

		FOR BHF USE			

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Supportive Living Facility

**2005
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2005)**

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.

<p>I.</p> <p>Facility Name: <u>Vandalia Estates</u></p> <p>Address: <u>1607 West Fillmore</u> <u>Vandalia</u> <u>IL</u> <u>62471</u> <small>Number City Zip Code</small></p> <p>County: <u>Fayette</u></p> <p>Telephone Number: (<u>618</u>) <u>283-9825</u> Fax # (<u>618</u>) <u>283-9926</u></p> <p>Federal Employer ID Number: <u>20-1863794</u></p> <p>Date Current Owners were Certified: <u>11/23/04</u></p> <p>Type of Ownership:</p> <table style="width:100%"> <tr> <td><input type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input type="checkbox"/> PROPRIETARY</td> <td><input type="checkbox"/> GOVERNMENTAL</td> </tr> <tr> <td><input type="checkbox"/> Charitable Corp.</td> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> State</td> </tr> <tr> <td><input type="checkbox"/> Trust</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> County</td> </tr> <tr> <td>IRS Exemption Code _____</td> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Other _____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> "Sub-S" Corp.</td> <td></td> </tr> <tr> <td></td> <td><input checked="" type="checkbox"/> Limited Liability Co.</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>In the event there are further questions about this report, please contact: Name: <u>Amy Eubank</u> Telephone Number: (<u>217</u>) <u>342-5885</u></p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL	<input type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State	<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County	IRS Exemption Code _____	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other _____		<input type="checkbox"/> "Sub-S" Corp.			<input checked="" type="checkbox"/> Limited Liability Co.			<input type="checkbox"/> Trust			<input type="checkbox"/> Other _____		<p>II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER</p> <p>I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/2005</u> to <u>12/2005</u> 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.</p> <p>Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.</p> <table border="1" style="width:100%"> <tr> <td style="width:20%">Officer or Administrator of Provider</td> <td>(Signed) _____ (Type or Print Name) _____ (Title) _____</td> </tr> <tr> <td></td> <td>(Date) _____</td> </tr> <tr> <td>Paid Preparer</td> <td>(Signed) _____ (Print Name and Title) _____ (Firm Name & Address) _____ (Telephone) (<u> </u>) _____ Fax # (<u> </u>) _____</td> </tr> <tr> <td></td> <td>(Date) _____</td> </tr> </table> <p align="right">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</p>	Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) _____ (Title) _____		(Date) _____	Paid Preparer	(Signed) _____ (Print Name and Title) _____ (Firm Name & Address) _____ (Telephone) (<u> </u>) _____ Fax # (<u> </u>) _____		(Date) _____
<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL																															
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	(Date) _____																																

Facility Name: Vandalia Estates

Report Period Beginning:

01/2005

Ending:

12/2005

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	10,967	67,357		78,324		78,324	1
2	Housekeeping, Laundry and Maintenance	32,469	2,793	7,793	43,055		43,055	2
3	Heat and Other Utilities			47,078	47,078		47,078	3
4	Other (specify): Miscellaneous			12,004	12,004		12,004	4
5	TOTAL General Services	43,436	70,150	66,875	180,461		180,461	5
B. Health Care and Programs								
6	Health Care/ Personal Care	113,786	123	6,742	120,651		120,651	6
7	Activities and Social Services		1,642		1,642		1,642	7
8	Other (specify): Legal,			1,418	1,418		1,418	8
9	TOTAL Health Care and Programs	113,786	1,765	8,160	123,711		123,711	9
C. General Administration								
10	Administrative and Clerical	62,626	731	95,278	158,635		158,635	10
11	Marketing Materials, Promotions and Advertising			1,913	1,913		1,913	11
12	Employee Benefits and Payroll Taxes			25,512	25,512		25,512	12
13	Insurance-Property, Liability and Malpractice			56,597	56,597		56,597	13
14	Other (specify): Acquisition Expenses			50,398	50,398		50,398	14
15	TOTAL General Administration	62,626	731	229,698	293,055		293,055	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	219,848	72,646	304,733	597,227		597,227	16
Capital Expenses								
D. Ownership								
17	Depreciation			318,640	318,640		318,640	17
18	Interest			309,161	309,161		309,161	18
19	Real Estate Taxes			689	689		689	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify): Amorization			19,042	19,042		19,042	22
23	TOTAL Ownership			647,532	647,532		647,532	23
24	GRAND TOTAL (Sum of lines 16 and 23)	219,848	72,646	952,265	1,244,759		1,244,759	24

Facility Name: Vandalia Estates

Report Period Beginning: 01/2005 Ending: 12/2005

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
3	Certified Nurse Assistants	3	7.25	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook	1	9.00	6
7	Cook Helpers/Assistants	2	7.00	7
8	Dishwashers			8
9	Maintenance Workers			9
10	Housekeepers	1	7.25	10
11	Laundry			11
12	Managers	2	13.00	12
13	Other Administrative			13
14	Clerical			14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	9	\$	17

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	Wilkinson Corporate Managing Member	30%	5	\$ 22,287	1
2					2
3					3
4					4
5					5
Total				\$ 22,287	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	Oakshire Senior Living	\$ 57,287 1
2		
Total		\$ 57,287 3

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	City
1 Brookstone Estates of Paris	2 Paris
Brookstone Estates of Harrisburg	Harrisburg
Brookstone Suites Effingham	Effingham
Brookstone Estates of Tuscola	Tuscola

OTHER RELATED BUSINESS ENTITIES

Name	City	Type of Business
3 The Terrace at Mountain Creek	4 Chattonooga, TN	5 Assisted Living
Wilkinson Corporation	Yakima WA	Property Investment

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: Wilkinson Corporation If yes, what is the value of those services? \$ 22,287

(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).

Facility Name: Vandalia Estates

Report Period Beginning: 01/2005

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VIII. OWNERSHIP COSTS

A. Purchase price of land _____ Year land was acquired _____

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	46		2004		\$ 4,230,466	\$ 153,835	28	\$ 153,835	\$	\$ 160,244	1
2											2
3											3
4											4
5											5
	Improvement Type										
6											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)				\$ 4,230,466	\$ 153,835		\$ 153,835	\$	\$ 160,244	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	\$	\$	\$	\$		\$	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$	\$	\$	\$		\$	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	Land Improvements	\$ 1,322,628	\$ 88,175	\$ 99,197	21
22	Furniture and Fixtures	204,408	76,629	86,629	22
23	Goodwill and Loan Fees	320,801	19,042	20,627	23
24	TOTALS (lines 21, 22 and 23)	\$ 1,847,837	\$ 183,846	\$ 206,453	24

Facility Name: Vandalia Estates

Report Period Beginning: 01/2005

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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				/ /				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	GEMSA Loan Service		X	Mortgage	12/13/04	\$ 4,560,958	\$ 4,490,840	/ /	6.0000	\$ 282,132
2	Mike Dietzen		X	Note	12/13/04	292,081		/ /	12.0000	27,029
3	Fund VII	X		Note	12/13/04		1,523,350	/ /		
	Working Capital									
4					/ /			/ /		
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$ 4,853,039	\$ 6,014,190			\$ 309,161
	B. Non-Facility Related									
8					/ /			/ /		
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$ 4,853,039	\$ 6,014,190			\$ 309,161

* 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

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Facility Name: Vandalia Estates

Report Period Beginning: 01/2005

Ending:

12/2005

12/2005

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/2005

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 128,227	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	73,491		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	4,762		6
7	Other Prepaid Expenses	43,834		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 250,314	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	100,000		13
14	Buildings, at Historical Cost	4,230,466		14
15	Leasehold Improvements, at Historical Cost	1,322,628		15
16	Equipment, at Historical Cost	204,409		16
17	Accumulated Depreciation (book methods)	(362,789)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs	320,801		20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): <u>Monies Loaned to Funds</u>	(25,796)		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 5,789,719	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 6,040,033	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 101,461	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	41,376		28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	9,358		30
31	Accrued Taxes Payable	3,862		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 156,057	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	6,014,190		38
39	Mortgage Payable			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)	\$ 6,014,190	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 6,170,247	\$	45
46	TOTAL EQUITY	\$ (130,214)	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 6,040,033	\$	47

*(See instructions.)

Facility Name: Vandalia Estates

Report Period Beginning: 01/2005

Ending:

12/2005

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

		1	
Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 1,136,790	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,136,790	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		13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$	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)	\$ 1,136,790	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	180,461	19
20	Health Care/ Personal Care	123,711	20
21	General Administration	293,055	21
B. Capital Expense			
22	Ownership	647,532	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)	\$ 1,244,759	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (107,969)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (107,969)	31