

		FOR BHF USE			

LL2

Supportive Living Facility

**2009
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2009)**

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 Name: THE FORT ARMSTRONG

Address: 1900 3RD AVENUE ROCK ISLAND 61201
Number City Zip Code

County: ROCK ISLAND

Telephone Number: (309) 786-0400 Fax # (309) 788-9729

Federal Employer ID Number: 36-4455063

Date Current Owners were Certified: 02/05

Type of Ownership:

<input type="checkbox"/> VOLUNTARY, NON-PROFIT Charitable Corp.	<input checked="" type="checkbox"/> PROPRIETARY Individual	<input type="checkbox"/> GOVERNMENTAL 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 _____	

In the event there are further questions about this report, please contact:
Name: BOB KAGDA Telephone Number: (847) 675-3585
Email Address: kvanstockum@kbbcpa.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 01/01/2009 to 12/31/2009 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) <u>MARCI HALPERT</u>	
	(Title) <u>MANAGER</u>	
Paid Preparer	(Signed) _____	(SEE ATTACHED ACCOUNTANTS' REPORT)
		(Date) _____
	(Print Name and Title) <u>BOB KAGDA</u> <u>VICE PRESIDENT</u>	
	(Firm Name & Address) <u>KRUPNICK, BOKOR, KAGDA & BROOKS, LTD.</u> <u>3750 W. DEVON AVE., LINCOLNWOOD, IL 60712</u>	
	(Telephone) <u>(847) 675-3585</u>	Fax <u>(847) 675-5777</u>

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

Facility Name THE FORT ARMSTRONG

Report Period Beginning: 01/01/2009 Ending: 12/31/2009

III. STATISTICAL DATA

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

Date of change in certified units / /

	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	130	Single Unit Apartment	130	47,450	1
2	14	Double Unit Apartment	14	5,110	2
3		Other			3
4	144	TOTALS	144	52,560	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	24,038	12,194		36,232	5
6	Double Unit					6
7	Other					7
8	TOTALS	24,038	12,194		36,232	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 68.93%

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

NONE 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)

N/A

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/09 Fiscal Year: 12/31/09

* 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?

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 principle?

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 principle?

If no, explain.

Facility Name: THE FORT ARMSTRONG

Report Period Beginning:

01/01/2009

Ending: 12/31/2009

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	292,848	255,602	1,488	549,938		549,938	1
2	Housekeeping, Laundry and Maintenance	146,273	53,970	19,747	219,990		219,990	2
3	Heat and Other Utilities			136,666	136,666	(17,088)	119,578	3
4	Other (specify):			8,015	8,015		8,015	4
5	TOTAL General Services	439,121	309,572	165,916	914,609	(17,088)	897,521	5
B. Health Care and Programs								
6	Health Care/ Personal Care	595,035	30,523		625,558		625,558	6
7	Activities and Social Services	45,816	2,865		48,681		48,681	7
8	Other (specify):			14,217	14,217		14,217	8
9	TOTAL Health Care and Programs	640,851	33,388	14,217	688,456		688,456	9
C. General Administration								
10	Administrative and Clerical	210,186	17,529	317,838	545,553	(29,444)	516,109	10
11	Marketing Materials, Promotions and Advertising	34,825		30,495	65,320		65,320	11
12	Employee Benefits and Payroll Taxes			164,679	164,679		164,679	12
13	Insurance-Property, Liability and Malpractice			60,484	60,484		60,484	13
14	Other (specify):							14
15	TOTAL General Administration	245,011	17,529	573,496	836,036	(29,444)	806,592	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,324,983	360,489	753,629	2,439,101	(46,532)	2,392,569	16
Capital Expenses								
D. Ownership								
17	Depreciation			10,305	10,305	175,952	186,257	17
18	Interest			5,516	5,516	441,517	447,033	18
19	Real Estate Taxes					71,876	71,876	19
20	Rent -- Facility and Grounds			600,000	600,000	(600,000)		20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			615,821	615,821	89,345	705,166	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,324,983	360,489	1,369,450	3,054,922	42,813	3,097,735	24

Facility Name: THE FORT ARMSTRONG

Report Period Beginning: 01/01/2009

Ending:

12/31/2009

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.12	\$ 26.31	1
2	Licensed Practical Nurses	4.08	17.34	2
3	Certified Nurse Assistants	18.83	9.88	3
4	Activity Director & Assistants	2.28	9.67	4
5	Social Service Workers			5
6	Head Cook	3.19	11.68	6
7	Cook Helpers/Assistants	12.92	8.01	7
8	Dishwashers			8
9	Maintenance Workers	1.67	12.22	9
10	Housekeepers	5.75	8.68	10
11	Laundry			11
12	Managers	1.00	42.58	12
13	Other Administrative			13
14	Clerical	4.20	14.28	14
15	Marketing	0.75	22.19	15
16	Other			16
17	Total (lines 1 thru 16)	55.79	\$ 11.45	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				\$	1	
2					2	
3					3	
4					4	
5					5	
				Total	\$	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	HAVEN MANAGEMENT	\$ 211,644 1
2		
		Total \$ 211,644 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

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
HAVEN MANAGEMENT		CHICAGO		MANAGEMENT	

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).

Facility Name: THE FORT ARMSTRONG

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

VIII. OWNERSHIP COSTS

A. Purchase price of land 375,000 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	144		2003		\$ 1,000,000	\$ 36,364	27.5	\$ 36,364	\$	\$ 228,790	1
2											2
3											3
4											4
5											5
Improvement Type											
6		RENOVATIONS			1,295,873	47,123	27.5	47,123		186,529	6
7		RENOVATIONS		2004	32,239	1,172	27.5	1,172		5,811	7
8		WOODWORK		2007	8,558	311	27.5	311		791	8
9		BOILER		2007	12,955	471	27.5	471		1,197	9
10		FIRE ALARM		2007	6,625	241	27.5	241		612	10
11		ROOF		2007	16,000	582	27.5	582		1,479	11
12		CARPET		2007	46,040	6,577	7	6,577		17,758	12
13		WALLPAPER		2007	2,096	299	7	299		808	13
14		A/C & GENERATOR		2008	13,150	478	27.5	478		737	14
15		CARPET		2008	8,051	1,150	7	1,150		1,727	15
16		SEE ATTACHMENT #3		2009	51,266	3,989		3,989		3,989	16
17		TOTAL (lines 1 thru 16)			\$ 2,492,853	\$ 98,757		\$ 98,757	\$	\$ 450,228	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	\$ 879,667	\$ 87,500	\$ 87,500	\$	10	\$ 568,750	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 879,667	\$ 87,500	\$ 87,500	\$		\$ 568,750	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 FORT ARMSTRONG**

Report Period Beginning: **01/01/2009**

Ending: **2/31/2009**

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	MB Financial		X	Mortgage - Property		\$		/ /		\$ 219,390
2	HUD		X	Mortgage - Property	12/1/09	5,553,500	5,553,500	1/1/45	0.0545	2,522
3					/ /			/ /		
	Working Capital									
4				Working Capital - Property	/ /			/ /		219,605
5					/ /			/ /		
6				Working Capital - Operations	/ /			/ /		5,516
7	TOTAL Facility Related					\$ 5,553,500	\$ 5,553,500			\$ 447,033
	B. Non-Facility Related									
8					/ /			/ /		
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$ 5,553,500	\$ 5,553,500			\$ 447,033

* 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: THE FORT ARMSTRONG

Report Period Beginning: 01/01/2009

Ending:

12/31/2009

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2009

(last day of reporting year)

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 31,077	\$ 97,151	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	560,866	560,866	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	72,137	72,137	6
7	Other Prepaid Expenses	7,000	7,000	7
8	Accounts Receivable (owners or related parties)		178,937	8
9	Other(specify): Emp Loan/Wage Assign	231	231	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 671,311	\$ 916,322	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		375,000	13
14	Buildings, at Historical Cost		1,000,000	14
15	Leasehold Improvements, at Historical Cost	32,239	1,400,974	15
16	Equipment, at Historical Cost	4,667	971,546	16
17	Accumulated Depreciation (book methods)	(6,983)	(1,315,360)	17
18	Deferred Charges Loan Costs		261,400	18
19	Organization & Pre-Operating Costs	66,046	66,046	19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds Escrows		317,137	21
22	Other Long-Term Assets (specify):	36,902	164,288	22
23	Other(specify): Goodwill Net Amortization		144,898	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 132,871	\$ 3,385,929	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 804,182	\$ 4,302,251	25

*(See instructions.)

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 131,237	\$ 131,237	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	93	93	28
29	Short-Term Notes Payable		5,888	29
30	Accrued Salaries Payable	56,067	56,067	30
31	Accrued Taxes Payable	57,479	125,498	31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Due to Landlord	178,937	178,937	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 423,813	\$ 497,720	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable		513,694	38
39	Mortgage Payable		5,553,500	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)	\$	\$ 6,067,194	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 423,813	\$ 6,564,914	45
46	TOTAL EQUITY	\$ 380,369	\$ (2,262,663)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 804,182	\$ 4,302,251	47

Facility Name: THE FORT ARMSTRONG

Report Period Beginning: 01/01/2009

Ending:

12/31/2009

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	\$ 3,287,425	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 3,287,425	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	29	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 29	14
D. Other Revenue (specify):			
15	ANTENNA RENTAL INCOME	12,474	15
16	VENDING COMMISSIONS	1,864	16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 14,338	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 3,301,792	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	914,609	19
20	Health Care/ Personal Care	688,456	20
21	General Administration	836,036	21
B. Capital Expense			
22	Ownership	615,821	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)	\$ 3,054,922	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 246,870	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 246,870	31

ROCK ISLAND SUPPORTIVE LIVING CENTER LLC
ATTACHMENT #1 ADJUSTMENT RECAP
ADJUSTMENT RECAP

DESCRIPTION	AMOUNT	LINE #
BANK OVERDRAFT CHARGES	(12,934.00)	10
PENALTIES	(16,510.00)	10
CONTRIBUTIONS	-	10
CABLE TV RESIDENT ROOMS	(17,088.00)	3
NON STRAIGHT LINE DEPRECIATION	(9,133.00)	17
RELATED PARTY ADJUSTMENT (see attachment)	98,478.00	SEE ATTACHED

ADJUSTMENT TOTAL	42,813.00	
	=====	

ROCK ISLAND SUPPORTIVE LIVING CENTER LLC
ATTACHMENT #2
RELATED PARTY ADJUSTMENT

DESCRIPTION	AMOUNT	LINE #
RENT	(600,000.00)	20
DEPRECIATION (S/L)	185,085.00	17
INTEREST (Net of Income)	441,517.00	18
REAL ESTATE TAX	71,876.00	19

TOTAL ADJUSTMENT	98,478.00	
	=====	

**ROCK ISLAND SUPPORTIVE LIVING
 ADDITIONAL IMPROVEMENTS
 ATTACHMENT #3**

Improvement Type	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
PARKING LOT	2009	9,072	302	15	302		302
CARPET & TILE	2009	35,692	3,569	5	3,569		3,569
RAILING, CROWN MOLDING, DOORS AND FRAMES	2009	6,502	118	27.5	118		118
		----- 51,266	----- 3,989		----- 3,989	-----	----- 3,989