

		FOR BHF USE			

LL2

Supportive Living Facility

2012

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2012)

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: 1000137

Facility Name: Victory Centre Of Vernon Hills

Address: 97 W. Phillip Road Vernon Hills 60061

Number City Zip Code

County: Lake

Telephone Number: 847-549-6070 Fax # 847-367-5530

Federal Employer ID Number:

Date Current Owners were Certified: 3/19/2012

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.

☒ 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 3/19/2012 to 12/31/2012 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	<u>120</u>	Single Unit Apartment	<u>120</u>	<u>34,560</u>	1
2		Double Unit Apartment			2
3		Other			3
4	<u>120</u>	TOTALS	<u>120</u>	<u>34,560</u>	4

B. Census-For the entire report period.

	1	2	3	4	5	
	Type of Unit	Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	<u>11,526</u>	<u>6,206</u>		<u>17,732</u>	5
6	Double Unit					6
7	Other					7
8	TOTALS	<u>11,526</u>	<u>6,206</u>		<u>17,732</u>	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 51.31%

D. Indicate the number of paid bed-hold days the SLF had during this year 397 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 18 (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: 12/31/2012 Fiscal Year: 12/31/2012
* All facilities other than governmental must report on the accrual basis.

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? Yes If yes, did the facility make all of the required payments of interest and principle? Yes
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

Facility Name: Victory Centre Of Vernon Hills

Report Period Beginning:

3/19/2012

Ending:

12/31/2012

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	112,388	150,708	96,676	359,772		359,772	1
2	Housekeeping, Laundry and Maintenance	54,680	65,812	30,603	151,095	2,166	153,261	2
3	Heat and Other Utilities			67,457	67,457	279	67,736	3
4	Other (specify):							4
5	TOTAL General Services	167,068	216,520	194,736	578,324	2,445	580,769	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	339,453	17,049	10,847	367,349		367,349	6
7	Activities and Social Services	25,543	5,667	17,072	48,282		48,282	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	364,996	22,716	27,919	415,631		415,631	9
	C. General Administration							
10	Administrative and Clerical	193,318	25,610	587,727	806,655	(190,516)	616,139	10
11	Marketing Materials, Promotions and Advertising	188,679	2,015	275,417	466,111	26,873	492,984	11
12	Employee Benefits and Payroll Taxes			168,248	168,248		168,248	12
13	Insurance-Property, Liability and Malpractice			24,434	24,434	(202)	24,232	13
14	Other (specify):					17,550	17,550	14
15	TOTAL General Administration	381,997	27,625	1,055,826	1,465,448	(146,295)	1,319,153	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	914,061	266,861	1,278,481	2,459,403	(143,850)	2,315,553	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			721,327	721,327	58,546	779,873	17
18	Interest			347,294	347,294		347,294	18
19	Real Estate Taxes			105,240	105,240		105,240	19
20	Rent -- Facility and Grounds					11,224	11,224	20
21	Rent -- Equipment			4,902	4,902	133	5,035	21
22	Other (specify): MIP, Amortization			48,221	48,221		48,221	22
23	TOTAL Ownership			1,226,984	1,226,984	69,903	1,296,887	23
24	GRAND TOTAL (Sum of lines 16 and 23)	914,061	266,861	2,505,465	3,686,387	(73,947)	3,612,440	24

Report Period Beginning: 3/19/2012
Ending: 12/31/2012

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Non-Straight Line Depreciation	\$ 58,546	17	1
2	Guest Meals	(2,739)	09	2
3	Employee Meals	(1,948)	09	3
4	Maintenance Fees	(85)	15	4
5	Damage Recovery	(600)	15	5
6	NSF Fees	(60)	15	6
7	Other Income	(2,471)	15	7
8	Bank Service Charges	(2,750)	10	8
9	Charitable Contributions	(1,668)	10	9
10	Resident Gifts	(132)	10	10
11	Bad Debt - Tenant	(24,731)	10	11
12	Bad Debt - Medicaid	(10,798)	10	12
13	Cable TV	(1)	10	13
14	Meals & Entertainment	(1,211)	11	14
15	Management Fees	(42,528)	10	15
16	Service Provider Fee	(156,095)	10	16
17	Asset Management Fee	(30,000)	10	17
18	Partnership Misc. Expense	(79,008)	10	18
19	Interest Income - Escrows	(318)	13	19
20	Interest Income	(443)	13	20
21				21
22				22
23				23
24				24
25				25
26				26
27	PATHWAY MANAGEMENT LLC:			27
28	Maintenance Fees	141	02	28
29	Utilities	235	03	29
30	Administrative	73,273	10	30
31	Marketing	15,866	11	31
32	insurance	48	13	32
33	Employee Benefits	9,295	14	33
34	Rent - Building	7,795	20	34
35	Rent - Equipment	63	21	35
36				36
37				37
38	PATHWAY SENIOR LIVING LLC:			38
39	Maintenance Fees	2,025	02	39
40	Utilities	44	03	40
41	Administrative	83,921	10	41
42	Marketing	12,218	11	42
43	insurance	511	13	43
44	Employee Benefits	8,255	14	44
45	Rent - Building	3,429	20	45
46	Rent - Equipment	70	21	46
47				47
48				48
49				49
50				50
51				51
52				52
53				53

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93				93
94				94
95				95
96				96
97				97
98				98
99				99
100				100
101	Total	(81,849)		101

Facility Name: Victory Centre Of Vernon Hills

Report Period Beginning 3/19/2012 Ending: 12/31/2012

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	0.76	\$ 29.75	1
2	Licensed Practical Nurses	3.26	23.32	2
3	Certified Nurse Assistants	9.40	11.52	3
4	Activity Director & Assistants	0.89	17.54	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	5.92	11.57	7
8	Dishwashers			8
9	Maintenance Workers	0.85	27.09	9
10	Housekeepers	1.10	9.51	10
11	Laundry			11
12	Managers			12
13	Other Administrative	3.09	38.12	13
14	Clerical			14
15	Marketing	3.47	33.17	15
16	Other			16
17	Total (lines 1 thru 16)	28.74	\$ 19.39	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	Jerry Finis	25%	1.78	\$ 6,855	1
2					2
3					3
4					4
5					5
Total				\$ 6855	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 Vernon Hills

Report Period Beginning:

3/19/2012

Ending:

12/31/2012

VIII. OWNERSHIP COSTS

A. Purchase price of land 600,000 Year land was acquired 2012

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	120		2012		\$ 18,937,617	\$ 721,327	28	\$ 688,641	\$ (32,686)	\$ 688,641	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Total From Supplemental Page 5's				165,395			8,270	8,270	8,270	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)				\$ 19,103,012	\$ 721,327		\$ 696,910	\$ (24,417)	\$ 696,910	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	\$ 829,627	\$	\$ 82,963	82,963	10	\$ 82,963	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 829,627	\$	\$ 82,963	82,963		\$ 82,963	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 Vernon Hills

Report Period Beginning:

3/19/2012

Ending:

12/31/2012

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
12									12
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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 Vernon Hills

Report Period Beginning: 3/19/2012 Ending: 12/31/2012

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
12									12
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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: Victory Centre Of Vernon Hills

Report Period Beginning: 3/19/2012

Ending: 2/31/2012

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	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building			/ /	\$			3
4	Additions			/ /				4
5	Allocated from Pathway			/ /	11,224			5
6				/ /				6
7	TOTAL				\$ 11,224			7

8. Is movable equipment rental included in building rental?

☐ YES ☒ NO

9. Rental amount for movable equipment \$ 5,035

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	Centennial Mortgage		X	1st Mortgage - Interest	10/1/10	\$ 12,101,000	\$ 12,031,190	3/1/52	5.1500%	\$ 347,294	1
2	IHDA Loan		X	2nd Mortgage	10/1/10	1,246,626	1,246,626	/ /			2
3					/ /			/ /			3
	Working Capital										
4					/ /			/ /			4
5					/ /			/ /			5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 13,347,626	\$ 13,277,816			\$ 347,294	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 13,347,626	\$ 13,277,816			\$ 347,294	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 Vernon Hills

Report Period Beginning: 3/19/2012

Ending: 12/31/2012

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2012

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 377,347	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	661,442		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	28,335		6
7	Other Prepaid Expenses	5,040		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Attached	1,631,489		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,703,653	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	600,000		13
14	Buildings, at Historical Cost	18,937,617		14
15	Leasehold Improvements, at Historical Cost	165,395		15
16	Equipment, at Historical Cost	829,627		16
17	Accumulated Depreciation (book methods)	(721,327)		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	771,934		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 20,583,246	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 23,286,899	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,854,312	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	99,879		30
31	Accrued Taxes Payable	105,240		31
32	Accrued Interest Payable	51,634		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36	See Attached	59,873		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 2,170,938	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	13,277,816		39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42				42
43	See Attached	38,515		43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 13,316,331	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 15,487,269	\$	45
46	TOTAL EQUITY	\$ 7,799,630	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 23,286,899	\$	47

*(See instructions.)

Facility Name: Victory Centre Of Vernon Hills

Report Period Beginning: 3/19/2012

Ending:

12/31/2012

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	\$ 1,948,481	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,948,481	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	4,687	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 4,687	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	761	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 761	14
	D. Other Revenue (specify):		
15	See Attached	7,584	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 7,584	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 1,961,513	18

	Expenses	Amount	
	A. Operating Expenses		
19	General Services	578,324	19
20	Health Care/ Personal Care	415,631	20
21	General Administration	1,465,448	21
	B. Capital Expense		
22	Ownership	1,226,984	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)	\$ 3,686,387	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (1,724,874)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (1,724,874)	31

