

2016

Annual Report



OAKWOOD
OAKWOOD LUTHERAN
SENIOR MINISTRIES

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Welcome.

Thank you for taking the time to review our 2016 annual report. This report is created each year in an effort to provide an understanding of Oakwood's financial position and trends.

Why is Oakwood's financial strength important? As a not-for-profit, we have no "stakeholders" to satisfy. We just need to keep the doors open, not "make money," right?

But we do have stakeholders. Our residents. Their families. Our staff. Our sponsoring congregations. The Madison Community.

We have a responsibility to maintain our financial strength so we can best serve our residents. So we can continue to enhance our already remarkable programs. So we can recruit and keep the very best staff. So we invest in technology which will support and improve services. So we can improve or replace facilities when appropriate.

In short, we talk about our financial strength because we want to ensure we are here to serve Wisconsin for the long haul.

I invite you to look through this report. I believe you will see what I see: an organization that is solid financially and continuing to improve, one that is investing in its facilities and its people, yet one that is able to provide a tremendous value and quality of life to those we serve.

Thank you for the role you play in keeping Oakwood strong.

Sincerely,

Rick Bova, Chief Executive Officer

STATEMENT OF FINANCIAL POSITION

Oakwood Lutheran Senior Ministries • Oakwood Village University Woods Apartments
 Oakwood Village Prairie Ridge Homes • Oakwood Village Prairie Ridge Apartments

Year Ended December 31, 2016 and 2015, Audited

ASSETS	2016	2015
Current Assets	7,789,325	7,861,295
Assets Limited to Use	5,114,119	-
Property and Equipment, Net	70,945,086	74,160,066
Investments	41,084,496	38,860,039
Other	2,034,870	795,692
Total Assets	126,967,896	121,677,092
LIABILITIES & NET DEFICIT		
Current Liabilities	6,514,750	6,387,406
Long Term Debt	41,930,989	37,297,802
Refundable Entrance Fees	90,111,139	88,593,750
Other Long-Term Liabilities	4,272,928	5,558,718
Net Worth	(15,861,910)	(16,160,584)
Total Liabilities & Net Worth	126,967,896	121,677,092

KEY INDUSTRY FINANCIAL MEASURE OF STRENGTH: DAYS CASH ON HAND

Days Cash on Hand measures the number of days cash of cash operating expenses could be paid from existing cash and investments assuming no additional revenue.



STATEMENT OF ACTIVITIES

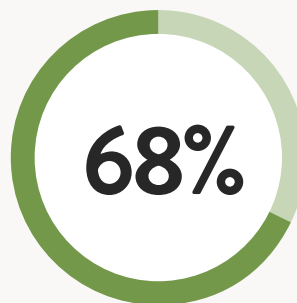
Oakwood Lutheran Senior Ministries • Oakwood Village University Woods Apartments
 Oakwood Village Prairie Ridge Homes • Oakwood Village Prairie Ridge Apartments

Year Ended December 31, 2016 and 2015, Audited

REVENUE	2016	2015
Net Resident Services	42,203,565	41,132,432
Amortization Revenue	892,169	853,530
Other	377,212	555,892
Investment Income	2,624,456	(733,884)
Total Revenue	46,097,402	41,807,970
Operating Expenses <small>Resident Care, Dining, Maintenance, Administration</small>	40,771,328	38,124,417
Interest Expense	1,248,378	1,181,684
Gain/(Loss) in Value of SWAP	(1,344,662)	(373,760)
Depreciation & Amortization & Loss on Abandonment	5,500,944	6,444,422
Total Expenses	46,175,988	45,376,763
Excess Revenue Over Expenses	(78,586)	(3,568,793)

KEY INDUSTRY FINANCIAL MEASURE OF STRENGTH: CASH-TO-DEBT RATIO

Cash-to-Debt Ratio is a measure of an organization's ability to withstand annual fluctuations in cash flow, either through weakened operating results or through little or no resident entrance fee activity.



National Industry Benchmark

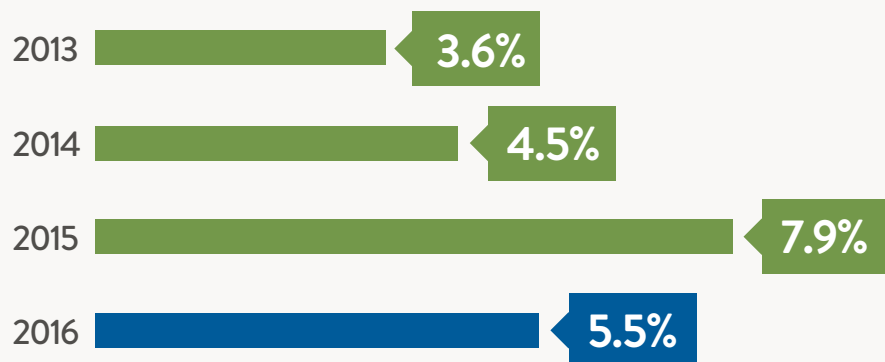


Oakwood Lutheran Senior Ministries Cash-to-Debt Ratio, 2016

KEY INDUSTRY FINANCIAL MEASURES OF STRENGTH

NET OPERATING MARGIN RATIO

indicates the margin provided by cash operating revenue (not including investment income and entrance fee amortization).



DEBT SERVICE COVERAGE RATIO

is an indicator as to how many times annual principal and interest payments can be made with annual operating earnings.



STATEMENT OF FINANCIAL POSITION

Oakwood Foundation, Inc.

Year Ended December 31, 2016 and 2015

ASSETS	2016 Unaudited	2015 Audited
Cash	1,062,308	489,499
Investments	15,280,353	14,561,115
Other	52,471	59,940
Total Assets	16,395,132	15,110,554
LIABILITIES & NET DEFICIT		
Accounts Payable & Accrued Expenses	43,145	62,641
Estimated Obligation for Donor Annuity Payments	626,341	673,201
Other	-	-
Total Liabilities	669,486	735,842
NET ASSETS		
Unrestricted	8,587,607	7,810,075
Temporarily Restricted	3,919,478	3,346,076
Permanently Restricted	3,218,561	3,218,561
Total Net Assets	15,725,646	14,374,712
Total Liabilities & Net Worth	16,395,132	15,110,554



STATEMENT OF ACTIVITIES

Oakwood Foundation, Inc.

Year Ended December 31, 2016 and 2015

REVENUE, GAINS & SUPPORT	2016 Unaudited	2015 Audited
Contributions	1,610,193	1,659,339
Special Events/Other	-	4,222
Volunteer Support	-	67,200
Investment Income /(Loss)	913,490	(241,371)
Service League	-	180,066
Total Revenue, Gains & Support	2,523,684	1,669,456
EXPENSES		
Donations to Oakwood Entities	400,000	237,308
Service League	-	194,646
Endowment Grants & Expenses	432,820	373,560
Donor Annuity	51,683	48,021
Volunteer Support	-	121,485
General Administration	28,425	75,383
Fundraising	259,822	242,837
Total Expenses	1,172,750	1,293,240
Increase in Net Assets	1,350,934	376,216



Oakwood Lutheran Senior Ministries

BOARDS OF DIRECTORS

OAKWOOD LUTHERAN HOMES ASSOCIATION, INC.

DBA Oakwood Lutheran Senior Ministries

Sarah Kruger, *Chair*

Chad Bartell, *Vice Chair*

Roth Judd, *Secretary*

Brett Armstrong, *Treasurer*

Joyce Bromley, Bruce Fox, Alice Gustafson (*Ex-Officio*), Eric Halverson (*Ex-Officio*), Tom Klein,

Larry Larrabee (*Ex-Officio*), Steve Koch, Mark Meloy, Peder Moren, Tom Rivers, Stan York

OAKWOOD VILLAGE UNIVERSITY WOODS APARTMENTS, INC.

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Stan Inhorn, *Secretary & Treasurer*

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Larry Larrabee (*Ex-Officio*), Amanda Reese

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Jim Buchheim, *Secretary*

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Jim Laatsch, Marje Murray

OAKWOOD VILLAGE PRAIRIE RIDGE APARTMENTS, INC.

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Cliff Strelow, *Secretary & Treasurer*

Rick Nuernberg, *Treasurer*

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OAKWOOD FOUNDATION, INC.

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George Carlson, *Vice Chair*

Ed Young, *Treasurer*

Carolyn White, *Secretary*

Alice Gustafson (*Ex-Officio*), Phil Hardacre, Sarah Kruger (*Ex-Officio*), Larry Larrabee (*Ex-Officio*),

Donna Ulteig, Lori Werbeckes

Oakwood Lutheran Senior Ministries

ASSOCIATION CHURCHES

Advent Lutheran Church ELCA
Madison

All Saints Lutheran ELCA
Fitchburg

Bethel Lutheran Church ELCA
Madison

Bristol Lutheran Church ELCA
Sun Prairie

Burke Lutheran Church ELCA
Madison

Christ Lutheran Church ELCA
DeForest

The Church at Christ Memorial, LCMS
Fitchburg

Good Shepherd Lutheran Church ELCA
Madison

Hope Lutheran Church ELCA
McFarland

Immanuel Lutheran Church LCMS
Madison

Immanuel Lutheran Church ELCA
Mt. Horeb

Lakeview Lutheran Church ELCA
Madison

Luther Memorial Church ELCA
Madison

Lutheran Church of the Living Christ LCMS
Madison

Messiah Lutheran Church ELCA
Madison

Midvale Community Lutheran Church ELCA
Madison

Mount Olive Lutheran Church LCMS
Madison

New Heights Lutheran Church ELCA
Black Earth

Norway Grove Memorial Lutheran Church ELCA
DeForest

Our Savior's Lutheran Church ELCA
Sun Prairie

Peace Lutheran Church ELCA
Waunakee

Spring Prairie Lutheran Church ELCA
DeForest

Springdale Lutheran Church ELCA
Mt. Horeb

St. James Lutheran Church ELCA
Verona

St. John's Lutheran Church ELCA
Madison

St. John's Lutheran Church ELCA
Prairie du Sac

St. Luke's Lutheran Church ELCA
Middleton

St. Mark's Lutheran Church ELCA
Madison

St. Martin's Lutheran Church ELCA
Cross Plains

St. Paul's Evangelical Lutheran Church LCMS
Madison

St. Peter's Lutheran Church LCMS
Arlington

St. Stephen's Lutheran Church ELCA
Monona

Trinity Lutheran Church ELCA
Madison

United in Christ Lutheran Church ELCA
Morrisonville

Vermont Lutheran Church ELCA
Black Earth

West Middleton Lutheran Church ELCA
Verona

Zion Evangelical Lutheran Church ELCA
Madison