

EVERGREEN RETIREMENT COMMUNITY

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www.EvergreenOshkosh.com

Evergreen Retirement Community, a Continuing Care Retirement Community (CCRC) located in the Fox Valley, is celebrating its 40th Anniversary during 2007. This ministry, on behalf of the Wisconsin Conference of the United Methodist Church, is guided by an 18-member volunteer Board of Directors, a 5-member Village Board and a 5-member Foundation Board. Evergreen is staffed by 263 full and part-time employees (206 full-time equivalents). Evergreen Retirement Community has been accredited by the United Methodist Association of Health and Welfare Ministries as an EAGLE (Educational Assessment Guidelines Leading toward Excellence) facility since 1987. Evergreen participated in the self-assessment process during 2002 and in April 2003 received its fourth consecutive EAGLE accreditation for 2003-2008.

Evergreen offers eight living options:

- * 44 cooperative residences
- * 22 individual ranch-style homes
- * 46 studio, one and two bedroom independent apartments
- * 10 one-bedroom assisted living apartments (Residential Care Apartment Complex - RCAC)
- * 20 assisted living private rooms (Community-Based Residential Facility - CBRF)
- * 20 assisted living private rooms (CBRF) with 24-hour staffing
- * 20 assisted living private rooms for those with symptoms of Alzheimer's and other dementia (CBRF)
- * 108-resident Medicare certified skilled nursing facility

An average of 272 of 290 units or 94% of the total units were occupied during 2006.

Total cash and investments at the end of 2006 was \$7,382,000. Of this total, \$283,000 was held by Evergreen Retirement Community and \$7,099,000 by Evergreen Foundation. In addition, Evergreen was the sole beneficiary of the earnings from a trust in the amount of \$1,469,000 (Howard Rowland Trust).

The Evergreen Foundation, Inc. received \$429,650 in contributions during 2006. Combined with return on investments, a total of \$450,000 was transferred from the Evergreen Foundation to Evergreen Retirement Community to help meet the Care Assurance need in 2006.

Strategic Goals for 2006—2008

Focus: Expand Evergreen as a visible leader in senior services through growth in business opportunities, staff development and program initiatives.

Business

- 1) Increase market share through doubling the size of the prospect list.
- 2) Reduce expenses or increase revenue by \$100,000.
- 3) Reduce vacancy time of living options by 50%.
- 4) Explore/expand partnerships that position ERC as a visible leader in the Fox Valley community.
- 5) Launch the Evergreen Institute.
- 6) Participate in the Wisconsin Forward Award program.

Staff

- 1) Reduce turnover within the first year of employment through improved screening and orientation of new staff by 50%.

- 2) Increase staff participation in determining the educational needs of the organization.
- 3) Increase staff participation in the educational programs that develop skills and knowledge, and increase competencies.
- 4) Increase access employees have to organizational information.

Programs

- 1) Develop a case management program that assists with movement within the continuum.
- 2) Expand opportunities within the seven dimensions of wellness.
- 3) Develop outreach activities that increase the number of people using ERC as a resource.

2006 Business Highlights

1. A new Mission Vision and Values for Evergreen Retirement Community was approved by the Evergreen Board of Directors.

Mission

Guided by Christian values, we create exceptional living environments and experiences to serve older adults.

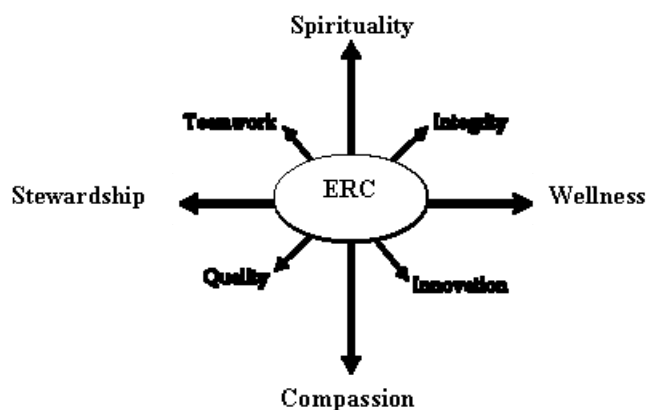
Vision

To lead in transforming long term care opportunities and be the provider of choice for care, services and programs.

Values

4 Outside Points: Our moral compass points

4 Inside Points: The way we work to get things done.



2. Evergreen President/CEO Ken Arneson received the 2006 Ladder of Success Award from the Wisconsin Association of Homes and Services for the Aging. Ken was recognized by WAHSA for his outstanding service, his efforts to provide quality health care for the elderly, and his commitment to excellence in long-term care services.

3. Three promotions to newly created manager positions were announced in December 2006: Bill Krueger to Business Resources Manager, Erin Sanders to Human Resources Manager and Susan Matz to Community Relations Manager. Two other new leadership positions created in 2006 were Chaplain (Pastor Alice Riemer-McKee) and Life Enrichment Coordinator (Linda Greene). These two positions along with a new Gift Shop Specialist and the elimination of the Events Coordinator resulted in a reduction in overall staff hours.

4. The new Evergreen marketing DVD “A Community of Possibilities” features living options, services, residents and staff. The DVD was selected for presentation at the 2006 American Association of Homes and Services for the Aging (AAHSA) Convention. Evergreen also partnered with Aurora Healthcare to produce a DVD to be given to patients who will a need rehab facility after orthopedic surgery.

5. The Evergreen web site at www.EvergreenOshkosh.com was redesigned to coordinate with other marketing materials and revised to offer a greater amount of information for prospective residents, prospective staff and the general public.
6. Two new incentive programs, a Cash Rebate Offer and a Village Referral Reward Program, were both 2006 promotions of Evergreen Village homes.
7. New benefits took effect in January 2007 for members of The Evergreen Wait List.
8. Phase one of the Manor View remodel was completed in 2006. The hallways and lounges of the Manor Apartments and all of ShareHaven were updated with new color schemes and furniture. New colors were added to the veranda of one of the Village buildings.
9. The Executive Team developed the Business Plan Responsibility Matrix, a new tool detailing plans and staff members responsible. As items are completed, they are moved to the end of the matrix to list all that has been accomplished. ET also developed the Evergreen Teams Matrix, a listing of all Evergreen teams and members, to allow better monitoring of membership. Recognition was given to the teams who completed their work within the year and to encourage more front line staff to become involved on teams.
10. Ken Arneson, Kris Ingram and Linda Greene presented "Wellness: Live It Daily!" at the United Methodist Association Annual Meeting in St. Louis, MO. They distributed the "Wellness Dimensions" as defined and copyrighted by Evergreen.
11. One board member, two residents and two staff members attended the Annual Convention and Exposition of the American Association of Homes and Services for the Aging (AAHSA) in San Francisco.
12. Evergreen was a sponsor and presenter at the Oshkosh Area Aging and Disabilities Summit. The discussion focused on ways to meet the needs of community people who are not receiving services.
13. Under the leadership of Traci Raether, VP of Quality and Organization Development, the Evergreen Innovations Network continued to be developed. Marketing materials for Network-sponsored educational sessions were completed. Traci led the 35-member Evergreen Leadership Team through an assessment of personal preferences with the Myers-Briggs Type Indicator (MBTI) and offered an MBTI Introductory Workshop to a limited group of other Evergreen staff. A proposal was written for the first consultation client for teambuilding using the MBTI theory and other team building principles. The curriculum was created for a Nursing Leadership seminar. Three presentation proposals by the Evergreen Innovations Network were written for AAHSA 2007.
14. Evergreen began the writing of the Wisconsin Forward Award application in the fall. Seven teams were formed to investigate, collect and write the information for each of the seven sections. The completed application was submitted in early 2007.

2006 Staff Highlights

15. Evergreen's annual employee turnover in 2006 was 18.6% compared to 24.6% in 2005. Certified Nursing Assistant turnover at Evergreen was 28.9% in 2006. The national average for health care and social assistance workers in 2005 was 29.8%.
16. A new Employee Orientation plan composed of three sessions for new employees was implemented in the summer. The first two sessions are held monthly. The first includes general information for all new employees. The second is held on the new employee's unit by the manager (or designee) with orientation information specific to the unit. The third session is held

quarterly and reviews information not needed prior to the start of work and includes a full tour of the entire campus.

17. A new Education Committee was launched to involve staff in determining the educational needs of the organization and the methods for delivering the education to staff.

18. The Wellness Team presented a two-day program for staff in January. This program was designed to heighten staff awareness about Wellness and ways in which they can incorporate the Wellness dimensions into everyday life. All staff also received the new Evergreen “Wellness: Live It Daily!” Calendar which includes a simple wellness activity for each day of the year.

2006 Program Highlights

19. A new resident calendar/newsletter premiered in 2006. Kaleidoscope, written with the help of residents, contains campus news, upcoming events, resident comments and special-interest articles by residents and staff.

20. Evergreen residents proudly presented the first-ever Resident’s Playhouse production: “Murder in the San”. This was an original work written by resident Ferne Hoeft and performed by a cast of 18 residents.

21. In October, the fifth annual “World of Thanks” appreciation and recognition event brought together donors, volunteers, Board members, Residents Council members, and staff celebrating service anniversaries or retirement, and staff receiving the “Living Continuous Quality Improvement (CQI) at Evergreen” award and perfect attendance awards.

22. Evergreen hosted four educational presentations open to the public in 2006. Aurora Medical Center Orthopedic Surgeon, Joel Cler, MD discussed computer-assisted knee replacement surgery. Evergreen Therapy Services presented “Our Role in Your Recovery.” Vanessa Frank, Evergreen COTA Program Specialist, presented “Remembrance – Memory, Aging & Alzheimer’s Disease.” Dr. Janelle Cooper, M.D., director of The Memory Center, Affinity Health System, presented “Attacking Dementia: New Understandings.” Evergreen also hosted a blood drive sponsored by the Community Blood Center.

23. Partnerships with the Oshkosh Seniors Center and the University of Wisconsin Oshkosh-sponsored Learning in Retirement program were strengthened in 2006. The Aquatic Center continues to be popular with members of both organizations as well as residents and staff.

24. Evergreen continues to promote lifelong learning through corporate participation in the Learning in Retirement (LIR) program. Residents are able to attend the presentations at no charge. Evergreen was host to many of the LIR presentations in 2006.

25. Evergreen participated in the Adopt-A-Family program sponsored by the Salvation Army. Three families received a multitude of Christmas gifts and food items from Evergreen residents and staff.

Plans for 2007

1. Launching of the Evergreen Innovations Network will include local seminars and national consultations and presentations.

2. The Manor View make-over will continue in 2007. The Sunshine Gift Shop is scheduled for remodel in early 2007.

3. A new marketing software program has been purchased and will be implemented January 2007.

4. Consolidating the Annual Report with the newsletter Green Leaves will result in planned savings for printing, production and mailing costs in 2007.

5. Evergreen's Wisconsin Forward Award application will be submitted in early 2007. The Evergreen Quality Coordinator has been trained as a Wisconsin Forward Award Examiner and will begin duties in 2007.
6. The new staff program for a Drug-Free Workplace will be implemented in early 2007.
7. Restaurant-style dining in the Manor Dining Room will be implemented with the breakfast meal in the spring of 2007 and the full conversion of all three meals by June.
8. The City of Oshkosh has approved a site on the Evergreen campus for the placement of an Angel of Hope Statue by May 2007. This project, designed as a special place for parents in remembrance of their children who have been lost, is a collaboration of Evergreen Retirement Community with the Compassionate Friends of Oshkosh and the Oshkosh Area Community Foundation.

Report prepared by:

Carol C. Staszkiwicz

Vice President of Community Relations and Foundation Advancement

April 30, 2007