%
Program Fees .....	10.78%
Grants and Contracts .....	12.90%
Foster Care Fees .....	17.44%
Net Residential Fees .....	48.19%
Expense	
Management Contracts .....	0.27%
Advancement .....	1.21%
In-Home Services .....	5.60%
Persons w/ Disabilities .....	6.09%
Administration .....	6.24%
Outreach .....	9.67%
Children and Families .....	21.42%
Senior Adults .....	49.50%

### BOARD OF DIRECTORS

#### EXECUTIVE COMMITTEE

##### CHAIR

**W. Emmett Braselton Jr.**,  
Williamston

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**Kathleen Lieder**, Cheboygan

##### SECRETARY

**Michelle Gaggini**, Riverview

##### TREASURER

**John Nelson**, Saginaw

#### DIRECTORS

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Traverse City

**Sue Kamens**, Lansing

**Michael Kneale**, Birmingham

**The Rev. Donald Kreiss**, Bishop,  
Southeast Michigan Synod, ELCA

**William Papke**, Ada

**Bruce Parsons**, Grand Rapids

**Matthew Pedersen**, Birmingham

**Todd Perkins**, Southfield

**David Ripple**, Plymouth

**The Rev. John Schleicher**, Bishop,  
North/West Lower Michigan Synod

**The Rev. Scott Sessler**, Westland

**Mark Stanko**, Shelby Township

#### INVITED GUEST

**Debra Radloff**

ACTION President, Northville

### EXECUTIVE STAFF

**Mark Stutrud**

President and CEO

**Jerald W. Benjamin**

Vice President,  
Chief Financial Officer

**Cynthia Haberman**

Vice President, Community  
Services

**Susan Lemon**

Vice President, Services  
for Senior Adults

**Richard K. Martin**

Vice President, Advancement

**Kristi McKenzie**

Vice President, Human Resource  
Development and Integrity

**Vickie Thompson-Sandy**

Vice President, Services for  
Children and Families

### MANAGEMENT STAFF

**Josie Ciccone**

Director, Employee Relations  
and Compensation

**James Gilbert**

Director, Housing Services

**Peter Gumbleton**

Director, Accounting

**Patricia Hartig**

Director, Advocacy and  
Public Support

**The Rev. Dr. Philip Hemke**

Director, Church Relations

**Margareta Hoy**

Director, Benefits

**The Rev. Douglas Kahl**

Director, Chaplaincy Services

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Director, Communications

**Robert Louis-Ferdinand**

Executive Director, Home Care  
Services

**Wendy Perry**

Director, Budget and  
Financial Analysis

**Jay Prince**

Director, MapleCreek

**Jennifer Richard**

Director, Major Gifts

**Anna Romund**

Director, Development

**Frank Sellgren**

Director, Information Technology



8131 E. Jefferson Avenue, Detroit, MI 48214  
(313) 823-7000 • www.lssm.org

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