

		FOR BHF USE			

LL2

Supportive Living Facility

2020

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2020)

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: 1000158

Facility Name: The Cottages at Salem

Address: 339 South Hotze Road Salem 62881

County: Marion

Telephone Number: (618) 740-0372 Fax # (618) 740-0373

Federal Employer ID Number: 81-3599458

Date Current Owners were Certified: 02/14/2020

Type of Ownership:

VOLUNTARY, NON-PROFIT

Charitable Corp.

Trust

IRS Exemption Code

X

PROPRIETARY

Individual

Partnership

Corporation

X"Sub-S" Corp.

Limited Liability Co.

Trust

Other

GOVERNMENTAL

State

County

Other

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

Name: Deborah J. Edwards Telephone Number: (618) 233-1001

Email Address: dedwards@ceccpas.com

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 02/14/20 to 12/31/20 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)

(Type or Print Name) J. Michael Greer

(Title) President

Paid Preparer

(Signed)

(Print Name and Title) Deborah J. Edwards CPA

(Firm Name & Address) Creasn-Edwards & Cimarolli, PC 2810 Frank Scott Pkwy Ste 704, Belleville, IL 62223

(Telephone) (618) 233-1001 Fax (618) 233-6009

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 2/14/2020

	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		Single Unit Apartment	15	4,815	1
2		Double Unit Apartment			2
3		Other			3
4		TOTALS	15	4,815	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	491	2,007		2,498	5
6	Double Unit					6
7	Other					7
8	TOTALS	491	2,007		2,498	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 51.88%

D. Indicate the number of paid bed-hold days the SLF had during this year

4 Also, indicate the number of unpaid bed-hold days the SLF had during this year. (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)

H. ACCOUNTING BASIS

ACCRAUAL ☒ MODIFIED CASH* ☐ CASH* ☐

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

Tax Year: 2020 Fiscal Year:

* 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 principal?
If no, explain.

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 principal?
If no, explain.

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 principal?
If no, explain.

STATE OF ILLINOIS

Page 3

Facility Name: The Cottages at Salem

Report Period Beginning:

02/14/20

Ending:

12/31/20

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	27,843	32,437	880	61,160	(4,191)	56,969	1
2	Housekeeping, Laundry and Maintenance		12,817	6,228	19,045		19,045	2
3	Heat and Other Utilities			18,280	18,280		18,280	3
4	Other (specify):							4
5	TOTAL General Services	27,843	45,254	25,388	98,485	(4,191)	94,294	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	274,872	242	1,913	277,027	(41,373)	235,654	6
7	Activities and Social Services		4,581	80	4,661	(80)	4,581	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	274,872	4,823	1,993	281,688	(41,453)	240,235	9
	C. General Administration							
10	Administrative and Clerical	52,063	2,477	21,066	75,606	(7,836)	67,770	10
11	Marketing Materials, Promotions and Advertising		1,956	14,607	16,563		16,563	11
12	Employee Benefits and Payroll Taxes			48,955	48,955		48,955	12
13	Insurance-Property, Liability and Malpractice			7,016	7,016		7,016	13
14	Other (specify): COVID-19 Expenses			9,440	9,440		9,440	14
15	TOTAL General Administration	52,063	4,433	101,084	157,580	(7,836)	149,744	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	354,778	54,510	128,465	537,753	(53,480)	484,273	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			71,446	71,446	(5,674)	65,772	17
18	Interest			53,534	53,534		53,534	18
19	Real Estate Taxes			743	743		743	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify): See Attachment 1			432	432		432	22
23	TOTAL Ownership			126,155	126,155	(5,674)	120,481	23
24	GRAND TOTAL (Sum of lines 16 and 23)	354,778	54,510	254,620	663,908	(59,154)	604,754	24

Facility Name: The Cottages at Salem

Report Period Beginning 02/14/20 Ending: 12/31/20

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses	2	22.75	2
3	Certified Nurse Assistants	6	14.19	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	1	11.69	7
8	Dishwashers			8
9	Maintenance Workers			9
10	Housekeepers			10
11	Laundry			11
12	Managers	1	27.07	12
13	Other Administrative			13
14	Clerical	1	19.91	14
15	Marketing			15
16	Other	1	11.63	16
17	Total (lines 1 thru 16)	12	\$	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
Clinton Manor Nursing Home	New Baden
Manor at Craig Farms	Chester
Manor Salem Woods	Salem
See Attachment 2	

OTHER RELATED BUSINESS ENTITIES

Name 3	City 4	Type of Business 5
Greer Management Services	Carlyle	Management Co.

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: If yes, what is the value of those services? \$

(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				\$	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties Amount of Fee

1		\$	1
2			2
Total		\$	3

Facility Name: The Cottages at Salem

Report Period Beginning:

02/14/20

Ending:

12/31/20

VIII. OWNERSHIP COSTSA. Purchase price of land 15,000 Year land was acquired 2018

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			2018	2018	\$ 1,450,449	\$ 55,404	28	\$ 52,744	\$ (2,660)	\$ 131,859	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Landscaping		2018	2018	23,163	1,980	15	1,544	(436)	3,861	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)				\$ 1,473,612	\$ 57,384		\$ 54,288	\$ (3,096)	\$ 135,720	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	\$ 80,389	\$ 14,062	\$ 11,484	(2,578)	7	\$ 29,495	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)		\$ 80,389	\$ 14,062	\$ 11,484	(2,578)	\$ 29,495	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: The Cottages at Salem

Report Period Beginning: 02/14/20

Ending: 12/31/20

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease:

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				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental?

YES

NO

9. Rental amount for movable equipment \$

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	Marion County Savings		X	Mortgage	4/18/18	\$ 1,260,000	\$ 1,146,441	4/18/28	0.0418	\$ 49,074	1
2	City of Salem		X	Mortgage	5/23/17	150,000	133,807	9/1/23	0.0300	4,460	2
3					/ /			/ /			3
	Working Capital										
4	GMS II	X		Working Capital	3/28/19	200,000	200,000	3/28/24			4
5	J Michael Greer	X		Working Capital	1 / 1 /19	400,000	400,000	1 / 1 /24			5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 2,010,000	\$ 1,880,248			\$ 53,534	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 2,010,000	\$ 1,880,248			\$ 53,534	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.

STATE OF ILLINOIS

Page 7

Facility Name: The Cottages at Salem

Report Period Beginning: 02/14/20

Ending:

12/31/20

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/20

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 23,927	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	40,390		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	6,284		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 70,601	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	15,000		13
14	Buildings, at Historical Cost	1,450,449		14
15	Leasehold Improvements, at Historical Cost	23,163		15
16	Equipment, at Historical Cost	80,389		16
17	Accumulated Depreciation (book methods)	(187,873)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	6,484		19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(1,297)		20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,386,315	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,456,916	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 3,309	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	19,317		30
31	Accrued Taxes Payable	3,568		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Other Accrued Liabilities	103,309		35
36	PPP Loan	53,400		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 182,903	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	600,000		38
39	Mortgage Payable	1,280,248		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)	\$ 1,880,248	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,063,151	\$	45
46	TOTAL EQUITY	\$ (606,235)	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 1,456,916	\$	47

*(See instructions.)

Facility Name: The Cottages at Salem

Report Period Beginning: 02/14/20

Ending:

12/31/20

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

1			
	I. Revenue	Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 386,550	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 386,550	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		9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	10	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 10	14
	D. Other Revenue (specify):		
15			15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 386,560	18

2			
	II. Expenses	Amount	
	A. Operating Expenses		
19	General Services	98,485	19
20	Health Care/ Personal Care	281,688	20
21	General Administration	157,580	21
	B. Capital Expense		
22	Ownership	126,155	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)	\$ 663,908	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (277,348)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (277,348)	31
	III. Net Resident Care Revenue detailed by Payer Source		
32	Medicaid - Net Inpatient Revenue	\$ 27,361	32
33	Private Pay - Net Inpatient Revenue	359,189	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 386,550	37

**The Cottages at Salem
2020**

Page 3, Schedule IV, Section D - Other Ownership Expenses

Line	Amount	Description
	432.00	Loan Costs Amortization
	-	Bad Debt
	-	Replacement Tax
22	<u>432.00</u>	

Page 3, Schedule IV - Adjustments

Line	Amount	Description
1	(4,191.00)	*PPP Payroll Cost
6	(41,373.00)	*PPP Payroll Cost
7	(80.00)	Entertainment
10	(7,836.00)	*PPP Payroll Cost
17	<u>(5,674.00)</u>	Depreciation S/L Adjustment
	<u><u>(59,154.00)</u></u>	

*PPP Loan of \$53,400.00 forgiven on 02/24/2021

The Cottages at Salem
2020

VII: RELATED ORGANIZATIONS

A.	RELATED SLF's & HEALTH CARE BUSINESSES			
	<u>Name</u> <u>1</u>	<u>City</u> <u>2</u>		
	Jerseyville Estates	Jerseyville		
	Cottages at Carlinville	Carlinville		

C.	Related Organization	Nature of Expenditure	Facility Book Value	Actual Cost
	Greer Management Services, Inc.	Mgmt Srv/Payroll Srv/Vehicle Lse	\$ 5,734	\$ 5,849