FOR BHF USE

LL2

Supportive Living Facility

2010

STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2010)

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 ID Number: 1000056

Facility Name: THE FORT ARMSTRONG

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

County: ROCK ISLAND

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

Federal Employer ID Number:

Date Current Owners were Certified: 02-05

Type of Ownership:

	VOLUNTARY, NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
			"Sub-S" Corp.		
		X	Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: BOB KAGDA **Telephone Number:** (847) 675-3585
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2010 to 12/31/2010 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) MARCI HALPERT
(Title) MANAGER

Paid Preparer
(Signed) (SEE ATTACHED ACCOUNTANT'S REPORT)
(Date)
(Print Name and Title) BOB KAGDA, VICE PRESIDENT
(Firm Name & Address) KRUPNICK BOKOR KAGDA & BROOKS, LTD., 3750 W DEVON AVE, LINCOLNWOOD, IL 60712
(Telephone) (847) 675-3585 Fax (847) 675-5777

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: 01/01/2010 Ending: 12/31/2010

III. STATISTICAL DATA

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

Date of change in certified units / /

	1 Units at Beginning of Report Period	2 Type of Apartment	3 Units at End of Report Period	4 Unit Days During Report Period	
1	116	Single Unit Apartment	116	42,340	1
2	14	Double Unit Apartment	14	5,110	2
3		Other			3
4	130	TOTALS	130	47,450	4

B. Census-For the entire report period.

	1 Type of Unit	2 Resident Days by Unit and Primary Source of Payment: Medicaid Recipient	3 Private Pay	4 Other	5 Total	
5	Single Unit	24,216	14,535		38,751	5
6	Double Unit					6
7	Other					7
8	TOTALS	24,216	14,535		38,751	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 81.67%

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 [x]

F. Does the BALANCE SHEET reflect any non-SLF assets?
YES [ ] NO [x]

G. List all services provided by your facility for non-residents. (E.g., day care, "meals on wheels", outpatient therapy)

H. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

I. Is your fiscal year identical to your tax year? [X] YES [ ] NO
Tax Year: 12/31/10 Fiscal Year: _____
* 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? N0 **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: 01/01/2010 Ending: 12/31/2010**

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

	Operating Expenses	Costs Per General Ledger Salary/Wage	Supplies	Other	Total	Reclassifications and Adjustments	Adjusted Total	
	A. General Services	1	2	3	4	5	6	
1	Dietary and Food Purchase	289,083	265,946	1,506	556,535		556,535	1
2	Housekeeping, Laundry and Maintenance	159,184	56,437	17,549	233,170		233,170	2
3	Heat and Other Utilities			138,219	138,219	(18,066)	120,153	3
4	Other (specify):Scavenger & Exterminator & Secuirty			11,901	11,901		11,901	4
5	**TOTAL General Services**	448,267	322,383	169,175	939,825	(18,066)	921,759	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	534,821	25,064		559,885		559,885	6
7	Activities and Social Services	39,660	3,741		43,401		43,401	7
8	Other (specify):			14,187	14,187		14,187	8
9	**TOTAL Health Care and Programs**	574,481	28,805	14,187	617,473		617,473	9
	C. General Administration							
10	Administrative and Clerical	248,110	13,820	236,069	497,999	(4,047)	493,952	10
11	Marketing Materials, Promotions and Advertising	62,079		49,884	111,963		111,963	11
12	Employee Benefits and Payroll Taxes			195,993	195,993		195,993	12
13	Insurance-Property, Liability and Malpractice			59,448	59,448		59,448	13
14	Other (specify):Bad Debt			6,285	6,285		6,285	14
15	**TOTAL General Administration**	310,189	13,820	547,679	871,688	(4,047)	867,641	15
16	**TOTAL Operating Expense (Sum of lines 5, 9 and 15)**	1,332,937	365,008	731,041	2,428,986	(22,113)	2,406,873	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			11,861	11,861	180,463	192,324	17
18	Interest			686	686	300,451	301,137	18
19	Real Estate Taxes					71,518	71,518	19
20	Rent -- Facility and Grounds			600,000	600,000	(600,000)		20
21	Rent -- Equipment							21
22	Other (specify):							22
23	**TOTAL Ownership**			612,547	612,547	(47,568)	564,979	23
24	**GRAND TOTAL (Sum of lines 16 and 23)**	1,332,937	365,008	1,343,588	3,041,533	(69,681)	2,971,852	24

Facility Name: THE FORT ARMSTRONG Report Period Beginning: 01/01/2010 Ending: 12/31/2010

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.00	$ 28.79	1
2	Licensed Practical Nurses	2.95	18.83	2
3	Certified Nurse Assistants	17.61	9.88	3
4	Activity Director & Assistants	1.88	10.09	4
5	Social Service Workers			5
6	Head Cook	3.14	12.06	6
7	Cook Helpers/Assistants	12.11	8.37	7
8	Dishwashers			8
9	Maintenance Workers	1.67	12.47	9
10	Housekeepers	6.22	8.90	10
11	Laundry			11
12	Managers	1.27	34.03	12
13	Other Administrative			13
14	Clerical	3.52	10.58	14
15	Marketing	1.00	29.83	15
16	Other			16
17	Total (lines 1 thru 16)	52.37	$	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	MEDTAK			$ 138,550	1
2	MARC SIEBZENER			78,000	2
3					3
4					4
5					5
			Total	$ 216550	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		OTHER RELATED BUSINESS ENTITIES		
Name 1	City 2	Name 3	City 4	Type of Business 5
		MEDTAK LTD	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 [X]
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 [X] 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: 01/01/2010 Ending: 12/31/2010

VIII. OWNERSHIP COSTS

A. Purchase price of land 387,740 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	$	$ 265,154	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	RENOVATIONS				1,295,873	47,123	27.5	47,123		233,652	6
7	RENOVATIONS			2004	32,239	1,172	27.5	1,172		6,983	7
8	WOODWORK			2007	8,558	311	27.5	311		1,102	8
9	BOILER			2007	12,955	471	27.5	471		1,668	9
10	FIRE ALARM			2007	6,625	241	27.5	241		853	10
11	ROOF			2007	16,000	582	27.5	582		2,061	11
12	CARPET			2007	46,040	6,577	7.0	6,577		24,335	12
13	WALLPAPER			2007	2,096	299	7.0	299		1,107	13
14	A/C GENERATOR			2008	13,150	478	27.5	478		1,215	14
15	CARPET			2008	8,051	1,150	7.0	1,150		2,877	15
16	TOTAL FROM PAGE 5A				78,632	8,884		8,884		12,375	16
17	TOTAL (lines 1 thru 16)				$ 2,520,219	$ 103,652		$ 103,652	$	$ 553,382	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	$ 88,672	$ 88,672	$	10	$ 657,422	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	$ 879,667	$ 88,672	$ 88,672	$		$ 657,422	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: 01/01/2010 Ending: 12/31/2010

VIII. OWNERSHIP COSTS

A. Purchase price of land _____ 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					$	$		$	$	$	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	PARKING LOT			2009	9,072	605	15.0	605		907	6
7	CARPET & TILE			2009	35,692	7,138	5.0	7,138		10,707	7
8	RAILING, CR. MOLDING , DOORS & FRAMES			2009	6,502	236	27.5	236		354	8
9	PLASTER & DRYWALL			2010	22,382	407	27.5	407		407	9
10	CARPET & TILING			2010	4,984	498	5.0	498		498	10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				$ 78,632	$ 8,884		$ 8,884	$	$ 12,873	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	$	$	$	$		$	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	$	$	$	$		$	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: 01/01/2010 Ending: 2/31/2010

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 Year Constructed	2 Number of Units	3 Date of Lease	4 Rental Amount	5 Total Yrs. of Lease	6 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 Name of Lender	2 Related** YES	2 Related** NO	3 Purpose of Loan	4 Date of Note	6 Amount of Note Original	6 Amount of Note Balance	7 Maturity Date	8 Interest Rate (4 Digits)	9 Reporting Period Int. Expense	
	A. Directly Facility Related Long-Term										
1					/ /	$	$	/ /		$	1
2	MIDLAND SERV INC		X	MORTGAGE PROPERTY	12/1/09	5,553,500	5,499,123	1/1/45	0.0545	301,321	2
3					/ /			/ /			3
	Working Capital										
4				INSURANCE POLICIES	/ /			/ /		437	4
5					/ /			/ /			5
6					/ /			/ /			6
7	TOTAL Facility Related					$ 5,553,500	$ 5,499,123			$ 301,758	7
	B. Non-Facility Related										
8					/ /			/ /		210	8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					$ 5,553,500	$ 5,499,123			$ 301,968	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.

Facility Name: THE FORT ARMSTRONG **Report Period Beginning:** 01/01/2010 **Ending:** 12/31/2010

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2010 **(last day of reporting year)**

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 768,282	$ 780,272	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	83,453	83,453	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	73,593	73,593	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)		248,267	8
9	Other(specify):	11,131	11,131	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 936,459	$ 1,196,716	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		387,740	13
14	Buildings, at Historical Cost		1,000,000	14
15	Leasehold Improvements, at Historical Cost	32,239	1,024,308	15
16	Equipment, at Historical Cost	4,667	976,530	16
17	Accumulated Depreciation (book methods)	(9,711)	(1,469,664)	17
18	Deferred Charges MORTGAGE COSTS		210,191	18
19	Organization & Pre-Operating Costs	58,480	58,480	19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds - ESCROWS		429,446	21
22	Other Long-Term Assets (specify):SEC 754	35,335	35,335	22
23	Other(specify):GOODWILL NET AMORT		128,231	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 121,010	$ 2,780,597	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,057,469	$ 3,977,313	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 66,444	$ 66,444	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	79,361	79,361	30
31	Accrued Taxes Payable	69,185	138,954	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	248,267	248,267	35
36				36
37	**TOTAL Current Liabilities (sum of lines 26 thru 36)**	$ 463,257	$ 533,026	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		5,499,123	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)**	$	$ 5,499,123	44
45	**TOTAL LIABILITIES (sum of lines 37 and 44)**	$ 463,257	$ 6,032,149	45
46	**TOTAL EQUITY**	$ 594,212	$ (2,054,836)	46
47	**TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)**	$ 1,057,469	$ 3,977,313	47

***(See instructions.)**

Facility Name: THE FORT ARMSTRONG **Report Period Beginning: 01/01/2010 Ending: 12/31/2010**

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

	Revenue	1 Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	$ 3,621,833	1
2	Discounts and Allowances		2
3	**SUBTOTAL Resident Care (line 1 minus line 2)**	$ 3,621,833	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	1,424	13
14	**SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)**	$ 1,424	14
	D. Other Revenue (specify):		
15	**Antenna rental income**	12,474	15
16			16
17	**SUBTOTAL Other Revenue (sum of lines 15 and 16)**	$ 12,474	17
18	**TOTAL REVENUE (sum of lines 3, 11, 14 and 17)**	$ 3,635,731	18

	Expenses	2 Amount	
	A. Operating Expenses		
19	General Services	939,825	19
20	Health Care/ Personal Care	617,473	20
21	General Administration	871,688	21
	B. Capital Expense		
22	Ownership	612,547	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)**	$ 3,041,533	28
29	**Income Before Income Taxes (line 18 minus line 28)**	$ 594,198	29
30	**Income Taxes**	$	30
31	**NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)**	$ 594,198	31

FORT ARMSTRONG SUPPORTIVE LIVING LLC
ATTACHMENT # 1 ADJUSTMENT RECAP
ADJUSTMENT RECAP

DESCRIPTION	AMOUNT	LINE #
BANK OVERDRAFTS	(176.00)	10
PENALTIES	(3,871.00)	10
CONTRIBUTIONS		
CABLE TV RESIDENT ROOMS	(18,066.00)	
NON STRAIGHT LINE DEPRECIATION	(9,517.00)	17
RELATED PARTY ADJUSTMENT (see attachment)	(38,051.00)	see attached
ADJUSTMENT TOTAL	(69,681.00)	

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

DESCRIPTION	AMOUNT	LINE #
RENT	(600,000.00)	20
DEPRECIATION (S/L)	189,980.00	17
INTEREST (NET OF INCOME)	300,451.00	18
REAL ESTATE TAX	71,518.00	19
TOTAL ADJUSTMENT	(38,051.00)	