

		FOR BHF USE			

LL2

Supportive Living Facility

**2011
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2011)**

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. Facility ID Number: <u>1000109</u></p> <p>Facility Name: <u>MORRIS SENIOR LIVING, LLC</u></p> <p>Address: <u>1221 EDGEWATER DRIVE</u> <u>MORRIS</u> <u>60450</u> <small>Number City Zip Code</small></p> <p>County: <u>GRUNDY</u></p> <p>Telephone Number: (<u>815</u>) <u>416-6200</u> Fax # <u>(815) 416-6201</u></p> <p>Federal Employer ID Number: _____</p> <p>Date Current Owners were Certified: <u>01/23/2009</u></p> <p>Type of Ownership:</p> <table style="width:100%"> <tr> <td><input type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input checked="" 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>BART MCCURLEY</u> Telephone Number: <u>(205) 625-3472</u> Email Address: _____</p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input checked="" 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>01/01/2011</u> to <u>12/31/2011</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 style="width:100%"> <tr> <td style="width:20%; vertical-align: top;">Officer or Administrator of Provider</td> <td>(Signed) _____ (Type or Print Name) _____ (Title) _____</td> </tr> <tr> <td style="vertical-align: top;">Paid Preparer</td> <td>(Signed) _____ (Date) _____ (Print Name and Title) <u>BART MCCURLEY</u> <u>CPA</u> (Firm Name & Address) <u>SELF, MAPLES & COPELAND, P.C.</u> <u>1601 2ND AVENUE EAST, ONEONTA, AL 35121</u> (Telephone) <u>(205) 625-3472</u> Fax # <u>(205) 274-0182</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>BART MCCURLEY</u> <u>CPA</u> (Firm Name & Address) <u>SELF, MAPLES & COPELAND, P.C.</u> <u>1601 2ND AVENUE EAST, ONEONTA, AL 35121</u> (Telephone) <u>(205) 625-3472</u> Fax # <u>(205) 274-0182</u>
<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input checked="" 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 _____																												
Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) _____ (Title) _____																												
Paid Preparer	(Signed) _____ (Date) _____ (Print Name and Title) <u>BART MCCURLEY</u> <u>CPA</u> (Firm Name & Address) <u>SELF, MAPLES & COPELAND, P.C.</u> <u>1601 2ND AVENUE EAST, ONEONTA, AL 35121</u> (Telephone) <u>(205) 625-3472</u> Fax # <u>(205) 274-0182</u>																												

Facility Name MORRIS SENIOR LIVING, LLC

Report Period Beginning: 01/01/2011 Ending: 12/31/2011

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	40	Single Unit Apartment	40	14,600	1
2	18	Double Unit Apartment	18	6,570	2
3		Other		1,460	3
4	58	TOTALS	58	22,630	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	6,935	11,680		18,615	5
6	Double Unit	1,825	2,190		4,015	6
7	Other					7
8	TOTALS	8,760	13,870		22,630	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 100.00%

D. Indicate the number of paid bed-hold days the SLF had during this year 72 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)

NONE

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/2011 Fiscal Year: 12/31/2011

* 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: MORRIS SENIOR LIVING, LLC

Report Period Beginning:

01/01/2011

Ending: 12/31/2011

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	197,672	162,879	17,651	378,202	(3,639)	374,563	1
2	Housekeeping, Laundry and Maintenance	107,274	31,401	37,572	176,247		176,247	2
3	Heat and Other Utilities			92,619	92,619	(12,987)	79,632	3
4	Other (specify):							4
5	TOTAL General Services	304,946	194,280	147,842	647,068	(16,626)	630,442	5
B. Health Care and Programs								
6	Health Care/ Personal Care	291,379	4,190		295,569		295,569	6
7	Activities and Social Services	16,174	2,753	2,480	21,407		21,407	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	307,553	6,943	2,480	316,976		316,976	9
C. General Administration								
10	Administrative and Clerical	130,927	3,886	131,562	266,375	(16,719)	249,656	10
11	Marketing Materials, Promotions and Advertising	27,502	4,810	7,641	39,953		39,953	11
12	Employee Benefits and Payroll Taxes			73,402	73,402		73,402	12
13	Insurance-Property, Liability and Malpractice			38,052	38,052		38,052	13
14	Other (specify):							14
15	TOTAL General Administration	158,429	8,696	250,657	417,782	(16,719)	401,063	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	770,928	209,919	400,979	1,381,826	(33,345)	1,348,481	16
Capital Expenses								
D. Ownership								
17	Depreciation			315,383	315,383		315,383	17
18	Interest			173,792	173,792	(9)	173,783	18
19	Real Estate Taxes			65,710	65,710		65,710	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment			13,200	13,200		13,200	21
22	Other (specify): SEE GROUPING SCHEDULE			44,504	44,504	(41,004)	3,500	22
23	TOTAL Ownership			612,589	612,589	(41,013)	571,576	23
24	GRAND TOTAL (Sum of lines 16 and 23)	770,928	209,919	1,013,568	1,994,415	(74,358)	1,920,057	24

Facility Name: MORRIS SENIOR LIVING, LLC

Report Period Beginning 01/01/2011 Ending: 12/31/2011

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	2	\$ 24.65	1
2	Licensed Practical Nurses	1	17.94	2
3	Certified Nurse Assistants	7	11.27	3
4	Activity Director & Assistants	1	9.43	4
5	Social Service Workers			5
6	Head Cook	2	22.64	6
7	Cook Helpers/Assistants	7	10.87	7
8	Dishwashers			8
9	Maintenance Workers	2	9.28	9
10	Housekeepers	4	9.82	10
11	Laundry			11
12	Managers	1	21.72	12
13	Other Administrative			13
14	Clerical	4	9.25	14
15	Marketing	1	12.79	15
16	Other			16
17	Total (lines 1 thru 16)	31	\$	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	LEWIS BORSELLINO	75%	-	\$ -	1
2	KIM WESTERKAMP	20%	-	-	2
3	RITA BORSELLINO	5%	-	-	3
4					4
5					5
				Total	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	\$	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
MORRIS HEALTHCARE & REHAB		MORRIS, IL	
AMBOY HEALTHCARE & REHAB		AMBOY, IL	
DIXON HEALTHCARE & REHAB		DIXON, IL	
MATTOON HEALTHCARE & REHAB		MATTOON, IL	

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
PRISM HEALTHCARE GROUP		WESTMONT IL		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: PRISM HEALTHCARE GROUP If yes, what is the value of those services? \$ 80,261

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: MORRIS SENIOR LIVING, LLC

Report Period Beginning:

01/01/2011

Ending:

12/31/2011

VIII. OWNERSHIP COSTS

A. Purchase price of land 358,000 Year land was acquired 2009

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	58				\$ 8,044,034	\$ 206,257	39	\$ 206,257	\$	\$ 618,771	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Fencing		2009	63,578	3,178	20	3,178		9,536	6
7		Concrete		2009	262,852	13,142	20	13,142		39,428	7
8		Gypsum Cement Underlayment		2009	16,752	838	20	838		2,513	8
9		Earth Work, Storm, Sewer, Water		2009	232,462	11,623	20	11,623		34,870	9
10		Lawn Irrigation		2009	27,453	1,373	20	1,373		4,118	10
11		Asphalt Paving		2009	118,747	5,937	20	5,937		17,812	11
12		Landscaping		2009	70,074	3,504	20	3,504		10,511	12
13		Phone System		2009	11,039	552	20	552		1,656	13
14		T1 Phone/Line/Cable Installation		2009	3,562	178	20	178		534	14
15		Information Systems		2009	43,004	2,150	20	2,150		6,450	15
16		5 emergency attached ladders		2010	5,403	270	20	270		540	16
17		TOTAL (lines 1 thru 16)			\$ 8,898,960	\$ 249,002		\$ 249,002	\$	\$ 746,739	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	\$ 369,692	\$ 66,381	\$ 66,381	\$	10	\$ 117,695	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 369,692	\$ 66,381	\$ 66,381	\$		\$ 117,695	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: MORRIS SENIOR LIVING, LLC

Report Period Beginning: 01/01/2011

Ending: 2/31/2011

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

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	First Chicago Operating		X	Mortgage	/ /	\$ 8,000,000	\$ 8,257,224	/ /		\$ 159,551
2					/ /			/ /		
3					/ /			/ /		
	Working Capital									
4	First Chicago Operating		X	Line of Credit	/ /	122,472	122,472	/ /		14,241
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$ 8,122,472	\$ 8,379,696			\$ 173,792
	B. Non-Facility Related									
8					/ /			/ /		
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$ 8,122,472	\$ 8,379,696			\$ 173,792

* 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: MORRIS SENIOR LIVING, LLC

Report Period Beginning: 01/01/2011

Ending:

12/31/2011

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2011

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ (17,679)	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	98,516		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	645		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 81,482	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	358,000		13
14	Buildings, at Historical Cost	8,044,034		14
15	Leasehold Improvements, at Historical Cost	854,926		15
16	Equipment, at Historical Cost	369,692		16
17	Accumulated Depreciation (book methods)	(864,434)		17
18	Deferred Charges	279,062		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): See Attached	508,973		22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 9,550,253	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 9,631,735	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 168,568	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	257,224		29
30	Accrued Salaries Payable			30
31	Accrued Taxes Payable	172,977		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Security Deposits Held	23,763		35
36	Wells LC Fees	122,472		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 745,004	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	8,000,000		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)	\$ 8,000,000	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 8,745,004	\$	45
46	TOTAL EQUITY	\$ 886,731	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 9,631,735	\$	47

*(See instructions.)

Facility Name: MORRIS SENIOR LIVING, LLC

Report Period Beginning: 01/01/2011 Ending: 12/31/2011

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	\$ 2,199,622	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,199,622	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	3,639	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 3,639	11
C. Non-Operating Revenue			
12	Contributions	1,310	12
13	Interest and Other Investment Income	9	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 1,319	14
D. Other Revenue (specify):			
15	Cable/Phone Income	24,403	15
16	Miscellaneous	2,584	16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 26,987	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 2,231,567	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	647,068	19
20	Health Care/ Personal Care	316,976	20
21	General Administration	417,782	21
B. Capital Expense			
22	Ownership	612,589	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)	\$ 1,994,415	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 237,152	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 237,152	31

MORRIS SENIOR LIVING, LLC
ATTACHMENT #1
MANAGEMENT FEES
LINE 10-3 ADMINISTRATIVE OTHER
01/01/11-12/31/11

<u>AMOUNT PAID TO RELATED PARTY</u>	<u>FEES PAID FROM FACILITY</u>	<u>COST TO HOME OFFICE</u>	<u>TOTAL ADJ</u>
PRISM HEALTHCARE	80,261.00	80,261.00	-
TOTAL	<u>80,261.00</u>	<u>80,261.00</u>	<u>-</u>

MORRIS SENIOR LIVING, LLC
ATTACHMENT #2
ADJUSTMENTS

01/01/11-12/31/11

<u>ADJUSTMENT DESCRIPTION</u>	<u>AMOUNT</u>	<u>SCH. IV. LINE</u>
1 Cable Revenue	\$ (12,987.00)	3
2 Telephone Revenue	(9,009.00)	10
3 Bank Charges	(7,710.00)	10
4 Interest Income Offset to Int Expense	(9.00)	18
5 Sale of meals revenue	(3,639.00)	1
6 Bond Marketing fees	(41,004.00)	22
Total	<u>\$ (74,358.00)</u>	