

		FOR BHF USE			

LL2

Supportive Living Facility

**2008
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2008)**

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>Shabbona SLF</u></p> <hr/> <p>Address: <u>407 W. Commanche Ave.</u> <u>Shabbona</u> <u>60550</u></p> <p align="center">Number City Zip Code</p> <p>County: <u>DeKalb</u></p> <p>Telephone Number: <u>(815) 824-4800</u> Fax # _____</p> <p>Federal Employer ID Number: <u>20-4590974</u></p> <p>Date Current Owners were Certified: <u>3/30/06</u></p> <p>Type of Ownership:</p> <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;"> <input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____ </td> <td style="width:33%; border: none;"> <input type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> "Sub-S" Corp. <input checked="" type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____ </td> <td style="width:33%; border: none;"> <input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____ </td> </tr> </table> <p>In the event there are further questions about this report, please contact: Name: <u>Michael W. Martin</u> Telephone Number: <u>(217) 789-7700</u> Email Address: <u>Michael.Martin@rsmi.com</u></p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____	<input type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> "Sub-S" Corp. <input checked="" type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____	<input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <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>01/01/08</u> to <u>12/31/08</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%; border-collapse: collapse;"> <tr> <td style="width:20%; padding: 5px;">Officer or Administrator of Provider</td> <td style="padding: 5px;">(Signed) _____ (Type or Print Name) _____ (Title) _____</td> </tr> <tr> <td style="width:20%; padding: 5px;">Paid Preparer</td> <td style="padding: 5px;">(Signed) _____ (Date) _____ (Print Name and Title) <u>See Accountants' Compilation Report</u> (Firm Name & Address) <u>McGladrey & Pullen, LLP</u> <u>20 N Martingale, Suite 500, Schaumburg, IL 60173</u> (Telephone) <u>(217) 789-7700</u> Fax <u>(217) 753-1654</u></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) _____	Paid Preparer	(Signed) _____ (Date) _____ (Print Name and Title) <u>See Accountants' Compilation Report</u> (Firm Name & Address) <u>McGladrey & Pullen, LLP</u> <u>20 N Martingale, Suite 500, Schaumburg, IL 60173</u> (Telephone) <u>(217) 789-7700</u> Fax <u>(217) 753-1654</u>
<input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____	<input type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> "Sub-S" Corp. <input checked="" type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____	<input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____						
Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) _____ (Title) _____							
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See Accountants' Compilation Report

Facility Name Shabbona SLF

Report Period Beginning: 01/01/08 Ending: 12/31/08

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	29	Single Unit Apartment	29	10,614	1
2	7	Double Unit Apartment	7	2,562	2
3		Other			3
4	36	TOTALS	36	13,176	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 Resident Days by Unit and Primary Source of Payment			5	
		Medicaid Recipient	Private Pay	Other		
5	Single Unit	5,337	4,476		9,813	5
6	Double Unit	1,414	2,373		3,787	6
7	Other					7
8	TOTALS	6,751	6,849		13,600	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 103.22%

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

See Accountants' Compilation Report

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: 12/31/08 Fiscal Year: 12/31/08

* 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

Facility Name: Shabbona SLF

Report Period Beginning:

01/01/08

Ending:

12/31/08

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

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments 5	Adjusted Total 6	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	118,381	108,355	3,520	230,256		230,256	1
2	Housekeeping, Laundry and Maintenance	88,017	41,025	1,760	130,802		130,802	2
3	Heat and Other Utilities			47,667	47,667		47,667	3
4	Other (specify):							4
5	TOTAL General Services	206,398	149,380	52,947	408,725		408,725	5
B. Health Care and Programs								
6	Health Care/ Personal Care	268,054	105		268,159		268,159	6
7	Activities and Social Services	65,187	1,093		66,280		66,280	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	333,241	1,198		334,439		334,439	9
C. General Administration								
10	Administrative and Clerical	18,402		34,037	52,439	(495)	51,944	10
11	Marketing Materials, Promotions and Advertising			15,989	15,989	(15,989)		11
12	Employee Benefits and Payroll Taxes			73,799	73,799		73,799	12
13	Insurance-Property, Liability and Malpractice			24,169	24,169		24,169	13
14	Other (specify):							14
15	TOTAL General Administration	18,402		147,994	166,396	(16,484)	149,912	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	558,041	150,578	200,941	909,560	(16,484)	893,076	16
Capital Expenses								
D. Ownership								
17	Depreciation			6,086	6,086	112,705	118,791	17
18	Interest			58,355	58,355	144,502	202,857	18
19	Real Estate Taxes			26,685	26,685		26,685	19
20	Rent -- Facility and Grounds			168,000	168,000	(168,000)		20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			259,126	259,126	89,207	348,333	23
24	GRAND TOTAL (Sum of lines 16 and 23)	558,041	150,578	460,067	1,168,686	72,723	1,241,409	24

See Accountants' Compilation Report

Facility Name: Shabbona SLF

Report Period Beginning 01/01/08 Ending: 12/31/08

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	0.84	\$ 24.22	1
2	Licensed Practical Nurses	0.78	24.00	2
3	Certified Nurse Assistants	8.65	10.35	3
4	Activity Director & Assistants	0.95	10.31	4
5	Social Service Workers	1.00	21.57	5
6	Head Cook	1.02	11.27	6
7	Cook Helpers/Assistants	5.43	8.37	7
8	Dishwashers			8
9	Maintenance Workers	0.96	13.34	9
10	Housekeepers	2.81	7.02	10
11	Laundry	0.96	10.20	11
12	Managers			12
13	Other Administrative			13
14	Clerical	0.92	9.62	14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	24.32	\$ 13.66	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	Albert Milstein	45%		\$ N/A	1
2	Sheldon Wolfe	43%	0.5	N/A	2
3	Mo Herman	10%	0.5	N/A	3
4	Jeremy Amster	2%		N/A	4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	N/A	\$ 1
2		2
Total		\$ 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 1	City 2
See attached schedule 4A	

OTHER RELATED BUSINESS ENTITIES		
Name 3	City 4	Type of Business 5

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).

See Accountants' Compilation Report

Facility Name: Shabbona SLF

Report Period Beginning: 01/01/08

Ending: 12/31/08

VIII. OWNERSHIP COSTS

A. Purchase price of land 33,632 Year land was acquired 2006

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	36		2006	2006	\$ 2,605,419	\$	27.50	\$ 95,660	\$ 95,660	\$ 256,455	1
2											2
3											3
4											4
5											5
Improvement Type											
6	Laundry Room			2007	12,716	462	27.50	462		790	6
7	Carpet			2007	4,998	182	27.50	182		205	7
8	Check Valve			2008	5,435	25	27.50	25		25	8
9	Fence			2008	2,434	1,232	15	15	(1,217)	15	9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 2,631,002	\$ 1,901		\$ 96,344	\$ 94,443	\$ 257,490	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	\$ 100,912	\$ 4,185	\$ 22,447	18,262	5	\$ 69,473	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)		\$ 100,912	\$ 4,185	\$ 22,447		\$ 69,473	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	N/A	\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)		\$	\$	24

See Accountants' Compilation Report

Facility Name: Shabbona SLF

Report Period Beginning: 01/01/08

Ending: 12/31/08

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	N/A		/ /	\$ N/A			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 \$ N/A

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	Name of Lender	2		3	4	6		7	8	9	
			Related**				Purpose of Loan	Date of Note				
			YES	NO			Original	Balance				
		A. Directly Facility Related										
		Long-Term										
1		MB Financial Bank		X	Mortgage	12/24/07	\$ 2,320,000	\$ 2,295,941	1/15/08	8.2500	\$ 141,192	1
2						/ /			/ /			2
3						/ /			/ /			3
		Working Capital										
4		MB Financial Bank		X	Working Capital	6/30/06	500,000	421,924	Demand	8.2500	58,355	4
5						/ /			/ /			5
6						/ /			/ /			6
7		TOTAL Facility Related					\$ 2,820,000	\$ 2,717,865			\$ 199,547	7
		B. Non-Facility Related										
8						/ /	Amortization of Mortgage Cost		/ /		3,654	8
9						/ /	Interest Income offset		/ /		-344	9
10		TOTALS (lines 7, 8 and 9)					\$ 2,820,000	\$ 2,717,865			\$ 202,857	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: Shabbona SLF

Report Period Beginning: 01/01/08

Ending:

12/31/08

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/08

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 12,983	\$ 14,074	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance -0-)	161,352	161,352	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	5,842	5,842	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Short Term Loan Exchange	936	936	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 181,113	\$ 182,204	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost		2,605,419	14
15	Leasehold Improvements, at Historical Cost	25,583	25,583	15
16	Equipment, at Historical Cost	16,884	100,912	16
17	Accumulated Depreciation (book methods)	(12,859)	(326,963)	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): Mortgage Cost		18,272	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 29,608	\$ 2,423,223	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 210,721	\$ 2,605,427	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 17,307	\$ 17,307	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	28,174	28,174	30
31	Accrued Taxes Payable	68,846	68,846	31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See attached schedule 7A	313,183	777,971	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 427,510	\$ 892,298	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	421,924	421,924	38
39	Mortgage Payable		2,295,941	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)	\$ 421,924	\$ 2,717,865	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 849,434	\$ 3,610,163	45
46	TOTAL EQUITY	\$ (638,713)	\$ (1,004,736)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 210,721	\$ 2,605,427	47

See Accountants' Compilation Report

*(See instructions.)

Facility Name: Shabbona SLF

Report Period Beginning: 01/01/08

Ending:

12/31/08

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	\$ 1,171,454	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 1,171,454	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
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	344	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 344	14
D. Other Revenue (specify):			
15	Misc Income	25	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 25	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 1,171,823	18

See Accountants' Compilation Report

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	408,725	19
20	Health Care/ Personal Care	334,439	20
21	General Administration	166,396	21
B. Capital Expense			
22	Ownership	259,126	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 1,168,686	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 3,137	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 3,137	31

Shabbona SLF

12/31/2008

Related Organizations

See Accountants' Compilation Report

Related Nursing Homes

City

In State

Cahokia Nursing and Rehab,Inc.	Cahokia
Caseyville Nursing and Rehab,Inc.	Caseyville
Franklin Grove Nursing Center,Inc.	Franklin Grove
Kenwood Healthcare Center,Inc.	Chicago
Oregon Healthcare Center,Inc.	Oregon
Shabbona Healthcare Center,Inc.	Shabbona
Towerhill Healthcare Center,LLC	South Elgin
Virgil Calvert Nursing and Rehab,Inc.	East St. Louis

Out of State

St. Elizabeth Healthcare Center,LLC	Florissant, MO
Hillside Manor Healthcare and Rehab,LLC	St. Louis, MO
Rancho Manor Healthcare and Rehab,LLC	Florissant, MO
Beauvais Manor Healthcare and Rehabilitation,LLC	St. Louis, MO

Other Related Business Entities

S.W. Management Co.	Skokie	Bookkeeping/Management Company
S & E Medical Supply Co.	Skokie	Medical Supplies
*SFO Associates	Skokie	Finance Company
**Unity Hospice	Skokie	Hospice Services

*This entity only relates to Shabbona Healthcare Center, Franklin Grove Nursing Center and Oregon Healthcare Center.

Shabbona Supportive Living Facility
12/31/2008
Schedule 7A

See Accountants' Compilation Report

XI. Line 35

<u>Description</u>	<u>Amount</u>	<u>Consolidated</u>
Reimbursement Due	(37,104)	(37,104)
Due to Shabbona Healthcare	(469,283)	(469,283)
Insurance Premiums Payable	(3,355)	(3,355)
FICA Withholding	(1,999)	(1,999)
Short Term Loan Exchange		(10,000)
Due to Public Aid	(1,230)	(1,230)
N/P Auto		(454,788)
Due/From SLF Building Partnerhsip	454,788	454,788
Due to/From Partners	(255,000)	(255,000)
	<u>(313,183)</u>	<u>(777,971)</u>