

Aase Haugen Senior Services

A History of Family

2017 Annual Report

Presented to the Aase Haugen Senior Services Corporation

March 18, 2018 • 2 pm • Aase Haugen • 4 Ohio St. • Decorah



Long-term Nursing Care
Valley Suites Skilled Rehabilitation
Nabotunet Patio Homes
Vennehjem, Active 55+ Community
Assisted Living
Two Rivers Dementia Care

Letter from the Executive Director

The provision of senior living care has become increasingly complex. From federal regulatory oversight, to reimbursement challenges, to the national staffing issue, our profession is seeing unprecedented influence that affects all within our organization. To address these issues, Aase Haugen is well served by a dedicated board of directors, staff that are passionate about their duties, and consultants who help us navigate the difficult waters that is our current health care system. And with all these challenges, we have much to be proud of. In 2017, Aase Haugen was recognized by U.S. News & World Report as the 5th Top Performer, among 63 out the 430 facilities in the state of Iowa. We received a 5 Star Rating by the Centers for Medicare & Medicaid Services (CMS) and we began construction on Nabetonet, our newest Properties housing. In 2018 we will finalize our contract with the Veterans Administration allowing area veterans to utilize Aase Haugen, as opposed to having to travel to Marshalltown or live outside their community. Additionally, we're implementing Tele-Psychiatry services through a partnership with Brighter Day Health.

Probably the most significant venture in 2018 will be the Capital Campaign. To meet the needs of a growing elder population, and to provide those services in a manner that embraces technology, workforce efficiencies and the latest in amenities, our focus is to construct a new facility located on the grounds adjacent to Vennehjem. Aase Haugen has the potential to spearhead elder care services in northeast Iowa, as well as economic development for our community. Let us all put forth effort to realizing that goal, just as Aase Haugen herself strove to provide a place that today we call home.

2017 Milestones

- Seventeen graduates of our C.N.A. Step Program and Two Nursing Scholarships awarded
- Conducted first facility wide Emergency Operations Drill in compliance with new CMS mandate
- Began construction on Nabetunet Patio Homes
- Recognition by CMS as a 5 Star Facility
- Recognition by U.S. News & World Report as 5th Top Performing Nursing Facility in Iowa
- Appointed as Chair Facility for the NICC Health Care Sector Board



LINDA HERMAN
PC
CERTIFIED PUBLIC ACCOUNTANT

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*To the Board of Directors
Aase Haugen Homes, Inc. and affiliates
Decorah, Iowa*

Management is responsible for the accompanying financial statements of Aase Haugen Homes, Inc. and affiliates which comprise the statement of financial position as of December 31, 2017 and the related statements of activities for the year then ended, in accordance with accounting principles generally accepted in the United States of America. I have performed this compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statement nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

I am not independent with respect to Aase Haugen Homes Inc. and affiliate.

Linda Herman PC

*Ankeny, IA
February 8, 2018*

Aase Haugen Homes, Inc and Affiliates
Decorah, Iowa
Consolidating Statements of Financial Position
For the Year ended December 31, 2017

	Aase Haugen Homes, Inc	Aase Haugen Foundation, Inc	Aase Haugen Properties, Inc (Vennehjem)	Total	Consolidating Entries	Consolidated Total
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 471,539.25	\$ 126,755.39	\$ 527,640.73	\$ 1,125,935.37		\$ 1,125,935.37
Investments		510,789.69	997,858.17	1,508,647.86		1,508,647.86
Resident Receivables, Net of Allowance for Doubtful Accounts	497,867.94		2,329.85	500,197.79		500,197.79
Prepaid Expenses and Other Current Assets	83,464.73		89.24	83,553.97		83,553.97
Due From Related Party	24,955.33			24,955.33	(24,955.33)	
Total Current Assets	1,077,827.25	637,545.08	1,527,917.99	3,243,290.32	(24,955.33)	3,218,334.99
Assets Limited as to Use						
Property and Equipment						
Land	487,891.00		117,020.00	604,911.00		604,911.00
Buildings and Improvements	5,721,038.41		9,048,365.62	14,769,404.03		14,769,404.03
Equipment and Furniture	1,494,467.84	4,987.50	57,566.01	1,557,021.35		1,557,021.35
Vehicles	130,943.95			130,943.95		130,943.95
Total Property and Equipment	7,834,341.20	4,987.50	9,222,951.63	17,062,280.33		17,062,280.33
LESS: Accumulated Depreciation	(5,242,392.13)	(4,987.50)	(3,842,980.92)	(9,090,360.55)		(9,090,360.55)
Net Property and Equipment	2,591,949.07		5,379,970.71	7,971,919.78		7,971,919.78
Other Assets:						
Beneficial Interest in Assets Held by Others	66,319.57			66,319.57		66,319.57
Total Other Assets	66,319.57			66,319.57		66,319.57
TOTAL ASSETS	3,736,095.89	637,545.08	6,907,888.70	11,281,529.67	(24,955.33)	11,256,574.34

See Accountants' Compilation Report

Aase Haugen Homes, Inc and Affiliates
Decorah, Iowa
Consolidating Statements of Financial Position
For the Year ended December 31, 2017

	Aase Haugen Homes, Inc	Aase Haugen Foundation, Inc	Aase Haugen Properties, Inc (Vennehem)	Total	Consolidating Entries	Consolidated Total
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Current Maturities of Long-Term Debt	49,695.67		160,242.30	209,937.97		209,937.97
Accounts Payable	93,121.92		137,060.72	230,182.64		230,182.64
Accrued Expenses and Other Current Liabilities	319,723.13		124,735.47	444,508.60		444,508.60
Due to Related Party		12,639.00	12,316.33	24,955.33	(24,955.33)	-
Total Current Liabilities	462,540.72	12,639.00	434,404.82	909,584.54	(24,955.33)	884,629.21
Long-Term Liabilities:						
Long-Term Debt, Less Current Maturities	961,432.70		3,268,046.75	4,229,479.45		4,229,479.45
Deferred Grant Revenue	409,312.50			409,312.50		409,312.50
Deferred Revenue from Advance Fees			157,112.99	157,112.99		157,112.99
Refundable Fees			4,118,579.74	4,118,579.74		4,118,579.74
Total Long-Term Liabilities	1,370,745.20		7,543,739.48	8,914,484.68		8,914,484.68
Total Liabilities	1,833,285.92	12,639.00	7,978,144.30	9,824,069.22	(24,955.33)	9,799,113.89
Net Assets (Deficit):						
Unrestricted	1,837,633.40	569,719.64	(1,070,255.60)	1,337,097.44		1,337,097.44
Temporarily Restricted		55,186.44		55,186.44		55,186.44
Permanently Restricted	65,176.57			65,176.57		65,176.57
Total Net Assets (Deficit)	1,902,809.97	624,906.08	(1,070,255.60)	1,457,460.45		1,457,460.45
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 3,736,095.89	\$ 637,545.08	\$ 6,907,888.70	\$ 11,281,529.67	\$ (24,955.33)	\$ 11,256,574.34

See Accountants' Compilation Report

Aase Haugen Homes, Inc and Affiliates
Decorah, Iowa
Consolidating Statements of Activities
For the Year ended December 31, 2017

	Aase Haugen Homes, Inc	Aase Haugen Foundation, Inc.	Aase Haugen Properties, Inc (Vennehjem)	Total	Consolidating Entries	Consolidated Total
Revenue, Gains and Other Support						
Net Resident Service Revenue, Including						
Amortization of Advance Fees	\$ 7,008,998.94	\$	\$ 960,915.87	\$ 7,969,914.81	\$	\$ 7,969,914.81
Other Operating Revenue	59,752.13	39,221.92	-	98,974.05	-	98,974.05
Theft Recovery	1,300.00	-	-	1,300.00	-	1,300.00
Investment Income	2,341.29	16,171.11	42,479.36	60,991.76	-	60,991.76
Contributions	17,273.92	108,153.75	-	125,427.67	(10,838.00)	114,589.67
Total Revenue, Gains and Other Support	7,089,666.28	124,324.86	1,042,617.15	8,256,608.29	(10,838.00)	8,245,770.29
Expenses						
Salaries and Benefits	4,734,225.12	155,904.28	-	4,890,129.40	-	4,890,129.40
Medical Supplies, Drugs and Therapies	342,272.40	-	-	342,272.40	-	342,272.40
Insurance and Other	1,366,492.74	9,953.25	62,070.87	1,438,516.86	-	1,438,516.86
Food	319,874.73	10,527.31	-	330,402.04	-	330,402.04
Utilities	155,526.50	75,417.52	-	230,944.02	-	230,944.02
Supplies	143,567.55	9,656.16	-	153,223.71	-	153,223.71
Maintenance/Renovations	162,274.34	86,853.34	-	249,127.68	-	249,127.68
Real Estate Taxes	1,206.12	120,923.00	-	122,129.12	-	122,129.12
Depreciation and Amortization	167,658.25	1,593.25	249,613.87	418,865.37	-	418,865.37
Donations	-	10,838.00	-	10,838.00	(10,838.00)	-
Investment Advisory Fee	23,894.47	-	10,712.69	139,601.98	-	139,601.98
Interest	7,416,992.22	22,384.50	897,386.55	8,326,050.58	(10,838.00)	8,315,212.58
Total Expenses	(327,325.94)	101,940.36	145,230.60	(69,442.29)	-	(69,442.29)
Operating Income (Loss)						
Gain(Loss) on Sale of Assets	-	(4,996.39)	-	(4,996.39)	-	(4,996.39)
Change in Net Unrealized Gains (Losses) on Investments						
Increase (Decrease) in Net Assets	\$ (327,325.94)	\$ 125,933.84	\$ 115,164.98	\$ (70,518.04)	\$	\$ (1,075.75)
	\$ (327,325.94)	\$ 125,933.84	\$ 115,164.98	\$ (70,518.04)	\$	\$ (70,518.04)

See Accountants' Compilation Report

Aase Haugen Properties

Vennehjem, Active 55+ Community

Vennehjem, Decorah's Active 55+ Community, is the Retirement Center in the Aase Haugen Senior Services continuum of care. All community members live independently in their own private home, connected by the many common areas within Vennehjem and common interests they share. Major appliances are provided and maintained, and all utilities, except phone, are included in one low monthly fee. No repairs, no shoveling snow, just simple, easy living! There are a wide range of community-member driven events, programs and activities, including Dominoes, Bridge, Monthly Potlucks, and Friday 5 o' Clock Club.

Many thanks to the Vennehjem Community Member Committees, as well as the Vennehjem Community Council for their dedicated service in 2017. They truly ensure the success of the whole Vennehjem community by giving of their time, expertise, and talents!

Our latest change to Vennehjem is in our personnel. Tyler Thrift was hired after Dave Larson pursued a career with United Parcel Service. Tyler has also assumed many of the general duties that had previously been performed by Kate Klimesh. Kate left early this year pursuing her career as a Licensed Nursing Home Administrator. Following Kate's departure we hired Patty Casterton, who will serve as the Aase Haugen Senior Services, Business Development Director. We are excited about Patty's involvement with the sales of Nabotunet in addition to the overall marketing of the entire organization.

To find out more information about Vennehjem or Nabotunet Patio Homes, including how to secure your spot on our waiting list, call (563)382-6521 or email info@aasehaugen.com

Volunteers

We appreciate the support, help, assistance and skills of so many volunteers throughout the year. Several hundreds of hours were given to benefit the residents of Aase Haugen, not including student and youth groups who stop in so often and brighten our days! From the resident volunteers who willingly stop in to socialize while they fold napkins and washcloths after meals, to the numerous church and VFW volunteers who bring a world of fun when they come to host BINGO or the monthly birthday parties.

We also have wonderful volunteers who come in regularly to share their skills or talents, whether it's for an informational, educational or spiritual journey, or even for physical and mental exercise, such as Tai Chi, and more. We appreciate the wide range of topics, activities and subjects covered by the volunteers who come to Aase Haugen Homes.

The volunteers who help in the Aase Mercantile are very appreciated at Aase Haugen, with lines just

waiting for the doors to open! And we can't forget about the volunteers who stay behind the scenes; mending clothes, fixing, visiting one-on-one, arranging for special events, and donating their time and skills in so many ways. The time and talent from the growing number of volunteers who support our Music and memory Program is deeply appreciated, allowing more residents to enjoy the program and revel in their favorite music again.

Helping others kindles happiness, as many studies have demonstrated. When researchers at the London School of Economics examined the relationship between volunteering and measures of happiness in a large group of American adults, they found the more people volunteered, the happier they were. We simply cannot thank each of the volunteers enough for stopping in and brightening our day with their extra special touch! Please contact Andrea Hexom at (563)382-3603 if you would like to volunteer, or have a group who would like to share their talents with our residents!

Aase Haugen Foundation

The purpose of the Foundation Board is to invest and grow donations made to Aase Haugen Senior Services. All donations that come in are managed by the Foundation. Directed or restricted donations are distributed to the appropriate funds and any remaining cash not needed for projects at hand are invested in the Endowment Fund established in 2012. As of Dec. 31, 2017, there is \$510,789 in the Endowment Fund, an increase of \$82,963 from the previous year. As a policy, up to 80% of all undesignated bequests will be deposited in to the Endowment Fund to ensure the continuation of Aase Haugen Senior Services. What a meaningful way to honor a loved one, while supporting the ministry of care to many!

2017 Foundation Board: Paul Hexom, President; Kari Rude, Vice-President; Lashelle Evans, Secretary; Jim Ulring, Treasurer; Members, George Hagen, Tracy Dostal, and Steve Langland.

Aase Haugen Senior Services Corporate Member Congregations

1. Big Canoe Lutheran, Decorah
2. Burr Oak Lutheran, Burr Oak
3. Calmar Lutheran, Calmar
4. Canoe Ridge Lutheran, Decorah
5. Congregational United Church of Christ, Decorah
6. Decorah Lutheran, Decorah
7. First Lutheran, Decorah
8. First United Methodist, Decorah
9. Glenwood Lutheran, Decorah
10. Good Shepherd Lutheran, Decorah
11. Hauge Lutheran, Decorah
12. Hesper Lutheran, Hesper
13. Highland Lutheran, Decorah
14. Living Hope Baptist Church
15. Madison Lutheran, Ridgeway
16. Orleans Lutheran, Ridgeway
17. Ossian Lutheran, Ossian
18. Peace Lutheran Church, Ridgeway
19. St. Benedict's Catholic, Decorah
20. St. John's Lutheran, Decorah
21. Springfield Lutheran, Calmar
22. Stavanger Lutheran, Ossian
23. Washington Prairie Lutheran, Decorah

Mission, Vision and Values

Our Mission: Aase Haugen Senior Services is an ecumenical adult community providing a continuum of care in a Christian environment which nurtures the body, mind, and soul: leading to healing and hope for all we serve.

Vision: Aase Haugen Senior Services, sensitive to the future of our community, will respond with creative exceptional care that inspires independence, hope, and compassion. In harmony with the vision of our benevolent founder, Aase Haugen, we will always be here to serve, thanks to the nurturing and dedication of our caring community.

We Believe: Everyone in the Aase Haugen Community is FAMILY; including those we serve directly, their families, our staff, benefactors and volunteers.

People who are in need because of illness, injury or frailty of body, mind and spirit are especially DESERVING of CARE.

All God's people are deserving of care, love, compassion and RESPECT regardless of their resources.

Our Christian identity and heritage create a calling to maximize all resources to ensure that those entrusted to us are provided ministries of HEALING and HOPE.

Aase Haugen Senior Services Leadership

Board of Directors, Officers

President:, Steve Langland

Vice-president: Kari Rude

Secretary: Wanda Askelson

Treasurer: Jim Urling

Members

Wanda Askelson, Glenwood Lutheran

Lashelle Evans, Lutheran Church

Rebecca Hanna, Glenwood Lutheran Church

Steve Langland, Highland Lutheran

Kari Rude, First Lutheran

Charlene Selbee, Hesper Lutheran

Ron Taylor, United Methodist

James Urling, First Lutheran

Dennis Young, Decorah Lutheran Church

Staff Leadership

Jeffrey K. Schmidt, MS, ACHCA, Executive Director

Brenda Johnson, RN, BSN, Director of Nursing Services

Teri Polfer, RN, BSN, Medicare/Rehab Coordinator

Cindy Saddler, MDS Coordinator

Tiffany Lundtvedt, MDS/Education Coordinator

Tessa Numedahl, LBSW, Social Services Supervisor

Carolyn Sexton, RN, Asst. Living Nurse Manager

Andrea Hexom, Activities Supervisor

Rose Beardmore, Office Manager

Tiffany Ackerman, Personnel Director

Jason White, Environmental Services Supervisor

Kacey Wedo, Dietary Supervisor

Patty Casterton, Business Development Director

Tyler Thrift, Environmental Services Supervisor; Vennehjem Campus