

2014

ANNUAL REPORT

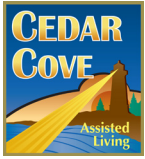


Baruch Senior Ministries seeks to honor God by serving people as they age.

BARUCH SERVES MICHIGAN COMMUNITIES:



1 Bishop Hills Elder Care
4951 11 Mile Road
Rockford, MI 49341
616.866.8227



2 Cedar Cove Assisted Living
266 Mary L Street
Cedarville, MI 49719
906.484.1001



3 Cherry Hill Haven of Kalkaska
3412 American Way
Williamsburg, MI 49690
231.258.5900



4 Cherry Hill Haven of Traverse City
4885 North Long Lake Road,
Traverse City, MI 49684
231.645.2341



5 Evergreen Terrace Assisted Living
801 Fuller Avenue
Big Rapids, MI 49307
231.527.1050



6 FountainView Assisted Living
640 West Randall Street
Coopersville, MI 49404
616.997.9253



7 FountainView Retirement Village of Fremont
102 Hillcrest Avenue
Fremont, MI 49412
231.924.5050



8 Fountain View Retirement Village
50 South Maple Street
Grant, MI 49327
231.834.8202



9 Fountain View of Lowell
11537 Fulton Street SE
Lowell, MI 49331
616.897.8413



10 Fountain View Retirement Village of Portage
7818 Kenmure Road
Portage, MI 49024
269.327.9595



11 Georgetown & Cambridge Manors
141-151 Port Sheldon Rd.
Grandville, MI 49418
616.457.6010



Hale Creek Manor

12 Hale Creek Manor*
3191 M-65
Hale, MI 48739
989-728-1300



13 The Hume Home of Muskegon*
1244 West Southern Avenue
Muskegon, MI 49441
231.755.1715



14 Lakeshore Assisted Living Homes
16331 Robbins Road
Grand Haven, MI 49417
616.847.4242



15 Northern Pines Assisted Living
130 Mary Ann Street
Grayling, MI 49738
989.344.2010



16 Park Place Assisted Living
4222 S. Westnedge
Kalamazoo, MI 49008
269.388.7303



17 Stone Crest Assisted Living
255 N. Main Street
Freeland, MI 48623
989.695.5035



18 Sunnyside Senior Living
108 Wildwood Drive
Cadillac, MI 49601
231.775.7750



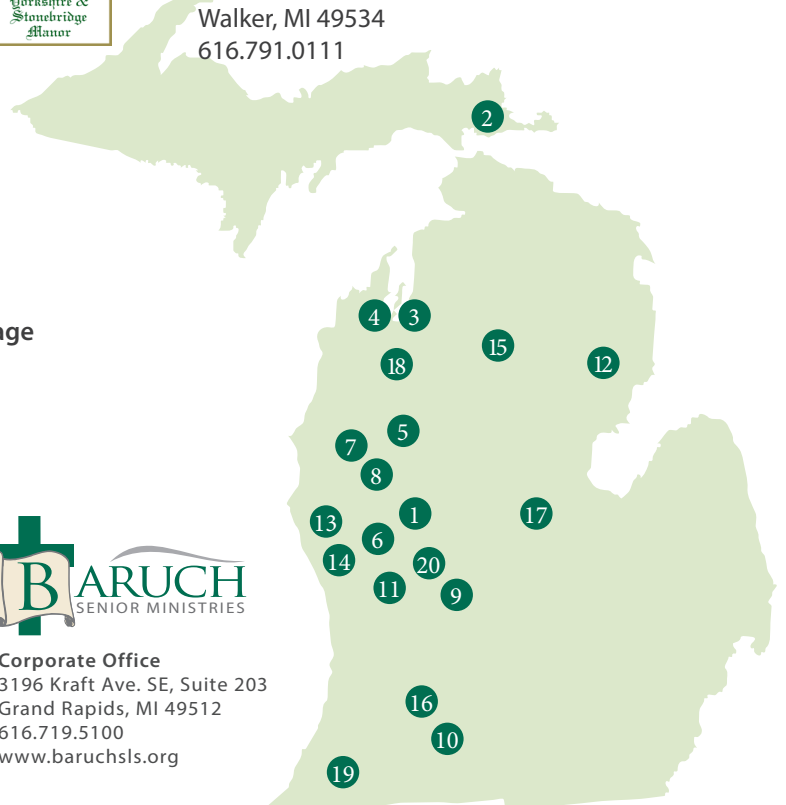
19 The Willows Assisted Living
3440 Niles Road
St. Joseph, MI 49085
269.428.0715



20 Yorkshire & Stonebridge Manors
3511-3515 Leonard Street NW
Walker, MI 49534
616.791.0111



Corporate Office
3196 Kraft Ave. SE, Suite 203
Grand Rapids, MI 49512
616.719.5100
www.baruchsls.org



*Managed community



Thomas Nobel

*President and Founder
Baruch Senior Ministries*

Welcome to our 2014 Annual Report. We appreciate you taking the time to read about Baruch Senior Ministries and the highlights from our past year.

You will read about the continued growth of our organization through the acquisition of three new homes and the addition of three full-time employees to our corporate staff. You will also see a summary of Baruch's financial condition and the growth that we've experienced financially. We are very thankful for the many blessings that we've received this past year.

Through the growth and success, Baruch remains true to its mission and core values. We recognize that the real success of Baruch is the dedicated and compassionate team of employees that carry out our mission and values in the care of our senior residents on a daily basis.

We are also proud that our mission and values carry beyond the walls of our buildings, as the real highlight of this Annual Report is a celebration of the positive impact that our employees are making in the greater community. You will also read about the impact that our residents have in the community that they call home and, in turn, the positive impact that the community has on our residents.

Finally, I would like to extend a special thank you to Chris Murphy and Brian Mattila who both completed their service to the Baruch Board of Directors at the end of 2014. We truly appreciate their selfless commitment to the values and mission of Baruch Senior Ministries throughout their 8 years of service. We also welcome two new Board members – Matt McGowan and Rich Vande Vegte – who were appointed to the Board in December and will begin their service in 2015.

Thank you for your interest in Baruch Senior Ministries. I hope that you will be informed and encouraged by this Annual Report.



2014 Board of Directors

The volunteer Board of Directors for Baruch Senior Ministries is a diverse group of professionals committed to ensuring that our mission and values are carried out through all levels of the organization.

Brian Mattila, Chairman
Buiten & Associates
Certified Insurance Counselor

Christopher P. Murphy, Secretary/Treasurer
Leisure Living Management
Vice President / Treasurer

Lynne Stahlbusch, Member
Pine Rest Christian Hospital
Registered Psychiatric Nurse

Scott Zylstra, Member
Cascade Engineering
Director of Finance - Industrial and Retail
Solutions Division

Jim Tuinstra, Member
President, Kent Health Plan
CEO - Hope Network (Retired)

Arie Goudswaard, Member
Amway Corporation
Manager Global Sales (Retired)

Matt Wieringa, Member
Leland International
President

Ken Drenth, Member
Superintendent - Les Cheneaux
Community Schools (Retired)

John Lewis, Emeritus member
Attorney, President - Wingshadow Ministries

John VanderWilp, Emeritus member
Owner - John Wayne Construction Co.

*Baruch Senior Ministries
seeks to honor God by
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Baruch SLS, Inc. (dba Baruch Senior Ministries) is a faith-based Michigan nonprofit corporation that provides affordable quality housing and assisted living services to seniors in their home community close to friends and family. With God's direction, Baruch Senior Ministries provides hope by seeking to understand the individual needs of our residents, providing them quality physical care as well as emotional and spiritual care.



Income-Based Program

In recognizing the desire of a resident never wanting to move again, Baruch Senior Ministries has established an income based program which provides a reduced fee based on an individual resident's actual monthly income. This program provides peace of mind to a family concerned about a resident outliving his/her assets by allowing him/her to remain in a Baruch community as long as they desire, without regard to their personal financial situation. The income based program is confidential and allows a resident to remain in the same room, even after being established in the program.



Spiritual Care

The spiritual care and emotional well-being of our residents is a major focus of Baruch Senior Ministries' mission. Baruch's Spiritual Care Department includes two full-time Chaplains and two part-time staff members who regularly visit each Baruch community to personally lead worship, memorial services, and Bible studies, and to make one-to-one pastoral calls to individual residents and staff. Our Spiritual Care Coordinator also works with local churches, pastors and lay people to provide worship services and Bible studies for residents on an on-going basis.





Baruch Leadership Teams

Baruch Senior Ministries recognizes that it's only through the efforts of our dedicated team members that we are able to uphold our commitment to providing a loving and caring community that brings comfort to our residents and their families.





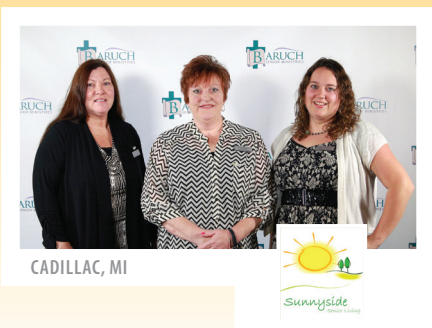
GRAYLING, MI



KALAMAZOO, MI



FREELAND, MI



CADILLAC, MI



ST. JOSEPH, MI



WALKER, MI



“I can do what you can't do, and you can do what I can't do, together we can do great things.”

– Mother Theresa



Corporate Team



“I will heal my people and let them enjoy abundant peace and security.”

– Jeremiah 33:6



Beth Strait, Director of Life Enrichment and Volunteer Services at Yorkshire & Stonebridge Manor, received "The Shining Star Award" from The Michigan Association of Activity Professionals in 2014. Beth received this award in recognition of service and dedication to the residents and activity program at Yorkshire & Stonebridge. She has also recently been appointed as a Professional Development Board Trustee for the Association.



Baruch is an active member of:



Administrator Certification

As part of our continuing effort to ensure the highest level of care to our residents and families, Baruch Senior Ministries' team members attend numerous seminars, classes and in-service programs to continue their growth as caregiving professionals.



Baruch Administrators celebrate their accomplishments at a special recognition luncheon in December.

In 2014, Baruch had 10 of its community Administrators achieve Level 1 Certification from Senior Living University. In addition, five of our Administrators renewed their Level 1 and Level 2 Certifications, and received the 'Recruiting and Hiring the Best' Certification. These self-study certificate courses are designed to further hone operational expertise and leadership skills among administrators by providing an in-depth overview of various aspects of the assisted living profession. The training and education received will ultimately enhance the lives of these care professionals and the older adults they serve.

PHR Certification

Chris Meengs, Operations Manager, achieved the Professional in Human Resources (PHR) Certification from the HR Certification Institute in 2014. Successful completion of this intense self-study course demonstrates mastery of the technical and operational aspects of HR practices, laws and regulations in the United States.



New Staff Positions Created

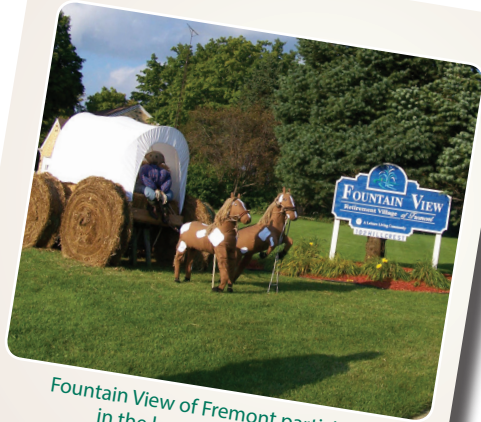
As Baruch Senior Ministries continues to expand its mission to more communities, the organization recognizes the need to review its staffing model to ensure that we are upholding the high standards that we've set for ourselves. With that in mind, in 2014, Baruch created three new staff positions to properly meet the ever-increasing needs of our communities and residents. Brian Nitz and Jennifer Kennamer began new roles as Regional Operations Directors to help oversee the operations at our various communities. We also welcomed Valjean Wykstra as a full-time Chaplain in our Spiritual Care Department. All three of them bring a unique and diverse skill set to their respective positions that allows Baruch to faithfully carry out its mission of service to those seniors that have been entrusted to our care.



Corporal Thomas E. Dracht
Georgetown & Cambridge Manor Resident

U.S. Congressman Bill Huizenga congratulates Corporal Thomas E. Dracht, a Korean War veteran and current resident of Georgetown & Cambridge Manor. Congressman Huizenga presented Corporal Dracht with the Bronze Star, awarded for acts of heroism and merit, for volunteering to stay and defend his post against enemy forces during the war.

Fountain View of Fremont participated in the 2014 Fremont Harvest Festival Hay Art Contest with this entry designed and assembled by the staff at Fountain View. Local residents voted on their favorite entry by donating canned goods to the local food pantry.



Fountain View of Fremont participated in the local Harvest Festival

Baruch Senior Ministries recognizes that we are an integral part of each of the local communities that we call home.

We encourage our leadership teams to connect with other local community organizations to develop programs that will enhance the lives of our residents. We also appreciate our employees and residents who make a difference in their community by volunteering their personal time and efforts to local service organizations or causes. Baruch is proud to recognize just a few of these community programs, residents and employees on the following pages.



Morris "Morrie" Boogaart
Georgetown & Cambridge Manor Resident

Georgetown & Cambridge Manor resident Morris "Morrie" Boogaart spends each day knitting warm hats for the homeless. Morrie estimates that he's made about 8,000 hats in the last 14 years! In 2003, he was awarded the "Super Senior Volunteer" award from the Coopersville Area Chamber of Commerce in recognition of his gift of service to the community.

Kurt Lardie, Maintenance Director at Fountain View of Lowell, was awarded the 2014 Most Valuable Person Award from the Lowell Area Chamber of Commerce in recognition of his commitment of time, support and inspiration to the Chamber. Kurt volunteers numerous hours to various projects and programs sponsored by the Lowell Chamber.



Kurt Lardie, Maintenance Director
Fountain View of Lowell

"Therefore, as we have opportunity, let us do good to all people."

- Galatians 6:10



Brian Mathieu, a Resident Care Specialist at Yorkshire & Stonebridge Manor, volunteers his time and athletic ability as an "angel" for My Team Triumph, a nonprofit organization dedicated to providing the ultimate experience in road racing and triathlons to individuals with disabilities. "Angels" make racing possible for those less able by pushing someone else ahead of themselves.



Sunnyside Senior Living in Cadillac

Residents, staff and families of Sunnyside Senior Living in Cadillac join together to send Christmas cards to our military troops serving overseas during the holidays.



Bishop Hills residents knit hats for newborns

A group of residents from Bishop Hills knit hats every year for the newborn babies at St. Mary's Hospital in Grand Rapids. They estimate that they knitted over 125 hats in 2014!



Fountain View of Grant Veteran presented with a plaque from the VFW

Representatives from the Newaygo VFW post visit Fountain View of Grant on Veterans Day. The VFW recognizes the Fountain View residents that served our country in the military.



Coopersville High School Girls Varsity basketball team with Fountain View of Coopersville Resident

The Coopersville High School girls' varsity basketball team donated slippers for every resident at Fountain View of Coopersville. The players hand-delivered a pair of slippers to each resident and visited with them.



Krystyna Badoni, Administrator at Stone Crest

Together with her husband, Krystyna Badoni, Administrator at Stone Crest, is an Awana Cubbies Game Leader at her local church. Awana reaches kids with the gospel and engages them in long-term discipleship. As a Game Leader, Krystyna teaches the word of God once a week to approximately 35 children ages 3-5 years old.

“Commend them to do good, to be rich in good deeds, and to be generous and willing to share.”

- 1 Timothy 6:18

Intergenerational Programs

Baruch Senior Ministries recognizes the value of intergenerational programming. We provide an opportunity for children to learn and interact with our senior residents, while at the same time provide our senior residents an opportunity to share their talents and experience the joy of being with children. Here is just a small sample of this win-win relationship experienced within our homes.



First grade students from Murray Lake Elementary School visit the residents of Fountain View of Lowell at various times throughout the year. From trick-or-treating at Halloween time to sharing Christmas cards and singing carols, the students and residents share a special relationship.



Jenison Christian Schools visit Georgetown & Cambridge Manor. The students and residents sit in a circle as they exercise and toss around a ball full of questions so that the residents and students get to know one another.

Several residents from Yorkshire & Stonebridge Manor visit Zinser Elementary School in Grand Rapids to read with students and help in the classrooms.



Students from Tobey Elementary School in Scotts visit and entertain residents at Fountain View of Portage to sing Christmas carols and at other times during the year.



Kindergarten students from Brookside Elementary School visit the residents of Evergreen Terrace in Big Rapids to trick-or-treat at Halloween time. The residents enjoy the opportunity to dress up too!



The residents of Bishop Hills enjoy a special relationship with the students from Our Lady of Consolation School in Rockford. The students visit Bishop Hills throughout the year, including a special presentation of the Christmas story for the residents and families.

Lori Puckett, Associate Administrator at The Willows, has dedicated hundreds of hours as a volunteer for the Alzheimer's Association, most recently serving as the Chairperson of the 2014 St. Joseph Walk to End Alzheimer's Disease. In recognition of her efforts, Lori was named the 2014 Alzheimer's Association Volunteer of the Year Michigan Great Lakes Chapter. With Lori serving as the team leader, "Team Willows", made up of residents, staff and family members from The Willows, is consistently the largest team of volunteers at the annual St. Joseph Walk to End Alzheimer's Disease. The team has also raised over \$30,000 for the Alzheimer's Association the past 5 years!



Team Willows participating in the Annual St. Joseph Walk To End Alzheimers

Welcome to the Baruch Family

Baruch Welcomes Cherry Hill Haven

In the fall of 2014, Baruch Senior Ministries completed the acquisition of the Cherry Hill Haven assisted living communities serving Traverse City and Kalkaska. Cherry Hill Haven is comprised of five (5) buildings with a total of 66 licensed beds that accommodate people in all phases of Alzheimer's and related dementias, through end of life. All of the buildings are located in areas of trees and nature with a few of them decorated with a specific theme, including a fishing lodge for men and a bird lovers' paradise. Baruch welcomes Cherry Hill Haven to the family and the opportunity to serve the Traverse City and Kalkaska communities.



Baruch Acquires Cedar Cove Assisted Living

Baruch Senior Ministries has acquired Cedar Cove Assisted Living in Cedarville. Baruch had been managing the operations at Cedar Cove on behalf of a local nonprofit organization since original construction in 2005.



Construction was completed and Hale Creek Manor welcomed its first residents in the early fall of 2014.



Residents enjoying the new connector building at Georgetown & Cambridge Manor.

Baruch Senior Ministries

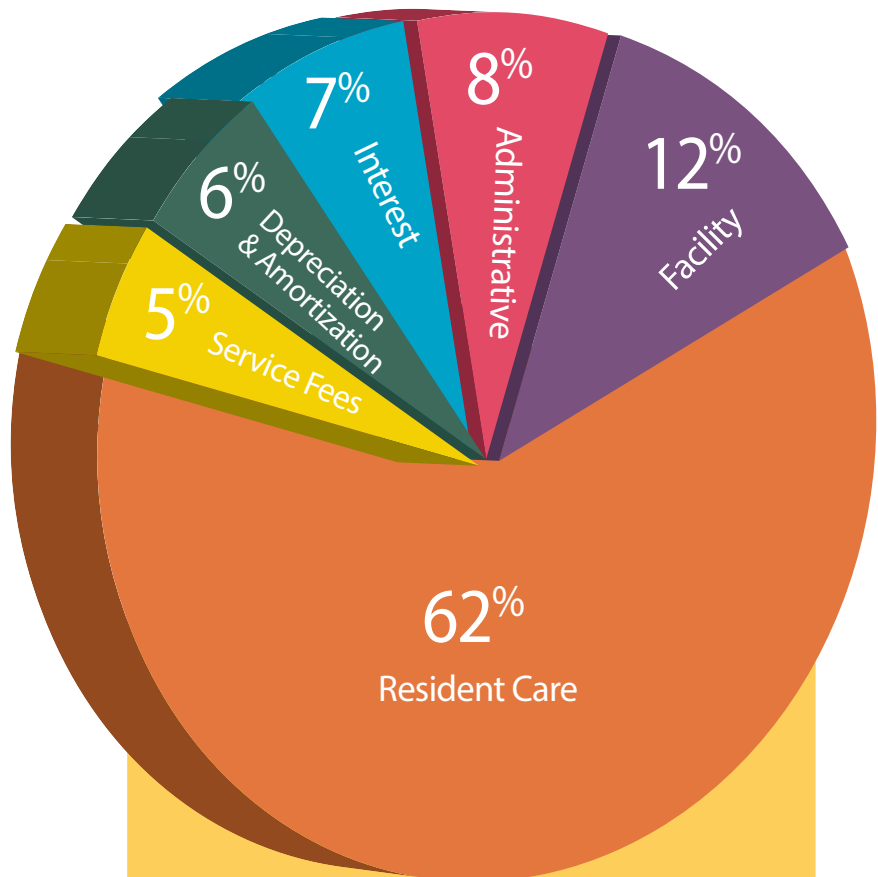
For the Year Ending December 31

REVENUE & EXPENSES

2014 HIGHLIGHTS

- Baruch completed the acquisition of three homes in the 4th quarter of 2014 – Cherry Hill Haven of Traverse City, Cherry Hill Haven of Kalkaska, and Cedar Cove Assisted Living. These transactions were all financed through the USDA Rural Development direct loan program.
- In August, Baruch completed the sale of an unused property in Nunica.
- The \$500,000 Affordable Housing Program grant, used for major renovations at Fountain View Assisted Living in Coopersville, was fully funded in January by the Federal Home Loan Bank of Atlanta. The existing bank debt for Fountain View was also re-financed through the Independent Bank and partner bank financing package.
- Baruch paid down \$1.5 million in debt in 2014.
- Baruch experienced a 51% increase in net surplus and a 20% growth in assets in 2014 as compared to 2013.
- The connector building at Georgetown & Cambridge Manors was completed in 2014. By the end of 2014, major renovation projects were also underway at Park Place and Fountain View of Lowell.

| | <u>2013</u> | <u>2014</u> |
|----------------|--------------|--------------|
| Total Revenue | \$18,740,258 | \$26,461,127 |
| Total Expenses | \$17,155,446 | \$24,064,688 |



Our 2014 Balance Sheet is strong and is summarized as:

| | |
|-----------------------------|---------------------|
| Current Assets | \$4,326,760 |
| Current Liabilities | (1,866,663) |
| Property, Plant & Equipment | 47,943,647 |
| Intangibles | 9,064,494 |
| Debt | (49,285,225) |
| TOTAL FUND BALANCE: | \$10,183,014 |