

Facility Name HERITAGE WOODS OF MCHENRY

Report Period Beginning: 01/01/2017 Ending: 12/31/2017

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	100	Single Unit Apartment	100	36,500	1
2		Double Unit Apartment			2
3		Other			3
4	100	TOTALS	100	36,500	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	31,691	4,631		36,322	5
6	Double Unit					6
7	Other					7
8	TOTALS	31,691	4,631		36,322	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 99.51%

D. Indicate the number of paid bed-hold days the SLF had during this year
 626 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 9 (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

ACCRUAL MODIFIED CASH* CASH*

I. Is your fiscal year identical to your tax year? YES NO
 Tax Year: 2017 Fiscal Year: 2017

* 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. _____

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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	285,579	180,446	1,796	467,821		467,821	1
2	Housekeeping, Laundry and Maintenance	119,610	46,226	37,399	203,235		203,235	2
3	Heat and Other Utilities			117,674	117,674	(36,476)	81,198	3
4	Other (specify): See Page 3 Attachment			13,759	13,759		13,759	4
5	TOTAL General Services	405,189	226,672	170,628	802,489	(36,476)	766,013	5
B. Health Care and Programs								
6	Health Care/ Personal Care	518,650	15,085		533,735		533,735	6
7	Activities and Social Services	39,082	9,042		48,124		48,124	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	557,732	24,127		581,859		581,859	9
C. General Administration								
10	Administrative and Clerical	198,848	29,054	264,055	491,957	(26,158)	465,799	10
11	Marketing Materials, Promotions and Advertising	70,073	9,246	50,697	130,016		130,016	11
12	Employee Benefits and Payroll Taxes			258,855	258,855		258,855	12
13	Insurance-Property, Liability and Malpractice			39,812	39,812		39,812	13
14	Other (specify): See Page 3 Attachment			358,934	358,934	(14,710)	344,224	14
15	TOTAL General Administration	268,921	38,300	972,353	1,279,574	(40,868)	1,238,706	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,231,842	289,099	1,142,981	2,663,922	(77,344)	2,586,578	16
Capital Expenses								
D. Ownership								
17	Depreciation			509,334	509,334		509,334	17
18	Interest			671,972	671,972	(10,616)	661,356	18
19	Real Estate Taxes			117,484	117,484		117,484	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment			12,544	12,544		12,544	21
22	Other (specify): See Page 3 Attachment			1,076,378	1,076,378		1,076,378	22
23	TOTAL Ownership			2,387,712	2,387,712	(10,616)	2,377,096	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,231,842	289,099	3,530,693	5,051,634	(87,960)	4,963,674	24

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	Inc line 12	\$ Inc line 12	1
2	Licensed Practical Nurses	1	26.19	2
3	Certified Nurse Assistants	15	12.68	3
4	Activity Director & Assistants	Inc line 12	Inc line 12	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	10	10.84	7
8	Dishwashers			8
9	Maintenance Workers	Inc line 12	Inc line 12	9
10	Housekeepers	3	11.19	10
11	Laundry			11
12	Managers	5	26.16	12
13	Other Administrative	3	25.52	13
14	Clerical	Inc line 13	Inc line 13	14
15	Marketing	Inc line 12	Inc line 12	15
16	Other			16
17	Total (lines 1 thru 16)	37	\$	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

	Management fees paid to unrelated parties	Amount of Fee	
1	Gardant Management Solutions	\$ 168,761	1
2			2
Total		\$ 168,761	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
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land \$ 1,030,680 Year land was acquired 2008

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	100			2008	\$ 11,273,977	\$ 409,963	27.5	\$ 409,963	\$ (0)	\$ 3,911,729	1
2											2
3											3
4											4
5											5
Improvement Type											
6	Leasehold Improvements				1,504,099	88,892	15	100,273	11,381	1,015,719	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)				\$ 12,778,076	\$ 498,855		\$ 510,236	\$ 11,381	\$ 4,927,447	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	\$ 711,663	\$ 10,478	\$ 142,333	131,854	5	\$ 694,177	18
19					\$		-	19
20	TOTAL (lines 18 and 19)	\$ 711,663	\$ 10,478	\$ 142,333	131,854		\$ 694,177	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

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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	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

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	AMALGAMATED BANK		X	FIRST MORTGAGE / BOND	7/1/2007	\$ 12,450,000	\$	12/1/2041	0.0610	\$ 671,972
2	LANCASTER POLLARD			FIRST MORTGAGE	12/6/2017	11,229,400	11,229,400	1/1/2051	0.0310	
3										
	Working Capital									
4					/ /			/ /		
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$ 23,679,400	\$ 11,229,400			\$ 671,972
	B. Non-Facility Related									
8					/ /			/ /		
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$ 23,679,400	\$ 11,229,400			\$ 671,972

* 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.

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2017

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 881,881	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (43,265))	611,213		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	130,500		6
7	Other Prepaid Expenses	4,037		7
8	Accounts Receivable (owners or related parties)	7,830		8
9	Other(specify): See Page 7 Attachment	1,775		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,637,237	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	1,030,680		13
14	Buildings, at Historical Cost	11,273,977		14
15	Leasehold Improvements, at Historical Cost	1,504,099		15
16	Equipment, at Historical Cost	711,663		16
17	Accumulated Depreciation (book methods)	(5,621,624)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	24,774		19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(23,507)		20
21	Restricted Funds	579,875		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 9,479,937	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 11,117,173	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 40,571	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable			30
31	Accrued Taxes Payable	126,665		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See Page 7 Attachment	774,139		35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 941,376	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	11,014,436		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)	\$ 11,014,436	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 11,955,811	\$	45
46	TOTAL EQUITY	\$ (838,638)	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 11,117,173	\$	47

*(See instructions.)

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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	\$ 4,058,845	1
2	Discounts and Allowances	(2,011)	2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 4,056,834	3
B. Other Operating Revenue			
4	Special Services	167,121	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	7,238	8
9	Non-Resident Meals	4,113	9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 178,472	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	10,616	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 10,616	14
D. Other Revenue (specify):			
15	See Page 8 Attachment	9,028	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 9,028	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 4,254,950	18

		2	
II. Expenses		Amount	
A. Operating Expenses			
19	General Services	802,489	19
20	Health Care/ Personal Care	581,859	20
21	General Administration	1,279,574	21
B. Capital Expense			
22	Ownership	2,387,712	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)	\$ 5,051,634	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ (796,684)	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ (796,684)	31
III. Net Resident Care Revenue detailed by Payer Source			
32	Medicaid - Net Inpatient Revenue	\$ 2,079,071	32
33	Private Pay - Net Inpatient Revenue	1,977,763	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 4,056,834	37

Expenses PG 3 Other

General Services Other		Health Care & Programs	General Administration Other		Amt	Ownership Other		Amt
5200-5000-0-0	Operating Allocation	-	5160-5060-0-0	Consulting	15,500	9100-9101-0-0	Interest & Dividend Income	-
5200-5124-0-0	Exterminating	1,890	5160-5063-0-0	Legal	7,686	9100-9102-0-0	Assessment Income	-
5200-5127-0-0	Rubbish Removal	5,069	5160-5064-0-0	Accounting	115	9100-9103-0-0	Assessment Expense	-
5200-5130-0-0	Vehicle Expense	1,941	5160-5066-0-0	Audit	13,460	9200-9201-1-0	Amortization - Loan Fees	374,068
5200-5131-0-0	Transportation Service	-	5160-5067-0-0	Contract Labor-Serv Prov	301,781	9200-9202-0-0	Financing Fees	230,100
5300-5140-0-0	Security & Monitoring	4,859	5160-5068-0-0	Contract Labor	5,682	9200-9203-1-0	Mortgage Interest Premium	-
			5180-5079-0-0	Bad Debt - Resident	16,546	9200-9204-0-0	Mortgage Service Fee	-
			5180-5079-1-0	Bad Debt - Resident - Recovery	(2,219)	9200-9205-0-0	Mortgage Insurance Prem	7,999
			5180-5080-0-0	Bad Debt - Resident Prior Period	-	9200-9206-0-0	Participation Fee	-
			5180-5081-0-0	Bad Debt - Medicaid Pending Denial	383	9200-9207-0-0	Letter of Credit Fee	-
			5180-5081-1-0	Bad Debt - Medicaid Pending - Recovery	-	9200-9208-0-0	Bond & Draw Fee	3,200
			5180-5082-0-0	Bad Debt - Medicaid Denial Prior Period	-	9200-9209-0-0	Remarketing and Trustee Fee	-
			5180-5083-0-0	Bad Debt - Medicaid MCO	-	9200-9210-0-0	Interest Expense-Note	-
			5190-5000-0-0	Other Admin Allocation	-	9200-9211-0-0	Interest Expense-LP	-
						9200-9212-0-0	Debt Write-Off	-
						9300-9301-0-0	Partnership Management Fee	58,333
						9300-9302-0-0	Asset Management Fee	7,504
						9300-9303-0-0	Incentive Management	382,352
						9300-9303-1-0	Incentive Asset Mgmt Fee	-
						9300-9304-0-0	Tax Credit Fees & Incentive Fee	1,975
						9300-9305-0-0	Organizational Expense	-
						9300-9306-0-0	Developer Fees	-
						9300-9307-0-0	Closing Costs	-
						9700-9702-0-0	Amortization Expense	2,472
						9900-9901-0-0	Prior Period Adjustments	-
						9900-9902-0-0	Dissolution of Business	-
						9900-9903-0-0	Loss (Gain) on Sale of Assets	-
						9900-9904-0-0	Business Interruption	-
						9900-9905-0-0	Settlement	8,375
						9900-9906-0-0	Property Damage Loss	-
						9900-9907-0-0	Abandonment Loss	-
						9900-9908-0-0	Grant Income	-
						9900-9909-0-0	Misc: Title, Recording, Transfe	-
		13,759						
		-			358,934			1,076,378

Balance Sheet PG 7 Other

Balance Sheet

Other Current Assets Detail		Amt	Current Liabilities Detail		Amt
1102-9971-0-0	A/R-Employee Advance	-	2111-0040-0-0	Construction Account Payable	-
1102-9972-0-0	A/R-Gardant Mgmt Solutions	-	2112-0100-0-0	Accrued Asset Management Fee	2,500
1102-9973-0-0	A/R-Insurance Reimbursen	-	2112-0101-0-0	Accrued Partnership Mgmt Fee	58,333
1102-9974-0-0	A/R-Subscription Receivable	-	2112-0102-0-0	Accrued Incentive Mgmt Fee	641,655
1102-9975-0-0	A/R-CIP	-	2112-0102-1-0	Accrued Incentive Asset Mgmt Fee	-
1102-9976-0-0	A/R-Other	1,421	2112-0105-0-0	Accrued Liabilities	55,521
1102-9978-0-0	A/R-TIF/Abatement	-	2112-0110-0-0	Accrued Insurance	-
1105-0006-0-0	Security Deposit-Equip & Util	354	2112-0115-0-0	Accrued Developer Fee	-
1105-0009-0-0	Transfer Account	-	2112-0130-0-0	Accrued MIP	-
1105-0012-0-0	Undeposited Funds	-	2112-0140-0-0	Accrued Vacation	-
			2112-0144-0-0	Payroll Union Dues	-
			2112-0146-0-0	Payroll Benefits	-
			2112-0150-0-0	Security Deposits	-
			2112-0154-0-0	Unclaimed Property	3,537
			2112-0155-0-0	Reservation Deposit	-
			2112-0156-0-0	Buy Down Credit	-
			2112-0157-0-0	Unapplied Last Month Rent	-
			2112-0158-0-0	Deferred Gain on Sale	-
			2112-0159-0-0	Unearned Revenue	12,593
			2112-0159-1-0	Medicaid Prepayments	-
			2112-0159-2-0	Prepaid Medicaid Clearing	-
			2112-0159-3-0	Prepaid Rent	-
		1,775			774,139

Other Long Term Assets Detail		Amt
1201-0020-0-0	CIP	-
1201-0021-0-0	CIP- Land Option Addition	-
1201-0022-0-0	CIP- Other Addition	-
		-

Income Statement PG 8 Other

Income Statement		
	Other Revenue	Amt
3300-3388-0-0	Contract Service-Serv Prov	-
3300-3390-0-0	Other	1,614
3300-3391-0-0	Property Tax Adjustments	-
3300-3392-0-0	Property Lease Income	-
3300-3393-0-0	Insurance Adjustments	7,414
3300-3395-0-0	Developer Fee Income	-
3300-3396-0-0	Home Office Rent Income	-
		9,028