MISSION STATEMENT
Responding to the Gospel, Lutheran Social Services of Illinois brings healing, justice, and wholeness to people and communities.
Dear Friends:

For 150 years, Lutheran Social Services of Illinois (LSSI) has responded, grown, and changed—all during times of great opportunity and of great challenge. This last fiscal year, ending June 30, 2016 was a little of both, as sometimes opportunity presents itself in the midst of the most trying circumstances.

As a result of the state’s ongoing budget impasse, in February 2016 LSSI made the decision to close 30 of its programs. This resulted in 750 employee positions being eliminated in our offices statewide. More than 90 percent of the programs LSSI closed were directly linked to nonpayment by the state of Illinois for services LSSI was providing on the state’s behalf. The program closures and staff reductions reduced LSSI’s operations by $20 million to approximately $75 million. LSSI also began implementing a plan to improve operating efficiency and stabilize cash flow, which will enable our organization to continue fulfilling its mission.

We are committed to continuing our ministry—providing mental health and drug/alcohol treatment services, affordable senior housing, services for at-risk families, residential support for adults with developmental disabilities, Head Start, foster care, home care, and programs for formerly incarcerated individuals.

The following program highlights from LSSI’s last fiscal year reflect our commitment to the people who turn to us for services:

- LSSI served over 2,500 children in foster care statewide; 676 of those children achieved permanency through family reunification, adoption or guardianship. Additionally, our Intact Family Services provided crucial support for 2,704 parents and children. More than half of the families remained together.
- LSSI provided 26,183 hours of home care to older adults, which helped 110 seniors safely remain in their homes.
- At LSSI’s 21 affordable housing communities across Illinois, more than 1,700 low-income seniors and adults with disabilities were able to live in their own apartments.

Last year, Lutheran Disaster Response Illinois (LDR) helped many communities affected by tornadoes and flooding, including the towns of Rochelle, Fairdale, Coal City, and Watseka, as well as the areas of Kankakee, Lee, and Christian counties. When disaster strikes, LDR-Illinois coordinates with other nonprofits as well as the state and federal disaster relief agencies to provide a “one-stop-shop” of needed services and referrals for those affected. LDR also works closely at the state and county level to provide training for congregations in disaster preparedness.

With difficult change often comes innovation. Many intense and rapid changes are happening in health and human services. People have expressed a greater desire for services to be delivered in the home, in a natural setting. This requires a coordinated network of services operated, in partnership, with other organizations, government, business, churches, and individuals. LSSI’s vision is focused on creating new models of care to serve the whole person with greater impact and lasting change.

Our ongoing work is an expression of the love of Christ, and reflects our mission to bring healing, justice, and wholeness to people and communities. We remain grateful for the collective support of the three Illinois Synods of the ELCA, churches, volunteers, and philanthropic partners who place their trust in LSSI.

In faith,

Mark A. Stutrud
President and Chief Executive Officer
What began as a home for children orphaned by a cholera epidemic has grown to one of the largest statewide providers of social services in Illinois. Lutheran Social Services of Illinois (LSSI) now serves our neighbors across the spectrum of age, race, income, and wellness. Last year alone, LSSI provided service to almost 64,000 people.

On October 31, 1867, in the town of Berlin, Illinois (now known as Swedona), the doors of a new orphanage opened to receive its first ward, a young man named Edward from Galesburg. When Edward crossed the threshold, that small step marked the beginning of a long history of service to people in communities across Illinois.

This year we celebrate 150 years of transforming lives. As the decades have passed, partnerships with local, state, and federal governments, the Evangelical Lutheran Church in America (ELCA), donors, volunteers, and community partners have allowed LSSI to build a strong foundation and thrive.

In recent years, LSSI has worked to provide innovative ways of care throughout the state. Programs like Project IMPACT, which is reshaping the way we treat individuals in mental health or drug-related crisis; Therapeutic Foster Care, which provides a more specialized and focused setting for children who have faced severe trauma; and Intouch Home Care, which is allowing older adults to remain an active participant in their community.

Although much has changed throughout Illinois in the last 150 years, one thing has remained constant in our history—the commitment of people in communities to join together to care for their neighbors.
LSSI’s rich history has been built through partnerships as the ever-changing needs of our neighbors are met.
Part of LSSI’s history has been responding to change to most effectively help those in need of social services. Nearly 25 years ago, LSSI took a bold step to create Project IMPACT (Immediate Multidisciplinary Pre-Screening Assessment Crisis Team) at Swedish Covenant Hospital on Chicago’s northwest side. The program, located inside the emergency department, provides crisis intervention and mental health screenings to individuals struggling with mental health episodes.

The program allows emergency department staff to provide better service to patients in a cost effective way. Individuals presenting medical issues receive medical attention, and those with psychiatric or substance issues get appropriate treatment and referrals for mental health and addiction-related issues.

Based on the success of Project IMPACT, the program has expanded in the last year to two other community hospitals. IMPACT@Community First (made possible through a community partner’s grant from the Blue Cross/Blue Shield of Illinois Community Health Initiative) and Project IMPACT at Methodist Hospital both opened on the north side of Chicago, with support from a Telegin Community Initiative grant.

“We have so many different resources that we can connect patients to in the community,” said Valentina Gasparro, the Assistant Supervisor at IMPACT@Community First. “We know these resources, and we work so well as a team.”

While Project IMPACT has become a flourishing program, and a walk-in outpatient mental health counseling service, The Welcoming Center, was established directly across the street from Swedish Covenant in 2015.

The Welcoming Center provides a safe alternative to going to the emergency room and provides the resources needed for longer-term mental health treatment.

Designed to feel more like a living room than an office, the Welcoming Center serves walk-in clients as well as patients from Swedish Covenant. It has become a seamless transition from crisis assessment at Project IMPACT, to more stabilizing and long-term treatment at The Welcoming Center.

The implementation and development of these types of programs will be LSSI’s focus moving forward. Through treatment like Project IMPACT and The Welcoming Center, LSSI is helping to provide a more holistic, community-centered approach to mental health care.

Kristen Debits, MSN, FNP, the Emergency Department Director at Community First already has seen the effects on the community. “IMPACT@Community First has been a benefit to the community,” she said. “We see many types of patients, and our psychiatric patients have been referred to facilities quicker.”
LSSI’s founding is rooted in child welfare. That tradition continues a century and a half later with LSSI unveiling its newest program—Therapeutic Foster Care.

Until now, the foster care system has struggled to effectively treat children with a high level of behavioral or emotional needs, typically relying on residential treatment facilities. This approach separates children from their families and where treatment generally does not translate back to the home.

The Therapeutic Foster Care program works to change the treatment methods and outcomes for these children. The program is comprised of teams of dedicated and highly trained clinicians, caseworkers, and specially trained foster parents, all with one goal—nurturing children to thrive. The teams work with children ages 6 to 14, during a six to nine month period, using intensive treatment to help them to build the skills needed for a foundation of success at home, in school, and in the community. The proven model, Treatment Foster Care of Oregon (TFCO), allows the child to receive highly individualized treatment and practice to develop their social skills with encouragement, support, and praise from foster parents and the team.

“This model delivers short-term, highly effective treatment to children, youth, and their families in a community setting utilizing highly trained professional foster parents and a team approach,” said Ruth Jajko, Vice President for Children’s Community Services. “The treatment is based on Social Learning Theory, which teaches children how to get their needs and wants met through positive behaviors in the home, school, and community. At the same time, the program works with their planned permanent home to develop positive parenting skills that meet the needs of this child.”

Following a competitive grant process, LSSI, as one of the largest providers of foster care in the state, was selected by the Illinois Department of Children and Family Services (DCFS) as a pilot organization for the program. LSSI was selected due in part to its long history of quality, innovative, and effective care to the children of Illinois.

“This is an exciting opportunity for LSSI to take the over 30 years of learning, research, and expertise the model brings, and make a real difference in the lives of children and families in Illinois,” Jajko said.
Partnerships and training continue to allow LSSI to provide the most innovative and effective care to allow seniors the freedom to age in place.
In 2016, LSSI implemented a new five-year strategic plan. A large component of this roadmap for our near future is to be “generative” in our services—creating ongoing support that helps those with whom we share in life to contribute and thrive.

Tailored to an individual’s needs, LSSI’s Intouch Home Care is one of those services that helps older adults continue living with independence in their homes. Working with older adults and their families to help them live as independently and safely as possible, Intouch gives seniors the tools they need to age in place. Intouch provides a host of services to seniors, such as wellness care, bathing and dressing, to more companionship-type activities, medication reminders, and respiratory care.

These services are available 24 hours a day and caregivers can live in the home with clients if necessary. This care provides the opportunity for older adults to stay in the comfort of their home, in the community with family and friends.

“Older adults overwhelmingly want to remain in their homes and communities as they age,” said Carol Lentz, Associate Executive Director, Senior Services. “Supportive services provided by in-home staff assist them to remain in their homes for as long as possible.”

One in five U.S. residents will be 65 or older by the year 2030. Home Care Services will become more vital and prevalent. Intouch provides more than just care, but companionship for a senior in need of a friend, personal care for a client who needs assistance maintaining their hygiene, or continual engagement and support for someone suffering from the early effects of dementia.

LSSI is working with home care assistants employed by Intouch to train and develop their abilities. A recent partnership with Concordia University’s Center for Gerontology will allow for continued education and development.

“It is a challenging and exciting time for Intouch, and efforts have been undertaken to grow and strengthen the program,” Lentz said. “Partnering with Concordia, Intouch is pursuing strategies to develop growth and retention opportunities for our home care assistants, along with expanded training opportunities. Our staff continues to demonstrate the utmost pride in their work.”

Partnerships and training such as this enables LSSI to continue providing the most innovative and effective care to help older adults age in place.
HOME AND COMMUNITY SERVICES
Tim Sheehan, Vice President

DRUG AND ALCOHOL TREATMENT
Detoxification
DUI Risk Assessment and Education
Outpatient Treatment
Recovery Homes
Sober Living Facilities

MENTAL HEALTH SERVICES
Case Management Community Support Team
Crisis Intervention and Assessment
Group Homes for Adults
Mental Health Counseling
Pre-Admission Screening
Psychiatric Evaluation and Monitoring
Psychosocial Rehabilitation
Prevention and Early Intervention Services
School-Based Prevention/Counseling Programs

DEVELOPMENTAL DISABILITIES
Community Integrated Living Arrangements (CILA), including Prader-Willi Group Homes
Developmental Training
Intermediate Care Facilities
Intermittent CILA Services
Respite Care

PRISONER AND FAMILY MINISTRY
Green Re-entry Opportunities (GRO program)
Employment Skills School
Reentry Services
Storybook Project
Adult Redeploy

AFFORDABLE HOUSING
Buford Walker Senior Housing, Lansing
Deer Creek Manor, Danville
Downer Place of LSSI I & II, Aurora
Elmbrook Senior Residence, Elwood Park
Gable Point, Crystal Lake
Greenbrier Apartments, DeKalb
Immanuel Senior Residences, Danville
Joshua Arms of LSSI, Joliet
Kingston Place, Chicago
Lincoln Manor, Rochelle
Luther Center, Rockford
Meadow Ridge Apartments, Freeport
Northwest Chicago Group Homes, Chicago
Our Savior’s Senior Housing, Dolton
Prairie Ridge Apartments, Freeport
Riverain Point, Batavia
Rolling Meadows Senior Housing, Taylorville
Shore Line Place, Wilmette
Spring Ridge Senior Housing, Rockford
Victorian Woods Senior Living, Decatur

SENIOR COMMUNITY SERVICES
RSVP (Retired Senior Volunteer Program)
Intouch Home Care Services

CHILDREN’S COMMUNITY SERVICES
Ruth Jajko, Vice President

FOSTER CARE
Adoption Preservation and Post-Adoption Services
Foster Care Services
Specialized Foster Care
Therapeutic Foster Care

CHILD AND ADOLESCENT SERVICES
Adolescent Drug and Alcohol Treatment
Counseling for Children and Adolescents
Early Childhood Education
    Head Start and Child Care
Intact Family and Youth Services
Residential Treatment Services
Specialized Therapy for Children, Individuals, and Families
LSSI’s vision is focused on creating new models of care to serve the whole person with greater impact and lasting change.
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LUTHERAN SOCIAL SERVICES OF ILLINOIS • 2016 ANNUAL REPORT
### Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short-term investments</td>
<td>$18,389</td>
<td>$21,332</td>
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<tr>
<td>Other current assets</td>
<td>11,032</td>
<td>8,225</td>
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<tr>
<td>Assets of discontinued operations</td>
<td>—</td>
<td>70</td>
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<tr>
<td>Net property and equipment</td>
<td>72,097</td>
<td>75,669</td>
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<tr>
<td>Other noncurrent assets</td>
<td>10,693</td>
<td>12,590</td>
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<tr>
<td><strong>Total Assets</strong></td>
<td>$112,211</td>
<td>$117,886</td>
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|                |            |            |
| **LIABILITIES AND NET ASSETS**  |            |            |
| Current liabilities            | $19,736    | $18,642    |
| Liabilities of discontinued operations| —          | 586        |
| Long-term debt                 | 17,355     | 15,963     |
| Deferred grant revenue from capital advance agreements | 48,641   | 50,475     |
| Other long-term liabilities    | 20,327     | 15,745     |
| **Total Liabilities**          | 106,059    | 101,411    |
| Unrestricted net assets         | (637)      | 9,844      |
| Temporarily restricted net assets| 3,961      | 3,803      |
| Permanently restricted net assets | 2,828      | 2,828      |
| **Total Net Assets**            | 6,152      | 16,475     |
| **Total Liabilities and Net Assets** | $112,211   | $117,886   |

### Consolidated Statements of Activity

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and public support</td>
<td>$6,128</td>
<td>$4,863</td>
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<tr>
<td>Operating revenue</td>
<td>77,583</td>
<td>81,190</td>
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<tr>
<td>Gain on investments and asset sales</td>
<td>24</td>
<td>277</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$83,735</td>
<td>$86,330</td>
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</tbody>
</table>

|                |            |            |
| **EXPENSES**   |            |            |
| Program services | $81,572    | $86,021    |
| Administration and fundraising | 8,767      | 9,814      |
| **Total Expenses** | 90,339     | 95,835     |

|                | 2016       | 2015       |
| Change in Net Assets Before Other Items and Discontinued Operations | (6,604)    | (9,505)    |
| Actuarial loss, net and unrecognized pension costs | (3,719)    | (2,374)    |
| Discontinued Operations | —          | 8,891      |
| **Change in Net Assets** | 10,323     | 2,988      |
| Net Assets, Beginning of Year | 16,475     | 19,463     |
| **Net Assets, End of Year** | $6,152     | $16,475    |