

		FOR BHF USE			

LL2

Supportive Living Facility

2011

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2011)

IMPORTANT NOTICE

THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN SECTION 146.265 OF THE 89 IL ADMIN CODE. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS.

I. Facility ID Number: 1000110

Facility Name: Victory Centre Of Galewood

Address: 2370 North Newcastle Avenue Chicago 60707

Number City Zip Code

County: Cook

Telephone Number: 773-385-5002 Fax #

Federal Employer ID Number:

Date Current Owners were Certified: 2/24/2009

Type of Ownership:

☐ VOLUNTARY, NON-PROFIT	☐ PROPRIETARY	☐ GOVERNMENTAL
☐ Charitable Corp.	☐ Individual	☐ State
☐ Trust	☐ Partnership	☐ County
IRS Exemption Code	☐ Corporation	☐ Other
	☐ "Sub-S" Corp.	
	☐ Limited Liability Co.	
	☐ Trust	
	☒ Other Limited Partnership	

In the event there are further questions about this report, please contact:

Name: Steve Lavenda Telephone Number: (847) 236 - 1111

Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/2011 to 12/31/2011 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider (Signed) (Date)

(Type or Print Name)

(Title)

Paid Preparer (Signed) (Date)

(Print Name and Title) Steven N. Lavenda, C.P.A.

(Firm Name & Address) Frost, Ruttenberg & Rothblatt, P.C. 111 Pfingsten Road, Suite 300 Deerfield, IL 60015

(Telephone) (847) 236-1111 Fax (847) 236-1155

MAIL TO: BUREAU OF HEALTH FINANCE

IL DEPT OF HEALTHCARE AND FAMILY SERVICES

201 S. Grand Avenue East

Springfield, IL 62763-0001 Phone # (217) 782-1630

III. STATISTICAL DATA

A. Certified units; enter number of units and unit days

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	102	Single Unit Apartment	102	37,230	1
2		Double Unit Apartment			2
3		Other			3
4	102	TOTALS	102	37,230	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	29,056	1,507		30,563	5
6	Double Unit					6
7	Other					7
8	TOTALS	29,056	1,507		30,563	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 82.09%

D. Indicate the number of paid bed-hold days the SLF had during this year 188 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 77 (Do not include bed-hold days in Section B.)

E. Does page 3 include expenses for services or investments not directly related to SLF services?

YES ☐ NO ☒

F. Does the BALANCE SHEET reflect any non-SLF assets?

YES ☐ NO ☒

G. List all services provided by your facility for non-residents. (E.g., day care, "meals on wheels", outpatient therapy)

None

H. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐

I. Is your fiscal year identical to your tax year? ☐ YES ☐ NO

Tax Year: 12/31/2011 Fiscal Year: 12/31/2011

* All facilities other than governmental must report on the accrual basis.

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

K. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

STATE OF ILLINOIS

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Facility Name: Victory Centre Of Galewood

Report Period Beginning:

1/1/2011

Ending:

12/31/2011

IV. COST CENTER EXPENSES (please round to the nearest dollar)

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
	A. General Services							
1	Dietary and Food Purchase	168,464	156,180	151,518	476,162	(6,856)	469,306	1
2	Housekeeping, Laundry and Maintenance	93,304	26,159	70,359	189,822	2,290	192,112	2
3	Heat and Other Utilities			130,787	130,787	286	131,073	3
4	Other (specify):							4
5	TOTAL General Services	261,768	182,339	352,664	796,771	(4,280)	792,491	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	413,613	618	42,735	456,966		456,966	6
7	Activities and Social Services	26,572	3,067	19,892	49,531	(2,871)	46,660	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	440,185	3,685	62,627	506,497	(2,871)	503,626	9
	C. General Administration							
10	Administrative and Clerical	144,272	28,240	518,936	691,448	(81,832)	609,616	10
11	Marketing Materials, Promotions and Advertising	54,974	120	44,642	99,736	54,484	154,220	11
12	Employee Benefits and Payroll Taxes			164,872	164,872		164,872	12
13	Insurance-Property, Liability and Malpractice			35,265	35,265	423	35,688	13
14	Other (specify):					22,152	22,152	14
15	TOTAL General Administration	199,246	28,360	763,715	991,321	(4,773)	986,548	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	901,199	214,384	1,179,006	2,294,589	(11,924)	2,282,665	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			664,240	664,240	(17,385)	646,855	17
18	Interest			447,716	447,716	(207)	447,509	18
19	Real Estate Taxes			149,402	149,402		149,402	19
20	Rent -- Facility and Grounds			312	312	11,275	11,587	20
21	Rent -- Equipment			14,700	14,700	708	15,408	21
22	Other (specify):			69,151	69,151		69,151	22
23	TOTAL Ownership			1,345,521	1,345,521	(5,609)	1,339,912	23
24	GRAND TOTAL (Sum of lines 16 and 23)	901,199	214,384	2,524,527	3,640,110	(17,533)	3,622,577	24

Report Period Beginning:1/1/2011

Ending:12/31/2011

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Non-Straight Line Depreciation	\$ (17,385)	17	1
2	Guest Meals	(1,890)	01	2
3	Employee Meals	(3,210)	01	3
4	Unidine Adjustment	(1,758)	01	4
5	Maintenance Fees	(70)	02	5
6	Damage Recovery	(600)	10	6
7	Telephone Service	(19,304)	10	7
8	Other Income	(851)	10	8
9	Bank Service Charges	(3,200)	10	9
10	Late Fees/ Finance Charges	(191)	10	10
11	Charitable Contributions	(1,998)	10	11
12	Resident Gifts	(4,478)	10	12
13	Bad Debt	(103,956)	10	13
14	Pet Care	(2,871)	07	14
15	Cable TV	(11,562)	10	15
16	Interest Income	(207)	18	16
17				17
18				18
19				19
20	PATHWAY MANAGEMENT LLC:			20
21	Dietary	2	01	21
22	Maintenance	179	02	22
23	Utilities	286	03	23
24	Administrative	66,243	10	24
25	Marketing Materials	43,145	11	25
26	Insurance	30	13	26
27	Employee Benefits	9,812	14	27
28	Rent- Building	10,917	20	28
29	Rent- Equipment	635	21	29
30			21	30
31				31
32	PATHWAY SENIOR LIVING LLC:			32
33	Maintenance	2,181	2	33
34	Administrative	196,823	10	34
35	Marketing Materials	11,339	11	35
36	Insurance	393	13	36
37	Employee Benefits	12,340	14	37
38	Rent- Building	358	20	38
39	Rent- Equipment	73	21	39
40	Management Fees	(48,000)	10	40
41	Service Provider Fee	(150,758)	10	41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49				49
50				50
51				51
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90			90
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92			92
93			93
94			94
95			95
96			96
97			97
98			98
99			99
100			100
101	Total	(17,533)	101

Facility Name: Victory Centre Of Galewood

Report Period Beginning 1/1/2011 Ending: 12/31/2011

V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.26	\$ 35.09	1
2	Licensed Practical Nurses	1.53	20.30	2
3	Certified Nurse Assistants	11.40	10.86	3
4	Activity Director & Assistants	0.70	18.35	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	7.98	10.15	7
8	Dishwashers			8
9	Maintenance Workers	1.35	21.80	9
10	Housekeepers	1.54	10.01	10
11	Laundry			11
12	Managers			12
13	Other Administrative	3.56	19.49	13
14	Clerical			14
15	Marketing	1.09	24.22	15
16	Other			16
17	Total (lines 1 thru 16)	30.40	\$ 14.25	17

VII. RELATED ORGANIZATIONS

A. Enter below the names of all related organizations. Attach an additional schedule if necessary.

RELATED SLF's & HEALTH CARE BUSINESSES

Name 1	City 2
See Attached	

OTHER RELATED BUSINESS ENTITIES

Name 3	City 4	Type of Business 5
See Attached		

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3?

YES ☐ NO ☒

Name of related entity: N/A If yes, what is the value of those services? \$ N/A

(Please attach a separate schedule itemizing those services.)

C. Does page 3 include any costs derived from transactions (including rent) with related parties?

YES ☒ NO ☐

If so, please attach a separate schedule detailing the nature of those services, their costs as they appear on your books and the underlying cost to the related party (i.e., not including markup).

VI. (A) STATEMENT OF COMPENSATION AND OTHER PAYMENTS TO OWNERS, RELATIVES AND MEMBERS OF THE BOARD OF DIRECTORS.

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	Brian Cloch	25%	1.82	\$ 5,931	1
2	Jerry Finis	25%	1.82	5,931	2
3	Robert Helle	25%	1.82	2,740	3
4	E. Keledijan	25%	1.82	5,931	4
5					5
Total				\$ 20532.04	6

VI. (B) Management fees paid to unrelated parties

Amount of Fee

1	N/A	\$		1
2				2
Total		\$		3

Facility Name: Victory Centre Of Galewood

Report Period Beginning:

1/1/2011

Ending:

12/31/2011

VIII. OWNERSHIP COSTS

A. Purchase price of land 1,119,516 Year land was acquired 2009

B. Building Depreciation -- Including Fixed Equipment. Round all numbers to the nearest dollar.

*Total units on this schedule must agree with page 2.

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	102		2009	2009	\$ 19,530,358	\$ 664,240	35	\$ 558,010	\$ (106,230)	\$ 2,320,390	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Total From Supplemental Page 5's				4,735			237	237	367	6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 19,535,093	\$ 664,240		\$ 558,247	\$ (105,993)	\$ 2,320,757	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$ 886,077	\$	\$ 88,608	88,608	10	\$ 262,582	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 886,077	\$	\$ 88,608	88,608		\$ 262,582	20

D. Depreciable Non-Care Assets Included in General Ledger.

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21		\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)	\$	\$	\$	24

Facility Name & ID Number Victory Centre Of Galewood

Report Period Beginning:

1/1/2011

Ending:

12/31/2011

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1								1
2	2010	2,595		20	130	130	260	2
3	2011	2,140		20	107	107	107	3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34		\$ 4,735	\$		\$ 237	\$ 237	\$ 367	34

**Improvement type must be detailed in order for the cost report to be considered complete

XI. OWNERSHIP COSTS (continued)
B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1		3	4	5	6	7	8	9	
Improvement Type**		Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
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16									16
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18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$	\$		\$	\$	\$	34

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Victory Centre Of Galewood

Report Period Beginning:

1/1/2011

Ending:

12/31/2011

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1 Improvement Type**		3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1									1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
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25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$	\$		\$	\$	\$	34

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name: Victory Centre Of Galewood

Report Period Beginning: 1/1/2011

Ending: 2/31/2011

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? ☐ YES ☒ NO

		1 Year Constructed	2 Number of Units	3 Date of Lease	4 Rental Amount	5 Total Yrs. of Lease	6 Total Years Renewal Option*	
3	Original Building			/ /	\$			3
4	Additions			/ /				4
5	Storage Rental			/ /	312			5
6	Allocated from Pathway SL & Mgmt			/ /	11,275			6
7	TOTAL				\$ 11,587			7

8. Is movable equipment rental included in building rental?

☐ YES ☒ NO

9. Rental amount for movable equipment \$ 15,408

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

X. INTEREST EXPENSE

	1	2		3	4	6		7	8	9	
	Name of Lender	Related**		Purpose of Loan	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense	
		YES	NO			Original	Balance				
	A. Directly Facility Related										
	Long-Term										
1	Berkadia		X	Principal Mortgage	2/1/10	\$ 9,550,000	\$ 9,378,021	1/1/50	4.4700	\$ 421,089	1
2	City Home Loan		X	2nd Mortgage (Interest Only)	6/1/09	1,219,647	1,219,647	6/1/48	1.0000	12,197	2
3	Mercy Note		X	Long Term Note	10/1/07	300,000	300,000	10/1/47	4.8100	14,430	3
	Working Capital										
4					/ /			/ /			4
5					/ /			/ /			5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 11,069,647	\$ 10,897,668			\$ 447,715	7
	B. Non-Facility Related										
8	Interest Income		X		/ /			/ /		-207	8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 11,069,647	\$ 10,897,668			\$ 447,508	10

* If there is an option to buy the building, please provide complete details on an attached schedule.
** If there is any overlap in ownership between the facility and the lender, this must be indicated in column 2.

Facility Name: Victory Centre Of Galewood

Report Period Beginning: 1/1/2011

Ending: 12/31/2011

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2011

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 544,395	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	1,018,965		3
4	Supply Inventory (priced at)	5,938		4
5	Short-Term Investments			5
6	Prepaid Insurance	37,629		6
7	Other Prepaid Expenses	14,636		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Attached	430,953		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,052,516	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	1,119,516		13
14	Buildings, at Historical Cost	19,530,358		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	888,217		16
17	Accumulated Depreciation (book methods)	(1,932,278)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached	505,542		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 20,111,355	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 22,163,871	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,180,482	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	95,739		29
30	Accrued Salaries Payable	56,160		30
31	Accrued Taxes Payable	119,720		31
32	Accrued Interest Payable	120,654		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36	See Attached	79,671		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,652,426	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	10,801,929		39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42				42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 10,801,929	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 12,454,355	\$	45
46	TOTAL EQUITY	\$ 9,709,516	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 22,163,871	\$	47

*(See instructions.)

Facility Name: Victory Centre Of Galewood

Report Period Beginning: 1/1/2011

Ending:

12/31/2011

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

	Revenue	Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 3,342,614	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 3,342,614	3
	B. Other Operating Revenue		
4	Special Services		4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care		8
9	Non-Resident Meals	6,858	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 6,858	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	207	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 207	14
	D. Other Revenue (specify):		
15	See Attached	35,896	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 35,896	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 3,385,575	18

	Expenses	Amount	
	A. Operating Expenses		
19	General Services	796,771	19
20	Health Care/ Personal Care	506,497	20
21	General Administration	991,321	21
	B. Capital Expense		
22	Ownership	1,345,521	22
	C. Other Expenses		
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
28	TOTAL EXPENSES (sum of lines 19 thru 27)	\$ 3,640,110	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (254,535)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (254,535)	31

