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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 <div> <div>2012</div> <div>Open to Public Inspection</div> </div>
	The organization may have to use a copy of this return to satisfy state reporting requirements	

A For the 2012 calendar year, or tax year beginning 01-01-2012 , 2012, and ending 12-31-2012



B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization THE LUTHERAN HOME INC		D Employer identification number 39-0807205
	Doing Business As		
	Number and street (or P O box if mail is not delivered to street address) 7500 W NORTH AVENUE Suite	Room/suite	E Telephone number (414) 258-6170
	City or town, state or country, and ZIP + 4 WAUWATOSA, WI 532131797		
			G Gross receipts \$ 21,343,972
F Name and address of principal officer SCOTT MCFADDEN 7500 W NORTH AVENUE WAUWATOSA, WI 532131797		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (Insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ LUTHERANLIVINGSERVICES.ORG			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities THE LUTHERAN HOME IS A FAITH-BASED FAMILY OF SERVICES DEDICATED TO MEETING THE NEEDS OF OLDER ADULTS, INCLUDING THEIR FAMILIES, WITH A VARIETY OF DISTINCTIVE HOUSING AND CARE OPTIONS		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	19
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5 Total number of individuals employed in calendar year 2012 (Part V, line 2a)	5	597
6 Total number of volunteers (estimate if necessary)	6	275	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
7b Net unrelated business taxable income from Form 990-T, line 34	7b		
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year 941,940	Current Year 631,769
	9 Program service revenue (Part VIII, line 2g)	18,521,240	20,103,782
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,392	1
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	479,360	455,619
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	19,943,932	21,191,171
	Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0
14 Benefits paid to or for members (Part IX, column (A), line 4)		0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		14,157,466	13,606,885
16a Professional fundraising fees (Part IX, column (A), line 11e)		0	0
16b Total fundraising expenses (Part IX, column (D), line 25) <input type="checkbox"/> 0			
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)		6,187,145	6,764,852
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)		20,344,611	20,371,737
19 Revenue less expenses Subtract line 18 from line 12		-400,679	819,434
Net Assets or Fund Balances		Beginning of Current Year	
	20 Total assets (Part X, line 16)	17,801,370	21,133,175
	21 Total liabilities (Part X, line 26)	11,472,975	11,105,104
	22 Net assets or fund balances Subtract line 21 from line 20	6,328,395	10,028,071

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	***** Signature of officer			2013-05-22 Date	
	SCOTT MCFADDEN PRESIDENT Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date
	Firm's name  BDO USA LLP			Check <input type="checkbox"/> if self-employed	PTIN
	Firm's address  330 E KILBOURN AVENUE SUITE 950 MILWAUKEE, WI 53202			Phone no (414) 272-5900	

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☐

1

Briefly describe the organization's mission

THE LUTHERAN HOME IS A FAITH-BASED FAMILY OF SERVICES DEDICATED TO MEETING THE EVER-CHANGING PHYSICAL, EMOTIONAL, AND SPIRITUAL NEEDS OF OLDER ADULTS, INCLUDING THEIR FAMILIES, WITH A VARIETY OF DISTINCTIVE HOUSING AND CARE OPTIONS

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No
















If "Yes," describe these changes on Schedule O

4

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a	(Code) (Expenses \$ 17,217,383 including grants of \$) (Revenue \$ 18,628,682)
	187 BED NURSING HOME AND 40 UNIT COMMUNITY BASED RESIDENTIAL FACILITY
4b	(Code) (Expenses \$ 473,348 including grants of \$) (Revenue \$ 603,485)
	ADULT DAY CARE
4c	(Code) (Expenses \$ 697,005 including grants of \$) (Revenue \$ 871,615)
	CHILD DAY CARE
4d	Other program services (Describe in Schedule O)
	(Expenses \$ including grants of \$) (Revenue \$ 455,619)
4e	Total program service expenses 18,387,736

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	No
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9 Yes	
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21		No
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	Yes	
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	17	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	597
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8822?	7c	No
d	If "Yes," indicate the number of Forms 8822 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	No
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	19	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
1b	Enter the number of voting members included in line 1a, above, who are independent	18	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5	No
6	Did the organization have members or stockholders?	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	8a	Yes
8b	Each committee with authority to act on behalf of the governing body?	8b	Yes
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9	No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes
13	Did the organization have a written whistleblower policy?	13	Yes
14	Did the organization have a written document retention and destruction policy?	14	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	15a	Yes
15b	Other officers or key employees of the organization	15b	Yes
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	WI
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization	SCOTT BERGIN 7500 W NORTH AVENUE WAUWATOSA, WI (414) 258-6170

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DALE F GUENTHER CHAIRPERSON	1 0 1 2	X		X				0	0	0
(2) DALE E VAN DAM VICE-CHAIRPERSON	1 0 1 2	X		X						
(3) THOMAS E BALGEMEN TREASURER	1 0 1 2	X		X						
(4) CHRISTINE A SPECHT-PALMERT SECRETARY	1 0 1 2	X		X						
(5) DUANE H BLUEMKE DIRECTOR	1 0 1 2	X								
(6) WILLIAM F BRUSS DIRECTOR	1 0 1 2	X								
(7) MARY F BUESTRIN DIRECTOR	1 0 1 2	X								
(8) CHRISTINE DOLHUN DIRECTOR	1 0 1 2	X								
(9) DONALD A HACKBARTH DIRECTOR	1 0 1 2	X								
(10) AMY DEE HARTWIG DIRECTOR	1 0 1 2	X								
(11) JAMES N KECK DIRECTOR	1 0 1 2	X								
(12) SHERRILL L MARRS DIRECTOR	1 0 1 2	X								
(13) WILLIAM MARTENS DIRECTOR	1 0 1 2	X								
(14) RONALD E MEYER DIRECTOR	1 0 1 2	X								
(15) DON SCHWERIN DIRECTOR	1 0 1 2	X								
(16) TIMOTHY SEIDER DIRECTOR	1 0 1 2	X								
(17) LAWRENCE E SOHN DIRECTOR	1 0 1 2	X								

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
(18) ROBERT SOWINSKI	1 0	X									
DIRECTOR	1 2										
(19) STEVE VOLZ	1 0	X									
DIRECTOR	1 2										
(20) SCOTT MCFADDEN	16 0			X					147,965		22,391
PRESIDENT/CEO	24 0										
(21) KATHRYN H CAVERS	40 0			X					99,252		13,331
COO	0 0										
1b Sub-Total											
c Total from continuation sheets to Part VII, Section A											
d Total (add lines 1b and 1c)								247,217	0	35,722	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 1

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A)	(B)	(C)
Name and business address	Description of services	Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►0

Part VIII

Statement of Revenue

Check if Schedule O contains a response to any question in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	631,769			
	g	Noncash contributions included in lines 1a-1f \$		254,816			
	h	Total. Add lines 1a-1f			631,769		
Program Service Revenue	2a	NURSING HOME	Business Code	623000	16,306,136	16,306,136	
	b	CBRF		623000	2,322,546	2,322,546	
	c	ADULT DAY CARE		623000	603,485	603,485	
	d	CHILD DAY CARE		623000	871,615	871,615	
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f			20,103,782		
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		1		
4		Income from investment of tax-exempt bond proceeds . . .		0			
5		Royalties		0			
6a		Gross rents	(i) Real	(ii) Personal			
b		Less rental expenses	439,476				
c		Rental income or (loss)	286,675	0			
d		Net rental income or (loss)		286,675	286,675		
7a		Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b		Less cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		0			
8a		Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
b		Less direct expenses	b				
c		Net income or (loss) from fundraising events . . .		0			
9a		Gross income from gaming activities See Part IV, line 19	a				
b		Less direct expenses	b				
c		Net income or (loss) from gaming activities . . .		0			
10a		Gross sales of inventory, less returns and allowances	a				
b		Less cost of goods sold	b				
c		Net income or (loss) from sales of inventory . . .		0			
	Miscellaneous Revenue		Business Code				
11a	MEAL FEE		623000	27,070	27,070		
b	BEAUTY SHOP FEE		623000	88,557	88,557		
c	BATHING FEE		623000	16,685	16,685		
d	All other revenue			36,632	36,632		
e	Total. Add lines 11a-11d			168,944			
12	Total revenue. See Instructions			21,191,171	20,559,401		1

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	559,339		446,127	113,212
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	10,439,353	9,555,946	877,081	6,326
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	198,271	179,714	18,557	
9	Other employee benefits	1,415,304	1,192,921	219,736	2,647
10	Payroll taxes	994,618	891,698	95,338	7,582
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	21,595		21,595	
c	Accounting	42,979		42,979	
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	2,201,049	2,040,050	160,999	
12	Advertising and promotion	66,664		66,664	
13	Office expenses	92,941		92,941	
14	Information technology	174,689	174,689		
15	Royalties	0			
16	Occupancy	955,789	955,789		
17	Travel	18,963	18,630	333	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	13,296	11,520	1,776	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	1,186,404	1,186,404		
23	Insurance	111,088		111,088	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24e If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
a	MANAGEMENT FEE	-456,056	-44,508	-281,781	-129,767
b	SUPPLIES (NURSING, HOUSEKEEPIN	503,435	500,246	3,189	
c	PHARMACEUTICALS	639,961	639,961		
d	RAW FOOD	633,320	604,825	28,495	
e	All other expenses	558,735	479,851	78,884	
25	Total functional expenses. Add lines 1 through 24e	20,371,737	18,387,736	1,984,001	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X

Balance Sheet

Check if Schedule O contains a response to any question in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		335,485	1	1,308,730
	2	Savings and temporary cash investments		221,834	2	216,642
	3	Pledges and grants receivable, net		0	3	0
	4	Accounts receivable, net		1,746,348	4	1,488,069
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		238,140	9	271,407
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a38,511,907			
	b	Less accumulated depreciation	10b23,946,784	15,109,563	10c	14,565,123
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		150,000	15	3,283,204
	16	Total assets. Add lines 1 through 15 (must equal line 34)		17,801,370	16	21,133,175
Liabilities	17	Accounts payable and accrued expenses		1,953,401	17	1,736,438
	18	Grants payable		0	18	0
	19	Deferred revenue		190,390	19	589,770
	20	Tax-exempt bond liabilities		7,678,000	20	7,438,000
	21	Escrow or custodial account liability Complete Part IV of Schedule D		382,815	21	12,815
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		1,268,369	25	1,328,081
	26	Total liabilities. Add lines 17 through 25		11,472,975	26	11,105,104
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		5,994,142	27	6,627,725
	28	Temporarily restricted net assets		334,253	28	3,400,346
	29	Permanently restricted net assets		0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.					
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		6,328,395	33	10,028,071
	34	Total liabilities and net assets/fund balances		17,801,370	34	21,133,175

Part XIReconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	21,191,171
2	Total expenses (must equal Part IX, column (A), line 25)	2	20,371,737
3	Revenue less expenses Subtract line 2 from line 1	3	819,434
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	6,328,395
5	Net unrealized gains (losses) on investments	5	-82,534
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	2,962,776
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	10,028,071

Part XIIFinancial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☒

An organization that normally receives (1) more than 33¹/₃% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33¹/₃% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Non-functionally integrated
- e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)
- | | Yes | No |
|----------|-----|----|
| 11g(i) | | |
| 11g(ii) | | |
| 11g(iii) | | |
- | (i) Name of supported organization | (ii) EIN | (iii) Type of organization (described on lines 1 - 9 above or IRC section (see instructions)) | (iv) Is the organization in col (i) listed in your governing document? | | (v) Did you notify the organization in col (i) of your support? | | (vi) Is the organization in col (i) organized in the U S ? | | (vii) Amount of monetary support |
|------------------------------------|----------|---|--|----|---|----|--|----|----------------------------------|
| | | | Yes | No | Yes | No | Yes | No | |
| | | | | | | | | | |
| | | | | | | | | | |
| Total | | | | | | | | | |
- For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990EZ.

Cat No 11285F

Schedule A (Form 990 or 990-EZ) 2012

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2011 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
b 33 1/3% support test—2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
b 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization						▶
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions						▶

Part IIISupport Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	241,985	54,875	401,681	941,940	631,769	2,272,250
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	19,110,322	20,391,550	19,369,060	18,427,282	20,817,680	98,115,894
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	19,352,307	20,446,425	19,770,741	19,369,222	21,449,449	100,388,144
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public support (Subtract line 7c from line 6)						100,388,144

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6	19,352,307	20,446,425	19,770,741	19,369,222	21,449,449	100,388,144
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	13,407	2,395	729	1,392	1	17,924
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	13,407	2,395	729	1,392	1	17,924
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						0
13 Total support. (Add lines 9, 10c, 11, and 12)	19,365,714	20,448,820	19,771,470	19,370,614	21,449,450	100,406,068
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	99.982 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	95.967 %

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	0.018 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	0.064 %
19a 33 1/3% support tests—2012. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		✓
b 33 1/3% support tests—2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		✓
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		✓

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? <div><input type="checkbox"/> Yes<input type="checkbox"/> No</div>	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶_____

4

Number of states where property subject to conservation easement is located ▶_____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶_____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶\$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?

☐ Yes☐ No

9

In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

(ii) Assets included in Form 990, Part X

▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b

Assets included in Form 990, Part X

▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 52283D

Schedule D (Form 990) 2012

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☒ No

b

If "Yes," explain the arrangement in Part XIII and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☒ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

☐

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a	Beginning of year balance				
b	Contributions				
c	Net investment earnings, gains, and losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

3a(i)

Yes

No

(ii) related organizations

3a(ii)

Yes

No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

Yes

No

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		265,511		265,511
b Buildings		24,637,210	13,081,326	11,555,884
c Leasehold improvements				
d Equipment		13,045,433	10,539,241	2,506,192
e Other		563,753	326,217	237,536
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				14,565,123

Schedule D (Form 990) 2012

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return					
1	Total revenue, gains, and other support per audited financial statements			1	21,261,438
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains on investments	2a	-82,534		
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII)	2d	152,801		
e	Add lines 2a through 2d			2e	70,267
3	Subtract line 2e from line 1			3	21,191,171
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)			5	21,191,171
Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return					
1	Total expenses and losses per audited financial statements			1	20,524,538
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d	152,801		
e	Add lines 2a through 2d			2e	152,801
3	Subtract line 2e from line 1			3	20,371,737
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines 4a and 4b				
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)			5	20,371,737

Part XIII Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
PART IV		THE ACCOUNTS THAT THE LUTHERAN HOME IS A CUSTODIAN FOR ARE WAITING LIST DEPOSITS. WHEN THE RESIDENT MOVES IN THE DEPOSIT IS APPLIED TO THEIR FIRST MONTHS BILL.
PART X, QUESTION 2		THERE WAS NO IMPACT TO THE LUTHERAN HOME'S FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF ASC 740-10 (UNCERTAIN TAX POSITIONS). AS A RESULT, THE ORGANIZATION HAS NOT RECORDED ANY RESERVES OR RELATED ACCRUALS FOR INTEREST AND PENALTIES FOR UNCERTAIN INCOME TAX POSITIONS AT DECEMBER 31, 2012.
PART XI	SCHEDULE D, PART XI, LINE 2D	ADJUSTMENT IS RENTAL EXPENSE OF (152,801) THAT WAS RECORDED AS EXPENSE ON THE AUDIT AND AN OFFSET AGAINST RENTAL REVENUE ON THE FORM 990.
PART XII	SCHEDULE D, PART XII, LINE 2D	\$152,801 OTHER EXPENSE IS RENTAL EXPENSE THAT WAS RECORDED AS EXPENSE ON THE AUDIT AND OFFSET AGAINST RENTAL REVENUE ON THE FORM 990.

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Written employment contract</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		No
c	Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.	4c		No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization? If "Yes," to line 5a or 5b, describe in Part III.	5b		No
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		No
b	Any related organization? If "Yes," to line 6a or 6b, describe in Part III.	6b		No
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1)SCOTT MCFADDEN PRESIDENT/CEO	(i) (ii)	137,182	0	10,783	4,621	18,585	171,171	0

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div>	OMB No 1545-0047
		2012
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization THE LUTHERAN HOME INC	Employer identification number 39-0807205
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Part I Bond Issues

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A Wisconsin Health & Educational Facility	39-1337855		12-31-2010	7,885,000	REFUND PRIOR ISSUE 12/07/2005		X	X			X

Part II Proceeds

		A		B		C		D	
1	Amount of bonds retired	447,000							
2	Amount of bonds legally defeased	0							
3	Total proceeds of issue	7,885,000							
4	Gross proceeds in reserve funds	0							
5	Capitalized interest from proceeds	0							
6	Proceeds in refunding escrows	0							
7	Issuance costs from proceeds	0							
8	Credit enhancement from proceeds	0							
9	Working capital expenditures from proceeds	0							
10	Capital expenditures from proceeds	0							
11	Other spent proceeds	0							
12	Other unspent proceeds	0							
13	Year of substantial completion								
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X							
15	Were the bonds issued as part of an advance refunding issue?		X						
16	Has the final allocation of proceeds been made?	X							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X							

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X						
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X							

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		X						
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X						
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government	0 %		%		%		%	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government	0 00000 %		%		%		%	
6	Total of lines 4 and 5	0 %		%		%		%	
7	Does the bond issue meet the private security or payment test?	X							
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?		X						
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	%		%		%		%	
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1.141-12 and 1.145-2?		X						
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1.141-12 and 1.145-2?	X							

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X							
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?								
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X							
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X						
b	Name of provider	0							
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X						
b	Name of provider	0							
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?		X						
7	Has the organization established written procedures to monitor the requirements of section 148?		X						

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?		X						

Part VI

Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

Identifier	Return Reference	Explanation
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Schedule L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2012
Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II

Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?	(i) Written agreement?	
			To	From			Yes	No		Yes	No
Total ▶ \$											

Part III

Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV

Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) DALE E VAN DAM	>35% owner of insur co	332,240	SEE PART V		No

Part V

Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
PART IV, 1(D)	DESCRIPTION OF TRANSACTION	INSURANCE TERMS ARE AT OR BELOW FAIR MARKET VALUE AND APPROVED BY AN INDEPENDENT BODY

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I

Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	1	3,000	FMV
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (FLOORING)	X	1	14,255	FMV
26 Other ► (ELEVATOR)	X	7	237,561	FMV
27 Other ► ()				
28 Other ► ()				

29

Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

30a

During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b

If "Yes," describe the arrangement in Part II

31

Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a

Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b

If "Yes," describe in Part II

33

If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II

Yes

No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 51227J

Schedule M (Form 990) (2012)

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2012

Open to Public
Inspection

Name of the organization THE LUTHERAN HOME INC	Employer identification number 39-0807205
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Identifier	Return Reference	Explanation
PART VI, QUESTION 11B		FORM 990 IS PRESENTED TO EACH RESPECTIVE BOARD FOR ITS REVIEW AND APPROVAL PRIOR TO FILING COPIES ARE MADE AVAILABLE TO ANY MEMBER OF THE BOARD UPON THEIR REQUEST

Identifier	Return Reference	Explanation
PART VI, QUESTION 12C		SELECTED EMPLOYEES HAVE AUTHORITY TO PURCHASE GOODS AND SERVICES UNDER \$500 WITH A VALID LLS PURCHASE ORDER PURCHASES BETWEEN \$500 AND \$1,000 MUST HAVE DEPARTMENT HEAD APPROVAL PURCHASES OVER \$1,000 MUST FURTHER BE APPROVED BY AN AUTHORIZED CORPORATE OFFICER OR FUNCTIONAL LEADER ALL GOODS ARE ORDERED IN ACCORDANCE WITH THE LLS COMPLIANCE POLICY

Identifier	Return Reference	Explanation
PART VI, QUESTION 15A AND 15B		TYPICALLY IN DECEMBER, THE COMPENSATION COMMITTEE MEETS TO REVIEW THE PERFORMANCE, CURRENT COMPENSATION AND BENEFITS, INDUSTRY-SPECIFIC INDEPENDENT SALARY SURVEY INFORMATION FOR THE CEO AND PRESIDENT (OR THE TWO FULL-TIME EXECUTIVES), EXAMINE ANY OTHER CURRENT COMPENSATION INFORMATION DEEMED COMPARABLE AND NECESSARY, AND THEN CONSIDER AND APPROVE ANY CHANGES IN COMPENSATION AND BENEFITS FOR THE CEO AND PRESIDENT. THE COMMITTEE THEN REVIEWS AND APPROVES THE CEO'S RECOMMENDATIONS FOR COMPENSATION CHANGES FOR OTHER OFFICERS AND SENIOR MANAGERS. THE COMMITTEE WILL ALSO REVIEW AND APPROVE THE CEO'S PLAN FOR ANY INCENTIVE COMPENSATION PROGRAM AND PLAN BEING CONSIDERED FOR ANY OFFICER OR SENIOR EXECUTIVE. ANY INCENTIVES (BONUSES OR OTHERWISE) THAT ARE BEING AWARDED PURSUANT TO AN APPROVED PLAN ARE APPROVED BY THE COMMITTEE FOLLOWING THE END OF THE FISCAL YEAR AND PRIOR TO PAYMENT.

Identifier	Return Reference	Explanation
PART VI, QUESTION 19		THE LUTHERAN HOME PROVIDES THE AFOREMENTIONED DOCUMENTS TO THE PUBLIC UPON REQUEST CURRENTLY THE ANNUAL REPORT , IF APPLICABLE, IS AVAILABLE ON OUR WEBSITE. FORM 990 IS TYPICALLY AVAILABLE AT WWW GUIDESTAR.ORG

Identifier	Return Reference	Explanation
PART VI, QUESTION 6		THE CORPORATION IS ORGANIZED AND SHALL BE OPERATED EXCLUSIVELY FOR CHARITABLE, EDUCATIONAL, RELIGIOUS, AND SCIENTIFIC PURPOSES WITHIN THE MEANING OF SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE CORPORATION SHALL HAVE A SINGLE CLASS OF MEMBERS AND THE SOLE MEMBER OF SUCH CLASS SHALL BE LUTHERAN LIVING SERVICES, INC (THE "MEMBER"), WHICH IS A WISCONSIN NONPROFIT CORPORATION AND AN ENTITY RECOGNIZED AS EXEMPT UNDER IRS SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE. THE MEMBER SHALL HAVE SOLE VOTING POWER TO ELECT THE DIRECTORS OF THE CORPORATION AND AUTHORIZE ANY AMENDMENT TO THE CORPORATION'S ARTICLES OF INCORPORATION AND/OR THESE BY-LAWS THAT IMPAIR THE RIGHTS OF THE MEMBER. THE AFFAIRS OF THE CORPORATION SHALL BE MANAGED BY ITS BOARD OF DIRECTORS AND SHALL EXERCISE ITS FULL AUTHORITY AS GRANTED BY THE ARTICLES OF INCORPORATION BY THESE BY-LAWS AND BY OPERATION OF LAW IN ESTABLISHING AND MAINTAINING SUCH POLICIES.

Identifier	Return Reference	Explanation
PART XI, LINE 9		LUTHERAN LIVING SERVICES INC IS THE PARENT OF THE LUTHERAN HOME, INC (HOME) AND IS AFFILIATED WITH THE LUTHERAN HOME FOUNDATION, INC (FOUNDATION) THE FOUNDATION IS A NON-STOCK, NON-PROFIT CORPORATION ORGANIZED TO RAISE FUNDS TO SUPPORT THE OPERATION OF LUTHERAN LIVING SERVICES AND ITS AFFILIATIONS THE FOUNDATION HAS RECEIVED \$2,962,776 OF TEMPORARILY RESTRICTED ASSETS WHICH ARE FOR THE SPECIFIC BENEFIT OF THE HOME AS OF DECEMBER 31, 2012 THE HOME HAS REFLECTED ITS INTEREST IN THE NET ASSETS OF THE FOUNDATION IN ITS BALANCE SHEET AT DECEMBER 31, 2012

Identifier	Return Reference	Explanation
PART III, LINE 4D	OTHER ANCILLARY REVENUE	\$455,619 OF ADDITIONAL REVENUE RECEIVED FROM MEALS, BEAUTY SHOP, BATHING, TRANSPORTATION, GARAGE RENTAL FEES, TELEPHONE, AND CABLE TV SERVICES PROVIDED TO BENEFIT THE NEEDS OF RESIDENTS AS RELATED TO THE EXEMPT FUNCTION OF THE ORGANIZATION

Identifier	Return Reference	Explanation
OTHER FEES FOR SERVICES FOR NON-EMPLOYEES	FORM 990 PART IX LINE 11G	DESCRIPTION PURCHASED SERVICES TOTAL FEES 1230233

Identifier	Return Reference	Explanation
OTHER FEES FOR SERVICES FOR NON-EMPLOYEES	FORM 990 PART IX LINE 11G	DESCRIPTION MEDICARE A THERAPY TOTAL FEES 949803

Identifier	Return Reference	Explanation
OTHER FEES FOR SERVICES FOR NON-EMPLOYEES	FORM 990 PART IX LINE 11G	DESCRIPTION MISCELLANEOUS TOTAL FEES 21013

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2012

Open to Public Inspection

Name of the organization
THE LUTHERAN HOME INC

Employer identification number
39-0807205

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)					
(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)							
(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) LUTHERAN HOME FOUNDATION 7500 W NORTH AVENUE WAUWATOSA, WI 53213 39-1478794	FOUNDATION	WI	501(C)(3)	11C III-FI	NA		No
(2) HARWOOD PLACE INC 7500 W NORTH AVENUE WAUWATOSA, WI 53213 39-1531532	INDEP LIVING	DE	501(C)(3)	9	NA		No
(3) LUTHERAN LIVING SERVICES INC 7500 W NORTH AVENUE WAUWATOSA, WI 53213 39-1477207	DEVELOPMENT	WI	501(C)(3)	9	NA		No

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end- of-year assets	(h) Percentage ownership	(i) Section 512 (b)(13) controlled entity?	
								Yes	No

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity

b Gift, grant, or capital contribution to related organization(s)

c Gift, grant, or capital contribution from related organization(s)

d Loans or loan guarantees to or for related organization(s)

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

j Lease of facilities, equipment, or other assets to related organization(s)

k Lease of facilities, equipment, or other assets from related organization(s)

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

1s

No

No

No

No

Yes

No

No

No

No

No

No

Yes

Yes

Yes

No

Yes

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) HARWOOD PLACE INC	Q	497,369	SEE PART VII

Schedule R (Form 990) 2012

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
PART V, QUESTION 2		\$497,369 IS A PAYMENT OF INTERCOMPANY EXPENSES DUE FROM HARWOOD PLACE, INC HARWOOD PLACE IS A RELATED ORGANIZATION AND HAS PART OF ITS OPERATING EXPENSE PAID BY THE LUTHERAN HOME THE COMMON EXPENSES PAID ARE INSURANCE PREMIUMS AND PAYROLL EXPENSES EACH MONTH HARWOOD DETERMINES THE FMV OF ALL EXPENSES PAID BY THE LUTHERAN HOME AND MAKES PAYMENT ON THOSE EXPENSES THE METHOD USED IN DETERMINING THE AMOUNT TO BE REPAID IS ALWAYS THE FMV OF EXPENSES

Software ID:
Software Version:
EIN: 39-0807205
Name: THE LUTHERAN HOME INC



The Lutheran Home, Inc.

Financial Statements
(with Supplemental Information)
Years Ended December 31, 2012 and 2011

The Lutheran Home, Inc.

Financial Statements
(with Supplemental Information)
Years Ended December 31, 2012 and 2011

The Lutheran Home, Inc.

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Independent Auditor's Report

The Lutheran Home, Inc.
Wauwatosa, Wisconsin

We have audited the accompanying balance sheets of The Lutheran Home, Inc. (Home), a non-profit corporation, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, changes in net assets, and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lutheran Home, Inc. as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

May 3, 2013

Financial Statements

The Lutheran Home, Inc.

Balance Sheets

<i>December 31,</i>	2012	2011
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,516,918	\$ 543,673
Patients' trust funds	8,455	13,646
Accounts receivable, less allowance for possible losses of \$155,000 in 2012 and 2011	1,488,069	1,746,348
Prepaid expenses and supplies	178,923	136,609
Due from affiliates	170,429	-
Total Current Assets	3,362,794	2,440,276
Property and Equipment, net	13,800,589	14,297,246
Other Assets		
Deferred financing costs	92,484	101,531
Interest in net assets of Lutheran Home Foundation, Inc.	3,112,776	150,000
Other	764,534	812,317
Total Other Assets	3,969,794	1,063,848
Total Assets	\$ 21,133,177	\$ 17,801,370

The Lutheran Home, Inc.

Balance Sheets

<i>December 31,</i>	2012	2011
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 607,738	\$ 782,414
Security deposits payable	5,565	375,565
Patients' trust funds payable	8,455	13,646
Accruals:		
Payroll and compensated absences	1,067,158	1,127,681
Interest payable	33,696	15,074
Other	616,413	212,228
Current maturities of long-term debt	254,000	240,000
Total Current Liabilities	2,593,025	2,766,608
Due to Affiliates	-	22,822
Long-Term Debt, less current maturities	7,184,000	7,438,000
Liability Under Interest Rate Swap Agreement	1,328,081	1,245,547
Total Liabilities	11,105,106	11,472,977
Commitments and Contingencies		
Net Assets		
Unrestricted	6,627,725	5,994,141
Temporarily restricted	3,400,346	334,252
Total Net Assets	10,028,071	6,328,393
Total Liabilities and Net Assets	\$ 21,133,177	\$ 17,801,370

See accompanying notes to financial statements.

The Lutheran Home, Inc.

Statements of Operations

<i>Year ended December 31,</i>	2012	2011
Unrestricted Revenue, Gains and Other Support		
Patient service revenue	\$ 18,628,682	\$ 17,158,016
Other operating revenue	1,979,242	1,908,362
Rental and other revenue	104,578	98,013
Contributions	517,815	850,000
Assets released from restrictions used in operations	10,336	65,206
Total Unrestricted Revenue, Gains and Other Support	21,240,653	20,079,597
Operating Expense		
Daily patient service - nursing	7,708,905	7,475,918
Special service expenses	2,680,292	2,542,229
General service expenses	7,987,429	8,202,761
Depreciation	1,195,284	1,246,667
Utilities	532,198	583,854
Interest expense	420,427	455,483
Total Operating Expenses	20,524,535	20,506,912
Operating Income (Loss)	716,118	(427,315)
Unrealized Loss on Interest Rate Swap	(82,534)	(577,256)
Revenue in Excess of (Less Than) Expenses	\$ 633,584	\$ (1,004,571)

See accompanying notes to financial statements.

The Lutheran Home, Inc.
Statements of Changes in Net Assets

<i>Year ended December 31,</i>	2012	2011
Unrestricted Net Assets		
Revenues in excess of (less than) expenses	\$ 633,584	\$ (1,004,571)
Increase (decrease) in unrestricted net assets	633,584	(1,004,571)
Temporarily Restricted Net Assets		
Contributions	113,654	91,840
Change in interest in net assets of Lutheran Home Foundation, Inc.	2,962,776	-
Released from restrictions - used in operations	(10,336)	(65,206)
Increase in temporarily restricted net assets	3,066,094	26,634
Increase (Decrease) in Net Assets	3,699,678	(977,937)
Net Assets, beginning of year	6,328,393	7,306,330
Net Assets, end of year	\$ 10,028,071	\$ 6,328,393

See accompanying notes to financial statements.

The Lutheran Home, Inc.

Statements of Cash Flows

<i>Year ended December 31,</i>	2012	2011
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 3,699,678	\$ (977,937)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	1,195,284	1,246,667
Amortization	9,047	9,354
Unrealized loss on interest rate swap	82,534	577,256
Interest in net assets of Lutheran Home Foundation, Inc.	(2,962,776)	-
Changes in assets and liabilities:		
Patients' trust funds	5,191	2,149
Accounts receivable	258,279	(573,318)
Prepaid expenses and supplies	(42,314)	21,979
Due from affiliates	(170,429)	45,002
Other assets	-	571
Accounts payable	(174,676)	93,255
Security deposits payable	(370,000)	64,020
Patients' trust funds payable	(5,191)	(2,149)
Payroll and compensated absences	(60,523)	(1,197)
Interest payable	18,622	(27,981)
Other accruals	404,185	46,398
Net cash provided by operating activities	1,886,911	524,069
Cash Flows From Investing Activities		
Purchase of property and equipment	(650,844)	(431,970)
Sale of assets whose use is limited	-	7,942,381
Net cash provided by (used in) investing activities	(650,844)	7,510,411
Cash Flows From Financing Activities		
Payments on long-term debt	(240,000)	(8,092,000)
Due to affiliates	(22,822)	12,329
Deferred financing costs	-	(28,140)
Net cash used in financing activities	(262,822)	(8,107,811)
Increase (Decrease) in Cash and Cash Equivalents	973,245	(73,331)
Cash and Cash Equivalents, beginning of year	543,673	617,004
Cash and Cash Equivalents, end of year	\$ 1,516,918	\$ 543,673
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 392,758	\$ 474,110

See accompanying notes to financial statements.

The Lutheran Home, Inc.

Notes to Financial Statements

1. Summary of Accounting Policies

Organization

The Lutheran Home, Inc. (Home), located in Wauwatosa, Wisconsin, is a nonstock, non-profit organization incorporated under the laws of the State of Wisconsin. Operations include: a 187-bed health center and a 40-unit dementia care assisted living facility that provide for the long-term care of the aged, infirm, injured and sick; a child day care facility for the children of employees and the community; and an adult day care facility.

Fair Value of Financial Instruments

The carrying value of financial instruments including cash, accounts receivable, accounts payable, and long-term debt approximate fair value. The Home believes that the carrying amounts of these accounts are a reasonable estimate of their fair value because of the short-term nature of such instruments or, in the case of long-term debt, because of interest rates available to the Home for similar obligations.

Accounts Receivable and Credit Policy

Accounts receivable are uncollateralized patient obligations, most of who are local residents and are stated at the amount management expects to collect from outstanding balances. Balances are recorded net of an allowance for contractual adjustments for Medicaid, Medicare, and other third party payers under terms of third party reimbursement agreements in effect. Accounts receivable are also recorded net of an allowance for doubtful accounts. The allowance for doubtful accounts is adjusted periodically based upon a review of patient balances and the likelihood of payment based on historical experience as well as specific patient circumstances. The Home follows up on past due amounts to reduce its exposure to potential uncollectible accounts. Based on information available to the Home, management believes the allowance for doubtful accounts included in the financial statements to be adequate.

Property and Equipment

Property and equipment is recorded at historical cost. Donated property and equipment is recorded at its fair market value at the date of donation.

Depreciation is provided over the estimated useful lives of the respective depreciable assets by the straight-line method. The estimated lives used in determining depreciation are:

Classification	Estimated Useful Lives
Land improvements	10-20 years
Buildings and improvements	10-40 years
Equipment and furnishings	5-15 years
Transportation equipment	5-10 years
Day care	5-40 years
Day services	5-40 years

The Lutheran Home, Inc.

Notes to Financial Statements

Deferred Financing Costs

Deferred financing costs are amortized using the effective interest method over the life of the related financing.

Net Assets

Unrestricted net assets represent funds on which outside parties have placed no restrictions, funds which arise as a result of operations and the net investment in property and equipment. Temporarily restricted net assets are those whose use by the Home has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Home in perpetuity.

Revenue

Patient service revenue is recorded at established billing rates with Medicaid and Medicare contractual allowances deducted to arrive at net patient service revenue. Adjustments to revenue are reported in the year finalized.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received.

Contributions restricted by donors for plant replacement and expansion are initially recorded in temporarily restricted net assets and are then transferred to unrestricted net assets to the extent expended within the period. Contributions restricted by donors for specific operating purposes are initially recorded in temporarily restricted net assets and are then transferred to other revenue in unrestricted net assets to the extent expended during the period.

Cafeteria Plan

The Home has a cafeteria plan covering employees' medical and dependent care expenses. The Home is acting as the fiduciary in administering this plan.

Unemployment Compensation Benefits

The Home uses the reimbursement method to finance the cost of unemployment compensation benefits. Unemployment compensation expense is charged to operations when the amount of claims can be reasonably estimated. A letter of credit totaling \$209,129 has been obtained by the Home as collateral for payment of eligible unemployment compensation benefits.

Advertising Costs

The Home expenses advertising costs as incurred. Advertising costs that were expensed approximated \$30,200 and \$26,600 for the years ended December 31, 2012 and 2011, respectively.

The Lutheran Home, Inc.

Notes to Financial Statements

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Home considers all highly liquid debt instruments purchased with a maturity of ninety days or less to be cash equivalents. The carrying amount reported in the balance sheet for cash and cash equivalents approximates its fair market value.

Tax Status

The Internal Revenue Service has indicated in a determination letter that the Home is generally exempt from paying Federal and State income taxes because of its tax status as a nonprofit organization exempt under Section 501(c)(3) of the Internal Revenue Code. However, the Home is subject to federal income tax on any unrelated business taxable income, which the Home had none in 2012 or 2011. Accordingly, no provision for income taxes has been recorded in the statement of operations.

Under ASC 740, *Income Taxes*, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The Home does not believe there are any material uncertain tax positions and, accordingly, it did not recognize any liability for unrecognized tax benefits. For the years ended December 31, 2012 and 2011, there were no interest or penalties recorded or included in the financial statements.

Interest Rate Swap Agreement

The Home uses an interest rate swap agreement to hedge its variable rate debt against changes in interest rates. By entering into this agreement, the Home essentially is limiting its exposure to interest rate increases. The interest differential to be paid or received on the swap agreement is accrued as part of interest expense. In addition, accounting standards require that all derivative instruments be recorded on the balance sheet as either an asset or liability measured at its fair value. The swap agreement had a fair market value of \$1,328,081 and \$1,245,547 at December 31, 2012 and 2011, respectively, and is included in long-term liabilities on the balance sheet. Changes in the market value of the swap agreement are shown as a component of the change in unrestricted net assets but are not included in operating income.

Operating Income

The Home's operating income includes all unrestricted revenue, gains, expenses and losses for the reporting period, excluding the change in market value of the interest rate swap agreement. The Home's performance indicator is defined as revenues in excess of expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Lutheran Home, Inc.

Notes to Financial Statements

Subsequent Events

The Home evaluated subsequent events through May 3, 2013, which is the date the financial statements were available to be issued.

Recently Issued Accounting Standards

In October 2012, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2012-04, Technical Corrections and Improvements. The amendments in this Update cover a wide range of Topics in the Codification. These amendments are presented in two sections—Technical Corrections and Improvements (Section A) and Conforming Amendments Related to Fair Value Measurements (Section B). The amendments in this Update represent changes to clarify the Codification, correct unintended application of guidance, or make minor improvements to the Codification that are not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. Additionally, the amendments will make the Codification easier to understand and the fair value measurement guidance easier to apply by eliminating inconsistencies and providing needed clarifications. This Update is not intended to significantly change U.S. GAAP. The amendments in this Update that will not have transition guidance will be effective upon issuance. The amendments that are subject to the transition guidance will be effective for fiscal periods beginning after December 15, 2013. The adoption of ASU No. 2012-04 did not have a material impact on the Home's financial statements.

2. Concentrations of Credit Risk

Certain financial instruments potentially subject the Home to concentrations of credit risk. Those financial instruments consist primarily of trade receivables, and cash deposited in excess of FDIC insured limits. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Home has never experienced any losses related to these balances. All non-interest bearing cash balances were fully insured at December 31, 2012 and 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and non-interest bearing cash balances may again exceed federally insured limits.

The Home believes that its accounts receivable credit risk exposure is limited due to a large resident base and a significant portion of receivables from government paying programs. The mix of receivables at December 31, 2012 and 2011 were as follows:

<i>December 31,</i>	2012	2011
Medicare	38%	40%
Medicaid	26%	18%
Private Pay and other	36%	42%
	100%	100%

The Lutheran Home, Inc.

Notes to Financial Statements

3. Property and Equipment

Property and equipment is summarized as follows:

<i>December 31,</i>	2012	2011
Land	\$ 265,511	\$ 265,511
Land improvements	502,303	502,303
Buildings and improvements	22,566,099	22,337,122
Equipment and furnishings	12,205,938	11,798,510
Transportation equipment	306,252	306,252
Day care	1,228,820	1,214,381
Day services	481,317	481,317
	37,556,240	36,905,396
Less accumulated depreciation	(23,755,651)	(22,608,150)
Net property and equipment	\$ 13,800,589	\$ 14,297,246

4. Deferred Financing Costs

Deferred financing costs consist of financing fees related to the issuance of long-term debt. In 2010, the Home issued Series 2010 Revenue Bonds, which were used to retire the Series 2005 Bonds in January 2011.

	2012	2011
Deferred financing costs	\$ 110,885	\$ 110,885
Less accumulated amortization	(18,401)	(9,354)
Net deferred financing costs	\$ 92,484	\$ 101,531

Amortization expense was \$9,047 and \$9,354 in 2012 and 2011. Amortization expense related to the Series 2010 bonds is expected to be approximately \$8,100 per year during the next 5 years.

5. Other Assets

Other assets include the following:

<i>December 31,</i>	2012	2011
Residential homes held for investment, at depreciated cost	\$ 764,534	\$ 812,317

6. Transactions with Affiliates

LutheranLiving Services is the parent of the Home and Harwood Place, Inc. (Harwood) and is affiliated with the Lutheran Home Foundation, Inc. (Foundation). The Foundation is a non-stock, non-profit corporation organized to raise funds to support the operation of Lutheran Living Services and its affiliates. The Foundation has received \$3,112,776 and \$150,000 of temporarily

The Lutheran Home, Inc.

Notes to Financial Statements

restricted assets which are for the specific benefit of the Home as of December 31, 2012 and 2011, respectively. The Home has reflected its interest in the net assets of the Foundation in the accompanying balance sheet at December 31, 2012 and 2011.

The Home charged Harwood \$305,263 and \$337,341 and the Foundation \$166,495 and \$213,090, respectively, primarily for administrative and development services for the years ended December 31, 2012 and 2011, respectively.

The following is a summary of the amounts due from affiliates as of December 31, 2012 and 2011:

<i>December 31,</i>	2012	2011
Lutheran Home Foundation, Inc.	\$ 108,645	\$ -
Harwood Place, Inc.	61,784	-
	\$ 170,429	\$ -

Due to affiliates as of December 31, 2012 and 2011 is as follows:

<i>December 31,</i>	2012	2011
Lutheran Home Foundation, Inc.	\$ -	\$ 10,265
Harwood Place, Inc.	-	12,557
	\$ -	\$ 22,822

The following is a summary of contributions received from affiliates during 2012 and 2011:

	2012	2011
Lutheran Home Foundation, Inc.	\$ -	\$ 250,000
Harwood Place, Inc.	-	600,000
	\$ -	\$ 850,000

7. Long-Term Debt

Long-term debt consists of the following:

<i>December 31,</i>	2012	2011
Bonds payable, Wisconsin Health and Educational Facilities Authority Adjustable Rate Revenue Bonds, Series 2010, with a variable interest rate (approximately .14% as of December 31, 2012), due December 1, 2030.	\$ 7,438,000	\$ 7,678,000
Less current maturities	(254,000)	(240,000)
	\$ 7,184,000	\$ 7,438,000

The Lutheran Home, Inc.

Notes to Financial Statements

Maturities of long-term debt for the following five years and thereafter are as follows:

2013	\$ 254,000
2014	267,000
2015	282,000
2016	296,000
2017	313,000
Thereafter	\$ 6,026,000

In December 2010, the Home entered into a loan agreement with the Wisconsin Health and Educational Facilities Authority (Authority) to borrow \$7,885,000, through the issuance and sale of Revenue Bonds, Series 2010. In connection with the agreement, proceeds of the loan were used to retire the principle balance of the 2005 Revenue Bonds of the same amount in January 2011.

The Home entered into an interest rate swap agreement with a swap counter party whereby the Home receives a variable interest rate payment in exchange for making a fixed rate payment of 3.515%.

The loan and related agreements with the Authority provide, among other things, that the Home is obligated for the debt service on all obligations issued there under. In addition, the Master Trust Indenture requires the Home to maintain certain financial ratios and places restrictions on various activities such as the sale, lease or disposition of property, the creation of mortgages and the incurrence of additional indebtedness.

The Series 2010 Bonds were purchased by Wells Fargo Bank, National Association (Wells Fargo), pursuant to a credit agreement between Wells Fargo and the Home, dated December 1, 2010. The agreement provides that the Home comply with certain liquidity and debt ratio covenants, in addition to requirements per the Master Trust Indenture as described above. The bonds are also supported by a guaranty agreement with the Lutheran Home Foundation, Inc. (Guarantor), an affiliated entity. The bonds are payable in monthly installments of principle and interest over a 20-year period ending December 1, 2030.

The Series 2010 Revenue Bonds are secured by a mortgage and substantially all assets of the Home, as well as certain assets of the Guarantor.

Interest expense during the years ended December 31, 2012 and 2011 was \$411,380 and \$424,868, respectively, on the Series 2010 Revenue Bonds.

The Home applies the methods of fair value as described in ASC 820 to value its financial assets and liabilities. ASC 820 established a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. In determining fair value, the Home utilized valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considering counter-party credit risk in its assessment of fair value. The Home used an independent valuation specialist to determine the fair value of the swap, which is considered to be a Level 2 financial instrument.

The Lutheran Home, Inc.

Notes to Financial Statements

8. Investment Income

Investment income of \$1 and \$1,392 included in the Statement of Operations for the years ending December 31, 2012 and 2011, respectively, is comprised of interest and dividends.

9. Third-Party Reimbursement

Patient service revenue includes amounts estimated by management to be reimbursable by Medicaid and Medicare under the provisions of reimbursement formulas in effect. Final determination of amounts earned is subject to audit and adjustment (for example, billing denials and coding changes). Often, such adjustments are not known for a considerable period of time after the related services are rendered. In the opinion of management, adequate provision has been made for any adjustments that may result from such audits. Differences between estimated provisions and final settlement are reflected as charges or credits to operating revenue in the year finalized.

A substantial portion of the Home's revenues is derived from the payments made by or through government programs. Significant changes have and will continue to be made in government paying programs, and such changes could have a material impact on the financial condition of the Home.

10. Retirement Plans

The Home has established a 403(b)(7) contributory defined contribution plan. The plan provides for an employer contribution equal to the employee contribution up to 3%. Eligibility for the plan covers those employees who attain age 21, complete one year of employment and work at least 1,000 hours annually. Once the above requirements have been met, participation can begin on January 1 or July 1 of each year. Participants are fully vested after 3 years. Retirement plan expense approximated \$184,500 and \$226,000 in 2012 and 2011, respectively.

The Home also contributed \$22,997 in 2012 and \$24,394 in 2011 to the defined benefit retirement plan of Lutheran Church - Missouri Synod for the retirement benefit of the Chaplain.

11. Commitments and Contingencies

In accordance with *Accounting for Conditional Asset Retirement Obligations*, ASC 410, the current recognition of a liability is required when a legal obligation exists to perform an asset retirement obligation in which the timing or method of settlement are conditional on a future event that may or may not be under the control of the entity.

The Home has identified the presence of asbestos which if removed, will ultimately require remediation. However, management cannot reasonably estimate the fair value of the liability due to the indeterminate settlement date for the asset retirement obligation because the range of time over which the entity may settle the obligation is unknown or cannot be estimated. Therefore, no provision has been made for any material loss that may result from environmental remediation liabilities associated with the Home.

The Home is covered by professional liability insurance on a claims-made basis. The Home is involved in legal and administrative proceedings and claims that arise in the ordinary course of

The Lutheran Home, Inc.

Notes to Financial Statements

business, which are believed to be covered by the professional liability policy. Management defends these claims vigorously, and while any litigation or claim contains an element of uncertainty, Management presently believes that the ultimate resolution of these claims will not have a material adverse effect on the Home.

12. Functional Expenses

Expenses related to the Home's provision of health care services are as follows:

<i>Year ended December 31,</i>	2012	2011
Health care services	\$ 17,632,774	\$ 17,755,954
General and administrative	2,891,791	2,750,958
	\$ 20,524,535	\$ 20,506,912

13. Subsequent Event

On January 31, 2013, the Home repaid its Series 2010 Bonds of which \$7,417,000 were outstanding, plus accrued interest. The Home also terminated the interest rate swap agreement and settled the related liability which approximated \$1,392,200.

Supplemental Information



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Independent Auditor's Report on Supplemental Information

Our audits of the basic financial statements included in the preceding section of this report were performed for the purpose of forming an opinion on those statements taken as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BDO USA, LLP

May 3, 2013

The Lutheran Home, Inc.
Schedules of Operating Revenue

<i>Year ended December 31,</i>	2012	2011
Patient Service Revenue		
Routine service	\$ 22,007,054	\$ 19,193,614
Special service	3,395,404	2,862,619
Gross patient service revenue	25,402,458	22,056,233
Less: contractual allowance	(6,773,776)	(4,898,217)
Net Patient Service Revenue	\$ 18,628,682	\$ 17,158,016
Other Operating Revenue		
Child day care	\$ 865,148	\$ 820,669
Adult day care:		
Family care	292,227	296,189
Other	313,895	294,982
Rentals	357,975	349,342
Barber and beauty shop	86,462	85,939
Cafeteria	26,550	25,835
Other	36,985	35,406
Total Other Operating Revenue	\$ 1,979,242	\$ 1,908,362

The Lutheran Home, Inc.
Schedules of Operating Expenses

<i>Year ended December 31,</i>	2012	2011
Special Service Expenses		
Therapy	\$ 1,157,760	\$ 1,008,916
Pharmacy	639,961	487,488
Activities	302,140	350,889
Social service	253,435	322,813
Medical supplies	178,186	171,422
Chaplaincy service	113,800	165,606
Medical care	35,010	35,095
Total Special Service Expenses	\$ 2,680,292	\$ 2,542,229
General Service Expenses		
Dietary	\$ 1,798,674	\$ 1,846,106
Maintenance and security	639,691	676,738
Housekeeping	665,465	808,254
Laundry	568,270	580,617
Administration	2,891,761	2,750,958
Public relations	213,395	247,148
Transportation	18,382	43,257
Beauty shop	80,333	79,337
Child day care	668,147	666,567
Adult day care	443,311	503,779
Total General Service Expenses	\$ 7,987,429	\$ 8,202,761