

Facility Name Victory Centre Vernon Hills

Report Period Beginning: 1/1/2018 Ending: 12/31/2018

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	120	Single Unit Apartment	120	43,800	1
2		Double Unit Apartment			2
3		Other			3
4	120	TOTALS	120	43,800	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	18,066	9,728		27,794	5
6	Double Unit					6
7	Other					7
8	TOTALS	18,066	9,728		27,794	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 63.46%

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

450 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 49 (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)

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/18 Fiscal Year: 12/31/18

* All facilities other than governmental must report on the accrual basis.

J. Does the facility have any Illinois Housing Development Authority Loans outstanding?

Yes If yes, did the facility make all of the required payments of interest and principle? Yes
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

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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	291,890	231,512	38,527	561,929	(3,240)	558,689	1
2	Housekeeping, Laundry and Maintenance	141,459	41,269	147,240	329,968	7,026	336,994	2
3	Heat and Other Utilities			139,392	139,392	413	139,805	3
4	Other (specify):							4
5	TOTAL General Services	433,349	272,781	325,159	1,031,289	4,199	1,035,488	5
B. Health Care and Programs								
6	Health Care/ Personal Care	512,841	10,278	197,629	720,748	14,172	734,920	6
7	Activities and Social Services	50,347	3,923	18,427	72,697	935	73,632	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	563,188	14,201	216,056	793,445	15,107	808,552	9
C. General Administration								
10	Administrative and Clerical	185,800	20,899	1,030,695	1,237,394	(616,145)	621,249	10
11	Marketing Materials, Promotions and Advertising	48,714	1,678	119,799	170,191	17,336	187,527	11
12	Employee Benefits and Payroll Taxes			261,415	261,415		261,415	12
13	Insurance-Property, Liability and Malpractice			68,057	68,057	1,106	69,163	13
14	Other (specify):					31,803	31,803	14
15	TOTAL General Administration	234,514	22,577	1,479,966	1,737,057	(565,900)	1,171,157	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,231,051	309,559	2,021,181	3,561,791	(546,594)	3,015,197	16
Capital Expenses								
D. Ownership								
17	Depreciation			715,303	715,303	61,937	777,240	17
18	Interest			480,042	480,042	(3,212)	476,830	18
19	Real Estate Taxes			133,857	133,857		133,857	19
20	Rent -- Facility and Grounds			1,282	1,282	12,797	14,079	20
21	Rent -- Equipment			7,500	7,500	55	7,555	21
22	Other (specify): MIP/Amortization			102,514	102,514		102,514	22
23	TOTAL Ownership			1,440,498	1,440,498	71,577	1,512,075	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,231,051	309,559	3,461,679	5,002,289	(475,018)	4,527,271	24

Report Period Beginning: 1/1/2018
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NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference
1	Non-Straight Line Depreciation	\$ 86,634	17 1
2	Guest Meals	(3,221)	01 2
3	Employee Meals	(19)	01 3
4	Maintenance Fees	(144)	02 4
5	Damage Recovery	(1,285)	10 5
6	NSF Fees	(245)	10 6
7	Late Fees	(90)	10 7
8	Other Income	(146)	10 8
9	Meals & Entertainment	(1,615)	11 9
10	Bank Service Charges	(3,752)	10 10
11	Charitable Contributions	(1,598)	10 11
12	Resident Reimbursables	(14)	10 12
13	Bad Debt	(244,647)	10 13
14	Pet Care	(1,188)	07 14
15	Management Fees	(7,854)	10 15
16	Service Provider Fee	(256,177)	10 16
17	Forgiveness of Debt	(83,108)	10 17
18	Asset Management Fee	(25,823)	10 18
19	Incentive Management Fee	(149,096)	10 19
20	Interest Income	(3,212)	18 20
21	Cable TV	(1,816)	10 21
22	Additional R&M	5,581	02 22
23	Capitalized R&M	(4,404)	02 23
24			24
25	PATHWAY MANAGEMENT LLC		25
26	Maintenance	5,993	02 26
27	Utilities	413	03 27
28	Health Care/Personal Care	14,172	06 28
29	Community Life	2,123	07 29
30	Administrative	169,507	10 30
31	Marketing	18,951	11 31
32	Insurance	1,106	13 32
33	Employee Benefits	31,803	14 33
34	Depreciation	3,303	17 34
35	Rent - Building	12,797	20 35
36	Rent - Equipment	55	21 36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
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51			51
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84			84
85			85
86			86
87			87
88			88
89			89
90			90
91			91
92			92
93			93
94			94
95			95
96			96
97			97
98			98
99			99
100			100
101	Total	(475,018)	101

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Report Period Beginning: 1/1/2018

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.96	\$ 28.87	1
2	Licensed Practical Nurses	3.08	13.03	2
3	Certified Nurse Assistants	11.56	12.96	3
4	Activity Director & Assistants	1.34	18.03	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	10.48	13.40	7
8	Dishwashers			8
9	Maintenance Workers	2.68	16.49	9
10	Housekeepers	2.26	10.50	10
11	Laundry			11
12	Managers			12
13	Other Administrative	3.95	22.62	13
14	Clerical			14
15	Marketing	0.80	29.42	15
16	Other			16
17	Total (lines 1 thru 16)	38.11	\$ 15.53	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	Jerry Finis	0.001225%	1.32	\$ 10,031	1
2					2
3					3
4					4
5					5
Total				\$ 10031	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			

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See Attached					

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

(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 600,000 Year land was acquired 2012

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	120		2012		\$ 18,937,617	\$ 715,303	28	\$ 676,343	\$ (38,960)	\$ 4,746,699	1
2											2
3											3
4											4
5											5
Improvement Type											
6	Total From Supplemental Page 5's				236,816			12,089	12,089	55,559	6
7											7
8	Allocated from Pathway Management					3,303			(3,303)		8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 19,174,433	\$ 718,606		\$ 688,432	\$ (30,174)	\$ 4,802,258	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	\$ 888,075	\$	\$ 88,808	88,808		\$ 515,770	18
19	Vehicles						-	19
20	TOTAL (lines 18 and 19)	\$ 888,075	\$	\$ 88,808	88,808		\$ 515,770	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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XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	10
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1	Land Improvements	2012	165,395		20	8,270	8,270	49,620	1
2	Sod Replacement	2014	6,326		20	316	316	1,265	2
3	Hvac Repairs	2015	2,516		20	126	126	377	3
4	Condenser Repairs	2015	2,954		20	148	148	443	4
5	Landscaping- Plants, Sod, Mulch	2016	7,548		20	377	377	755	5
6	Parking Lot Re-Seal	2016	4,946		20	247	247	495	6
7	Dining Room Carpeting	2017	17,185		20	859	859	859	7
8	Laundry Room Door- Fire Panel	2017	3,962		20	198	198	198	8
9	Elevator Repair & Door Replacement	2018	3,169		20	158	158	158	9
10	Nurse Call System Upgrade	2018	9,047		20	452	452	452	10
11	Replace 12 Nurse Call Radios	2018	4,955		20	495	495	495	11
12	Cooling Tower Fan Parts Replacement	2018	4,409		20	220	220	220	12
13	Hvac Repairs	2018	4,404		20	220	220	220	13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 236,816	\$		\$ 12,089	\$ 12,089	\$ 55,559	34

**Improvement type must be detailed in order for the cost report to be considered complete.

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Ending:

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XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	3	4	5	6	7	8	9		
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1								1	
2								2	
3								3	
4								4	
5								5	
6								6	
7								7	
8								8	
9								9	
10								10	
11								11	
12								12	
13								13	
14								14	
15								15	
16								16	
17								17	
18								18	
19								19	
20								20	
21								21	
22								22	
23								23	
24								24	
25								25	
26								26	
27								27	
28								28	
29								29	
30								30	
31								31	
32								32	
33								33	
34	TOTAL (lines 1 thru 33)		\$	\$		\$	\$	\$	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Victory Centre Vernon Hills

Report Period Beginning:

1/1/2018 Ending:

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XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	3	4	5	6	7	8	9		
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1								1	
2								2	
3								3	
4								4	
5								5	
6								6	
7								7	
8								8	
9								9	
10								10	
11								11	
12								12	
13								13	
14								14	
15								15	
16								16	
17								17	
18								18	
19								19	
20								20	
21								21	
22								22	
23								23	
24								24	
25								25	
26								26	
27								27	
28								28	
29								29	
30								30	
31								31	
32								32	
33								33	
34	TOTAL (lines 1 thru 33)		\$	\$		\$	\$	\$	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name: Victory Centre Vernon Hills

Report Period Beginning: 1/1/2018

Ending: 2/31/2018

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	Storage Rental			/ /	1,282			5
6	Allocated from Pathway Management			/ /	12,797			6
7	TOTAL				\$ 14,079			7

8. Is movable equipment rental included in building rental? YES NO

9. Rental amount for movable equipment \$ 7,554

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**	YES			NO	Amount of Note				
			YES	NO	Purpose of Loan	Date of Note	Original		Maturity Date	Interest Rate (4 Digits)		
A. Directly Facility Related												
Long-Term												
1		Centennial Mortgage		X	1st Mortgage - Loan Premium	4/1/12	\$ 12,101,000	\$ 340,003	3/1/52	5.1500	\$ 480,042	1
2		Wells Fargo		X	1st Mortgage	3/1/17	12,101,000	11,794,909	3/1/57	4.0000		2
3		IHDA Loan		X	2nd Mortgage	/ /	1,246,626	747,978	/ /			3
Working Capital												
4						/ /			/ /			4
5						/ /			/ /			5
6						/ /			/ /			6
7		TOTAL Facility Related					\$ 25,448,626	\$ 12,882,890			\$ 480,042	7
B. Non-Facility Related												
8		Interest Income		X		/ /			/ /		(3,212)	8
9						/ /			/ /			9
10		TOTALS (lines 7, 8 and 9)					\$ 25,448,626	\$ 12,882,890			\$ 476,830	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.

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2018

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 790,486	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	952,601		3
4	Supply Inventory (priced at)	7,592		4
5	Short-Term Investments			5
6	Prepaid Insurance	77,632		6
7	Other Prepaid Expenses	18,156		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>See Attached</u>	1,539,252		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 3,385,719	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	600,000		13
14	Buildings, at Historical Cost	18,937,617		14
15	Leasehold Improvements, at Historical Cost	237,129		15
16	Equipment, at Historical Cost	916,862		16
17	Accumulated Depreciation (book methods)	(5,646,929)		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): <u>See Attached</u>	250,847		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 15,295,526	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 18,681,245	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 114,651	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	56,707		30
31	Accrued Taxes Payable	136,551		31
32	Accrued Interest Payable	39,316		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36	<u>See Attached</u>	471,259		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 818,484	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	12,882,890		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)	\$ 12,882,890	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 13,701,374	\$	45
46	TOTAL EQUITY	\$ 4,979,871	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 18,681,245	\$	47

*(See instructions.)

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Ending:

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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	\$ 4,425,134	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 4,425,134	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	1,238	8
9	Non-Resident Meals	3,240	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 4,478	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	3,212	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 3,212	14
D. Other Revenue (specify):			
15	See Attached	85,268	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 85,268	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 4,518,092	18

		2	
II. Expenses		Amount	
A. Operating Expenses			
19	General Services	1,031,289	19
20	Health Care/ Personal Care	793,445	20
21	General Administration	1,737,057	21
B. Capital Expense			
22	Ownership	1,440,498	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)	\$ 5,002,289	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (484,197)	29
30	Income Taxes		30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (484,197)	31
III. Net Resident Care Revenue detailed by Payer Source			
32	Medicaid - Net Inpatient Revenue	\$ 2,583,783	32
33	Private Pay - Net Inpatient Revenue	1,602,725	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify) <u>Managed Care</u>	238,626	35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 4,425,134	37