

19-004

ORIGINAL SIGNATURES

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

LTC APPLICATION FOR PERMIT
July 2012 Edition**RECEIVED**

JAN 31 2019

**LONG-TERM CARE
APPLICATION FOR PERMIT****ORIGINAL**HEALTH FACILITIES &
SERVICES REVIEW BOARD**SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION**

This Section must be completed for all projects.

DESCRIPTION OF PROJECT**Project Type**

[Check one]

[check one]

<input checked="" type="checkbox"/> General Long-term Care	<input type="checkbox"/> Establishment of a new LTC facility
<input type="checkbox"/> Specialized Long-term Care	<input type="checkbox"/> Establishment of new LTC services
	<input type="checkbox"/> Expansion of an existing LTC facility or service
	<input checked="" type="checkbox"/> Modernization of an existing facility

Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.

The owner and operator/Licensee (Applicant) for Smith Village is **Washington and Jane Smith Community – Beverly d/b/a Smith Village**, an Illinois Not-for-Profit continuing care retirement community (CCRC). Co-Applicant to the project, **The Washington and Jane Smith Home d/b/a Smith Senior Living** (sole corporate member of Smith Village), is also a Not-for-Profit entity. The Smith Village campus serves residents in 100 Nursing Care beds, 82 (24-units dedicated to patients suffering from Alzheimer's and 58 general care units) Assisted Living units and 149 Independent Living units. This redevelopment proposes the modernization of the existing 100 nursing care bed unit located at 2320 West 113th Place, Chicago, Cook County, Illinois. The modernization will result in a total licensed capacity of 78 General Long-Term Care nursing care beds. The existing three-story nursing unit is currently 60,648 gross square feet (hereafter referred to as GSF) and after completion of the proposed modernization the space will be 70,852 GSF or an increase in 10,204GSF. A total of 60,648 GSF will be renovated in the existing 3-story nursing unit. The proposed project cost is \$23,874,680.

As this project proposes a modernization of the existing facility in which the costs exceed the capital expenditure minimum for the Long-Term Care category of service, this project is classified as Substantive.

Facility/Project Identification

Facility Name:	Smith Village				
Street Address:	2320 West 113 th Place				
City and Zip Code:	Chicago, Illinois 60643				
County:	Cook	Health Service Area:	006	Health Planning Area:	6-C

Applicant /Co-Applicant Identification**[Provide for each co-applicant [refer to Part 1130.220].**

Exact Legal Name:	Washington and Jane Smith Community – Beverly d/b/a Smith Village
Address:	2320 West 113 th Place, Chicago, Illinois 60643
Name of Registered Agent:	C T Corporation
Name of Chief Executive Officer:	Kevin McGee
CEO Address:	2320 West 113 th Place, Chicago, Illinois 60643
Telephone Number:	(773) 474-7345

Type of Ownership (Applicant/Co-Applicants)

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**Primary Contact****[Person to receive ALL correspondence or inquiries]**

Name:	John P. Kniery
Title:	Health Care Consultant
Company Name:	Foley & Associates, Inc.
Address:	133 South 4 th Street, Suite 200, Springfield, Illinois 62701
Telephone Number:	(217) 544-1551
E-mail Address:	jkniery@foleyandassociates.com
Fax Number:	(217) 544-3615

Additional Contact**[Person who is also authorized to discuss the application for permit]**

Name:	Charles H. Foley, MHSA
Title:	Health Care Consultant
Company Name:	Foley and Associates, Inc.
Address:	133 South 4 th Street, Suite 200, Springfield, Illinois 62701
Telephone Number:	(217) 544-1551
E-mail Address:	cfoley@foleyandassociates.com
Fax Number:	(217) 544-3615

Facility/Project Identification

Facility Name: Smith Village		
Street Address: 2320 West 113th Place		
City and Zip Code: Chicago, Illinois 60643		
County: Cook	Health Service Area: 006	Health Planning Area: 6-C

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

00682

Exact Legal Name: The Washington and Jane Smith Home d/b/a Smith Senior Living
Address: 2320 West 113th Place, Chicago, Illinois 60643
Name of Registered Agent: C T Corporation
Name of Chief Executive Officer: Kevin McGee
CEO Address: 2320 West 113th Place, Chicago, Illinois 60643
Telephone Number: (773) 474-7345

Type of Ownership (Applicant/Co-Applicants)

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other

- o Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

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Primary Contact

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Title: Health Care Consultant
Company Name: Foley & Associates, Inc.
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E-mail Address: jkniery@foleyandassociates.com
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Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Charles H. Foley, MHSA
Title: Health Care Consultant
Company Name: Foley and Associates, Inc.
Address: 133 South 4th Street, Suite 200, Springfield, Illinois 62701
Telephone Number: (217) 544-1551
E-mail Address: cfoley@foleyandassociates.com
Fax Number: (217) 544-3615

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. This person must be an employee of the applicant.]

Name: Marti Jatis
Title: Executive Director
Company Name: Washington and Jane Smith Community – Beverly d/b/a Smith Village
Address: 2320 West 113th Place, Chicago, Illinois 60643
Telephone Number: (773) 474-7314
E-mail Address: mjatis@smithseniorliving.org
Fax Number: (773) 474-7302

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Washington and Jane Smith Community – Beverly d/b/a Smith Village
Address of Site Owner: 2320 West 113th Place, Chicago, Illinois 60643
Street Address or Legal Description of Site: 2320 West 113th Place, Chicago, Illinois 60643
Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT-2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Washington and Jane Smith Community – Beverly d/b/a Smith Village			
Address: 2320 West 113th Place, Chicago, Illinois 60643			
<input checked="" type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none">○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.			
APPEND DOCUMENTATION AS <u>ATTACHMENT-3</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT -5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT-6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

The following submittals are up- to- date, as applicable:

- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☒ All reports regarding outstanding permits

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

Washington and Jane Smith Community-Beverly

This Application for Permit is filed on the behalf of d/b/a Smith Village *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

Thomas Hogan
SIGNATURE

Thomas Hogan
PRINTED NAME

Board Chair
PRINTED TITLE

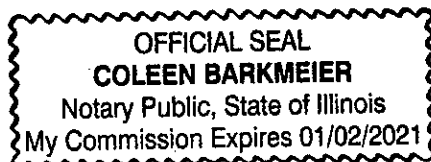
Kevin McGee
SIGNATURE

Kevin McGee
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of December 2018

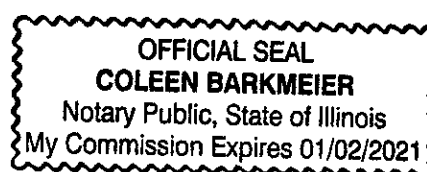
Coleen Barkmeier
Signature of Notary



Seal

Notarization:
Subscribed and sworn to before me
this 13th day of December 2018

Coleen Barkmeier
Signature of Notary



Seal

*Insert EXACT legal name of the applicant

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

The Washington and Jane Smith Home

This Application for Permit is filed on the behalf of d/b/a Smith Senior Living *
in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Kay Thurn
PRINTED NAME

Board Chair
PRINTED TITLE

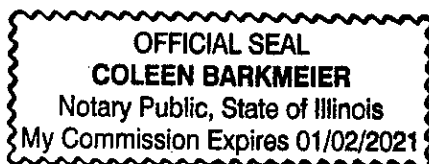

SIGNATURE

Kevin McGee
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 14th day of December 2018

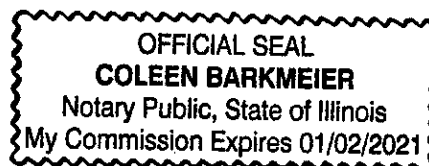

Signature of Notary



Seal

Notarization:
Subscribed and sworn to before me
this 14th day of December


Signature of Notary



Seal

*Insert EXACT legal name of the applicant

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS**

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report. APPEND DOCUMENTATION AS ATTACHMENT-10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. Each item (1-6) must be identified in Attachment 10.

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify **ALL** of the alternatives to the proposed project:
Alternative options **must** include:
 - a. Proposing a project of greater or lesser scope and cost;
 - b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - d. Provide the reasons why the chosen alternative was selected.
2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction**Bed Capacity**

Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:

Category of Service	Total # Existing Beds*	Total # Beds After Project Completion
<input checked="" type="checkbox"/> General Long-Term Care	100	78
<input type="checkbox"/> Specialized Long-Term Care		
<input type="checkbox"/>		

*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hfrsb.illinois.gov). PLEASE NOTE: ANY bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

Utilization

Utilization for the most current CALENDAR YEAR:

Category of Service	Year	Admissions	Patient Days
<input checked="" type="checkbox"/> General Long Term Care	2017 2018	239 281	31,971 30,284
<input type="checkbox"/> Specialized Long-Term Care			

Applicable Review Criteria - Guide

The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (<http://hfsrb.illinois.gov>). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and submit the required documentation for the criteria, as described in SECTIONS IV and V:

GENERAL LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of Services or Facility	.520	Background of the Applicant
	.530(a)	Bed Need Determination
	.530(b)	Service to Planning Area Residents
	.540(a) or (b) + (c) + (d) or (e)	Service Demand - Establishment of General Long Term Care
	.570(a) & (b)	Service Accessibility
	.580(a) & (b)	Unnecessary Duplication & Maldistribution
	.580(c)	Impact of Project on Other Area Providers
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Expansion of Existing Services	.520	Background of the Applicant
	.530(b)	Service to Planning Area Residents
	.550(a) + (b) or (c)	Service Demand - Expansion of General Long-Term Care
	.590	Staffing Availability
	.600	Bed Capacity
	.620	Project Size
	.640	Assurances
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions

	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Continuum of Care - Establishment or Expansion	.520	Background of the Applicant
	.560(a)(1) through (3)	Continuum of Care Components
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Defined Population - Establishment or Expansion	.520	Background of the Applicant
	.560(b)(1) & (2)	Defined Population to be Served
	.590	Staffing Availability
	.600	Bed Capacity
	.610	Community Related Functions
	.630	Zoning
	.640	Assurances
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Modernization	.650(a)	Deteriorated Facilities
	.650(b) & (c)	Documentation
	.650(d)	Utilization
	.600	Bed Capacity
	.610	Community Related Functions
	.620	Project Size
	.630	Zoning
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SPECIALIZED LONG-TERM CARE

PROJECT TYPE	REQUIRED REVIEW CRITERIA	
	Section	Subject
Establishment of LTC Developmentally Disabled – (Adult)	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(g)	Establishment of Beds – Developmentally Disable -Adult
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of LTC Developmentally Disabled - Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(d)	Recommendations from State Departments
	.720(f)	Zoning
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Chronic Mental Illness	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(f)	Zoning
	.720(g)	Establishment of Chronic Mental Illness
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost

	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

Establishment of Long Term Medical Care for Children	.720(a)	Facility Size
	.720(b)	Community Related Functions
	.720(c)	Availability of Ancillary and Support Programs
	.720(e)	Long-Term Medical Care for Children-Category of Service
	.720(f)	Zoning
	.720(j)	State Board Consideration of Public Hearing Testimony
	.800	Estimated Total Project Cost
	Appendix A	Project Costs and Sources of Funds
	Appendix B	Related Project Costs
	Appendix C	Project Status and Completion Schedule
	Appendix D	Project Status and Completion Schedule

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA**GENERAL LONG-TERM CARE****Criterion 1125.520 – Background of the Applicant****BACKGROUND OF APPLICANT**

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS **ATTACHMENT-12**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

APPEND DOCUMENTATION AS **ATTACHMENT-13**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

<ul style="list-style-type: none"> If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.
<ul style="list-style-type: none"> If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.
<ol style="list-style-type: none"> Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note: <ul style="list-style-type: none"> The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload. The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services. If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows: <ol style="list-style-type: none"> The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract; Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Bureau of the Census or IDPH; Projections shall be for a maximum period of 10 years from the date the application is submitted; Historical data used to calculate projections shall be for a number of years no less

than the number of years projected;

- e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;
- f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and
- g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT- 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 and either #2 or #3:

1. **Historical Service Demand**
 - a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
 - b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.
2. **Projected Referrals**
The applicant shall provide documentation as described in Section 1125.540(d).
3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT- 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.560 - Variances to Computed Bed Need – THIS ITEM IS NOT GERMANE

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.
2. The proposal shall be for the purposes of and serve only the residents of the housing complex

and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.

3. The applicant shall demonstrate that:
 - a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;
 - b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and
 - c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

Defined Population:

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.
2. The applicant shall document each of the following:
 - a. A description of the proposed religious, fraternal or ethnic group proposed to be served;
 - b. The boundaries of the GSA;
 - c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;
 - d. That the proposed services do not exist in the GSA where the facility is or will be located;
 - e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.
 - f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.
 - g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

APPEND DOCUMENTATION AS ATTACHMENT- 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility – THIS ITEM IS NOT GERMANE**1. Service Restrictions**

The applicant shall document that at least one of the following factors exists in the planning area, as applicable:

- The absence of the proposed service within the planning area;
- Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;
- Restrictive admission policies of existing providers; or
- The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

2. Additional documentation required:

The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

- a. The location and utilization of other planning area service providers;
- b. Patient/resident location information by zip code;
- c. Independent time-travel studies;
- d. Certification of a waiting list;
- e. Admission restrictions that exist in area providers;
- f. An assessment of area population characteristics that document that access problems exist;
- g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT- 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution – THIS ITEM IS NOT GERMANE

1. The applicant shall provide the following information:
 - a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
 - b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and
 - c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. The applicant shall document that the project will not result in maldistribution of services.
3. The applicant shall document that, within 24 months after project completion, the proposed project:
 - a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
 - b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT- 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT- 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

APPEND DOCUMENTATION AS ATTACHMENT- 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

APPEND DOCUMENTATION AS ATTACHMENT- 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT- 22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT- 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

APPEND DOCUMENTATION AS ATTACHMENT- 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.
2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.
3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.
4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT- 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SPECIALIZED LONG-TERM CARE**Criterion 1125.720 - Specialized Long-Term Care – Review Criteria**

This section is applicable to all projects proposing specialized long-term care services or beds.

1. Community Related Functions

Read the criterion and submit the following information:

- a. a description of the process used to inform and receive input from the public including those residents living in close proximity to the proposed facility's location;
- b. letters of support from social, social service and economic groups in the community;
- c. letters of support from municipal/elected officials who represent the area where the project is located.

2. Availability of Ancillary and Support Services

Read the criterion, which applies only to ICF/DD 16 beds and fewer facilities, and submit the following:

- a. a copy of the letter, sent by certified mail return receipt requested, to each of the day programs in the area requesting their comments regarding the impact of the project upon their programs and any response letters;
- b. a description of the public transportation services available to the proposed residents;
- c. a description of the specialized services (other than day programming) available to the residents;
- d. a description of the availability of community activities available to the facility's residents.
- e. documentation of the availability of community workshops.

3. Recommendation from State Departments

Read the criterion and submit a copy of the letters sent, including the date when the letters were sent, to the Departments of Human Services and Healthcare and Family Services requesting these departments to indicate if the proposed project meets the department's planning objectives regarding the size, type, and number of beds proposed, whether the project conforms or does not conform to the department's plan, and how the project assists or hinders the department in achieving its planning objectives.

4. Long-term Medical Care for Children Category of Service

Read the criterion and submit the following information:

- a. a map outlining the target area proposed to be served;
- b. the number of individuals age 0-18 in the target area and the number of individuals in the target area that require the type of care proposed, include the source documents for this estimate;
- c. any reports/studies that show the points of origin of past patients/residents admissions to the facility;

- d. describe the special programs or services proposed and explain the relationship of these programs to the needs of the specialized population proposed to be served.
- e. indicate why the services in the area are insufficient to meet the needs of the area population;
- f. documentation that the 90% occupancy target will be achieved within the first full year of

5. Zoning

Read the criterion and provide a letter from an authorized zoning official that verifies appropriate zoning.

6. Establishment of Chronic Mental Illness

Read the criterion and provide the following:

- a. documentation of how the resident population has changed making the proposed project necessary.
- b. indicate which beds will be closed to accommodate these additional beds.
- c. the number of admissions for this type of care for each of the last two years.

7. Variance to Computed Bed Need for Establishment of Beds for Developmentally Disabled Placement of Residents from DHS State Operated Beds

Read this criterion and submit the following information:

- a. documentation that all of the residents proposed to be served are now residents of a DHS facility;
- b. documentation that each of the proposed residents has at least one interested family member who resides in the planning area or at least one interested family member that lives out of state but within 15 miles of the planning area boundary where the facility is or will be located;
- c. if the above is not the case then you must document that the proposed resident has lived in a DHS operated facility within the planning area in which the proposed facility is to be located for more than 2 years and that the consent of the legal guardian has been obtained;
- d. a letter from DHS indicating which facilities in the planning area have refused to accept referrals from the department and the dates of any refusals and the reasons cited for each refusal;
- e. a copy of the letter (sent certified--return receipt requested) to each of the underutilized facilities in the planning area asking if they accept referrals from DHS-operated facilities, listing the dates of each past refusal of a referral, and requesting an explanation of the basis for each refusal;
- f. documentation that each of the proposed relocations will save the State money;
- g. a statement that the facility will only accept future referrals from an area DHS facility if a bed is available;
- h. an explanation of how the proposed facility conforms with or deviates from the DHS comprehensive long range development plan for developmental disabilities services.

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW**Criterion 1125.800 Estimated Total Project Cost**

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Availability of Funds – Review Criteria
- Financial Viability – Review Criteria
- Economic Feasibility – Review Criteria, subsection (a)

Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: **Indicate the dollar amount to be provided from the following sources:**

<u>\$ 4,187,668</u>	<p>a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
<u>\$19,687,012</u>	<p>d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions.

_____	e. Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f. Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g. All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$23,874,680	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver – THIS ITEM IS NOT GERMANE

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements** are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Washington and Jane Smith Community – Beverly d/b/a Smith Village (owner & operator)

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	2016	2017	2018	2024
Current Ratio	0.4	0.4	0.5	0.4
Net Margin Percentage	3.2	4.1	4.6	1.2
Percent Debt to Total Capitalization	105.4	104.2	102.3	102.5
Projected Debt Service Coverage	2.2	1.8	1.9	1.6
Days Cash on Hand	202.4	207.3	220.8	230.1
Cushion Ratio	3.4	5.2	6.1	4.1

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY SERVICE									
Area (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
New Construction	\$245.00		4,815				1,179,675.29		1,179,675.29
Contingency	\$ 24.50		4,815				117,967.53		117,967.53
Modernization		\$189.39			32,196			6,097,651.52	6,097,651.52
Contingency		\$ 28.41			32,196			914,647.73	914,647.73
TOTALS	269.50	217.80	4,815		32,196		1,297,642.82	7,012,299.25	8,309,942.07

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

APPENDIX A**Project Costs and Sources of Funds**

Complete the following table listing all costs associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Use of Funds	Clinical	Non-Clinical	Amount
Preplanning Costs	\$ 162,488	\$ 173,512	\$336,000
Site Survey and Soil Investigation	\$ 72,539	\$ 77,461	\$150,000
Site Preparation	\$ 341,902	\$ 365,098	\$707,000
Off Site Work	\$ -	\$ -	
New Construction Contracts	\$ 1,179,675	\$ 1,259,711	\$2,439,386
Modernization Contracts	\$ 6,097,652	\$ 6,511,348	\$12,609,000
Contingencies-NCC	\$ 117,968	\$ 125,971	\$243,939
Contingencies-MC	\$ 914,648	\$ 976,702	\$1,891,350
Architectural/Engineering Fees-NCC	\$ 134,282	\$ 143,393	\$277,675
Architectural/Engineering Fees-MC	\$ 616,663	\$ 658,501	\$1,275,164
Consulting and Other Fees	\$ 640,038	\$ 683,462	\$1,323,500
Movable or Other Equipment	\$ 721,860	\$ 770,835	1,492,695
Bond Issuance Expense	\$ 142,808	\$ 152,497	\$295,305
Net Interest Expense During Construction	\$ 403,157	\$ 430,509	\$833,666
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	
Other Costs to be Capitalized	\$ -	\$ -	
Acquisition of Building or Other Property	\$ -	\$ -	
Total IDPH Regulated Uses of Funds	\$ 11,545,680	\$ 12,329,000	\$23,874,680
Source of Funds			Total
Cash and Securities	\$ 2,025,136	\$ 2,162,532	\$4,187,668
Pledges	\$ -	\$ -	
Gifts and Bequests	\$ -	\$ -	
Bond Issues	\$ -	\$ -	
Mortgages	\$ 9,520,544	\$ 10,166,468	\$19,687,012
Leases	\$ -	\$ -	
Governmental Appropriations	\$ -	\$ -	
Grants	\$ -	\$ -	
Other Funds and Sources	\$ -	\$ -	
Total Sources of Funds	\$ 11,545,680	\$ 12,329,000	\$23,874,680

APPENDIX B**Related Project Costs**

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: \$ N/A
Fair Market Value: \$ N/A

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ N/A.

APPENDIX C**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input checked="" type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): January 31, 2022

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- | |
|---|
| <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. |
| <input type="checkbox"/> Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies |
| <input checked="" type="checkbox"/> Project obligation will occur after permit issuance. |

APPENDIX D**Cost/Space Requirements**

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
Nursing	\$8,540,640	26,019	27,378	-	27,378	0	0
Living/Dining/Activity	\$1,614,979	3,145	5,177	2,032	3,145	0	0
Kitchen/Food Service	\$409,906	564	1,314	750	564	0	0
P.T./O.T.	\$634,200	1,359	2,033	2,033	-	0	0
Laundry	\$62,702	201	201		201	0	0
Janitor Closets	\$39,618	127	127		127	0	0
Clean/Soiled Utility	\$243,635	781	781		781	0	0
Total Clinical	\$11,545,680	32,196	37,011	4,815	32,196	0	0
NON-CLINICAL							
Office/Administration	\$974,852	2,856	3,125	269	2,856	0	0
Employee Lounge/ Locker/Training	\$496,005	1,590	1,590		1,590	0	0
Mechanical/Electrical ¹	\$2,475,975	2,256	2,256		2,256	0	0
Lobby	\$0		0		-	0	0
Storage/Maintenance	\$579,608	1,858	1,858		1,858	0	0
Corridor/Public Toilets	\$4,313,993	11,231	13,829	2,598	11,231	0	0
Stair/Elevators	\$1,289,300	3,270	4,133	863	3,270	0	0
East Side Balcony	\$274,206		879	879		0	
Wellness/Office	\$476,040	1,526	1,526		1,526	0	
Beauty/Barber	\$170,638	547	547		547	0	0
structural/grossing	\$1,278,382	3,318	4,098	780	3,318	-	
Housekeeping	\$0		0		-	0	0
Total Non-clinical	\$12,329,000	28,452	33,841	5,389	28,452	0	0
TOTAL	\$23,874,680	60,648	70,852	10,204	60,648	0	0

48.4%

Clinical Cost as a % of total

51.6%

Non-Clinical Cost as a % of total

¹ HVAC and new external generator were excluded from the total project costs, the remaining costs were equally allocated over each departmental square footage. The costs of the HVAC (\$1,673,210) and generator (\$99,000) were then specifically placed in the mechanical/electrical line item.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Co-applicant Identification including Certificate of Good Standing	34-36
2	Site Ownership	37-40
3	Operating Identity/Licensee	41-43
4	Organizational Relationships	44-45
5	Flood Plain Requirements	46-47
6	Historic Preservation Act Requirements	48-65
	General Information Requirements	
10	Purpose of the Project	66-159
11	Alternatives to the Project	160-167
	Service Specific - General Long-Term Care	
12	Background of the Applicant	
13	Planning Area Need	
14	Establishment of General LTC Service or Facility	
15	Expansion of General LTC Service or Facility	
16	Variances	
17	Accessibility	
18	Unnecessary Duplication/Maldistribution	
19	Staffing Availability	
20	Bed Capacity	168
21	Community Relations	169-173
22	Project Size	174
23	Zoning	175
24	Assurances	
25	Modernization	176-214
	Service Specific - Specialized Long-Term Care	
26	Specialized Long-Term Care – Review Criteria	
	Financial and Economic Feasibility:	
27	Availability of Funds	215-274
28	Financial Waiver	275
29	Financial Viability	276-279
30	Economic Feasibility	280-284
	APPENDICES	
A	Project Costs and Sources of Funds	29
B	Related Project Costs	30
C	Project Status and Completion Schedule	31
D	Cost/Space Requirements	32

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued I

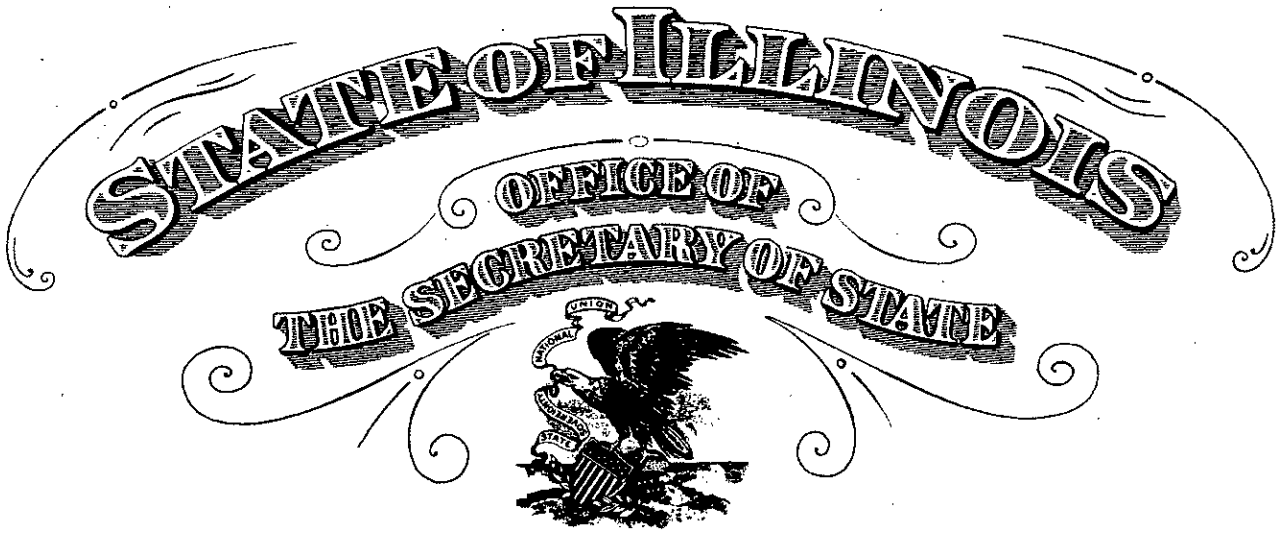
Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

The Applicant is **Washington and Jane Smith Community – Beverly d/b/a Smith Village**. The entity is the owner and operating entity for the existing facility. The sole corporate member is **The Washington and Jane Smith Home d/b/a Smith Senior Living**, and as such is also considered an Applicant. The entities' Illinois Certificates of Good Standing are appended as **ATTACHMENT-1A**.

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

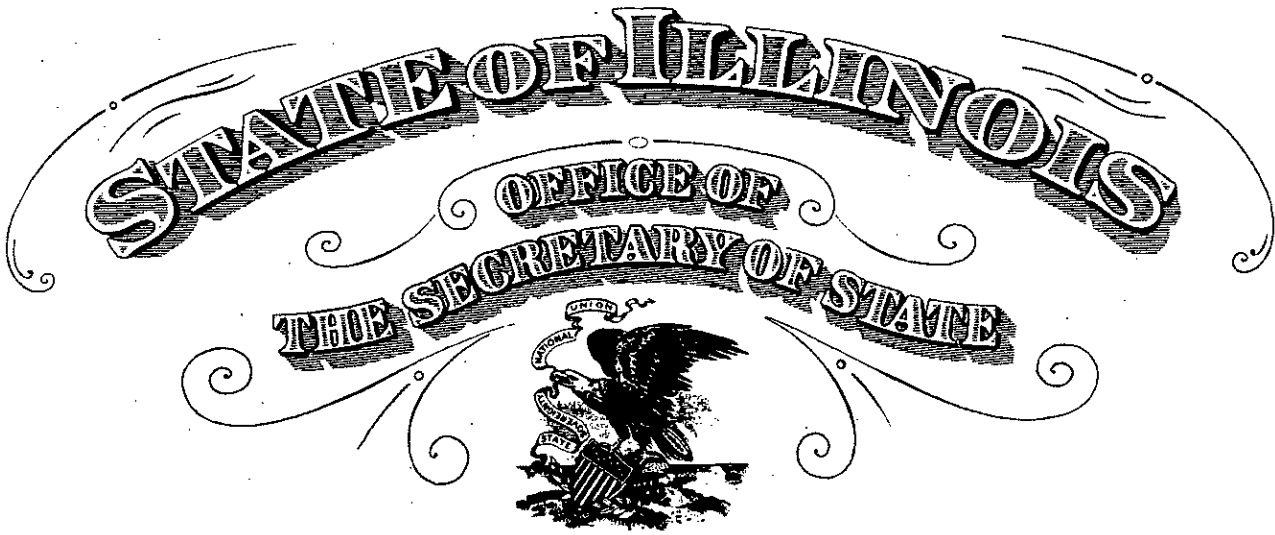
WASHINGTON AND JANE SMITH COMMUNITY - BEVERLY, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 24, 1926, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 3RD
day of DECEMBER A.D. 2018 .***

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

THE WASHINGTON AND JANE SMITH HOME, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 15, 1999, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



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day of DECEMBER A.D. 2018 .***

Jesse White

SECRETARY OF STATE

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

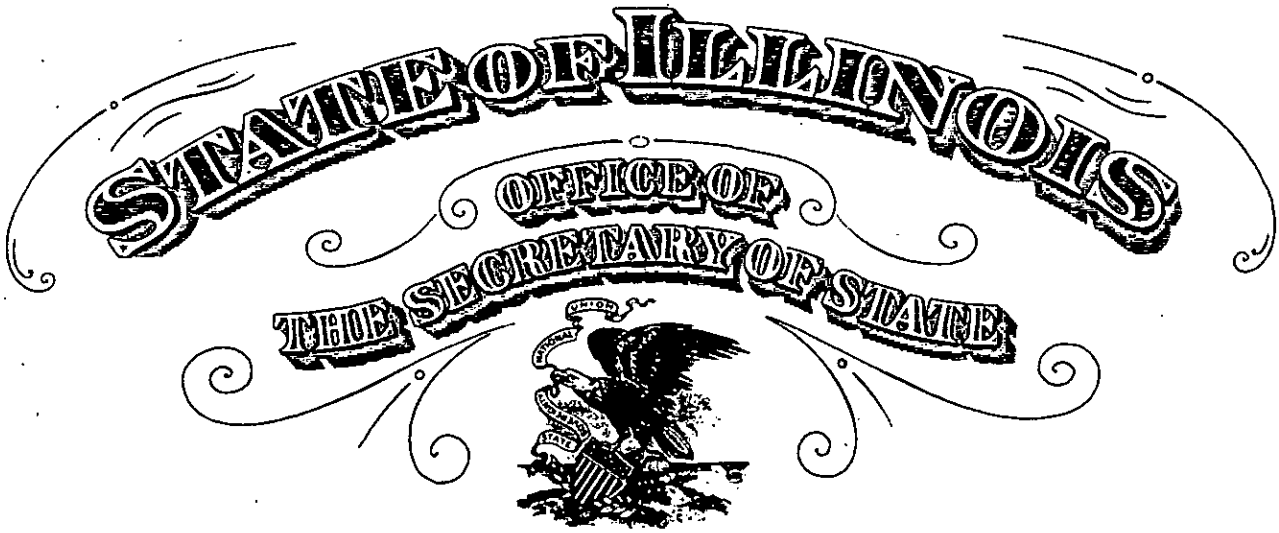
Continued ii

Site Ownership

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

The owner of the existing building and site is **Washington and Jane Smith Community – Beverly d/b/a Smith Village**. The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT-2A**. As an existing ongoing business, the legal description of the project's site is provided within the Cook County Assessor's Office 2018 Affidavit, appended as **ATTACHMENT-2B**.

ATTACHMENT-2



To all to whom these Presents Shall Come, Greeting:

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Jesse White

SECRETARY OF STATE

Authentication #: 1833701990 verifiable until 12/03/2019
Authenticate at: <http://www.cyberdriveillinois.com>

ATTACHMENT-2A

Smith VILLAGE

January 11, 2018

Exemption Department
Cook County Assessor Assessor's Office
118 N. Clark, Room 301
Chicago, Illinois 60602

Attached please find the completed and signed 2018 Affidavit forms.



Raymond J. Marneris
Chief Financial Officer



COOK COUNTY ASSESSOR'S OFFICE

Joseph Berrios, Assessor

2018 AFFIDAVIT

Agency Number: 8497

Agency Name: WASHINGTON-SMITH COMM

2340 W 113TH PL, CHICAGO, IL 606434107

I, Raymond Marneris, as authorized agent for the agency listed above, have reviewed the Property List on the Cook County Assessor's web site for the agency noted above and affirm that following is true and correct:

1. The agency listed above is the owner of each of the properties on the Property List on the Cook County Assessor's web site, unless indicated as set forth below;
2. If any property has experienced a "change in ownership" (as defined under the Illinois Property Tax Code 35 ILCS 200/1-1 et seq.) since the Illinois Department of Revenue granted the exemption, I have electronically checked the appropriate box on the Property List of the Cook County Assessor's web site and completed an online Exempt Property Information Sheet for each such property;
3. If any property has experienced a "change in use" (as defined under the Illinois Property Tax Code 35 ILCS 200/1-1 et seq.) since the Illinois Department of Revenue granted the exemption, I have electronically checked the appropriate box on the Property List of the Cook County Assessor's web site and completed an online Exempt Property Information Sheet for each such property.
4. If any property has been leased, licensed or is otherwise used by party other than the owner, I have electronically checked the appropriate box on the Property List of the Cook County Assessor's web site. If the property has been leased within the last year I have also electronically checked the appropriate box and completed an online Exempt Property Information Sheet for each property.
5. This Affidavit is given to the Cook County Assessor's Office so that it may maintain the exemptions of the properties on the Property List on the Cook County Assessor's web site.

Further affiant sayeth not.

Signature: Raymond Marneris

Print Name: Raymond Marneris

Title: Chief Financial Officer

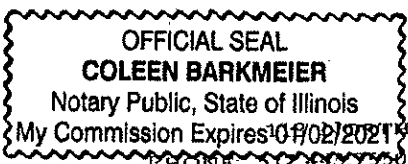
Phone: (773) 474-7350

Subscribed and sworn to before me this

11th day of January, 2018

Coleen Barkmeier

NOTARY PUBLIC



Office Use Only

Reviewed By: _____

Date: _____

CLARK STREET, CHICAGO, IL 60602

WEBSITE: WWW.COOKCOUNTYASSESSOR.COM

ATTACHMENT-2B

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

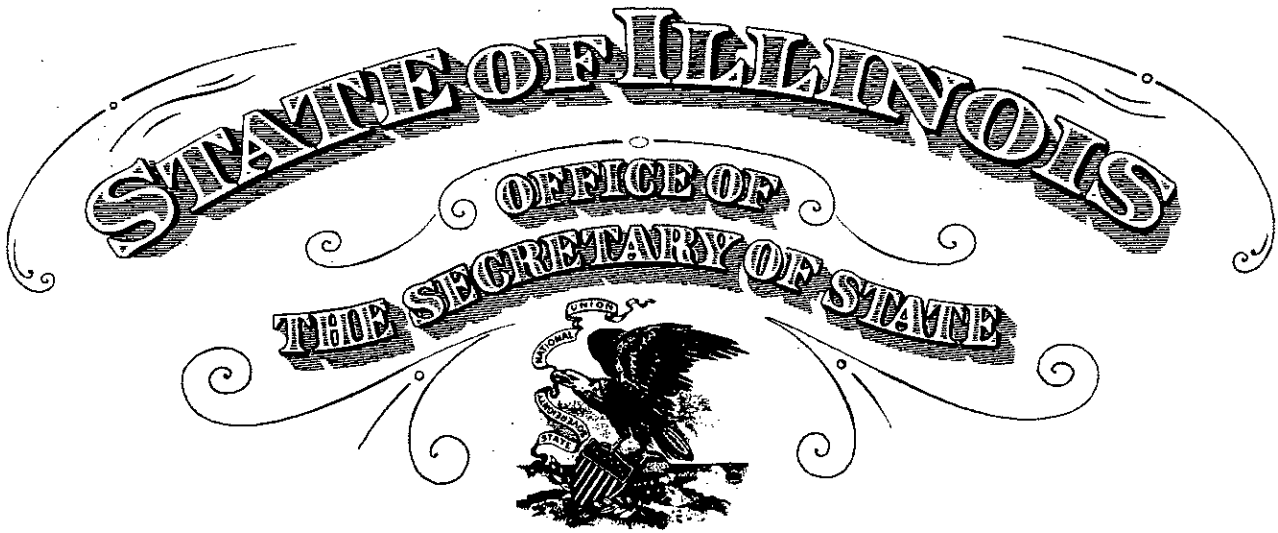
Continued iii

Operating Identity/Licensee

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.

The operator/Licensee of the existing Smith Village is **Washington and Jane Smith Community – Beverly d/b/a Smith Village**. The sole corporate member is **The Washington and Jane Smith Home d/b/a Smith Senior Living**, and as such is also considered an Applicant. The both entities' Illinois Certificate of Good Standings are appended as **ATTACHMENT-3A**.

ATTACHMENT-3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

WASHINGTON AND JANE SMITH COMMUNITY - BEVERLY, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MAY 24, 1926, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



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Jesse White

SECRETARY OF STATE

ATTACHMENT-3A



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I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

THE WASHINGTON AND JANE SMITH HOME, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON OCTOBER 15, 1999, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



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Jesse White

SECRETARY OF STATE

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

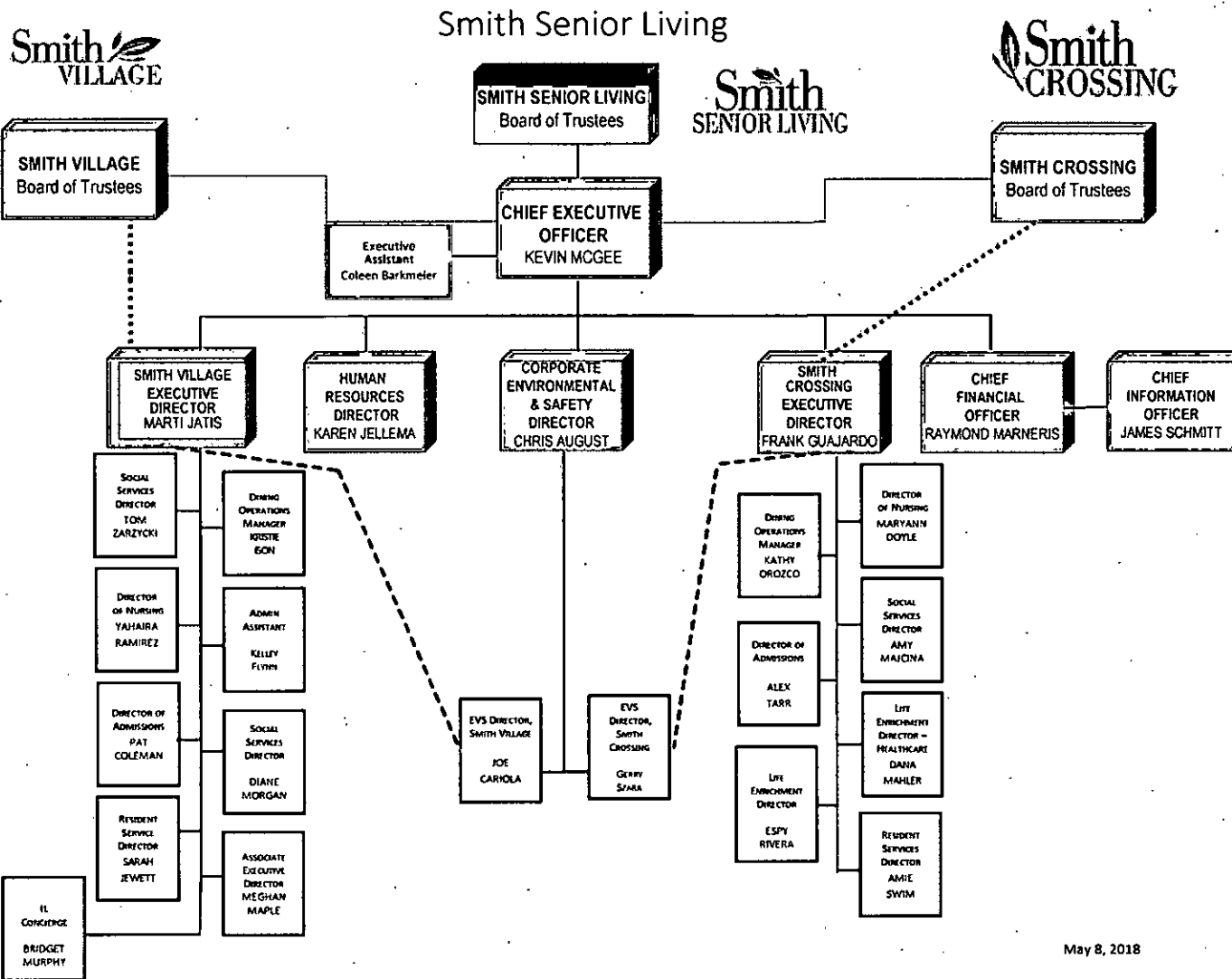
Continued iv

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

The Applicant is **Washington and Jane Smith Community – Beverly d/b/a Smith Village**. This entity is the owner and operating entity for the existing facility. The sister entity, **The Washington and Jane Smith Community – Orland Park d/b/a Smith Crossing**, also has a campus setting with a nursing unit. The sole corporate member of both entities is **The Washington and Jane Smith Home, d/b/a Smith Senior Living**. A complete organizational chart is appended as **ATTACHMENT-4A**.

ATTACHMENT-4



May 8, 2018

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Continued v

Flood Plain Requirements

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

Appended as ATTACHMENT-5A is a floodplain map printed from FEMA.gov illustrating that the proposed site is not within a special flood hazard area.

ATTACHMENT-5

National Flood Hazard Layer FIRMette



41°41'30.10"N



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99	
	With BFE or Depth Zone AE, AD, AH, VE, AR Regulatory Floodway	
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes, Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		Area of Minimal Flood Hazard Zone X
		Effective LOMRs
		Area of Undetermined Flood Hazard Zone D
GENERAL STRUCTURES		Channel, Culvert, or Storm Sewer
		Levee, Dike, or Floodwall
OTHER FEATURES		Cross Sections with 1% Annual Chance Water Surface Elevation
		Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
MAP PANELS		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/27/2018 at 3:06:56 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued vi

Historic Resources Preservation Act Requirements

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

The nursing unit on the existing Smith Village campus was constructed in 1991 and we do not foresee any issues with the Historical Resources Preservation Act. That being said, the Applicant submitted a request to the Illinois Historic Preservation Agency to confirm compliance with this item. That request is appended, as **ATTACHMENT-6A**. The Agency's response will be submitted upon receipt.

ATTACHMENT-6

FOLEY & ASSOCIATES, INC.

Charles H. Foley, MHSA
cfoley@foleyandassociates.com

John P. Kniery
jkniery@foleyandassociates.com

ONLINE SUBMITTAL USPS ORIGINALS

January 22, 2019

Jeff Kruchten
Chief Archaeologist
State Historic Preservation Office
ATTN: Review & Compliance
1 Old State Capitol
Springfield, Illinois 62701

Re: **Smith Village**

Dear Mr. Kruchten:

The Applicant, **Washington and Jane Smith Community – Beverly d/b/a Smith Village** (owner and operator/Licensee), an Illinois Not-for-Profit continuing care retirement community (CCRC), is proposing (through the Certificate of Need process) to modernize its existing Long-Term Care facility located at 2320 West 113th Place, Chicago, Cook County, Illinois. The redevelopment proposes the modernization of the existing 100 nursing care beds, reducing by 22 nursing care beds, for a total of 78 nursing care beds

The required information is as follows:

- a. General project address: 2320 West 113th Place, Chicago, Cook County, Illinois. Appended as **EXHIBIT I** is a Plat of Survey providing legal description of the project.
- b. Map showing the general location of the project: Appended as **EXHIBIT II** is a Map showing the general location of the project.
- c. Photographs of any standing building/structures within the project area: Appended as **EXHIBIT III** are photos of the existing buildings within the project area.
- d. Addresses for buildings/structures if present:

2320 W 113th Place (Main Address/Commons Building)
2315 W 112th Place (Assisted Living Building)
11308 S Oakley (Skilled Nursing Building)
11307 S Western Ave (Independent Living Building)
- e. Total acres of project: Existing 5.621 acres.



Office: 217/544-1551

Health Care Consulting
133 South Fourth Street, Suite 200 • Springfield, IL 62701
foley@foleyandassociates.com

Fax: 217/544-3615

ATTACHMENT - 6A

Jeff Kruchten
January 22, 2019
Page 2

- f. List of other federal or state agencies which potentially would be involved in funding, licensing permitting or official support/approval: Illinois Department of Public Health will be involved in the Licensing of the facility. No State or Federal Agency will be involved in funding of the project.
- g. Requested HARGIS map: Appended as **EXHIBIT IV** is the requested HARGIS map.

According to the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420et.seq) and other applicable Illinois laws, it is my understanding that you will review the attached information and provide evaluation comments, with respect to any historic resources. If you have any questions or need additional information, please do not hesitate to contact myself or John P. Kniery.

Sincerely,



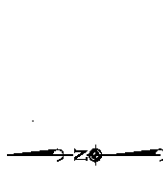
Kathryn A. Harris

ENCLOSURES

ATTACHMENT-6A

LOCATION MAP

NOT TO SCALE



GRAPHIC SCALE
(IN FEET)
1 inch = 50 ft

BASIS OF BEARINGS

ORBITS ARE BASED UPON THE ILLINOIS STATE PLANE COORDINATE SYSTEM OF 1983. EAST ZONE-2011 ADJUSTMENT, ADJUSTED TO ROUNDING VALUES AS ESTABLISHED UTILIZING TRIMBLE VRS REAL-TIME CORRECTING (RTK) GLOBAL NAVIGATION SATELLITE SYSTEM (GNSS).

SURVEY PREPARED FOR

SMITH SENIOR LIVING
2320 WEST 115TH PLACE

PROPERTY AREA

244,834 SQUARE FEET (5.821 ACRES)

PROPERTY ADDRESS

2320 W. 113TH PLACE
CHICAGO, ILLINOIS

PINIS.

25-19-106-001	25-19-106-013
25-19-106-005	25-19-106-014
25-19-106-006	25-19-106-024
25-19-106-007	25-19-106-025
	25-19-106-026

SURVEYOR'S NOTES

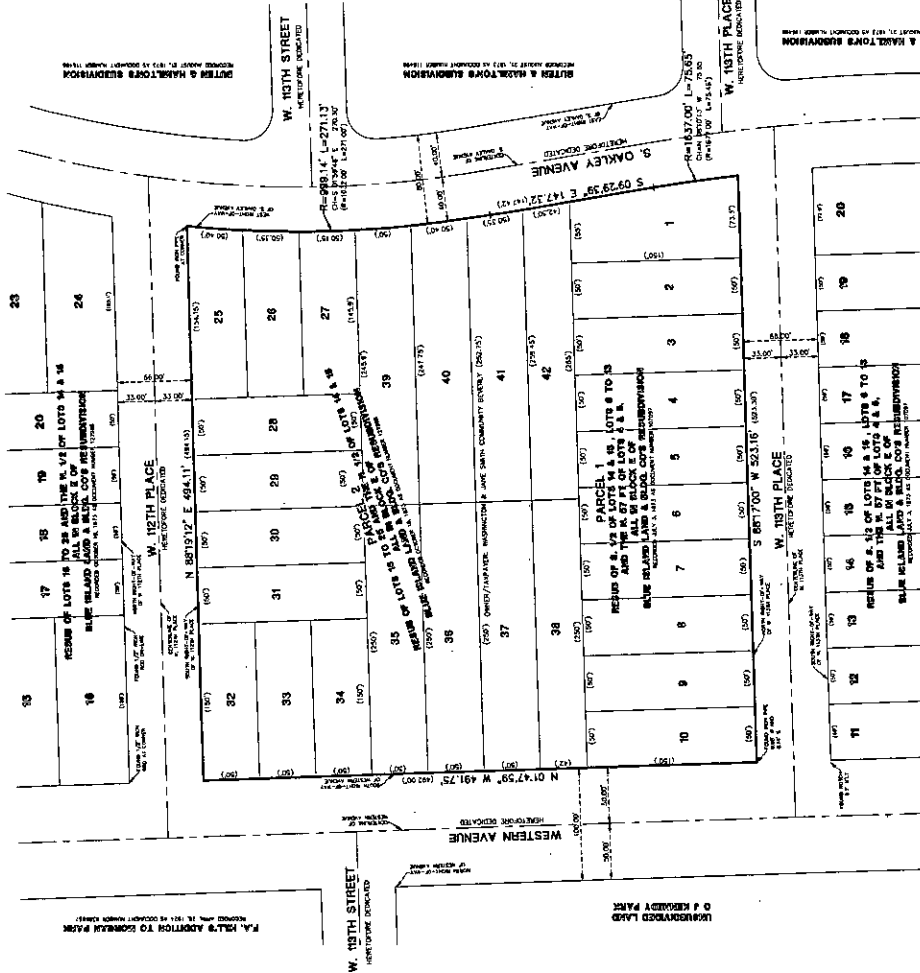
[illegible]

SHEET INDEX

SHEET 1 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)
SHEET 2 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)
SHEET 3 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)
SHEET 4 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)
SHEET 5 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)
SHEET 6 OF 6	APPENDIX C: DETAILS (NEW INQUIRY)

PLAT OF SURVEY

LEGAL DESCRIPTION

[illegible]

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED
DATE 08-11-2010 BY 60322 UCBAW/SJS

SURVEYOR'S CERTIFICATE

STATE OF ALABAMA

COUNTY OF LAKE]

THE HANNAH CONSULTING LTD., DO HEREBY DECLARE THAT WE HAVE SURVEYED THE
SECTION DESCRIBED PROPERTY AND THAT THE PLAN HEREON DRAWN IS A CORRECT
REPRESENTATION OF SAID SURVEY

SIGNED UNDER MY HAND AND SEAL THIS 18TH DAY OF APRIL A.D., 2018.

[illegible]

LICENSE EXPIRES: NOVEMBER 30, 2018

DESIGN FIRM PROFESSIONAL REGISTRATION NO. 1840033000
DUPES APRIL 30, 2018

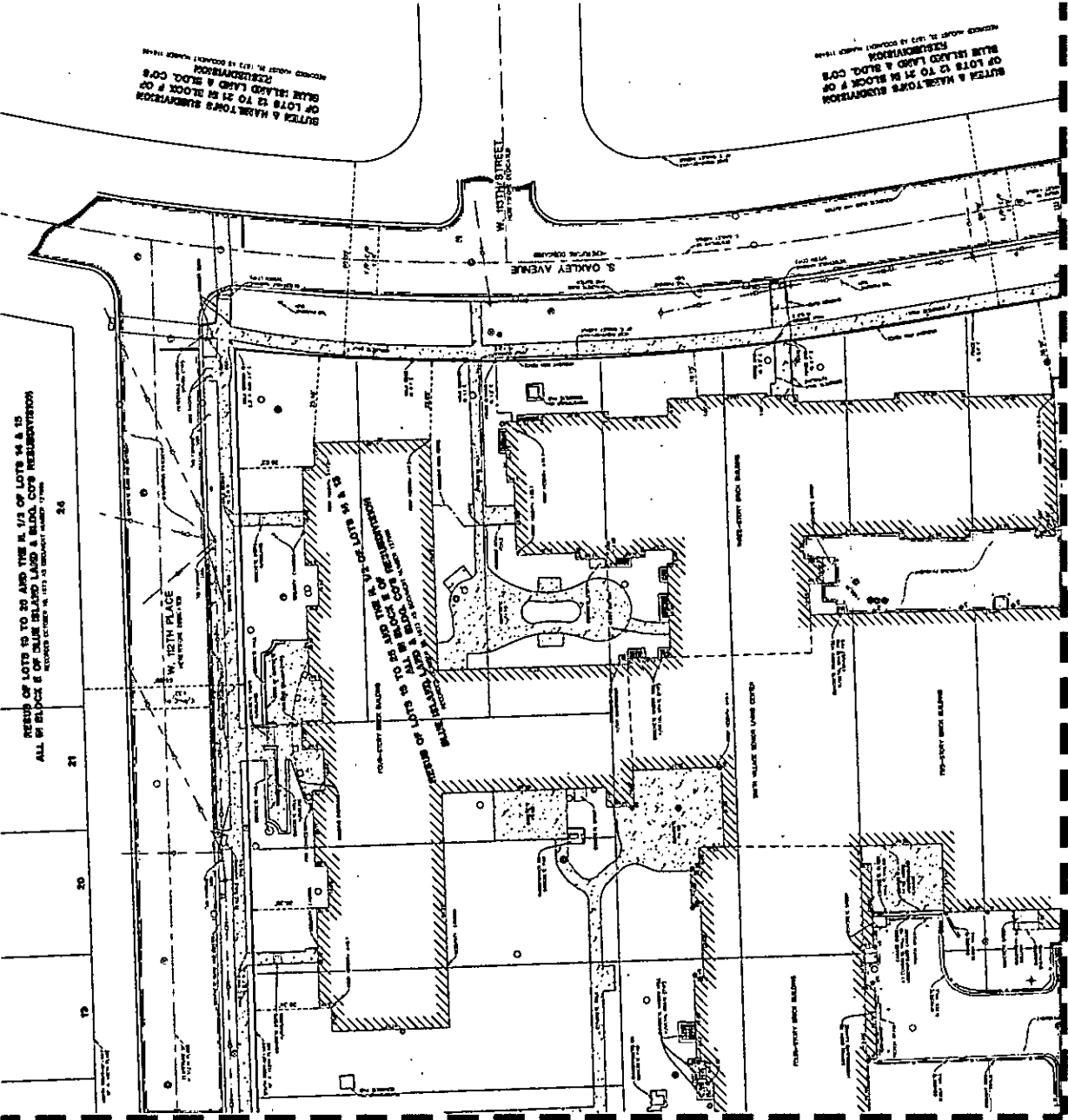
2320 W. 113TH PLACE
CHICAGO, ILLINOIS
PLAT OF SURVEY

Manhara CONSULTING LTD

NAME	DATE	PERIOD
16	10/10/25	1st 2nd 3rd
SHEET		
1	OF	1
ORANGELOI		

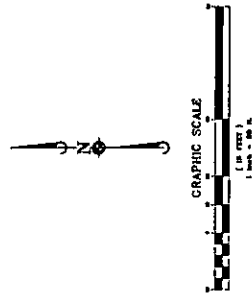
PLAT OF SURVEY

RECORD OF LOTS 19 TO 20 AND THE N. 1/2 OF LOTS 14 & 15
 CITY OF BLUE ISLAND LAND & BLOCK 1
 RECORD OF LOTS 19 TO 20 AND THE N. 1/2 OF LOTS 14 & 15



MATCHLINE - SEE SHEET 2

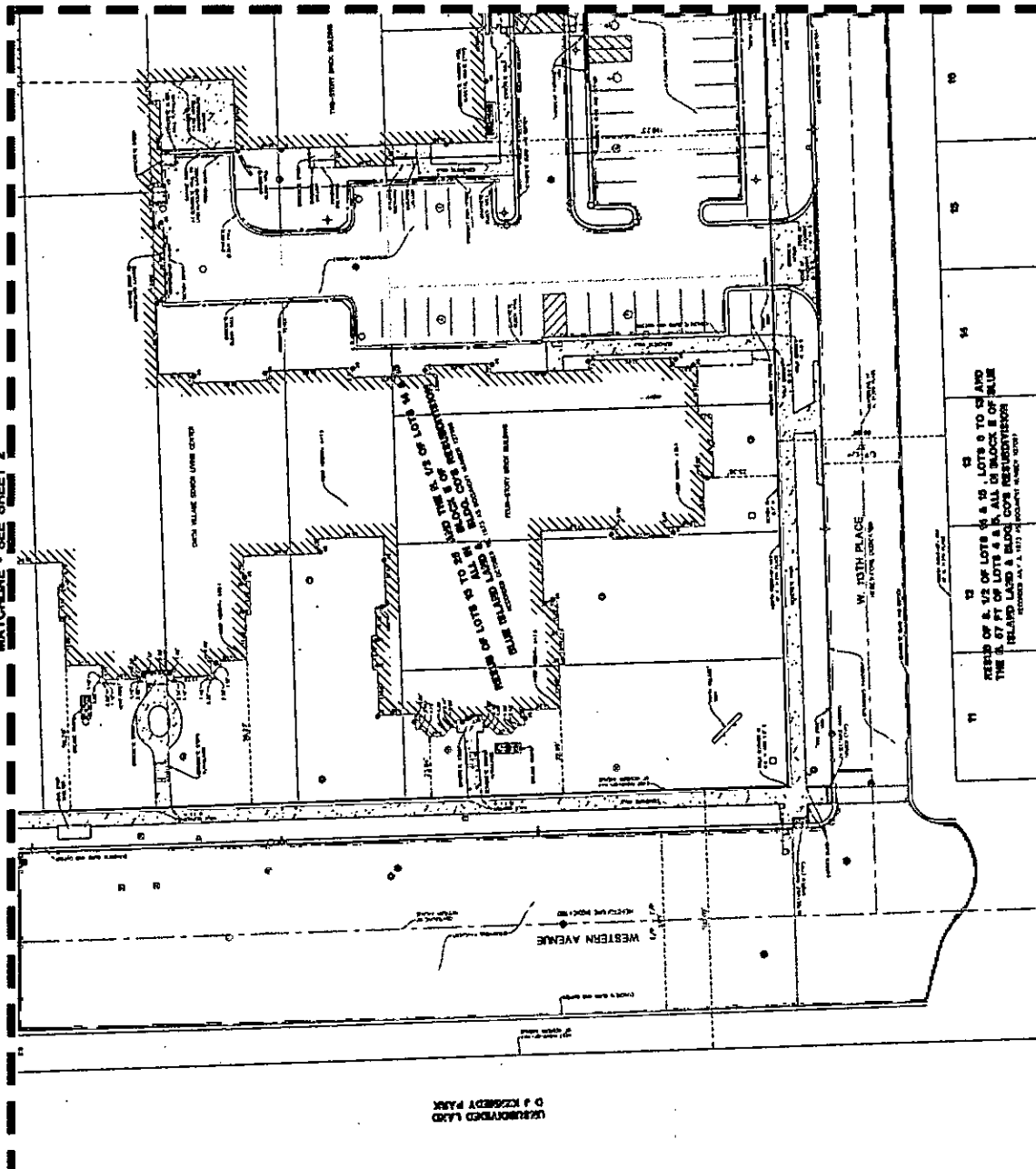
MATCHLINE - SEE SHEET 3



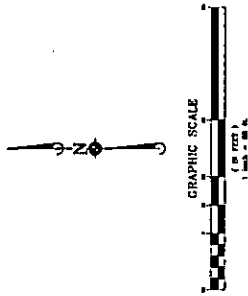
- LEGEND**
- 1. E. PROPERTY LINE
 - 2. E. CORNER CURB & GUTTER
 - 3. E. CORNER CURB & GUTTER
 - 4. E. CORNER CURB & GUTTER
 - 5. E. CORNER CURB & GUTTER
 - 6. E. CORNER CURB & GUTTER
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PLAT OF SURVEY

MATCHLINE - SEE SHEET 2



MATCHLINE - SEE SHEET 3



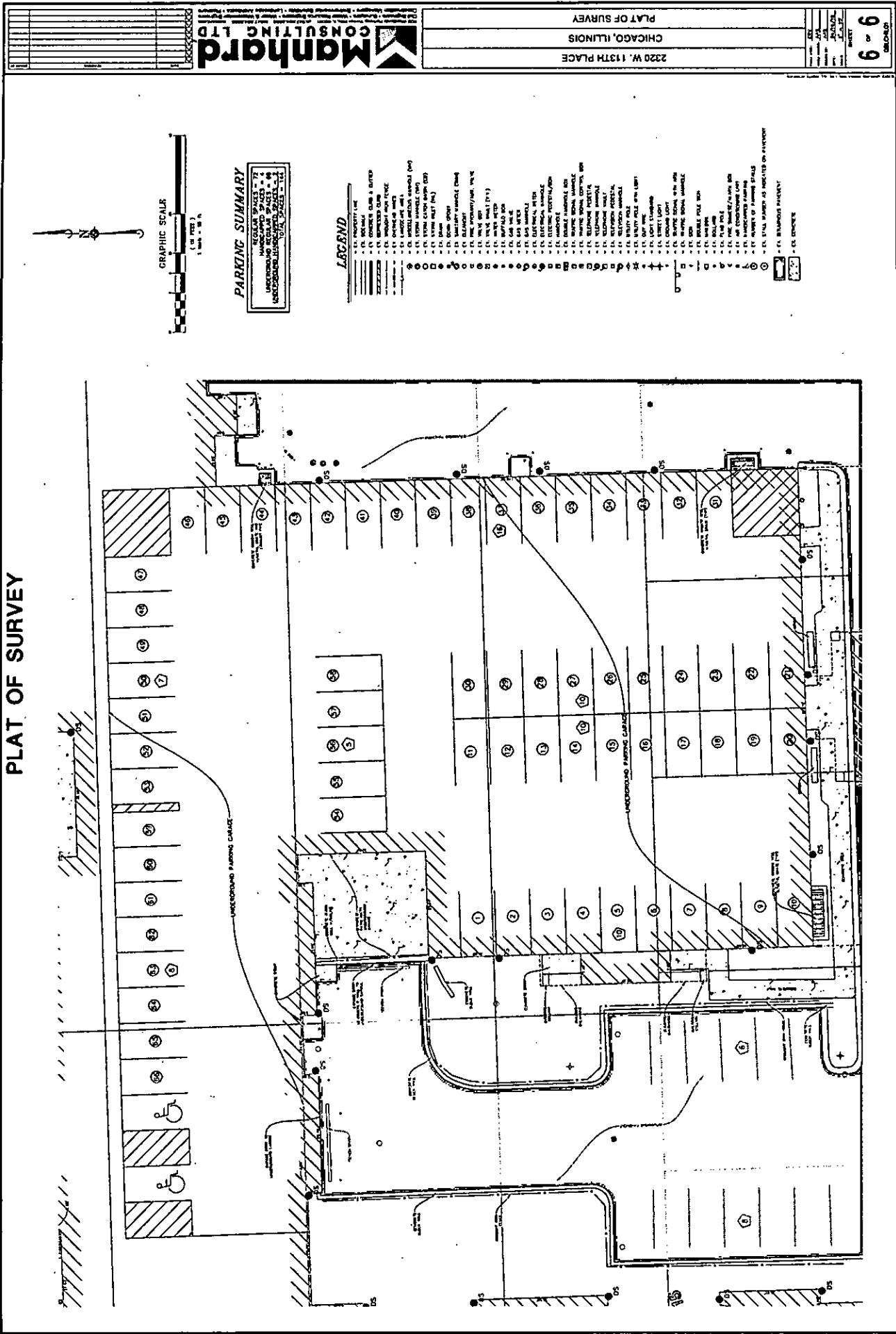
PARKING SUMMARY

REGULAR SPACES - 72
HANDICAPPED SPACES - 4
UNRECOVERED LARD - 1
TOTAL SPACES - 77

LEGEND

- 1. PROPERTY LINE
- 2. EASEMENT
- 3. EASEMENT DUE TO OUTLINE
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PLAT OF SURVEY



Smith Village
2320 West 113th Place

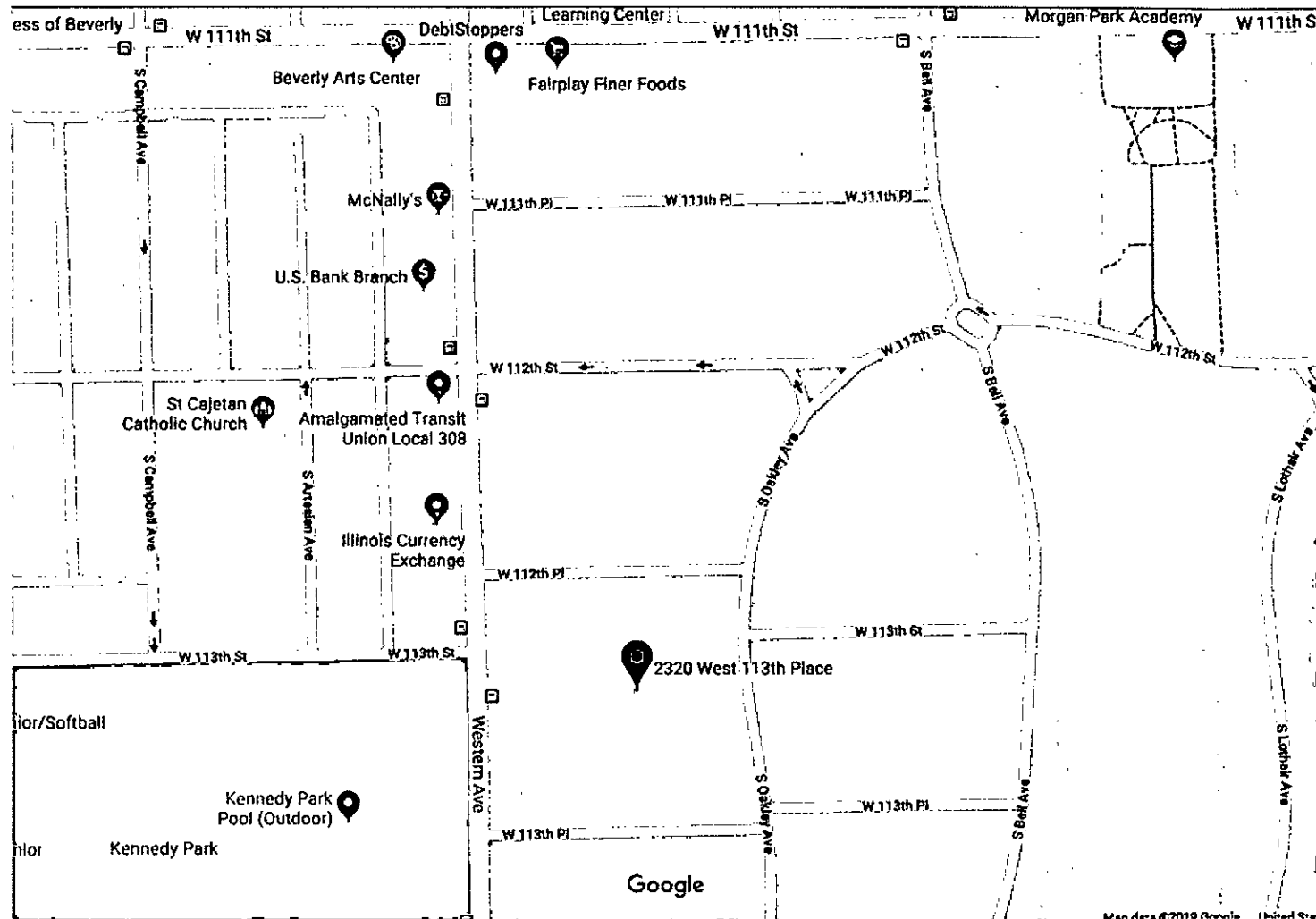
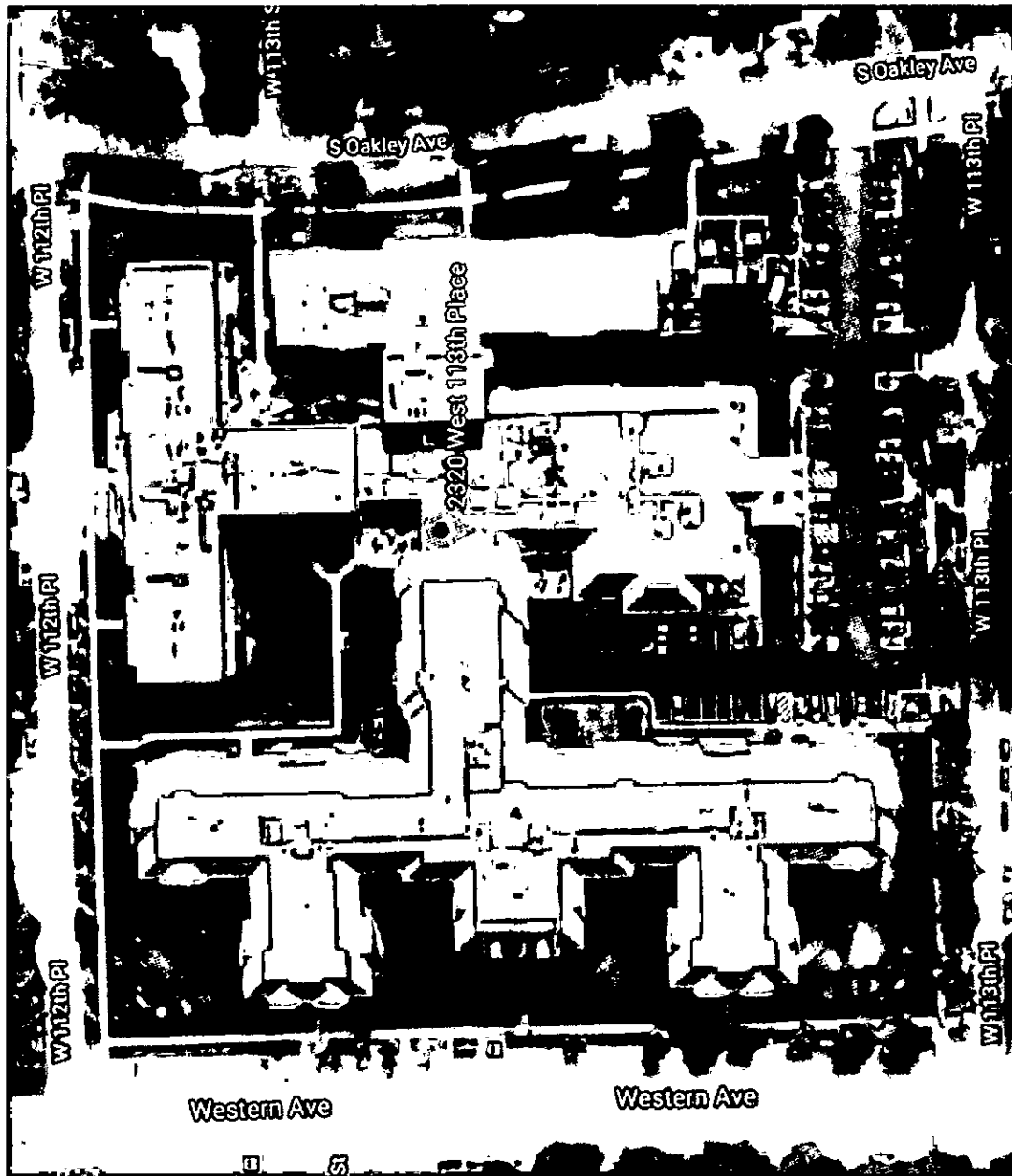


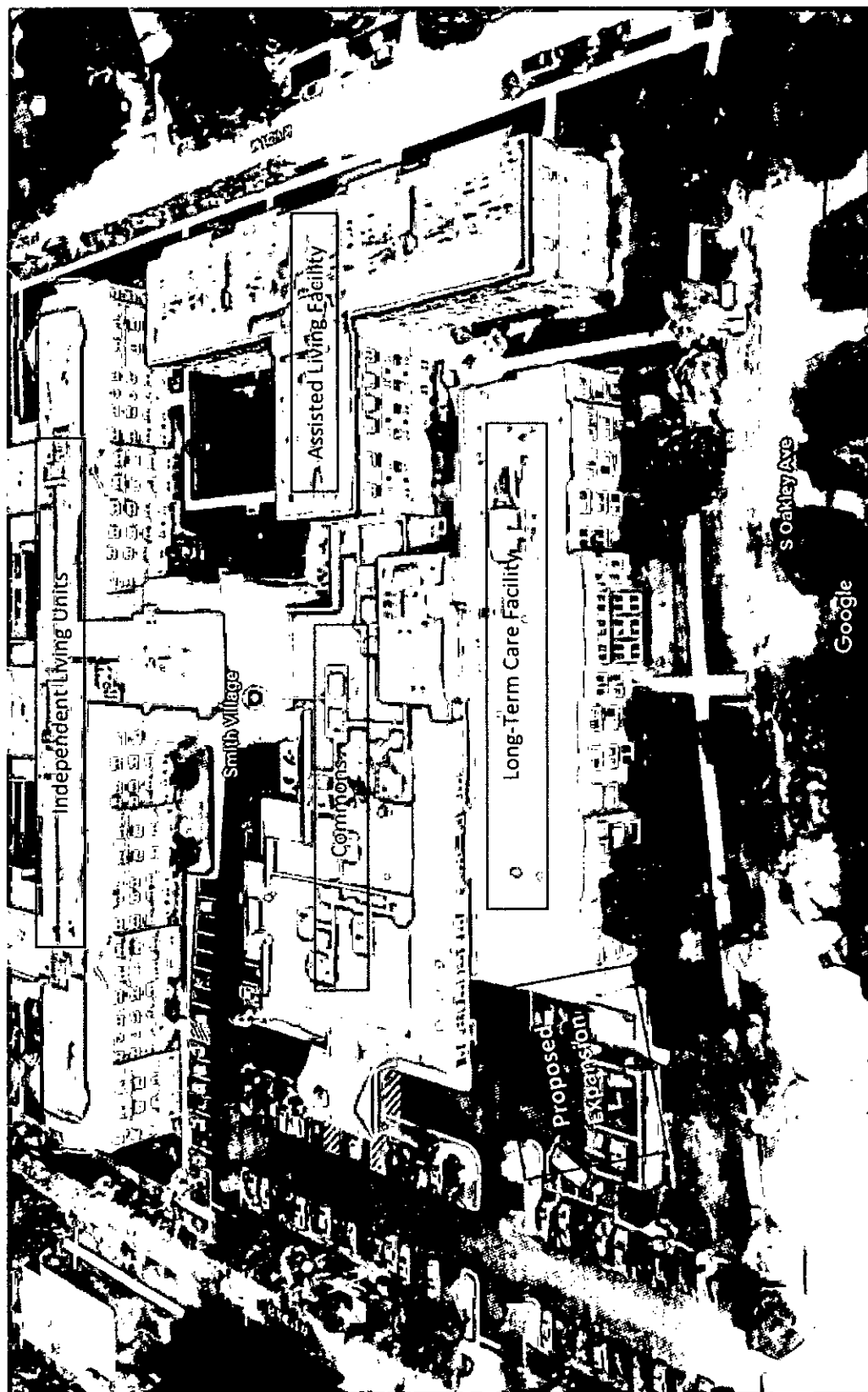
EXHIBIT
37

ATTACHMENT-6A

Smith Village
CCRC Campus



Smith Village
View of CCRC Campus from East



Smith Village
Long-Term Care Facility
East Side of CCRC Campus on S. Oakley Avenue



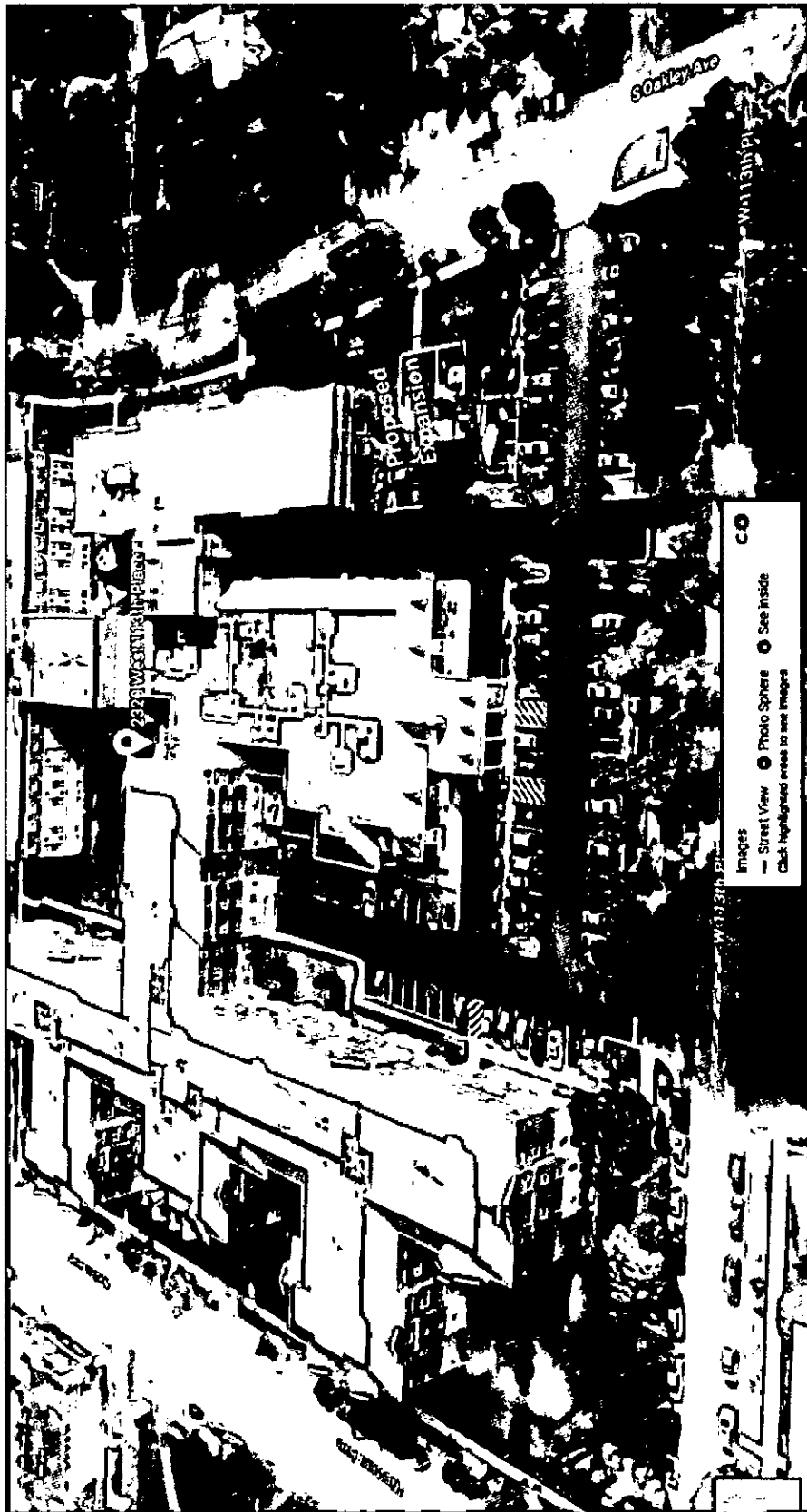
EXHIBIT 6A

ATTACHMENT-6A

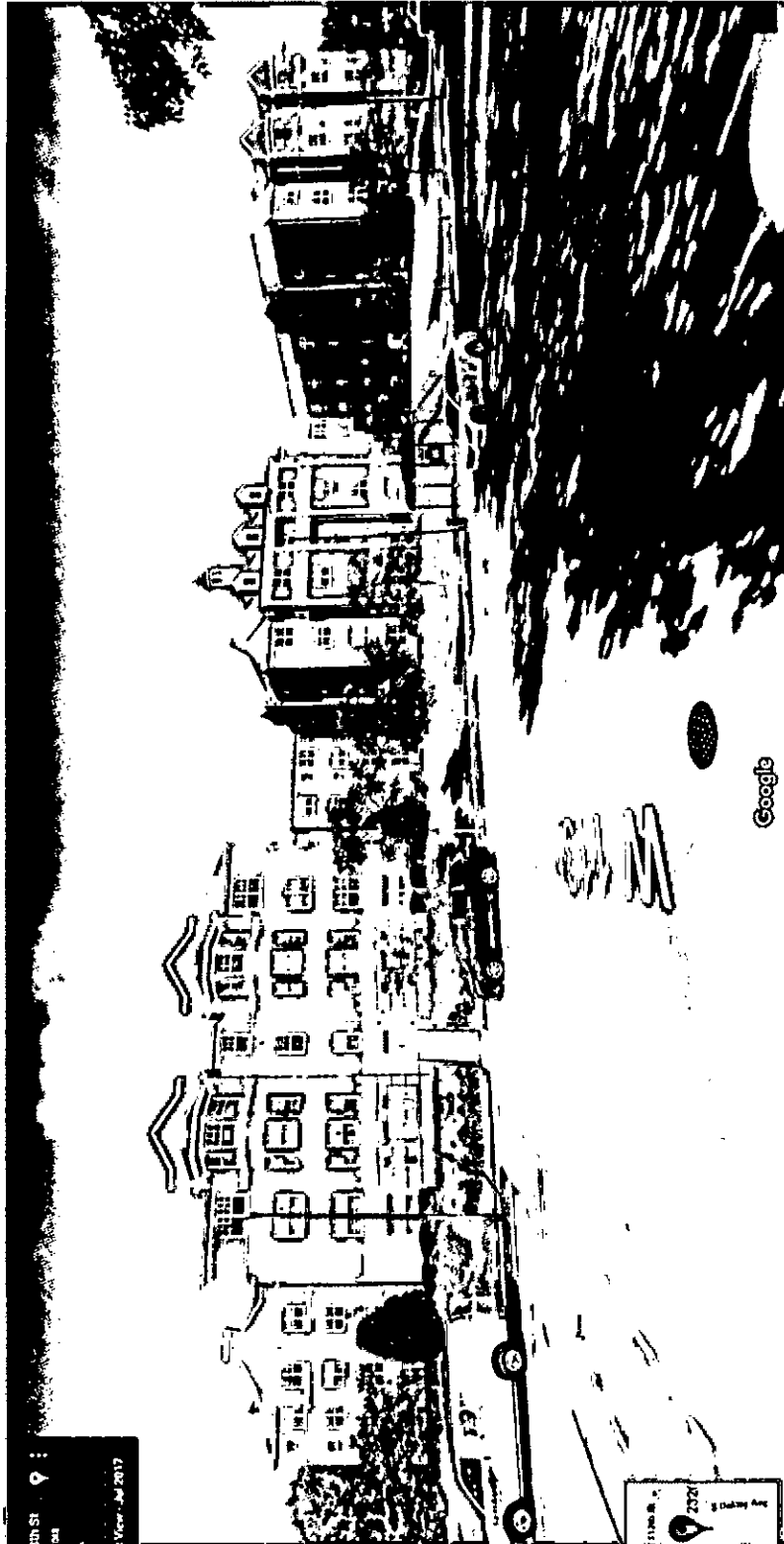
Smith Village
 South End of Long-Term Care Facility
 Proposed Location for Expansion



Smith Village
 Parking Lot
 South Side of CCRC on W. 113th Place



Smith Village
Independent Living
West Side of CCRC on Western Avenue



Smith Village
Assisted Living
North Side of CCRC on W. 112th Place



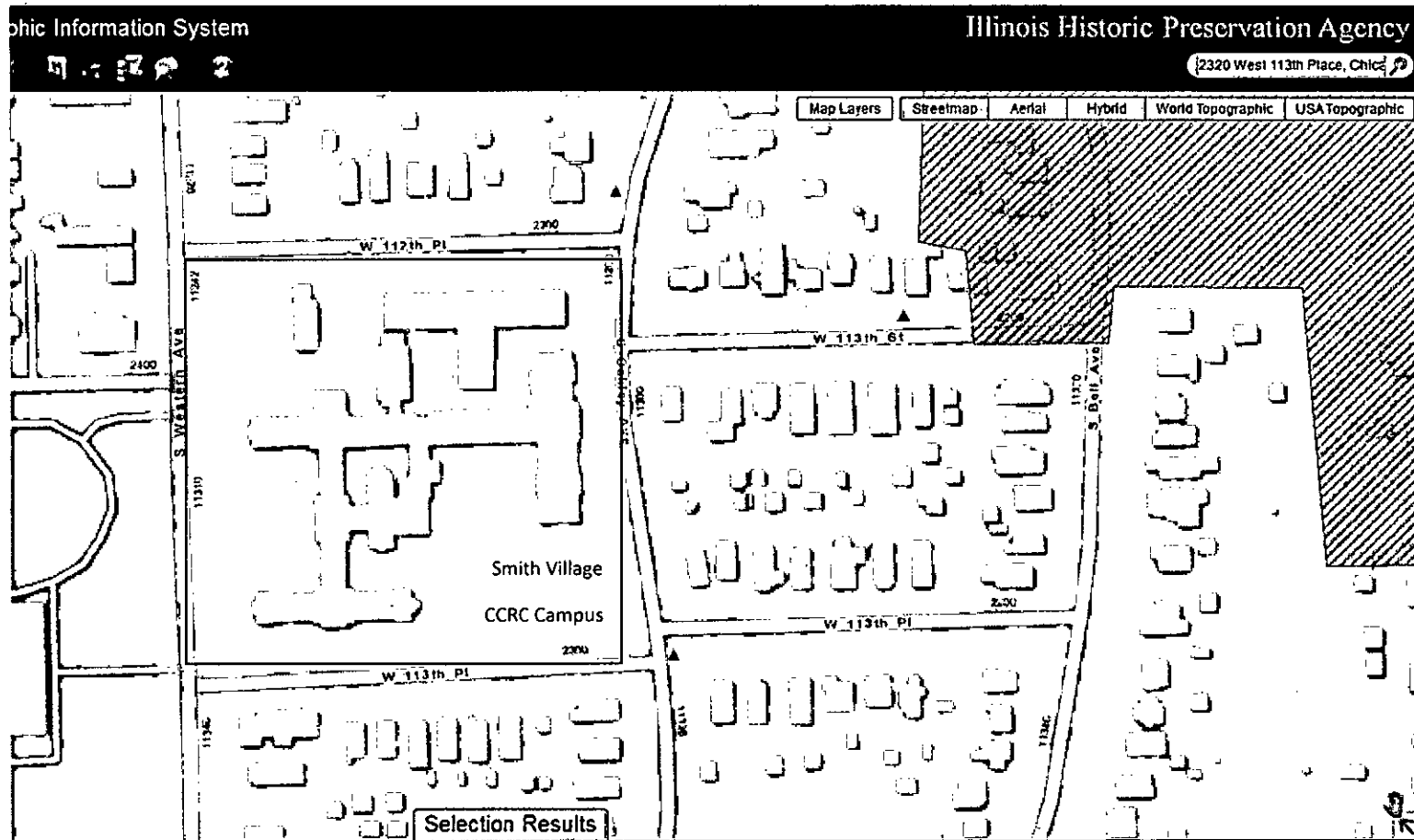
EXHIBIT 64

ATTACHMENT-6A

Smith Village

CCRC Campus

HARGIS MAP



SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued

Criterion 1125.320 – Purpose of the Project

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

Smith Village, established in 1924, is an existing Long-Term Care campus providing Independent Living, Assisted Living, and Nursing Care Services with 331 total units. Until 1991, the original campus only included shared housing (Independent Living) and sheltered care (Assisted Living) at which time it added the existing nursing level of care. For the Fiscal Year ending June 30, 2018 the Independent Living units averaged 134 units occupied (90%), the Assisted Living component averaged 69 units occupied (84%) and the nursing unit averaged 85 beds occupied (85%) in the nursing unit². The proposed project seeks to modernize the nursing unit which will result in decreasing bed capacity from 100 nursing beds to 78 nursing beds. As an existing health care resource, Smith Village has and will continue to address and improve the health care or well-being of the senior market area population. This project will right-size the existing facility while maintaining Smith Village's commitment to providing high quality care to patients in a modern healthcare setting designed to serve this and future generations of patients.

2. Define the planning area or market area, or other, per the applicant's definition.

Smith Village is located on Chicago's South-side in the Beverly community which is identified in Area 75 – Morgan Park, which is within the 6-C Planning Area. Based upon the patient origin of nursing care admissions of Smith Village, the market area, per the applicant's definition, is a 10-mile radius and is synonymous with the State's definition of normal travel radius (77 Ill. Adm. Code 1100.510(d)). Specifically, 96% of all nursing admissions between November 1, 2016 through October 31, 2018 (latest 24-months) were from within the 10-mile

ATTACHMENT-10

² CliftonLarsonAllen audited financial statements for Washington and Jane Smith Community – Beverly d/b/a Smith Village, years ended June 30, 2018 and 2017, note 1 (continued)-occupancy percentages, pg. 9.

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued ii

radius from the existing site.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

This proposed modernization project includes three major objectives. First, is the replacement of the major mechanical/electrical systems in the nursing building. Second, is the addition of square footage to several areas in the existing facility. The project proposed to update and replace the physical and occupational therapy gymnasium from the third floor to the first floor, create living/dining/activity space on the second and third floors, and to create autonomous households on each floor. Finally, the proposed project will result in the total modernization of the resident room compliment. Specifically, the number of private rooms will increase by 266% (moving from 18 private and 41 double rooms to 66 private and only 6 semi-private rooms).

After extensive review of the existing infrastructure, the Applicant found that these objectives will address several existing issues in the facility. The nursing building was built in 1991 and the HVAC system and the required facility generator are at the end of their useful life. The existing windows are inefficient as compared to what is currently available in the market, are difficult to use, and need to be replaced. Each floor has a combined living/dining/activity space, which Smith Village has noted limits socialization space. There has been a significant shift in the nursing home industry to increase the number of private rooms available to residents. This shift is based on providing more individualized living, dining and activity space, which creates a more resident friendly homelike environment on each floor. Much has changed in nursing care industry in just the last five years, let alone the last 28 years since this facility was constructed. Nursing residents are sicker, frailer and suffer from increased co-morbidities.

ATTACHMENT-10

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued iii

There are external pressures are to provide extensive rehabilitation services and then to discharge residents sooner to a lesser level of care. This Applicant is steadfast in its commitment to providing the highest level of care to its residents. The Applicant is confident that the proposed modernization of their facility will allow them to decrease their bed compliment while still caring for their existing resident population, in a physical plant that is modern and meets the demands of nursing care residents today.

4. Cite the sources of the information provided as documentation.

Appended as **ATTACHMENT-10A** is the State's 2017 IDPH Inventory of Health Care Facilities and Services and Need Determinations, Volume 2, Parts VI-VII, Long-Term Care Services, Planning Area 6-C.

Appended as **ATTACHMENT-10B** is a chart providing admissions data by Zip Code area.

Appended as **ATTACHMENT-10C** are the physical plant evaluations describing the condition of the existing building and includes a statement of condition and compliance.

Appended as ATTACHMENT-10D is a "scope of work" document provided by the Applicant detailing the specific building systems that are being renovated or replaced.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

Smith Village engaged two firms to evaluate its physical plant environment: AG Architecture in November of 2016 and RLPS Architects in November of 2018. Generally, each found that the building was maintained well, however, there were many systems that were either inefficient or near the end of their useful life. The proposed project addresses these concerns through the installation of a new high efficiency HVAC system and generator among other

ATTACHMENT-10

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued iv

updates to mechanical/electrical systems, adds gross square footage to the nursing facility, and completely modernizes this existing space. Appended herein is also a “scope of work” listing provided by the Applicant addressing what is being updated.

This modernization proposed to take a facility with outdated mechanicals and install new energy efficient machines that will achieve the better or equal results and will certainly result in lower utility costs for the Applicant. Some of the larger energy efficient updated proposed for the facility focus on the department areas (not nursing or residential areas) and include an updated HVAC and generator, as the existing machines are at the end of their useful lives. The total replacement of existing windows to higher quality energy efficient windows are also not typical modernization items that are included in a modernization project but are crucial to the Applicant’s environmental plan for the facility.

The final objective of the modernization will have a most direct effect on care and patient outcomes. Through the addition of newly constructed areas, the Applicant is replacing its 3rd floor therapy room with a modern, effective physical and occupational therapy department that will be relocated to the first floor. This will effectively create a post-acute rehab unit with all private rooms on the first floor. The second and third floors will be reserved for long-term restorative care units. The number of private resident’s units will also be substantially increased on the upper floors and will leave only three double units on the second and third floors. The modernization project will separate the dining area from the existing living/dining/activity space. This will provide residents with a specific dining destination, snack bar and warming kitchen on each floor. It will also give the Applicant the ability to open up the living and activity space which will create a more inviting and useful socialization space, and a newly constructed outdoor patio/balcony on each floor. These types of quality of life updates improve resident well-being

ATTACHMENT-10

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** Continued v

by allowing the facility to offer additional healthcare and lifestyle services to their residents.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The project's goal is to continue to serve and provide General Long-Term Care services to the geriatric population within the project's catchment area. This goal will be measured by the Applicant's ability to continue to fill its beds to meet the State's optimal use rate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

The existing nursing unit was approved in 1990 and opened in 1991 with 18 private resident rooms and 41 semi-private nursing rooms. The modernization proposes to address the changing paradigm and resident desire toward private resident rooms. This is a shift that is also being seen in the hospital industry. To achieve this more modern environment, Smith Village will reduce its overall capacity from 100 nursing beds to 78 nursing beds with 66 private rooms and 6 semi-private resident rooms. In addition to achieving an improved mix of private resident rooms, the Applicant seeks to improve the therapy services provided through the relocation, replacement and expansion of this department from the third floor to the first. Finally, the mechanical and electrical system are in need of upgrading to achieve greater efficiencies.

ATTACHMENT-10

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health

General Long-Term Care Category of Service

9/1/2017
Page A-100

Planning Area: Planning Area 6-C			General Nursing Care	
Facility Name	City	County/Area	Beds	2015 Patient Days
APERION CARE INTERNATIONAL	CHICAGO	Area 59 - McKinley Park	218	58,626
BELHAVEN NURSING & REHAB. CENTER	CHICAGO	Area 75 - Morgan Park	221	65,809
BRIA OF FOREST EDGE	CHICAGO	Area 70 - Ashburn	328	98,336
COMMUNITY CARE CENTER	CHICAGO	Area 38 - Grand Boulevard	204	66,189
KENSINGTON PLACE NURSING & REHAB	CHICAGO	Area 35 - Douglas	155	47,106
MERCY CIRCLE	CHICAGO	Area 74 - Mount Greenwood	23	5,574
6/20/2017 17-010	Facility approved to remove CCRC Variance. No change in beds.			
6/28/2017 11-008	Facility opened 1 bed allowed under permit 11-008; facility now has 23 Nursing Care beds.			
MONTGOMERY PLACE	CHICAGO	Area 41 - Hyde Park	40	12,596
PARKSHORE ESTATES NURSING & REHAB	CHICAGO	Area 42 - Woodlawn	318	77,380
PRINCETON REHAB & HEALTH CARE CENTER	CHICAGO	Area 69 - Gr. Grand Cross	225	61,899
SMITH VILLAGE	CHICAGO	Area 75 - Morgan Park	100	33,034
SOUTHPORT NURSING & REHABILITATION CENTER	CHICAGO	Area 73 - Washington Hts.	228	66,494
SOUTHVIEW MANOR NURSING CENTER	CHICAGO	Area 35 - Douglas	200	64,440
SYMPHONY AT MIDWAY	CHICAGO	Area 56 - Garfield Ridge	249	69,552
11/1/2015 CHOW	Change of ownership occurred.			
71 SYMPHONY AT 87TH STREET	CHICAGO	Area 70 - Ashburn	210	69,139
11/1/2015 CHOW	Change of ownership occurred.			
SYMPHONY OF BRONZEVILLE	CHICAGO	Area 35 - Douglas	302	101,712
11/1/2015 CHOW	Change of ownership occurred.			
SYMPHONY OF MORGAN PARK	CHICAGO	Area 75 - Morgan Park	294	89,055
11/1/2015 CHOW	Change of ownership occurred.			
SYMPHONY OF SOUTH SHORE	CHICAGO	Area 43 - South Shore	248	74,740
11/1/2015 CHOW	Change of ownership occurred.			
THE ESTATES OF HYDE PARK	CHICAGO	Area 39 - Kenwood	155	23,319
THE VILLA AT WINDSOR PARK	CHICAGO	Area 43 - South Shore	240	61,672
WARREN BARR SOUTH LOOP	CHICAGO	Area 33 - Near South Side	210	57,341
6/15/2016 CHOW	Change of Ownership occurred.			
2/28/2017 Bed Change	Facility added 13 Nursing Care beds; facility now has 210 Nursing Care beds.			
WATERFRONT TERRACE	CHICAGO	Area 43 - South Shore	118	35,115
WENTWORTH REHAB & HEALTH CARE CENTER	CHICAGO	Area 69 - Gr. Grand Cross	300	75,869

ATTACHMENT-10A

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Health Facilities and Services Review Board
Illinois Department of Public Health

General Long-Term Care Category of Service

9/1/2017
Page A-101

Planning Area: Planning Area 6-C									General Nursing Care		
Facility Name		City		County/Area					Beds	2015 Patient Days	
Planning Area Totals									4,586	1,314,997	
HEALTH SERVICE AREA	AGE GROUPS	2015 Patient Days	2015 Population	2015 Use Rates (Per 1,000)		2015 Minimum Use Rates		2015 Maximum Use Rates			
006	0-64 Years Old	1,471,657	2,401,200	612.9		367.7		980.6			
	65-74 Years Old	1,040,423	180,800	5,754.6		3,452.7		9,207.3			
	75+ Years Old	1,685,721	131,100	12,858.3		7,715.0		20,573.3			
	2015 PSA Patient Days	2015 PSA Estimated Populations	2015 PSA Use Rates (Per 1,000)	2015 HSA Minimum Use Rates	2015 HSA Maximum Use Rates	2020 PSA Planned Use Rates	2020 PSA Projected Populations	2020 PSA Planned Patient Days			
0-64 Years Old	466,873	923,900	505.3	367.7	980.6	505.3	848,600	428,822			
65-74 Years Old	387,761	78,800	4,920.8	3,452.7	9,207.3	4,920.8	88,400	435,001			
75+ Years Old	460,363	61,800	7,449.2	7,715.0	20,573.3	7,715.0	67,400	519,989			
Planning Area Totals								1,383,812	3,780.9	4,201	385

Smith Village
Admissions by Zip Code
11/1/16 - 10/30/18

First Initial	Last Initial	Billing Zip Code	Admission Begin Date	Admit From Name
M	D	46360	6/24/2017	Northwestern Lake Forest Hospital
A	R	46360	4/27/2018	Christ Medical Center
M	B	49095	1/1/2018	Little Company of Mary Hospital
L	P	60016	5/3/2017	Home (personal residence)
A	P	60189	12/18/2017	Central Dupage
D	C	60406	10/20/2017	MetroSouth Medical Center
M	S	60406	11/16/2017	MetroSouth Medical Center
C	K	60406	12/22/2017	MetroSouth Medical Center
K	B	60406	7/19/2018	Christ Medical Center
H	A	60406	10/23/2018	Little Company of Mary Hospital
M	K	60415	12/16/2016	Christ Medical Center
H	B	60417	3/13/2017	St. James Hospital / Olympia Fields
M	R	60422	6/13/2018	Franciscan Health Olympia Fields
F	S	60423	11/22/2016	Trinity Hospital
K	K	60423	11/18/2017	Little Company of Mary Hospital
K	K	60423	1/10/2018	Silver Cross Hospital
B	H	60429	1/11/2018	St. James Hospital / Olympia Fields
C	H	60429	1/16/2018	Christ Medical Center
G	P	60429	2/7/2018	South Suburban Hospital
B	H	60429	5/10/2018	St. James Hospital / Olympia Fields
H	D	60429	10/30/2018	Christ Medical Center
A	G	60430	3/7/2017	South Suburban Hospital
E	C	60430	1/25/2018	Palos Community Hospital
A	G	60430	4/3/2018	Christ Medical Center
E	C	60430	7/5/2018	Christ Medical Center
C	C	60445	8/14/2017	Little Company of Mary Hospital
V	P	60445	4/17/2018	Christ Medical Center
S	P	60445	6/23/2018	Palos Community Hospital
E	M	60445	8/7/2018	Palos Community Hospital
R	S	60452	9/6/2017	Christ Medical Center
J	R	60452	2/7/2018	Home (personal residence)
R	S	60452	8/20/2018	Christ Medical Center
D	C	60453	11/12/2016	Christ Medical Center
P	H	60453	11/14/2016	Little Company of Mary Hospital
T	T	60453	12/31/2016	Christ Medical Center
G	V	60453	1/13/2017	Christ Medical Center
R	M	60453	1/23/2017	Home (personal residence)
A	K	60453	1/24/2017	unknown
P	R	60453	2/12/2017	Palos Community Hospital
J	B	60453	3/3/2017	Little Company of Mary Hospital
L	C	60453	3/7/2017	Christ Medical Center
A	L	60453	3/16/2017	Little Company of Mary Hospital
D	M	60453	4/4/2017	Little Company of Mary Hospital
D	C	60453	6/27/2017	Manor Care East
A	R	60453	6/30/2017	Christ Medical Center
P	M	60453	7/26/2017	Little Company of Mary Hospital
R	L	60453	8/1/2017	Christ Medical Center
S	L	60453	8/26/2017	Palos Community Hospital
D	O	60453	9/1/2017	Little Company of Mary Hospital
E	D	60453	9/9/2017	Christ Medical Center
C	S	60453	9/22/2017	Manor Care Palos East
C	H	60453	10/19/2017	Veracare Burbank
D	O	60453	10/28/2017	Little Company of Mary Hospital
D	M	60453	11/2/2017	Little Company of Mary Hospital

Smith Village
Admissions by Zip Code
11/1/16 - 10/30/18

L	B	60453	11/16/2017	Little Company of Mary Hospital
M	C	60453	11/18/2017	Christ Medical Center
E	M	60453	11/20/2017	Christ Medical Center
C	R	60453	11/27/2017	Little Company of Mary Hospital
F	F	60453	12/12/2017	Christ Medical Center
M	P	60453	12/21/2017	Christ Medical Center
G	V	60453	12/28/2017	Christ Medical Center
E	R	60453	1/4/2018	Little Company of Mary Hospital
M	S	60453	1/31/2018	Rush Presbyterian St. Lukes Medical Center
G	V	60453	2/12/2018	Christ Medical Center
D	G	60453	2/13/2018	Christ Medical Center
C	M	60453	2/14/2018	MetroSouth Medical Center
A	Z	60453	2/22/2018	Manor Care Palos West
L	V	60453	2/27/2018	Little Company of Mary Hospital
C	K	60453	3/6/2018	Little Company of Mary Hospital
C	M	60453	3/23/2018	Christ Medical Center
M	C	60453	3/23/2018	Little Company of Mary Hospital
J	M	60453	5/4/2018	Christ Medical Center
R	K	60453	5/5/2018	Manor Care Palos West
N	B	60453	6/15/2018	Christ Medical Center
J	M	60453	6/18/2018	Christ Medical Center
M	B	60453	6/18/2018	Christ Medical Center
B	S	60453	6/29/2018	Christ Medical Center
M	C	60453	7/27/2018	Mac Neal Hospital
N	B	60453	8/13/2018	Christ Medical Center
K	M	60453	8/14/2018	Little Company of Mary Hospital
P	M	60453	8/22/2018	Little Company of Mary Hospital
W	Z	60453	9/1/2018	Alden of Orland Park Rehab
K	M	60453	9/19/2018	Christ Medical Center
C	S	60453	10/2/2018	Christ Medical Center
D	C	60453	10/10/2018	Christ Medical Center
P	G	60456	8/6/2018	Christ Medical Center
Z	N	60456	8/27/2018	Manor Care East
H	N	60456	10/8/2018	Providence
E	M	60459	4/24/2017	Christ Medical Center
R	S	60462	6/6/2017	Little Company of Mary Hospital
J	S	60462	11/3/2017	Rush Presbyterian St. Lukes Medical Center
F	D	60462	2/27/2018	Home (personal residence)
J	S	60463	1/21/2017	Palos Community Hospital
K	M	60463	2/16/2017	Palos Community Hospital
V	D	60463	2/16/2017	Little Company of Mary Hospital
J	K	60463	12/21/2017	Christ Medical Center
D	A	60463	6/9/2018	Palos Community Hospital
A	G	60463	7/20/2018	Christ Medical Center
G	S	60463	9/19/2018	Little Company of Mary Hospital
L	B	60464	12/14/2016	Palos Community Hospital
J	B	60464	12/21/2016	Palos Community Hospital
L	O	60464	1/15/2018	Palos Community Hospital
C	D	60467	8/2/2018	Silver Cross Hospital
J	P	60473	7/25/2018	MetroSouth Medical Center
D	R	60477	6/3/2017	Little Company of Mary Hospital
D	R	60477	8/17/2017	Palos Community Hospital
C	B	60477	10/26/2018	Little Company of Mary Hospital
E	K	60491	9/1/2017	Silver Cross Hospital
A	B	60515	1/18/2017	Good Samaritan Hospital
E	K	60517	3/29/2017	Hinsdale Hospital
M	B	60559	3/9/2018	Little Company of Mary Hospital

Smith Village
Admissions by Zip Code
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F	N	60601	3/30/2017	Holy Cross Hospital
E	M	60609	12/19/2016	University of Illinois at Chicago
S	V	60609	12/24/2017	Mercy Hospital & Medical Center
E	K	60609	3/16/2018	Mercy Hospital & Medical Center
G	W	60609	4/9/2018	Mercy Hospital & Medical Center
M	T	60617	3/17/2017	Rush Presbyterian St. Lukes Medical Center
R	M	60617	7/20/2017	Trinity Hospital
A	M	60617	11/15/2017	Northwestern Memorial Hospital
L	W	60617	12/18/2017	Christ Medical Center
L	C	60617	6/8/2018	Rush Presbyterian St. Lukes Medical Center
M	S	60617	9/14/2018	Christ Medical Center
W	N	60619	12/22/2016	Jesse Brown VA
M	J	60619	3/10/2017	Bellhaven
L	J	60619	5/18/2017	Little Company of Mary Hospital
R	P	60619	8/31/2017	Rush Presbyterian St. Lukes Medical Center
E	M	60619	1/12/2018	Northwestern Memorial Hospital
M	B	60619	2/1/2018	Shirley Ryan Ability Lab
M	J	60619	2/6/2018	Northwestern Memorial Hospital
C	S	60619	9/14/2018	University of Chicago Medical Center
V	W	60619	10/4/2018	Shirley Ryan Ability Lab
E	D	60619	10/12/2018	Christ Medical Center
S	S	60620	1/19/2017	Little Company of Mary Hospital
K	L	60620	4/14/2017	Little Company of Mary Hospital
J	E	60620	5/9/2017	The Villa at Evergreen Park
L	F	60620	6/6/2017	Christ Medical Center
R	H	60620	6/8/2017	Rush Presbyterian St. Lukes Medical Center
J	C	60620	7/12/2017	Little Company of Mary Hospital
E	H	60620	8/21/2017	Northwestern Memorial Hospital
J	M	60620	10/6/2017	Christ Medical Center
L	W	60620	10/27/2017	University of Chicago Medical Center
L	S	60620	1/26/2018	Rush Presbyterian St. Lukes Medical Center
C	S	60620	2/27/2018	Little Company of Mary Hospital
Y	L	60620	3/2/2018	Shirley Ryan Ability Lab
R	W	60620	3/10/2018	Little Company of Mary Hospital
N	F	60620	4/3/2018	Little Company of Mary Hospital
R	W	60620	6/15/2018	Little Company of Mary Hospital
H	C	60620	8/4/2018	Christ Medical Center
A	W	60620	8/18/2018	Rush Presbyterian St. Lukes Medical Center
L	E	60620	9/5/2018	Northwestern Memorial Hospital
T	W	60620	10/22/2018	Manor Care Palos West
M	H	60628	11/23/2016	Christ Medical Center
R	S	60628	11/25/2016	University of Chicago Medical Center
W	K	60628	12/5/2016	Little Company of Mary Hospital
M	E	60628	4/21/2017	Little Company of Mary Hospital
F	B	60628	4/28/2017	Northwestern Memorial Hospital
A	C	60628	12/30/2017	Christ Medical Center
E	T	60628	1/15/2018	Mercy Hospital & Medical Center
S	T	60628	7/25/2018	Little Company of Mary Hospital
P	G	60628	9/25/2018	Rush Presbyterian St. Lukes Medical Center
J	L	60629	3/29/2017	Little Company of Mary Hospital
J	S	60629	5/26/2017	Christ Medical Center
D	L	60629	7/11/2017	Christ Medical Center
E	P	60629	9/1/2017	Rush Presbyterian St. Lukes Medical Center
S	B	60632	6/28/2018	Rush Presbyterian St. Lukes Medical Center
G	J	60633	8/16/2018	Christ Medical Center
C	J	60634	3/31/2018	Christ Medical Center
C	J	60634	7/11/2018	Little Company of Mary Hospital

Smith Village
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L	U	60638	3/3/2017	Christ Medical Center
G	S	60638	11/10/2017	Christ Medical Center
C	W	60638	11/18/2017	Rush Presbyterian St. Lukes Medical Center
G	A	60638	1/26/2018	Palos Community Hospital
F	N	60638	3/19/2018	Little Company of Mary Hospital
D	M	60643	11/2/2016	Christ Medical Center
E	M	60643	11/2/2016	Christ Medical Center
C	H	60643	11/9/2016	Little Company of Mary Hospital
W	B	60643	11/14/2016	Little Company of Mary Hospital
M	K	60643	11/28/2016	MetroSouth Medical Center
M	M	60643	11/28/2016	Christ Medical Center
L	L	60643	11/30/2016	MetroSouth Medical Center
J	M	60643	12/2/2016	MetroSouth Medical Center
C	M	60643	12/8/2016	Little Company of Mary Hospital
R	H	60643	12/19/2016	Home (personal residence)
D	K	60643	12/23/2016	Little Company of Mary Hospital
P	B	60643	12/27/2016	Christ Medical Center
W	B	60643	12/27/2016	Little Company of Mary Hospital
K	K	60643	12/28/2016	Little Company of Mary Hospital
M	P	60643	1/4/2017	Little Company of Mary Hospital
P	B	60643	1/5/2017	Little Company of Mary Hospital
I	Y	60643	1/10/2017	Christ Medical Center
M	L	60643	1/10/2017	Christ Medical Center
R	R	60643	1/13/2017	University of Chicago Medical Center
Y	P	60643	1/13/2017	Loyola University Health Center
R	C	60643	1/20/2017	Christ Medical Center
K	K	60643	1/22/2017	Palos Community Hospital
J	M	60643	1/25/2017	Little Company of Mary Hospital
G	J	60643	2/1/2017	Smith Village AL
P	B	60643	2/2/2017	Little Company of Mary Hospital
J	W	60643	2/7/2017	Little Company of Mary Hospital
J	C	60643	2/16/2017	Little Company of Mary Hospital
N	P	60643	2/17/2017	Christ Medical Center
T	F	60643	2/17/2017	Little Company of Mary Hospital
J	E	60643	2/21/2017	Christ Medical Center
P	M	60643	2/21/2017	Palos Community Hospital
N	G	60643	2/25/2017	MetroSouth Medical Center
W	M	60643	3/9/2017	University of Chicago Medical Center
E	S	60643	3/10/2017	Christ Medical Center
M	W	60643	3/11/2017	Little Company of Mary Hospital
I	R	60643	3/13/2017	Little Company of Mary Hospital
J	D	60643	3/15/2017	Little Company of Mary Hospital
M	M	60643	3/15/2017	MetroSouth Medical Center
R	K	60643	3/16/2017	Little Company of Mary Hospital
M	D	60643	3/18/2017	Little Company of Mary Hospital
D	K	60643	3/20/2017	Smith Village IL
M	C	60643	3/20/2017	Smith Village AL
J	M	60643	3/24/2017	Little Company of Mary Hospital
L	C	60643	4/5/2017	Little Company of Mary Hospital
E	M	60643	4/8/2017	Little Company of Mary Hospital
E	R	60643	4/12/2017	Christ Medical Center
M	J	60643	4/12/2017	Little Company of Mary Hospital
C	B	60643	4/17/2017	Christ Medical Center
M	D	60643	4/19/2017	Little Company of Mary Hospital
G	S	60643	4/21/2017	Little Company of Mary Hospital
K	A	60643	4/21/2017	Little Company of Mary Hospital
W	R	60643	5/2/2017	Little Company of Mary Hospital

Smith Village
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M	D	60643	5/4/2017	Smith Village AL
W	P	60643	5/5/2017	Little Company of Mary Hospital
A	O	60643	5/14/2017	Little Company of Mary Hospital
D	M	60643	5/19/2017	Christ Medical Center
N	P	60643	5/19/2017	Christ Medical Center
J	M	60643	5/20/2017	Little Company of Mary Hospital
K	D	60643	5/27/2017	Rush Presbyterian St. Lukes Medical Center
F	W	60643	5/28/2017	Little Company of Mary Hospital
R	J	60643	6/13/2017	Smith Village AL
L	C	60643	6/19/2017	MetroSouth Medical Center
D	A	60643	6/27/2017	Manor Care East
R	U	60643	6/30/2017	Christ Medical Center
E	M	60643	7/2/2017	Little Company of Mary Hospital
L	L	60643	7/3/2017	Little Company of Mary Hospital
M	B	60643	7/8/2017	Christ Medical Center
M	J	60643	7/10/2017	Rush Presbyterian St. Lukes Medical Center
T	M	60643	7/12/2017	Palos Community Hospital
N	P	60643	7/18/2017	Christ Medical Center
S	O	60643	7/18/2017	Little Company of Mary Hospital
R	T	60643	7/24/2017	Little Company of Mary Hospital
M	D	60643	7/28/2017	Little Company of Mary Hospital
T	B	60643	7/28/2017	Little Company of Mary Hospital
R	T	60643	8/5/2017	Little Company of Mary Hospital
R	W	60643	8/16/2017	University of Chicago Medical Center
W	P	60643	8/17/2017	Christ Medical Center
D	M	60643	8/25/2017	Northwestern Memorial Hospital
R	C	60643	9/1/2017	Little Company of Mary Hospital
F	S	60643	9/8/2017	Little Company of Mary Hospital
J	K	60643	9/8/2017	Christ Medical Center
L	S	60643	9/12/2017	Christ Medical Center
R	M	60643	9/15/2017	Little Company of Mary Hospital
F	R	60643	9/22/2017	Little Company of Mary Hospital
M	A	60643	9/22/2017	MetroSouth Medical Center
W	B	60643	9/25/2017	Little Company of Mary Hospital
R	R	60643	9/28/2017	Christ Medical Center
S	S	60643	9/28/2017	Little Company of Mary Hospital
F	C	60643	9/29/2017	Little Company of Mary Hospital
G	S	60643	10/3/2017	Little Company of Mary Hospital
J	C	60643	10/3/2017	Manor Care East
F	S	60643	10/9/2017	Little Company of Mary Hospital
M	A	60643	10/11/2017	Little Company of Mary Hospital
R	U	60643	10/11/2017	Little Company of Mary Hospital
B	L	60643	10/13/2017	Christ Medical Center
B	G	60643	10/16/2017	Mercy Hospital & Medical Center
P	M	60643	10/18/2017	Little Company of Mary Hospital
R	O	60643	10/20/2017	Smith Village IL
E	M	60643	10/22/2017	Christ Medical Center
M	W	60643	10/23/2017	Little Company of Mary Hospital
M	B	60643	10/25/2017	Little Company of Mary Hospital
C	E	60643	10/28/2017	Little Company of Mary Hospital
E	M	60643	10/29/2017	Little Company of Mary Hospital
E	P	60643	10/29/2017	Little Company of Mary Hospital
M	Y	60643	11/1/2017	Palos Community Hospital
P	B	60643	11/1/2017	Christ Medical Center
F	K	60643	11/4/2017	Franciscan Health Michigan City
M	P	60643	11/4/2017	Little Company of Mary Hospital
B	P	60643	11/8/2017	Silver Cross Hospital

Smith Village
Admissions by Zip Code
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E	M	60643	11/11/2017	Little Company of Mary Hospital
G	S	60643	11/23/2017	Smith Village IL
M	N	60643	11/28/2017	Little Company of Mary Hospital
P	R	60643	12/3/2017	Weiss Memorial Hospital
A	Q	60643	12/6/2017	Little Company of Mary Hospital
J	G	60643	12/9/2017	MetroSouth Medical Center
M	W	60643	12/11/2017	Little Company of Mary Hospital
A	O	60643	12/15/2017	Smith Village AL
E	K	60643	12/15/2017	Little Company of Mary Hospital
J	R	60643	12/18/2017	Shirley Ryan Ability Lab
R	C	60643	12/21/2017	Christ Medical Center
D	K	60643	12/24/2017	Palos Community Hospital
R	C	60643	12/24/2017	Skokie Hospital
L	C	60643	12/26/2017	Christ Medical Center
R	U	60643	12/29/2017	RML Hinsdale
L	S	60643	1/3/2018	Loyola University Health Center
L	G	60643	1/9/2018	Palos Community Hospital
R	M	60643	1/9/2018	Little Company of Mary Hospital
E	P	60643	1/12/2018	Trinity Hospital
P	L	60643	1/13/2018	Manor Care Palos East
B	M	60643	1/15/2018	Christ Medical Center
R	B	60643	1/19/2018	Palos Community Hospital
R	D	60643	1/21/2018	Adventist LaGrange
J	G	60643	1/26/2018	Christ Medical Center
K	A	60643	1/26/2018	Little Company of Mary Hospital
J	S	60643	1/29/2018	Smith Village AL
B	J	60643	2/1/2018	Christ Medical Center
C	M	60643	2/3/2018	MetroSouth Medical Center
L	D	60643	2/4/2018	Christ Medical Center
H	S	60643	2/7/2018	Christ Medical Center
J	F	60643	2/7/2018	Rush Presbyterian St. Lukes Medical Center
A	S	60643	2/11/2018	Providence
D	M	60643	2/12/2018	Trinity Hospital
H	M	60643	2/16/2018	Christ Medical Center
E	G	60643	2/21/2018	Little Company of Mary Hospital
P	M	60643	2/22/2018	Little Company of Mary Hospital
H	P	60643	3/2/2018	University of Chicago Medical Center
A	H	60643	3/8/2018	Little Company of Mary Hospital
R	M	60643	3/9/2018	The Villa at Evergreen Park
P	J	60643	3/13/2018	Little Company of Mary Hospital
C	O	60643	3/14/2018	Little Company of Mary Hospital
G	S	60643	3/16/2018	Little Company of Mary Hospital
P	M	60643	3/16/2018	MetroSouth Medical Center
B	K	60643	3/23/2018	Christ Medical Center
L	C	60643	3/27/2018	Little Company of Mary Hospital
J	T	60643	3/29/2018	Palos Community Hospital
L	L	60643	3/29/2018	Little Company of Mary Hospital
M	P	60643	3/29/2018	Park Villa
T	B	60643	3/29/2018	Smith Village AL
K	M	60643	4/2/2018	Little Company of Mary Hospital
K	A	60643	4/6/2018	Little Company of Mary Hospital
M	Y	60643	4/12/2018	Little Company of Mary Hospital
S	C	60643	4/12/2018	Little Company of Mary Hospital
M	S	60643	4/15/2018	Little Company of Mary Hospital
H	P	60643	4/16/2018	University of Chicago Medical Center
J	P	60643	4/16/2018	Manor Care oak Lawn West
A	Q	60643	4/17/2018	Home (personal residence)

Smith Village
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M	H	60643	4/19/2018	Rush Presbyterian St. Lukes Medical Center
L	D	60643	4/20/2018	Christ Medical Center
O	E	60643	4/20/2018	Little Company of Mary Hospital
S	D	60643	4/21/2018	Smith Village IL
P	B	60643	4/23/2018	Smith Village IL
M	B	60643	4/24/2018	Little Company of Mary Hospital
C	O	60643	4/26/2018	unknown
R	B	60643	4/27/2018	Smith Village IL
M	G	60643	5/2/2018	Little Company of Mary Hospital
T	M	60643	5/14/2018	Little Company of Mary Hospital
H	P	60643	5/18/2018	University of Chicago Medical Center
L	S	60643	5/22/2018	Little Company of Mary Hospital
P	M	60643	5/23/2018	Little Company of Mary Hospital
G	C	60643	5/24/2018	Little Company of Mary Hospital
L	C	60643	5/25/2018	Little Company of Mary Hospital
D	M	60643	5/31/2018	Little Company of Mary Hospital
S	F	60643	6/2/2018	Little Company of Mary Hospital
M	B	60643	6/3/2018	Little Company of Mary Hospital
G	G	60643	6/9/2018	Smith Village AL
V	G	60643	6/9/2018	Smith Village AL
M	G	60643	6/11/2018	Little Company of Mary Hospital
J	C	60643	6/22/2018	Little Company of Mary Hospital
C	E	60643	6/28/2018	Christ Medical Center
R	O	60643	7/1/2018	Little Company of Mary Hospital
F	M	60643	7/5/2018	Christ Medical Center
J	B	60643	7/5/2018	Christ Medical Center
M	H	60643	7/6/2018	Rush Presbyterian St. Lukes Medical Center
M	C	60643	7/6/2018	Christ Medical Center
R	J	60643	7/10/2018	Little Company of Mary Hospital
W	C	60643	7/18/2018	Lexington
R	B	60643	7/21/2018	Palos Community Hospital
J	C	60643	7/26/2018	Little Company of Mary Hospital
D	M	60643	8/13/2018	Christ Medical Center
J	L	60643	8/16/2018	Elmhurst
V	M	60643	8/16/2018	Park Villa
C	C	60643	8/18/2018	Christ Medical Center
J	S	60643	8/18/2018	Christ Medical Center
J	P	60643	8/23/2018	Christ Medical Center
E	B	60643	8/27/2018	Northwestern Memorial Hospital
D	N	60643	9/3/2018	Little Company of Mary Hospital
F	K	60643	9/5/2018	Franciscan Health Michigan City
P	R	60643	9/5/2018	Smith Village IL
R	S	60643	9/6/2018	Christ Medical Center
M	R	60643	9/14/2018	Christ Medical Center
A	D	60643	9/24/2018	Little Company of Mary Hospital
E	M	60643	9/24/2018	Little Company of Mary Hospital
C	P	60643	9/26/2018	Little Company of Mary Hospital
J	S	60643	9/27/2018	Little Company of Mary Hospital
W	G	60643	9/27/2018	Little Company of Mary Hospital
B	V	60643	9/29/2018	Little Company of Mary Hospital
P	H	60643	10/5/2018	Little Company of Mary Hospital
J	D	60643	10/9/2018	Little Company of Mary Hospital
E	O	60643	10/10/2018	Smith Village AL
M	S	60643	10/13/2018	Little Company of Mary Hospital
A	G	60643	10/16/2018	Bria
F	S	60643	10/16/2018	Little Company of Mary Hospital
M	C	60643	10/18/2018	Christ Medical Center

Smith Village
Admissions by Zip Code
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D	R	60643	10/20/2018	Little Company of Mary Hospital
M	B	60643	10/23/2018	Silver Cross Hospital
J	K	60643	10/29/2018	Little Company of Mary Hospital
R	C	60643	10/30/2018	Little Company of Mary Hospital
J	C	60645	11/26/2016	Little Company of Mary Hospital
C	D	60649	3/27/2018	Shirley Ryan Ability Lab
M	M	60652	5/8/2017	Little Company of Mary Hospital
S	S	60652	8/24/2017	Christ Medical Center
B	D	60652	6/1/2018	Little Company of Mary Hospital
R	M	60652	7/10/2018	Christ Medical Center
T	D	60652	7/13/2018	Little Company of Mary Hospital
C	C	60652	9/25/2018	Little Company of Mary Hospital
J	W	60655	11/1/2016	South Suburban Hospital
M	A	60655	11/4/2016	MetroSouth Medical Center
J	P	60655	11/14/2016	Palos Community Hospital
J	N	60655	12/1/2016	Palos Community Hospital
R	D	60655	12/6/2016	Little Company of Mary Hospital
L	W	60655	12/21/2016	Little Company of Mary Hospital
J	D	60655	12/27/2016	Home (personal residence)
P	S	60655	12/27/2016	Little Company of Mary Hospital
M	M	60655	1/3/2017	Little Company of Mary Hospital
J	O	60655	2/17/2017	Little Company of Mary Hospital
M	R	60655	3/6/2017	Little Company of Mary Hospital
G	O	60655	3/31/2017	Little Company of Mary Hospital
T	L	60655	4/13/2017	Palos Community Hospital
P	S	60655	5/11/2017	Little Company of Mary Hospital
D	C	60655	5/24/2017	Little Company of Mary Hospital
I	B	60655	5/25/2017	Bria
E	K	60655	6/29/2017	The Villa at Evergreen Park
A	P	60655	7/3/2017	Little Company of Mary Hospital
L	S	60655	7/19/2017	Little Company of Mary Hospital
J	H	60655	8/5/2017	Little Company of Mary Hospital
L	P	60655	9/10/2017	Christ Medical Center
P	O	60655	9/13/2017	University of Chicago Medical Center
A	P	60655	9/22/2017	Little Company of Mary Hospital
M	D	60655	9/24/2017	Little Company of Mary Hospital
N	S	60655	9/25/2017	Palos Community Hospital
G	J	60655	10/6/2017	Little Company of Mary Hospital
P	M	60655	10/13/2017	Palos Community Hospital
C	R	60655	10/17/2017	Little Company of Mary Hospital
G	F	60655	10/18/2017	Little Company of Mary Hospital
J	N	60655	10/19/2017	Palos Community Hospital
S	S	60655	11/18/2017	Palos Community Hospital
T	W	60655	11/18/2017	Christ Medical Center
S	G	60655	11/21/2017	Little Company of Mary Hospital
R	O	60655	12/1/2017	Home (personal residence)
A	P	60655	12/4/2017	Little Company of Mary Hospital
W	B	60655	12/15/2017	Little Company of Mary Hospital
E	K	60655	1/19/2018	Little Company of Mary Hospital
F	C	60655	2/3/2018	Little Company of Mary Hospital
M	D	60655	2/10/2018	Little Company of Mary Hospital
S	M	60655	3/2/2018	Little Company of Mary Hospital
E	W	60655	3/20/2018	Little Company of Mary Hospital
J	S	60655	3/22/2018	University of Chicago Medical Center
D	Z	60655	3/24/2018	Christ Medical Center
C	G	60655	4/20/2018	Loyola University Health Center
B	P	60655	5/4/2018	Manor Care-Westmont

Smith Village
Admissions by Zip Code
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K	D	60655	5/7/2018	Christ Medical Center
M	H	60655	5/8/2018	Little Company of Mary Hospital
B	T	60655	5/16/2018	The Villa at Evergreen Park
S	M	60655	5/21/2018	Little Company of Mary Hospital
M	D	60655	6/5/2018	Little Company of Mary Hospital
A	P	60655	6/29/2018	Little Company of Mary Hospital
I	C	60655	7/13/2018	Christ Medical Center
J	K	60655	8/5/2018	Little Company of Mary Hospital
W	W	60655	8/28/2018	symphony
W	C	60655	8/30/2018	Little Company of Mary Hospital
R	F	60655	9/12/2018	Rush Presbyterian St. Lukes Medical Center
S	B	60655	9/12/2018	Little Company of Mary Hospital
G	T	60655	9/14/2018	Christ Medical Center
B	T	60655	9/20/2018	MetroSouth Medical Center
J	S	60655	10/15/2018	Little Company of Mary Hospital
R	L	60655	10/19/2018	Christ Medical Center
E	K	60803	11/11/2016	Loyola University Health Center
T	L	60803	1/11/2017	Palos Community Hospital
J	R	60803	4/2/2018	Little Company of Mary Hospital
H	H	60803	9/7/2018	Loyola University Health Center
D	J	60805	1/19/2017	Christ Medical Center
J	S	60805	1/27/2017	Little Company of Mary Hospital
N	S	60805	4/25/2017	Little Company of Mary Hospital
L	S	60805	5/25/2017	Little Company of Mary Hospital
B	G	60805	6/26/2017	Christ Medical Center
V	C	60805	7/19/2017	Little Company of Mary Hospital
D	J	60805	8/2/2017	Aspirus Wausau Hospital
R	B	60805	8/23/2017	Borgess Medical Centr
B	G	60805	8/24/2017	Christ Medical Center
J	L	60805	8/25/2017	Little Company of Mary Hospital
P	O	60805	9/14/2017	Little Company of Mary Hospital
M	B	60805	9/26/2017	Little Company of Mary Hospital
L	S	60805	10/4/2017	Christ Medical Center
G	R	60805	10/27/2017	Manor Care East
D	J	60805	10/30/2017	Palos Community Hospital
E	G	60805	11/28/2017	Little Company of Mary Hospital
G	S	60805	1/2/2018	Little Company of Mary Hospital
K	M	60805	1/5/2018	Little Company of Mary Hospital
L	L	60805	2/17/2018	Little Company of Mary Hospital
H	C	60805	3/22/2018	MetroSouth Medical Center
D	C	60805	4/25/2018	Christ Medical Center
M	D	60805	6/7/2018	Little Company of Mary Hospital
C	S	60805	6/16/2018	Christ Medical Center
G	S	60805	8/12/2018	Little Company of Mary Hospital
C	L	60805	9/11/2018	Little Company of Mary Hospital
M	D	60805	10/11/2018	Little Company of Mary Hospital
E	S	81301	6/23/2017	Little Company of Mary Hospital
N	B		1/26/2017	MetroSouth Medical Center
Total Admissions 11/1/16 - 10/30/18				501

Smith Village
Admissions by Zip Code
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10- Mile Radius Zip Codes	# Admits within 10- Mile Radius
46327	0
46394	0
60406	5
60409	0
60415	1
60419	0
60426	0
60428	0
60429	5
60430	4
60445	4
60452	3
60453	53
60455	0
60456	3
60457	0
60458	0
60459	1
60462	3
60463	7
60464	3
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60469	0
60472	0
60473	1
60476	1
60477	3
60478	0
60482	0
60501	0
60609	4
60615	0
60617	6
60619	10
60620	19
60621	0
60628	9
60629	4
60632	1
60633	1
60636	0
60637	0
60638	5
60643	227
60649	1
60652	6
60653	0
60655	61
60803	4
60805	26
60827	0
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% Admits within 10-Mile Radius	96.01%

Smith Village Johanson Building Review

4 November 2016

Summary

AG Architecture has completed an on-site building observation to investigate possibilities for expansion which would serve two purposes. There is a goal of providing a higher percentage of private rooms; the majority of the existing resident rooms are semi-privates. Another goal is to provide additional common area space for residents as the current layout provides only the dining room at the center of the wing. This one room must be used for eating meals and all other activities. The only other place for residents to gather outside their sleeping rooms is in the corridor, where the old nurse station was removed and a television was added. This is not an ideal situation to have people congregating near the elevator and possibly blocking the corridor.

Possible strategies to expand the building are either an addition to the south, over the current parking/trash/cooling tower area. Another option would be to add another floor above the existing roof. Any addition to the existing building may require the exterior building envelope to comply with the current energy codes.

The building is about twenty five years old and will require some capital improvements to maintain the current level of care and comfort.

MEP SYSTEMS

Overall, the building infrastructure is in good working order. There appears to have been consistent maintenance to keep systems operating within reasonable expectations.

Plumbing

The plumbing system could use some improvement on the hot water side to ensure user safety by providing a thermostatic mixing valve on the hot water supply tank. This would allow the stored water temperature to be increased to 140 degrees and then deliver tempered water to users. This avoids the risk of legionella bacteria growth within the tank. Additionally, upgrading the water heater to a direct-vent model would reduce energy costs for natural gas. The building water and drain lines are adequate for some reconfiguration or addition of patient rooms if necessary. The main sump pumps and sump crocks themselves should be repaired to ensure good sewage flow and prevent sewer gas concerns.

Any plumbing fixtures that have not been recently or regularly replaced as ongoing maintenance are likely due to be replaced.

HVAC

The HVAC is adequate but lacks control. Resident room fan coil units have on/off control but lack individual temperature control. Upgrading these will have the impact for touching much of the building to run new control cabling to replace the non-functioning pneumatic system. The boiler plant could be modernized similar to the water heater for much greater operating efficiency.

Any expansion of resident living spaces will require compliance with updated ventilation codes. This would likely require additional air handling equipment to temper and condition this additional air brought into the building.

Electrical

Electrically, the greatest impact to any significant changes to the building are in the area of emergency power. The current generator has minimal excess capacity to meet greater skilled nursing needs. Additionally, investigation is required relative to how IDPH would view some of the existing spaces that lack emergency power. The original electrical drawings do not show emergency power extended into the resident rooms to provide critical branch receptacles at the head of the bed or general room lighting. Because the existing generator is located inside the building, modifications may be difficult due to heat and exhaust requirements. Further study is required.

All non-power distribution systems such as fire alarm, nurse call, data, communications and television may require upgrades to infrastructure or entire system replacement due to age and lack of compatibility with other campus components.

BUILDING ENVELOPE

Roof

The roof appears to be well maintained and is not in need of immediate repair but is showing its age. Replacement is needed for long-time use.

Water is ponding on the roofing membrane at a number of locations. See Photos #2 & #3.

The galvanized metal flashing is showing signs of corrosion. See Photos #1 & #4.

The stone coping requires some cleaning and at some locations joint repair. The flashing/waterproofing below coping should be reviewed prior to any reroofing or remodeling.

Below the stone coping there are signs of spalled brick due to moisture in the brick and freezing. See Photos # E6 & #E7.

Exterior Elevations

The brick and mortar joints on the east elevation appears in very good condition. Some minor tuck-pointing of joints may be required at areas difficult to observe closely.

On the north, south and west elevations, the owner indicated that the masonry repair has been completed.

Stone sills and trims require cleaning and some joint repair.

At the east elevation, the sealant joints have no signs of failure but depending on the age of the sealant may require replacement. If sealant is replaced, the contractor is to maintain existing wick weeps from air space behind brick veneer.

At the north, south and west elevation it was observed that the wick weeps were covered by sealant. This does not allow for the drainage of any water/moisture accumulation within the air space behind the brick veneer. Wick weep drainage system should be restored.

At the west elevation above the top windows, it appears that back rod is exposed. See Photos #E5 & # E8.

Smith Village would like to replace the existing resident room windows, with two single-hung windows separated by a fixed window that are easier for a resident to operate.

DESIGN

Dining Rooms

In order to open these spaces to the corridor, there would need to be a rework of a portion of the existing required smoke compartments, and a second smoke compartment would need to be added in order to separate the resident rooms from the commons areas, as required by the City of Chicago. This would require some rework of the HVAC, etc. See attached plans.

The existing cabinets, flooring, base and wall finishes will be replaced.

Common Space Requirements

IDPH requires a minimum of 25 square feet per resident for dining/living/activity rooms, with a minimum of 10 square feet of that dedicated to dining. In skilled dining areas AG, as a rule, uses 30 square feet per resident due to the number of mobility devices.

The first floor dining area, as is, would be approximately 840 square feet for 20 residents. If the current entry vestibule area is no longer used, this space could be converted into a living room.

The second floor dining area, as is, would be approximately 1049 square feet for 22 residents.

The third floor dining area, as is, would be approximately 1049 square feet for 22 residents.

Smith Village can, as we showed in the last planning exercise, give up a room on each floor for a distinct family room, or convert a portion of the existing dining rooms into a living room. **Note:** on our last visit, a group of residents were gathered around a TV in the corridor outside the dining room, which could be a problem with the surveyors.

Resident Rooms

New flooring and base.

Wall protection behind the beds.

New convectors.

Remove curtain tracks from private rooms.

Resident Room Bathrooms

New flooring and base.

New Vanities.

The existing toilet rooms do not meet current requirements for accessibility. Any new toilet rooms created through expansion or remodel would be considerably larger than the existing.

Spa Rooms

Gut/remodel of existing rooms to create a high-end look.

First floor: For 20 residents, we will require 1 tub, and 1 curbless shower.

Second floor: For 22 residents, we will require 1 tub, and 2 showers, including one that is curbless.

Third floor: For 22 residents, we will require 1 tub, and 2 showers, including one that is curbless.

Remodel of existing salon

Flooring, paint.

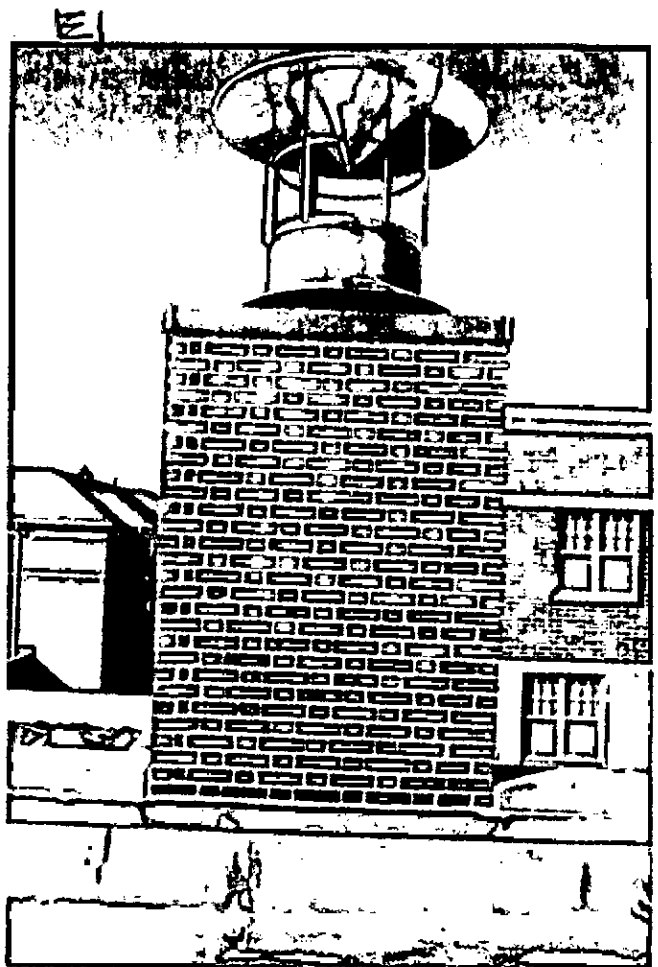
Serving Kitchens

Replace the existing flooring. The owner is considering epoxy flooring as an option.

Doors and Hand Rails

All existing doors would be replaced with new doors in a lighter finish.

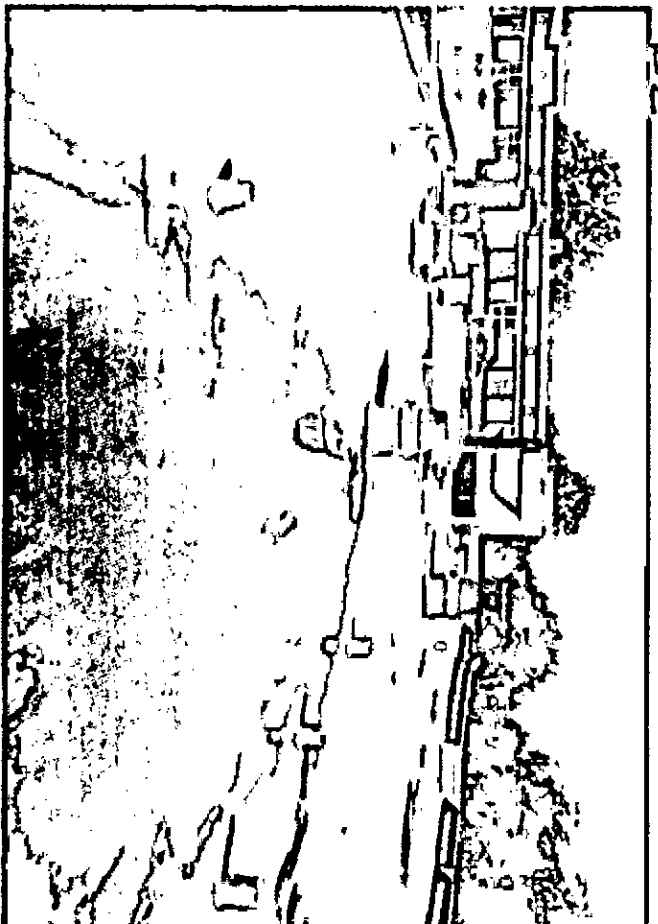
Note: The existing resident room doors are 3'-6" wide. Current requirements are for door openings that are 44 inches clear. Thus any new rooms created by expansion of the building, would have 3'-10" doors.



13

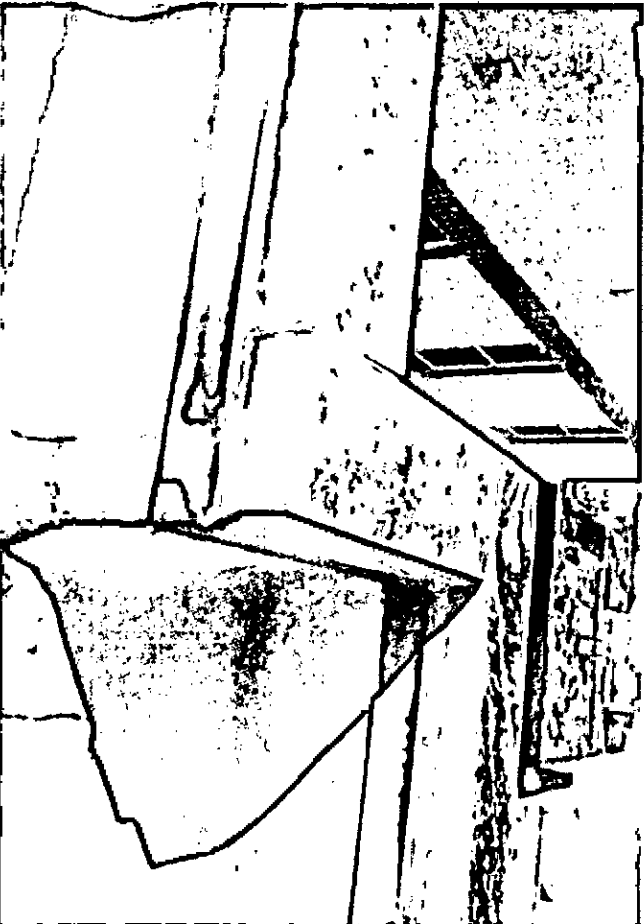


E3



E2

13oct14

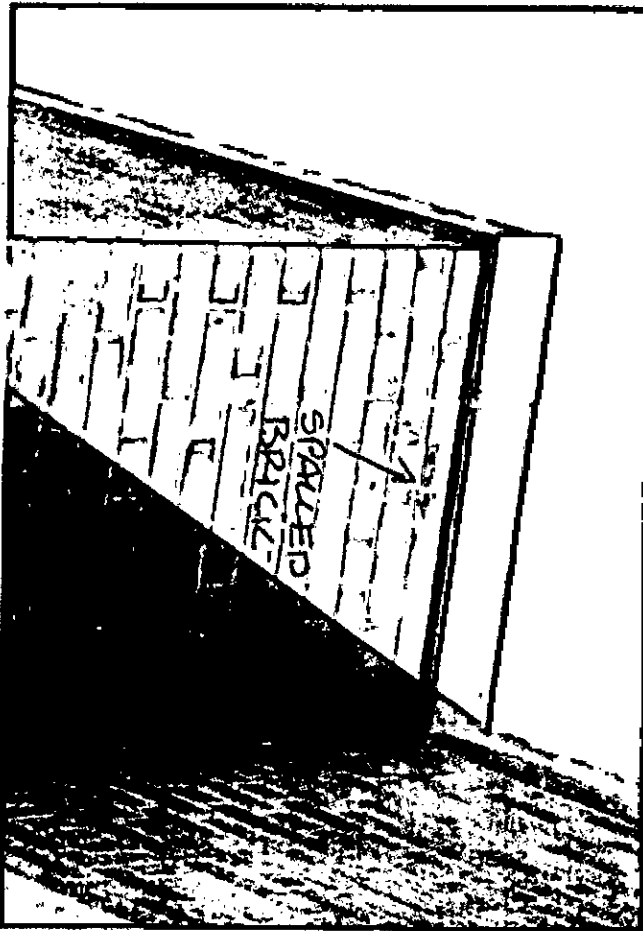


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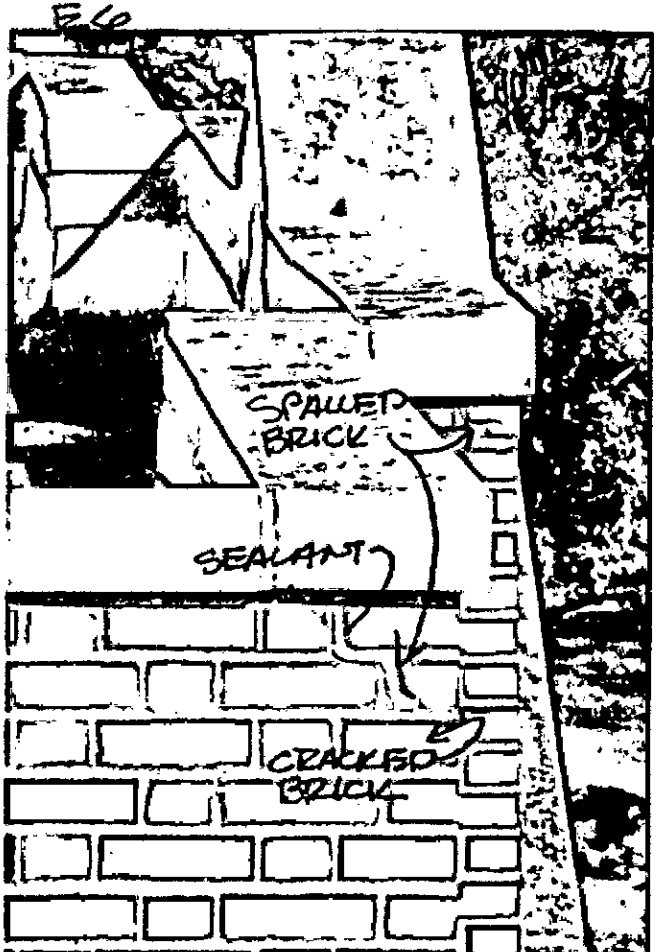
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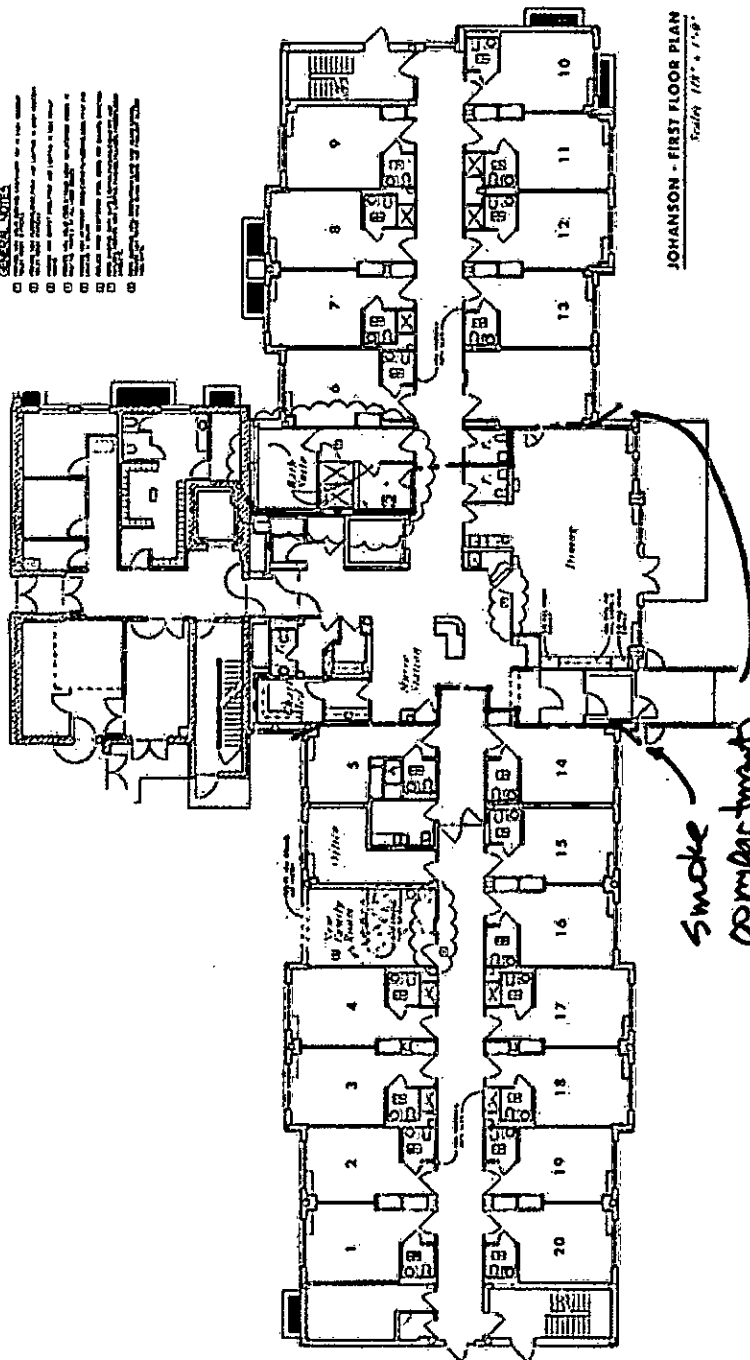
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E8



- GENERAL NOTES**
- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
 - 2. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE CITY OF CHICAGO.
 - 3. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED TIME FRAME.
 - 4. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED BUDGET.
 - 5. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED QUALITY STANDARDS.
 - 6. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED SAFETY STANDARDS.
 - 7. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED ENVIRONMENTAL STANDARDS.
 - 8. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED ACCESSIBILITY STANDARDS.
 - 9. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED ENERGY EFFICIENCY STANDARDS.
 - 10. ALL WORK SHALL BE COMPLETED WITHIN THE SPECIFIED SUSTAINABILITY STANDARDS.



JOHANSON - FIRST FLOOR PLAN
Scale: 1/8" = 1'-0"

1 APR 2014



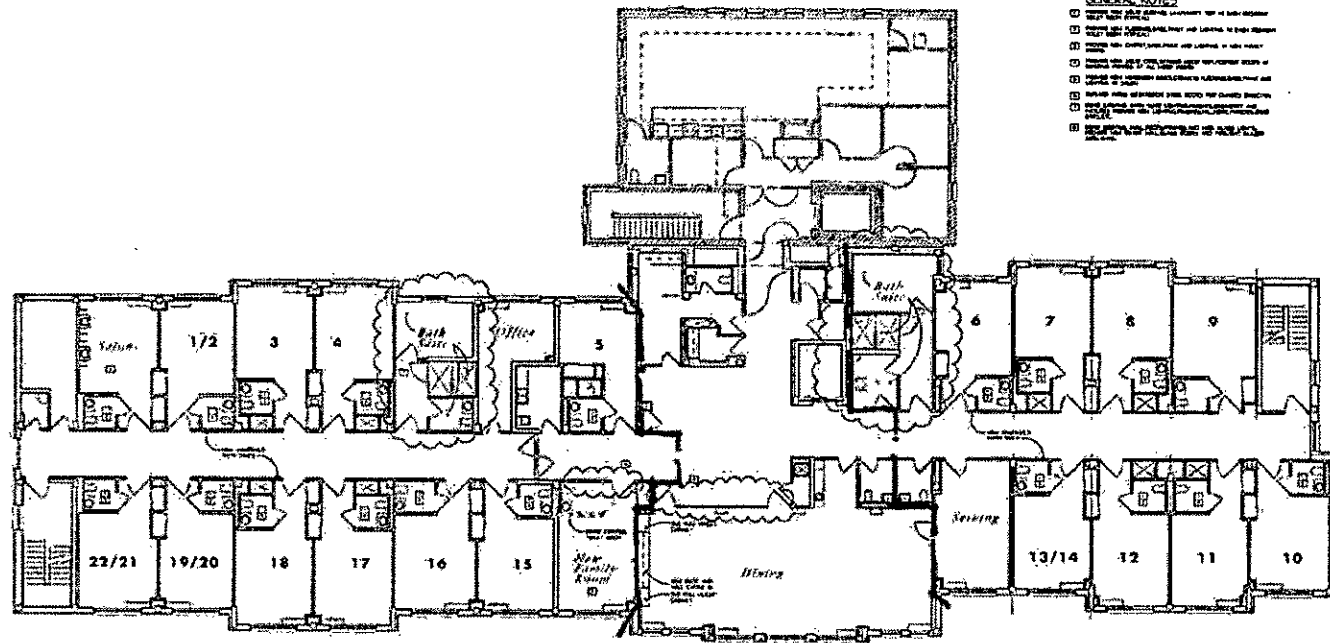
*Smith Village
Repositioning
REMODEL
Chicago, Illinois*

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1 Apr 2018



*Smith Village
Repositioning
REMODEL
Chicago, Illinois*



- GENERAL NOTES**
- 1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
 - 2. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.
 - 3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
 - 4. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL AREAS AT ALL TIMES.
 - 5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
 - 6. THE CONTRACTOR SHALL MAINTAIN ADEQUATE SAFETY MEASURES THROUGHOUT THE PROJECT.
 - 7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE REMOVAL AND DISPOSAL OF ALL DEBRIS AND WASTE.
 - 8. THE CONTRACTOR SHALL MAINTAIN ADEQUATE RECORDS OF ALL WORK DONE.
 - 9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL ADJACENT AREAS.
 - 10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING STRUCTURES.

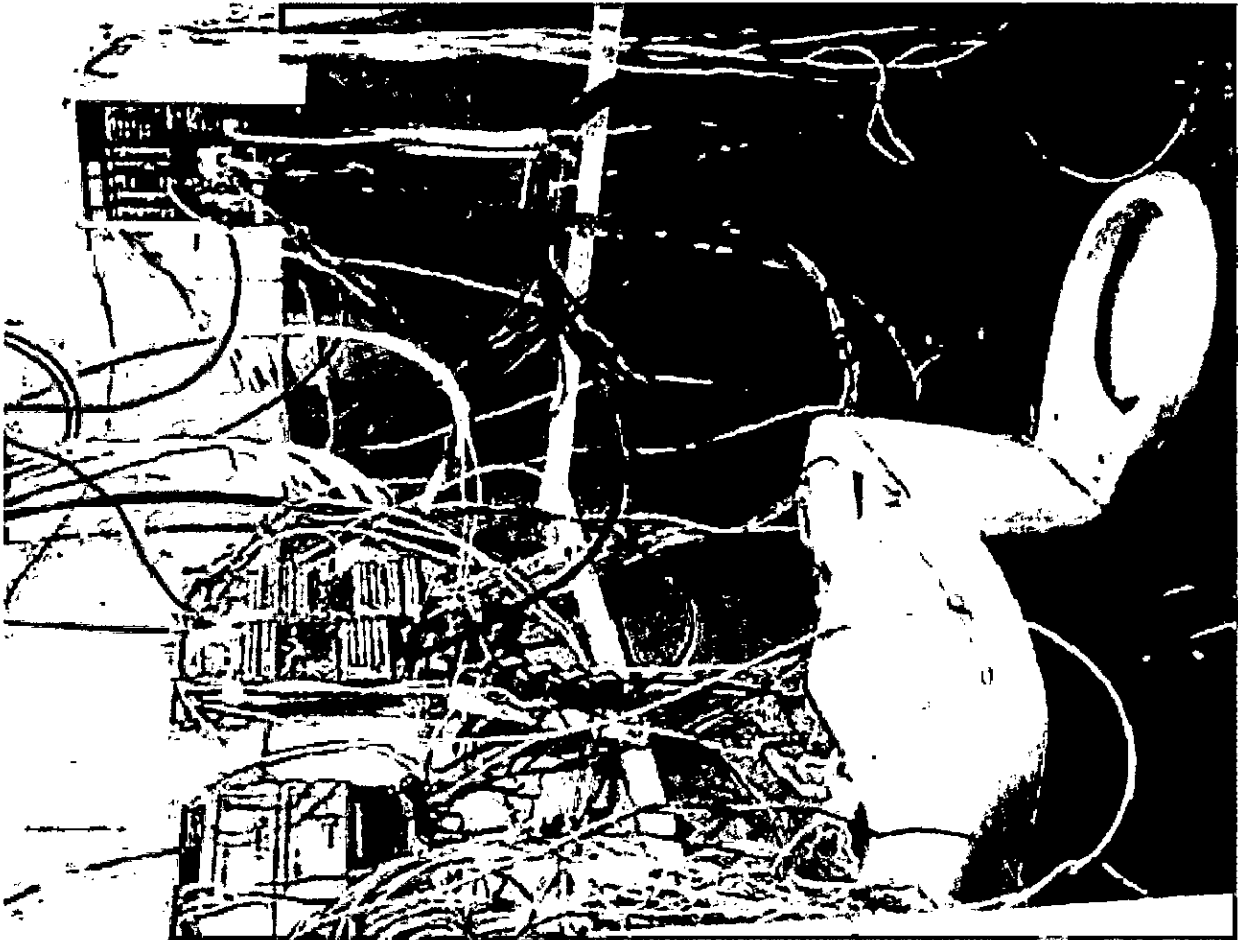
JOHANSON - THIRD FLOOR PLAN
 Scale: 1/8" = 1'-0"

*Smith Village
 Repositioning*
REMODEL
Chicago, Illinois



1 Apr 2016

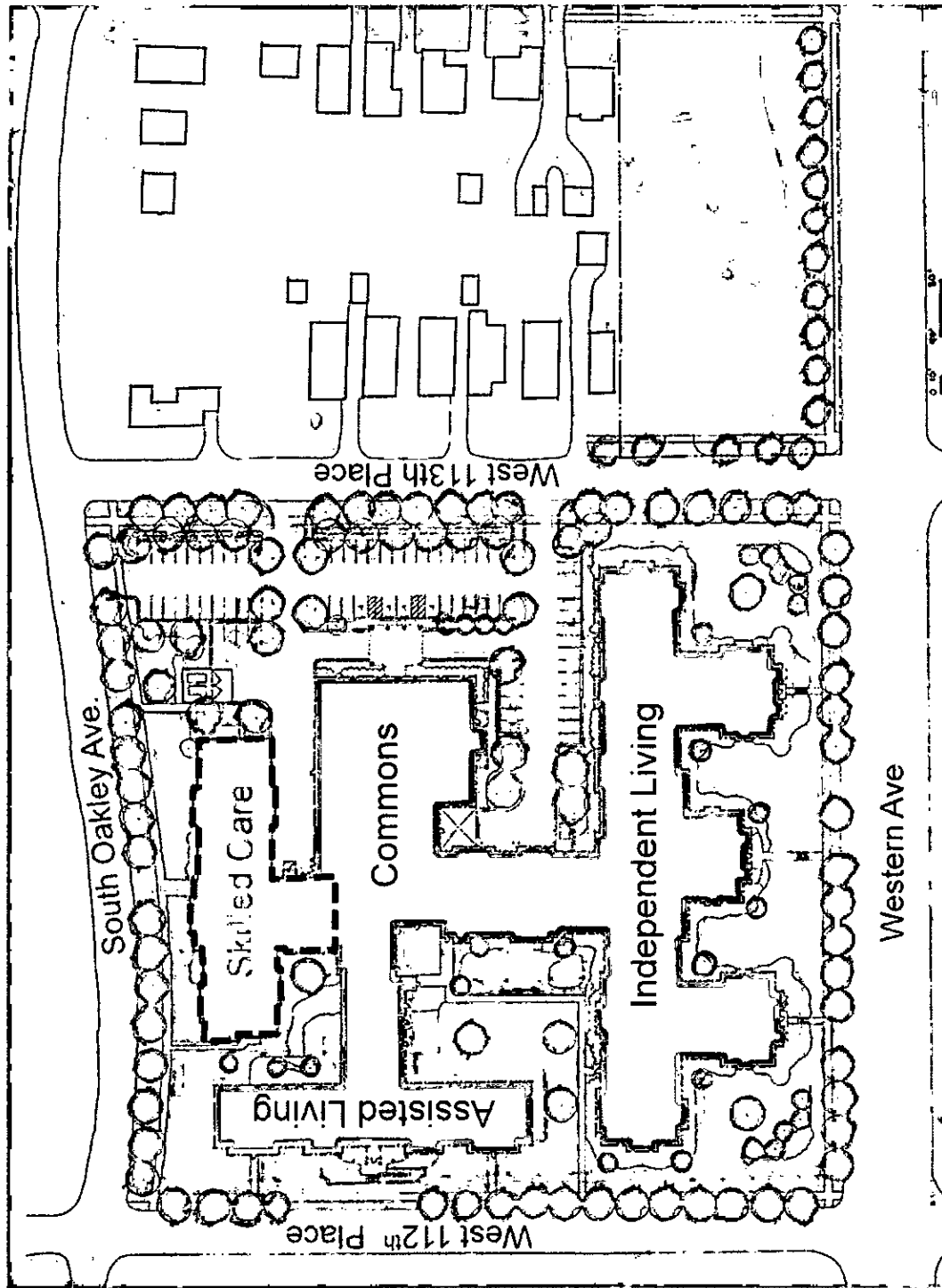
VI. Building Evaluations



rlps architects

ATTACHMENT-10C

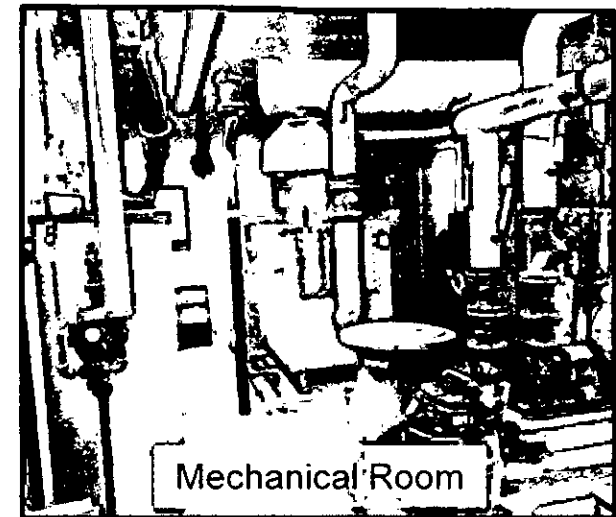
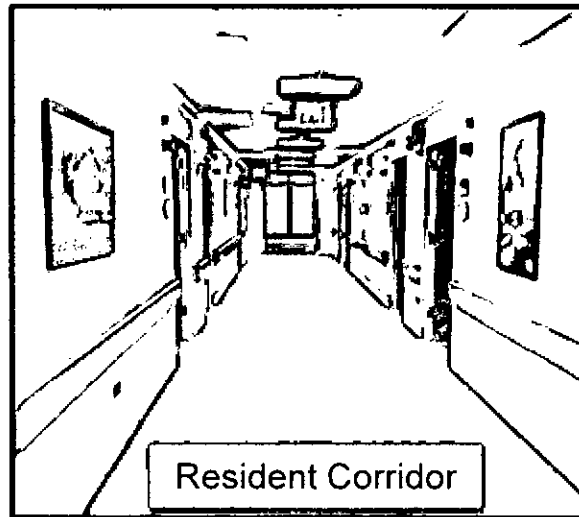
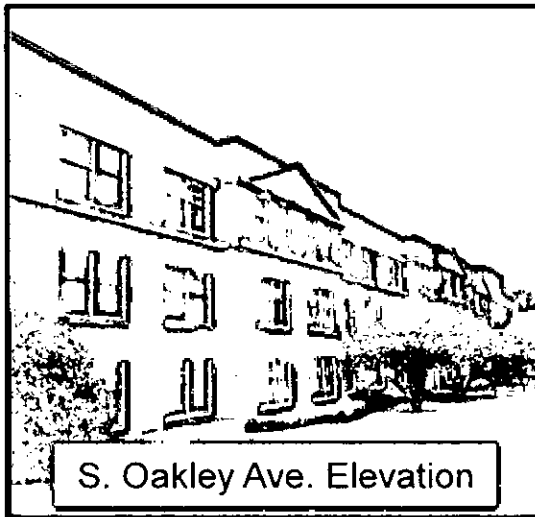
Skilled Care Building



building evaluation



Skilled Care Building



Original Construction: 1991 (26 Years Old)

Structure: Poured in Place Concrete (Floors, Columns and roof) – Good Condition

Exterior Enclosure:

Brick Walls: Good Condition but will need continued maintenance. Current walls include wall cavity, weeps and insulation. There is a CMU back-up wall to the exterior brick façade

Windows: End of lifespan, difficult to operate, needs to be replaced. Fair Condition

Doors: Door and Hardware showing affects of age. Fair Condition

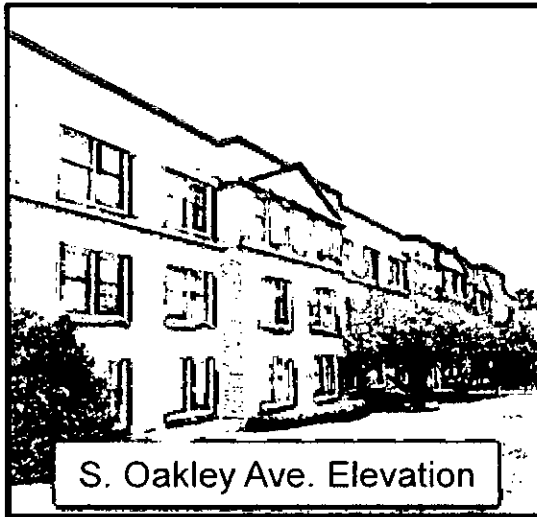
Roof: The roof membrane and insulation is original to the building. The roof and insulation should be replaced. The insulation value can be improved at that time.

MEP Systems: Most systems are 25 plus years old and are at the end of their life span. The chiller and cooling tower are 4 years old. Efforts should be investigated to reuse this equipment in a renovation.

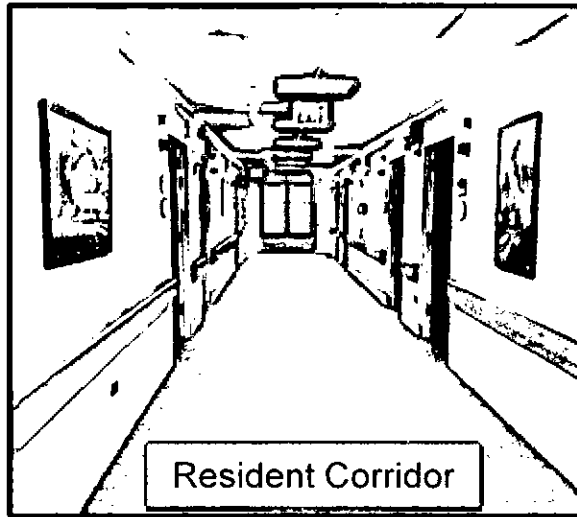


building evaluation

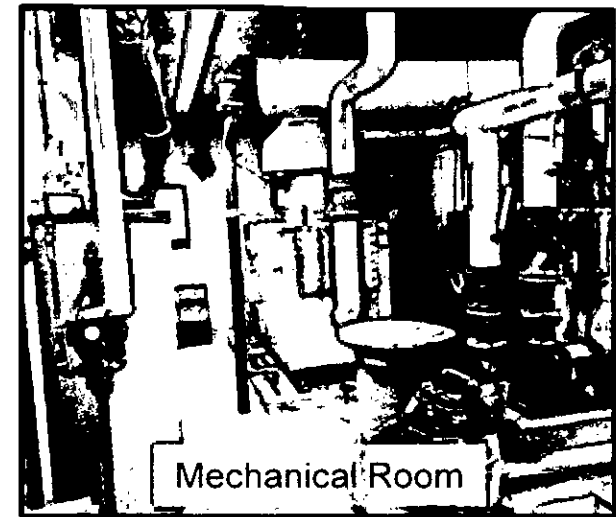
Skilled Care Building



S. Oakley Ave. Elevation



Resident Corridor



Mechanical Room

Recommendations:

A. Complete Building Renovation Project

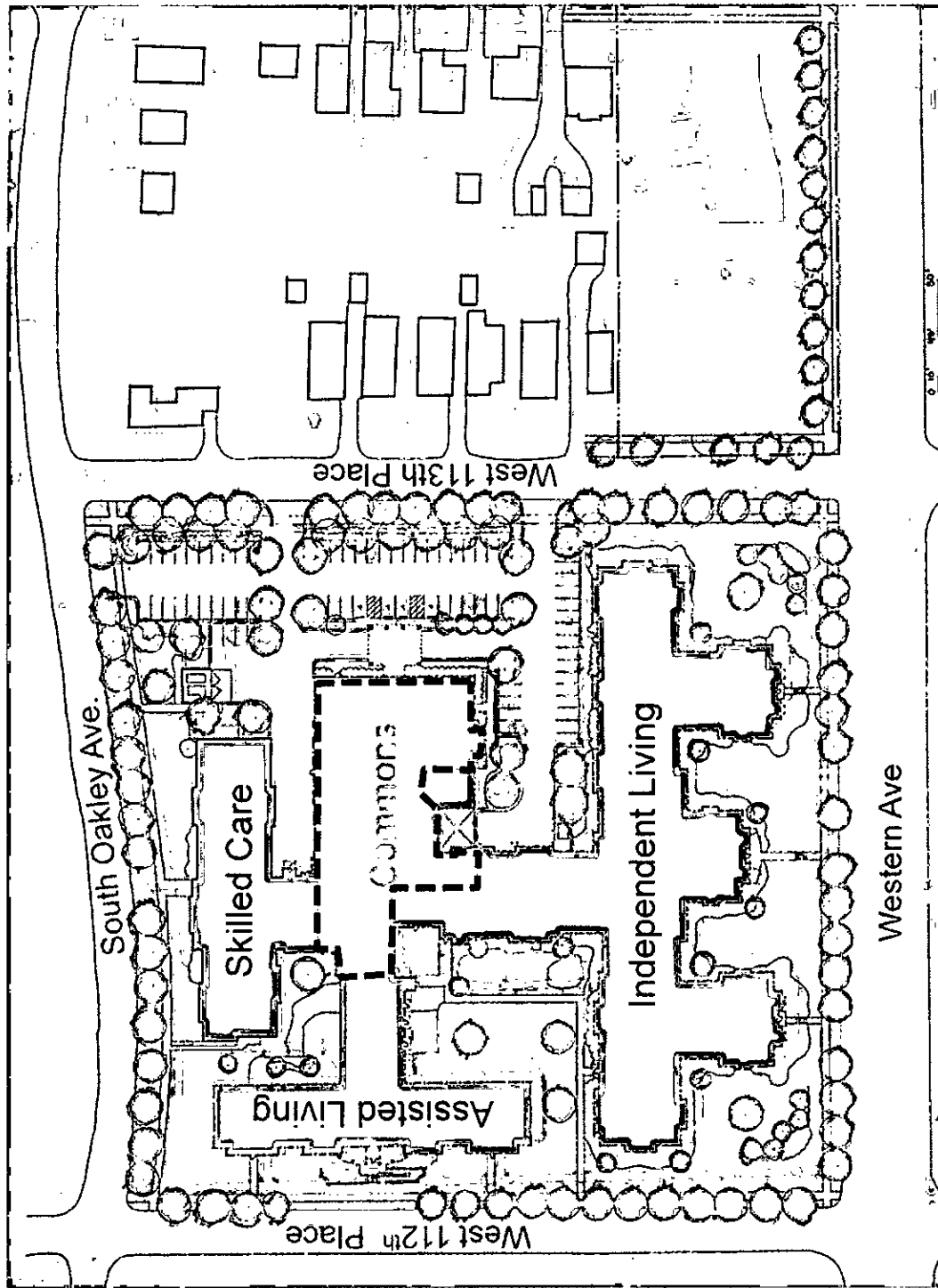
The structure, exterior wall system and general configuration of the building can be reused. The majority of the systems, finishes, exterior openings and roof should be replaced in this type of project.

B. Capital Building Improvement Projects:

If a building renovation project is not in the near future, a 5 year capital building improvement schedule should be developed. Initial projects should include MEP and Low Voltage system replacements. Other projects should include roof, window and door replacement.

- The building does not have a building automation system. It is recommended that this system be installed.
- Consider adding lightning protection system.

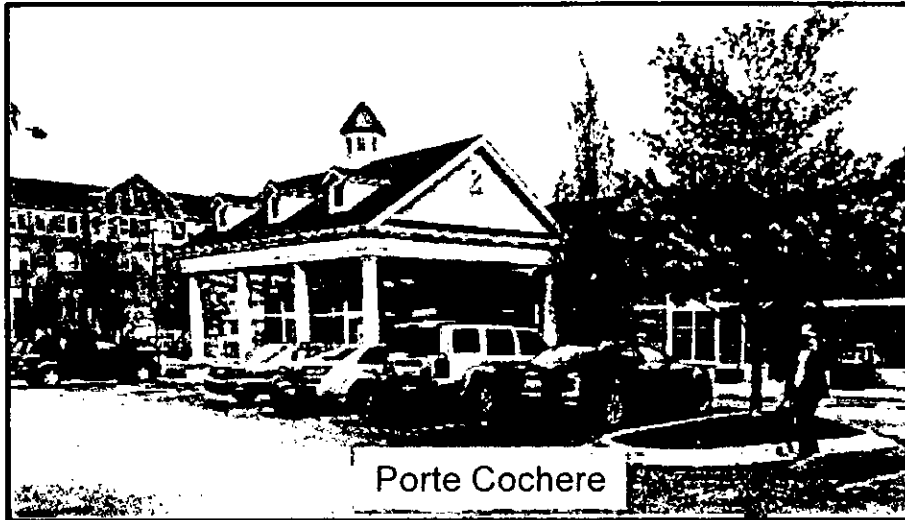
Commons Building



building evaluation



Commons Building



Original Construction: 2006 - 2007 (10 - 11 Years Old)

Structure: Precast columns, beams and plank in parking garage. Wood framing for walls and roof of Commons – Good Condition

Exterior Enclosure:

Brick Walls: Good Condition. There are a couple of flashing details that need to be corrected

Windows: Good condition.

Doors: Good Condition.

Roof: The roof is a green roof. It is in good condition

MEP Systems: The MEP and Low Voltage systems are approximately 10 years old. The systems are in good condition but need a couple issues addressed

Commons Building



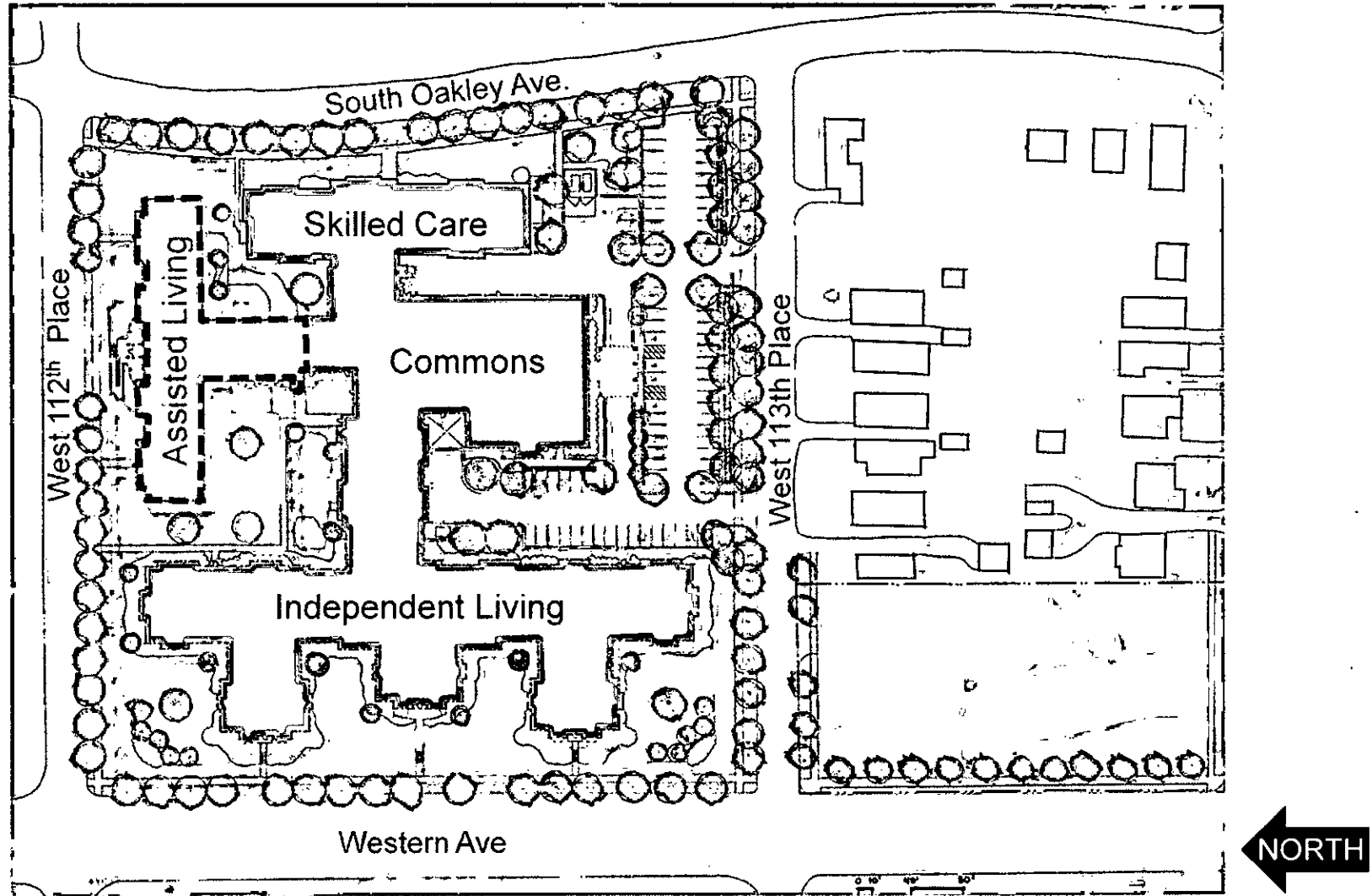
Recommendations:

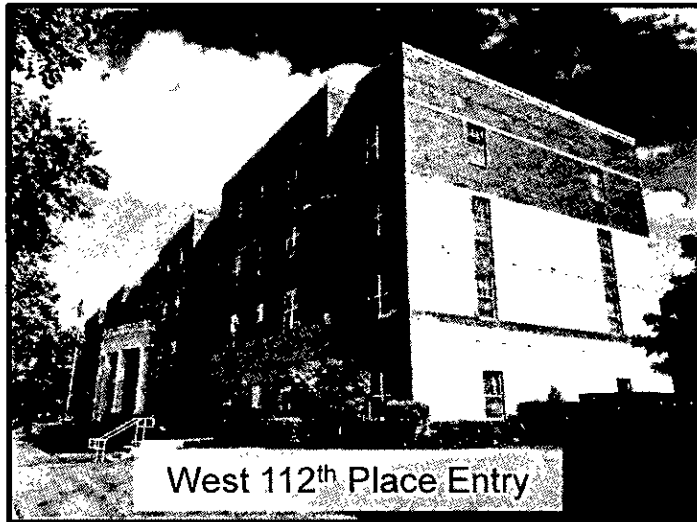
- A. The building is 10 – 11 years old and in good shape. The building systems and building components typically have a life cycle of approximately 25 years. The building is in good condition and requires typical maintenance at this time.
- B. There are a couple of outstanding items that need to be addressed;
 1. The Kitchen air-conditioning does not cool the kitchen. Investigate supplementing the air-conditioning in this area. The MUA unit is currently not working correctly. This could be part of the issue
 2. The Kitchen dishwasher needs to be replaced. This was a reused piece of equipment from the previous building. The equipment is old and inefficient.
 3. The hot water system failed early (7-8 years into the life of the equipment) Alderson Engineering is investigating options.
 4. Some of the corridors are shared by residents and kitchen / delivery cart traffic. The floors in these areas are showing wear and discoloration. Alternative materials are to be investigated.
 5. The building does not have a building automation system. It is recommended that this system be installed.



building evaluation

Assisted Living Building



West 112th Place Entry

Flashing



Resident Corridor

Assisted Living

Original Construction: 2005 - 2006 (11 - 12 Years Old)

Structure: Precast plank and CMU bearing – Good Condition

Exterior Enclosure:

Brick Walls: Good Condition. There are a couple of flashing issues that need to be inspected

Windows: Good condition.

Doors: Fair to Good Condition.

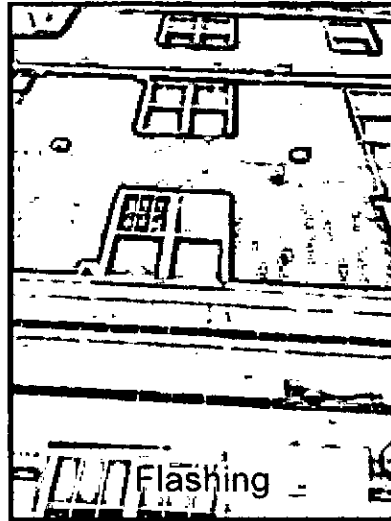
Roof: The roof is a white TPO roof. It is in good condition

MEP Systems: The MEP and Low Voltage systems are approximately 10 years old. The systems are in good condition

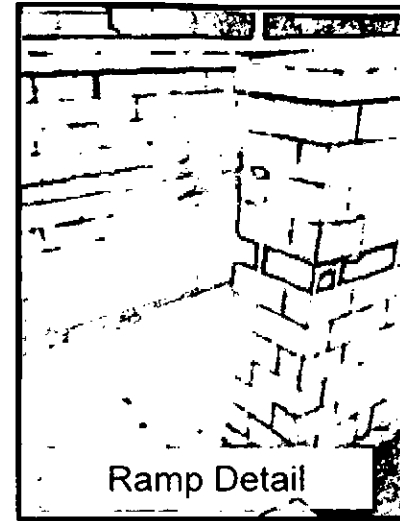
Assisted Living



West 112th Place Entry



Flashing

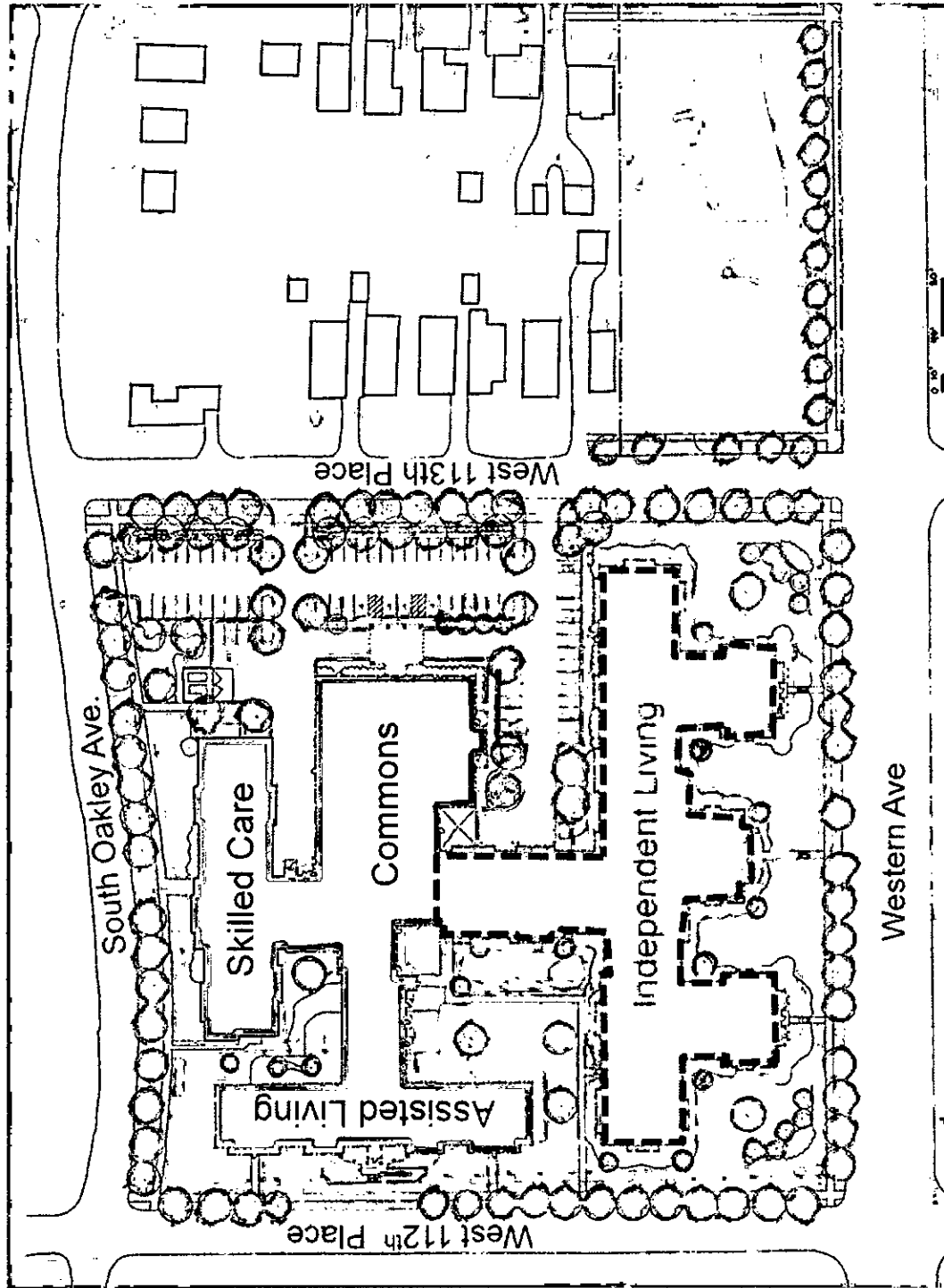


Ramp Detail

Recommendations:

- A. *The building is 11 – 12 years old and in good shape. The building systems and building components typically have a life cycle of approximately 25 years. The building is in good condition and requires typical maintenance at this time.*
- B. *There are a couple of outstanding items that need to be addressed;*
 1. *The hot water system failed early (7-8 years into the life of the equipment) Alderson Engineering is investigating options. These units have been replaced.*
 2. *The building does not have a building automation system. It is recommended that a system be installed.*
 3. *The entrance on West 112th Place has a ramp adjacent to the stairs. The ramp is too narrow and the walls are falling apart. It is recommended to replace the ramp system.*

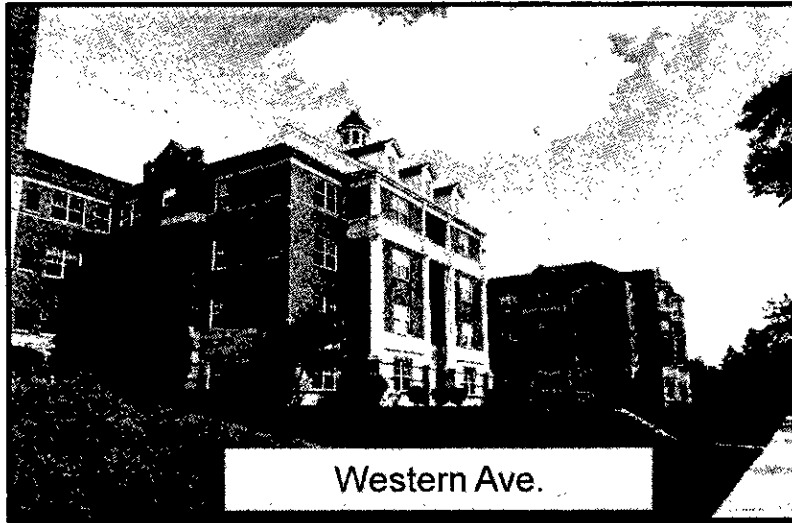
Independent Living Building



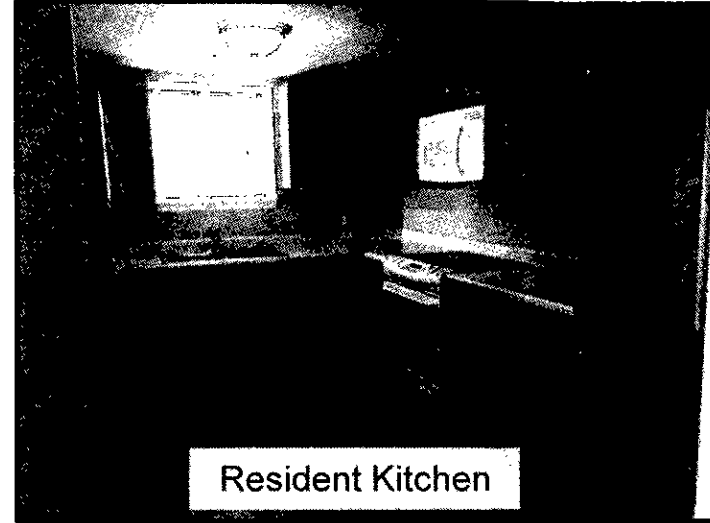
building evaluation

rlps architects

Independent Living Building



Western Ave.



Resident Kitchen

Original Construction: 2006 - 2007 (10 - 11 Years Old)

Structure: Precast plank and CMU bearing – Good Condition

Exterior Enclosure:

Brick Walls: Good Condition.

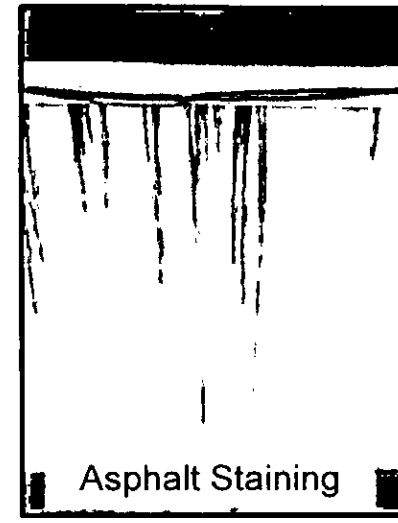
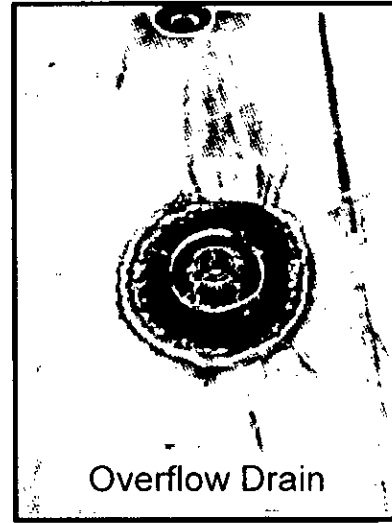
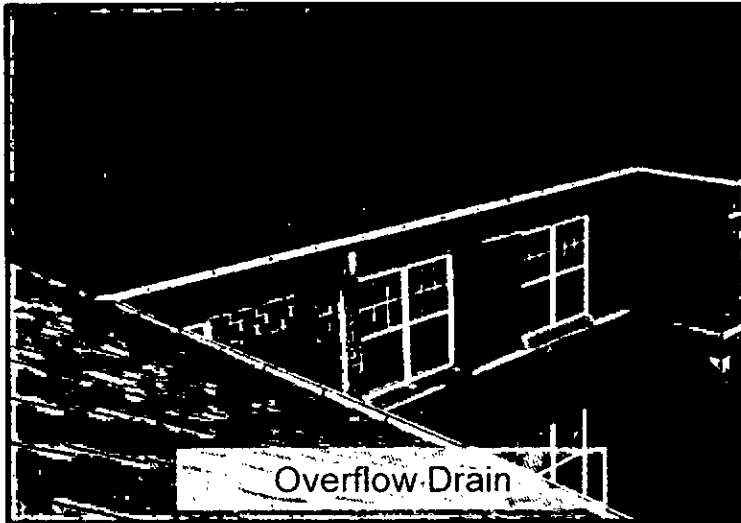
Windows: Good condition.

Doors: Good Condition.

Roof: The roof is a white TPO roof. It is in good condition. Correct issues with overflow drains

MEP Systems: The MEP and Low Voltage systems are approximately 10 years old. The systems are in good condition

Independent Living Building



Recommendations:

- A. *The building is 10 – 11 years old and in good shape. The building systems and building components typically have a life cycle of approximately 25 years. The building is in good condition and requires typical maintenance at this time.*
- B. *There are a couple of outstanding items that need to be addressed;*
 - 1. *Alderson Engineering is investigating the hot water systems.*
 - 2. *The building does not have a building automation system. It is recommended that this system be installed.*
 - 3. *The roof overflow drains are problematic. Re-install overflow drains without sump and above roof drain.*
 - 4. *Investigate asphaltic staining on roof and under conduit (Roof compatibility issue).*
 - 5. *Consider adding lightning protection system.*



August 31, 2017

**RLPS Architects
250 Valleybrook Drive
Lancaster, PA 17601**

SENT VIA E-MAIL

Att: Mr. Chris Linkey, AIA
Re: Smith Village / 17-450 / MEP&FP Existing Conditions Report

Dear Chris;

Pursuant to your request, and in accordance with the scope of work outlined our proposal to you, we have visited the above reference property, reviewed the documentation provided to us for the facility and have prepared the attached "Mechanical, Plumbing, Electrical, and Fire Protection Systems Existing Conditions" report.

The report has been prepared within the bounds of reasonable engineering certainty and subject to revisions, should additional information become available.

If there are any questions, or if we can be of any further service, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Simmonds'.

Michael Simmonds, P.E.
Alderson Engineering, Inc.

ATTACHMENT-10C

Title:

**"Mechanical, Electrical, Plumbing,
and Fire Protection Existing Conditions Report"**

AEI Project #17-450

Property:

Smith Village

2320 West 113th Place

Chicago, IL 60643

Report Prepared For:

RLPS Architects
250 Valleybrook Drive
Lancaster, PA 17601

Att: Mr. Chris Linkey, AIA

Prepared by:

Alderson Engineering, Inc.
407 Lakeside Drive
Southampton, PA 18966

Michael Simmonds, P.E.

Date:

August 31, 2017

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Executive Summary

RLPS Architects has retained Alderson Engineering, Inc. to prepare a "Mechanical, Electrical, Plumbing, and Fire Protection Existing Conditions Report" for the Masonic Village at Burlington New Jersey. The following summarizes our findings regarding the MEP & FP systems:

A. Johanson Skilled Nursing Building

1. HVAC Systems

The existing Heating, Ventilation, and Air Conditioning systems are in **VARYING** condition. Selective replacement of equipment considered to be in poor condition will be required due to the age of the equipment. It is recommended that the rooftop ventilation unit and exhaust fans be replaced with an Energy Recovery Unit for greater energy efficiency and to meet current ventilation codes. Reconfiguration of duct and pipe systems may be required to accommodate the new mechanical equipment. It is recommended that the boiler plant be replaced to provide greater operating efficiency. It is recommended the existing pneumatic controls be replaced with a Direct Digital Control system. Replacement of the chiller, cooling tower, and other central plant equipment may be required to accommodate building expansion.

2. Electrical / Power Systems

The existing Power Distribution equipment is in **FAIR** to **GOOD** condition. Incoming service and electrical gear may need to be replaced to accommodate building expansion. Additional generator capacity may be required to accommodate building expansion and bring existing building up to current codes.

The existing Nurse Call system is in **FAIR** condition. Nurse Call system may require upgrade/replacement to meet current codes and for compatibility with newer systems in other buildings.

Fire Alarm & Life Safety systems are in **FAIR** condition. Fire Alarm & Life Safety systems may require upgrade/replacement to meet current codes and for compatibility with newer systems in other buildings.

Data, Communications & Television systems are in **FAIR** condition and no major replacement of equipment is required.

3. Plumbing Systems

The existing domestic water distribution, domestic hot water heating, and sanitary systems are in **VARYING** condition. Selective replacement of equipment considered to be in poor condition will be required due to the age of the equipment. The water heating plant shall be replaced with a high efficiency plant for increased energy efficiency and added capacity. A mixing valve should be added to allow for 140°F water storage. Reconfiguration of piping systems may be required to accommodate the new plumbing equipment.

4. Fire Protection Systems

The existing sprinkler system is in **FAIR** condition. Reconfiguration of piping and relocation of sprinkler heads may be required to accommodate renovations. Replacement of the fire pump may be required to accommodate building expansion.

Executive Summary

B. Assisted Living Building

1. HVAC Systems

The existing Heating, Ventilation, and Air Conditioning system is in **FAIR** to **GOOD** condition. It is recommended that equipment be repaired or replaced on an as-needed basis.

2. Electrical / Power Systems

The existing Power Distribution equipment is in **GOOD** condition. No power distribution equipment replacement is expected.

The existing 4th floor Nurse Call is in **FAIR** to **GOOD** condition. Nurse call system may require upgrade or replacement for compatibility with newer systems in other buildings.

Fire Alarm & Life Safety systems are in **FAIR** to **GOOD** condition and no major replacement of equipment is required.

Data, Communications & Television systems are in **GOOD** condition and no major replacement of equipment is required.

3. Plumbing Systems

The existing domestic water distribution, domestic hot water heating, and sanitary systems are in **VARYING** condition. Water heaters should be replaced in the next (5) years. A water quality test should be done to help determine cause of water heater tank failure. Replacement water heater plant shall have cement lined tanks if water is too hard. Alternatively, water softeners can be installed on incoming cold water line. Reconfiguration of piping systems may be required to accommodate the new plumbing equipment.

4. Fire Protection Systems

The existing sprinkler system is in **GOOD** condition. Reconfiguration of piping and relocation of sprinkler heads may be required to accommodate renovations.

C. Independent Living Building

1. HVAC Systems

The existing Heating, Ventilation, and Air Conditioning system is in **FAIR to GOOD** condition. It is recommended that equipment be repaired or replaced on an as-needed basis.

2. Electrical / Power Systems

The existing Power Distribution equipment is in **GOOD** condition. No power distribution equipment replacement is expected unless generator capacity needs to be increased to handle additional loads.

There is no existing nurse call system in this space.

Fire Alarm & Life Safety systems are in **GOOD** condition and no major replacement of equipment is required..

Data, Communications & Television systems are in **GOOD** condition and no major replacement of equipment is required.

3. Plumbing Systems

The existing domestic water distribution, domestic hot water heating, and sanitary systems are in **VARYING** condition. Water heaters should be replaced in the next (5) years. A water quality test should be done to help determine cause of water heater tank failure. Replacement water heater plant shall have cement lined tanks if water is too hard. Alternatively, water softeners can be installed on incoming cold water line. Reconfiguration of piping systems may be required to accommodate the new plumbing equipment.

4. Fire Protection Systems

The existing sprinkler system is in **GOOD** condition. Reconfiguration of piping and relocation of sprinkler heads may be required to accommodate renovations.

Executive Summary

D. Commons Building

1. HVAC Systems

The existing Heating, Ventilation, and Air Conditioning systems are in **FAIR** to **GOOD** condition. It is recommended that the rooftop unit serving the kitchen be replaced due to equipment failure. Selective replacement of equipment and re-configuration of ductwork may be required to accommodate any space re-programming.

2. Electrical / Power Systems

The existing Power Distribution equipment is in **GOOD** condition. No power distribution equipment replacement is expected.

There is no existing nurse call system in this space.

Fire Alarm & Life Safety systems are in **GOOD** condition and no major replacement of equipment is required..

Data, Communications & Television systems are in **GOOD** condition and no major replacement of equipment is required.

3. Plumbing Systems

The existing domestic water distribution, domestic hot water heating, and sanitary systems are in **VARYING** condition. Water heaters should be replaced in the next (5) years. A water quality test should be done to help determine cause of water heater tank failure. Replacement water heater plant shall have cement lined tanks if water is too hard. Alternatively, water softeners can be installed on incoming cold water line. Reconfiguration of piping systems may be required to accommodate the new plumbing equipment.

4. Fire Protection Systems

The existing sprinkler system is in **GOOD** condition. Reconfiguration of piping and relocation of sprinkler heads may be required to accommodate renovations.

Introduction

This report has been prepared at the request of RLPS Architects to ascertain the condition of the existing Mechanical, Plumbing, Electrical, and Fire Protection systems at Smith Village.

Notice

1. Limited Use of Report - The information contained in this report was prepared from observations, discussion, and opinions prepared by Alderson Engineering, Inc. solely for the convenience of Alderson Engineering, Inc., RLPS Architects and Smith Village. It is designed to be used solely by Alderson Engineering, Inc., RLPS Architects and Smith Village in their internal evaluation as to the suitability or economic viability of various Mechanical/Electrical systems as they relate to this property. This report is not to be used for any other purpose without the expressed written consent of Alderson Engineering, Inc. Alderson Engineering, Inc. takes no responsibility for the use of this report other than for the extremely limited purposes for which it was intended.

Material Available

1. Project Documents:
 - a. Project Drawings; 1990 – Addition to Washington & Jane Smith Home (Shayman & Salk Co)
 - b. Project Drawings; 2005 – Assisted Living Building (AG Architecture)
 - c. Project Drawings; 2006 – Phase II - Independent Living / Commons Building (AG Architecture)
 - d. Project Drawings; 2008 – Johanson Skilled Nursing Building Remodeling (AG Architecture)

Existing Mechanical Systems Description

A. Johanson Skilled Nursing Building

The Johanson Skilled Nursing Building was built in 1990 and renovated in 2010. Four pipe fan coil units provide heating and cooling to all spaces throughout the building. A central plant with gas-fired boilers, water-cooled chiller, cooling tower, and associated pumps provides hot water and chilled water for the 4-pipe system. The cooling tower is located on grade, adjacent to the parking lot, and is new within the last five years. The chiller is located in a dedicated enclosed room and is also new within the last five years. All other central plant equipment is located in the basement mechanical room. All central plant equipment is original, besides cooling tower pumps which were replaced within the last five years.

A rooftop 4-pipe air handling unit with electric reheat provides fresh air to all spaces. Exhaust is collected and exhausted through rooftop fans.

The mechanical equipment is controlled by a pneumatic system that has been poorly maintained and is failing. The resident room fan coil units have on/off control but lack individual temperature control.

Refer to "Exhibit I – Mechanical Equipment Survey" for more information about the condition of specific mechanical equipment that serves this building.

B. Assisted Living Building

The Assisted Living Building was built in 2006. Magik-Pak packaged vertical units with gas heat provide conditioning for the resident units on the first three floors. Split systems with gas furnaces provide conditioning for corridors, common areas, and back of house spaces. Roof mounted Heat Recovery Ventilators provide fresh air to each split system and exhaust from core area support spaces. Local ceiling mounted exhaust fans provide exhaust for resident room bathrooms on the first three floors.

Conditioning for the fourth floor Memory Care resident rooms is provided by split systems with gas furnaces. Each MC resident unit has a reheat coil for individual temperature control. Heat Recovery Ventilators provide fresh air to all split systems and exhaust from all spaces requiring exhaust on the fourth floor.

A rooftop replacement air unit conditions the kitchen and provides make-up air for the kitchen exhaust hood. The unit is interlocked to the kitchen exhaust hood to operate in two modes. The hood and dishwasher are exhausted through rooftop fans.

Refer to "Exhibit I – Mechanical Equipment Survey" for more information about the condition of specific mechanical equipment in this building.

C. Independent Living Building

The Independent Living Building was built in 2008. Magik-Pak packaged vertical units with gas heat provide conditioning for the resident units. Split systems with gas furnaces provide conditioning for corridors, common areas, and back of house spaces. Roof mounted Heat Recovery Ventilators provide fresh air to each split system. Local ceiling mounted exhaust fans provide exhaust for resident room bathrooms.

Ceiling hung gas unit heaters provide heat for the garage. Sidewall exhaust fans and intake louvers linked to CO2 sensors control garage ventilation.

Existing Mechanical Systems Description

Refer to "Exhibit I – Mechanical Equipment Survey" for more information about the condition of specific mechanical equipment that serves this building.

D. Commons Building

The Commons Building was built in 2008. Packaged rooftop units with gas heat provide conditioning to first floor dining, recreation, and other resident gathering areas. Roof mounted heat recovery ventilators provide fresh air to the first, second, and third floors. Split systems with gas furnaces provide conditioning for offices, physical therapy, restrooms, and other back of house spaces. Heat Recovery Ventilators located in basement mechanical rooms provide fresh air for basement level back of house spaces.

A rooftop replacement air unit conditions the kitchen and provides make-up air for the kitchen exhaust hood. The unit is interlocked to the kitchen exhaust hood to operate in two modes. The hood and dishwasher are exhausted through rooftop fans.

Ceiling hung gas unit heaters provide heat for the garage. Sidewall exhaust fans and intake louvers linked to CO2 sensors control garage ventilation.

Refer to "Exhibit I – Mechanical Equipment Survey" for more information about the condition of specific mechanical equipment that serves this building.

Existing Electrical Systems Description

A. Johanson Skilled Nursing Building

The Johanson Building is fed from a pad mounted utility transformer located adjacent to the building. The incoming feed is 2,400 AMP @ 120/208V 3Ø. The basement electrical room houses the main distribution panels, distribution sub-panels, critical distribution panel, generator distribution panel, automatic transfer switches, and various other pieces of electrical equipment. The generator is located in the basement adjacent to the electrical room. The diesel generator has a capacity of 125 kW with a 275 gallon fuel tank. The generator is exercised regularly.

Refer to "Exhibit II – Electrical Equipment Survey" for more information about the condition of specific electrical equipment that serves these spaces.

B. Assisted Living Building

The Assisted Living Building is fed from a pad mounted utility transformer located in the courtyard area. The incoming feed is 2,400 AMP @ 120/208V 3Ø. The basement electrical room houses the main distribution panels, distribution sub-panels, and various other pieces of electrical equipment. The AL Building emergency circuits are connected to the 250 kW generator located in the Independent Living Building Basement. Resident units have individual load centers.

Refer to "Exhibit II – Electrical Equipment Survey" for more information about the condition of specific electrical equipment that serves these buildings.

C. Independent Living Building

The Commons Building has two incoming services fed from pad mounted utility transformers located in the courtyard area. The incoming feeds are 2,500 AMP @ 120/208V 3Ø for the south wing and 2,000 AMP @ 120/208V 3Ø. The IL Building basement electrical room houses the main distribution panels, distribution sub-panels, critical distribution panel, generator distribution panel, automatic transfer switches, and various other pieces of electrical equipment. The 250 kW diesel generator serving IL, AL, and Commons is located in the IL basement. The generator has a 400 gallon fuel tank is exercised regularly.

Refer to "Exhibit II – Electrical Equipment Survey" for more information about the condition of specific electrical equipment that serves these buildings.

D. Commons Building

The Commons Building is fed from a pad mounted utility transformer located in the courtyard area. The incoming feed is 2,500 AMP @ 120/208V 3Ø. The IL Building basement electrical room houses the main distribution panels, distribution sub-panels, critical distribution panel, generator distribution panel, automatic transfer switches, and various other pieces of electrical equipment. Commons Building emergency circuits are connected to the 250 kW generator located in the Independent Living Building Basement.

Refer to "Exhibit II – Electrical Equipment Survey" for more information about the condition of specific electrical equipment that serves these buildings.

Existing Plumbing Systems Description

A. Johanson Skilled Nursing Building

The incoming domestic water service and domestic water booster pump are located in the basement pump room. The domestic hot water plant consists of one boiler type water heater and one storage tank. Hot water is distributed at 110°F with no mixing valve. Sewage ejector pumps located in the basement mechanical room handle the drainage from the lowest level.

The evaluation of individual plumbing fixtures, such as sinks and toilets, was not included as part of this study.

Refer to "Exhibit III – Plumbing Equipment Survey" for more information about the condition of specific plumbing equipment that serves these spaces.

B. Assisted Living Building

The incoming domestic water service and domestic water booster pump are located in Water/Mech Room #AL119. The original domestic hot water plant consisted of three high efficiency tank type gas water heaters. Water heaters have been failing within (7) years of install. Currently, one heater has been removed.

The evaluation of individual plumbing fixtures, such as sinks and toilets, was not included as part of this study.

Refer to "Exhibit III – Plumbing Equipment Survey" for more information about the condition of specific plumbing equipment in these buildings.

C. Independent Living Building

The incoming domestic water service and domestic water booster pump are located in the basement. The domestic hot water plant consists of three high efficiency tank type gas water heaters. The water heaters produce 140°F hot water. Water is mixed down and distributed at 110°F and 120°F. Water heaters have been failing within (7) years of install.

The evaluation of individual plumbing fixtures, such as sinks and toilets, was not included as part of this study.

Refer to "Exhibit III – Plumbing Equipment Survey" for more information about the condition of specific plumbing equipment in these buildings.

D. Commons Building

The Commons Building domestic cold water system is connected to and originates in the Independent Living Building. The incoming service and booster pump are located in the IL Building. The domestic hot water plant consists of two high efficiency tank type gas water heaters. The water heaters produce 160°F hot water.

The evaluation of individual plumbing fixtures, such as sinks and toilets, was not included as part of this study.

Existing Fire Protection Systems Description

A. Johanson Skilled Nursing Building

The Johanson Skilled Nursing Building is fully sprinklered. The sprinklers heads are semi-recessed pendant style in areas with ceilings and exposed pendants in areas without ceilings. Selective replacement of sprinkler heads occurred during the 2008 building renovation. The existing electric fire pump and incoming fire water service are located in the basement Fire Pump Room. The fire pump and incoming service equipment are tested regularly.

Refer to "Exhibit IV – Fire Protection Equipment Survey" for more information about the condition of specific fire protection equipment that serves this building.

B. Assisted Living Building

The Assisted Living Building is fully sprinklered. The sprinklers heads are semi-recessed pendant style in areas with ceilings and exposed pendants in areas without ceilings. The existing electric fire pump and fire water service are located in the first floor Water/Mech Room #AL119. The fire pump and incoming service equipment are tested regularly.

Refer to "Exhibit IV – Fire Protection Equipment Survey" for more information about the condition of specific fire protection equipment that serves these building.

C. Independent Living Building

The Independent Living Building is fully sprinklered. The sprinklers heads are semi-recessed pendant style in areas with ceilings and exposed pendants in areas without ceilings. The existing electric fire pump and fire water service are located in the basement pump room. The fire pump and incoming fire water service equipment are tested regularly.

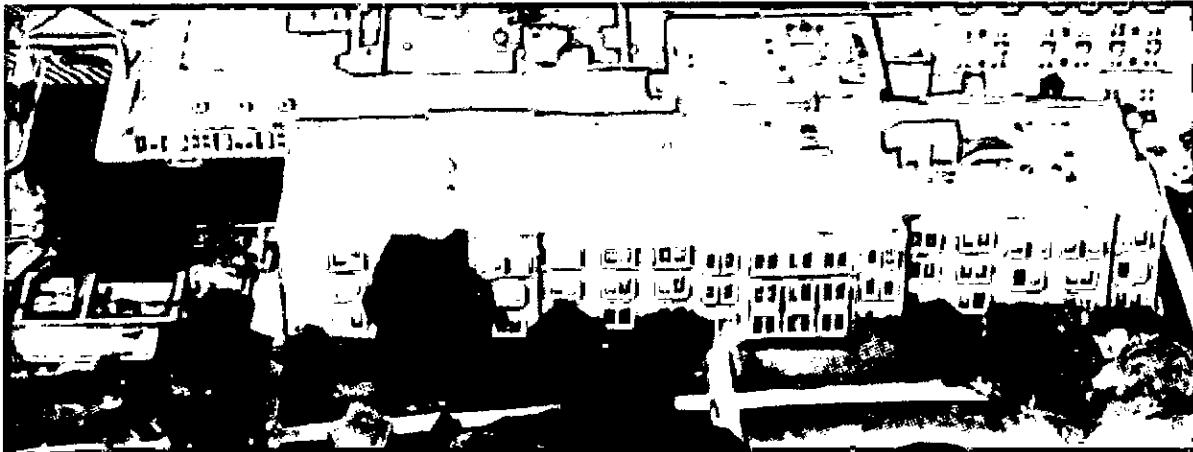
Refer to "Exhibit IV – Fire Protection Equipment Survey" for more information about the condition of specific fire protection equipment that serves this building.

D. Commons Building

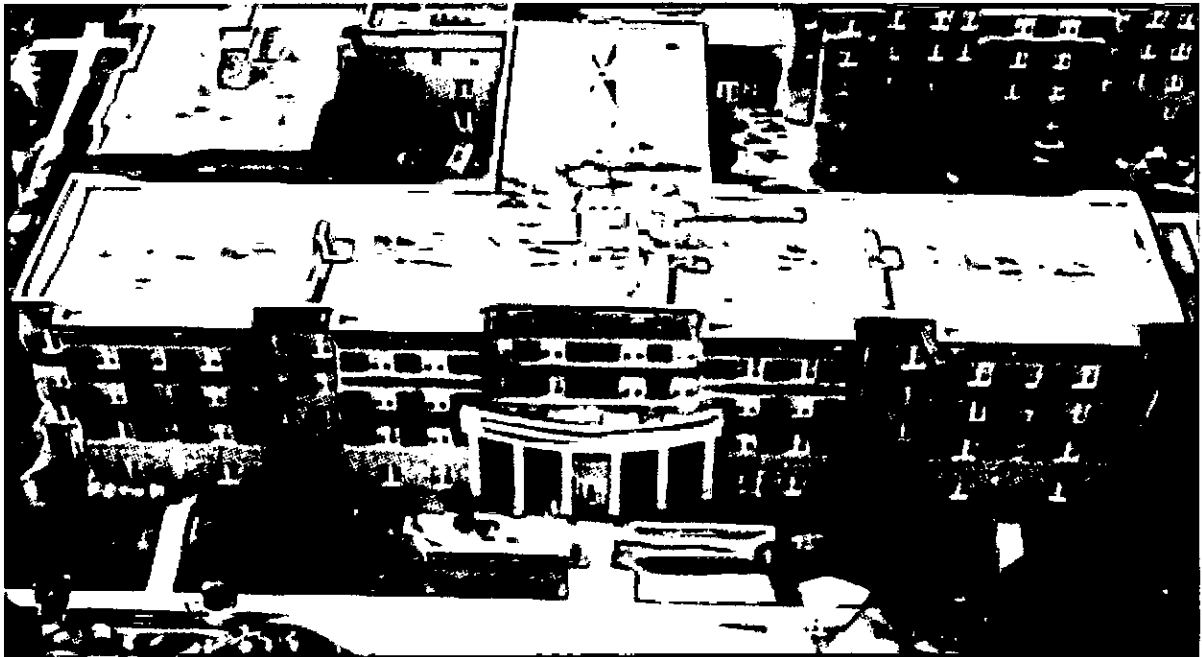
The Commons Building is fully sprinklered. The sprinklers heads are semi-recessed pendant style in areas with ceilings and exposed pendants in areas without ceilings. The sprinkler system is connected to the Independent Living Building sprinkler system. The building has a dry sprinkler system in the attic with the dry valve and compressor located in Storage Room C126.

MEP Site Plans

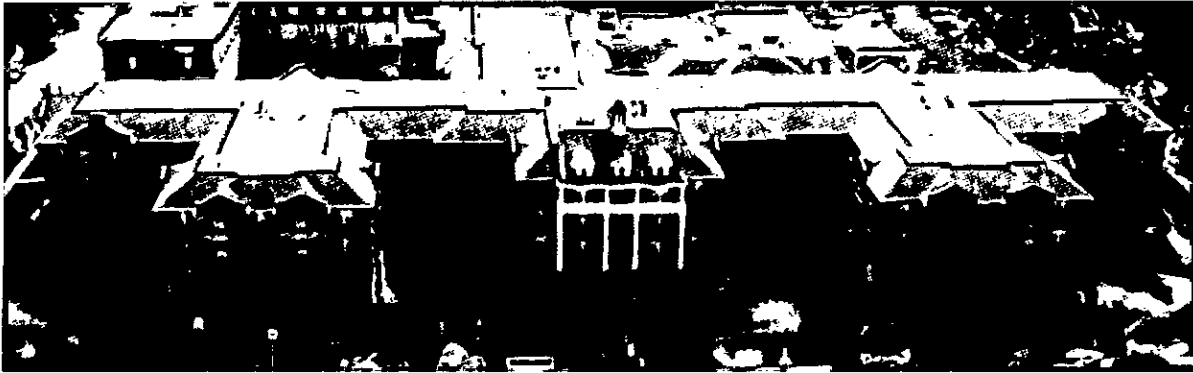
A. Johanson Skilled Nursing Building



B. Assisted Living Building



C. Independent Living Building



D. Commons Building



Notes for Exhibits I - IV

A. Exhibit I – Mechanical Equipment Survey

The lifespan of the mechanical equipment came from “Table 4 – Comparison of Service Life Estimates” in the 2015 edition of the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) *HVAC Applications* handbook. The service life estimates were calculated after a study was conducted in 1978. However, *HVAC Applications* notes that a newer study conducted in 2005 by Abramson et al., found that the data from the older research may be outdated and not statistically relevant. ASHRAE recommends that this data be used with caution until enough updated information is accumulated in the study being conducted by Abramson et al. (2005). Therefore, if a piece of mechanical is at the end or nearing the end of its listed lifespan, its condition and performance should be evaluated before it is discarded and replaced.

The room names used in “Exhibit I” are based on the room names found in the “Project Documents” found in the “Introduction” section of this report. Room names may have changed since the existing drawings were created.

If a piece of mechanical equipment is suggested to be replaced, then the corresponding electrical disconnect switch should be replaced as well.

B. Exhibit II – Electrical Equipment Survey

The lifecycle used for the electrical equipment was 45 years. There are many factors to take into consideration that determine a base number. 45 years was determined due to the site conditions, electrical loads, temperature conditions, and overall appearance and maintenance of the electrical distribution gear.

The lifecycle used for the generators was based upon research findings stating the average generator manufacturer's state the generator lifecycle is 15,000 to 20,000 hours. Thirty (30) years was noted upon a conservative calculation, determining testing and approximate emergency outages.

C. Exhibit III – Plumbing Equipment Survey

The room names used in “Exhibit III” are based on the room names found in the “Project Documents” found in the “Introduction” section of this report. Room names may have changed since the existing drawings were created.

D. Exhibit IV – Fire Protection Equipment Survey

The room names used in “Exhibit IV” are based on the room names found in the “Project Documents” found in the “Introduction” section of this report. Room names may have changed since the existing drawings were created.

Exhibit I – MEP Equipment Survey

JOHANSON

Unit Designation: AHU-1

Building: Johanson

Location: Roof

Manufacturer: York

Year Installed: 1991

Service: Building Ventilation

Condition of Equipment: FAIR

Life Expectancy: 25 Years

Years until Replacement: 0

Reccomendation: Existing system does not meet current ventilation codes. AHU should be replaced with new Energy Recovery Unit.

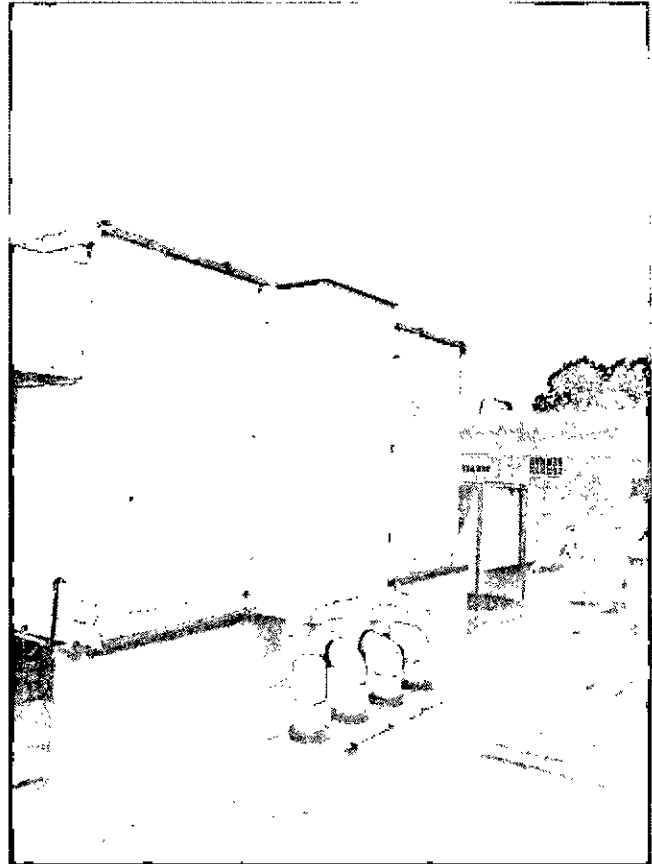


Exhibit I – MEP Equipment Survey

JOHANSON

Unit Designation: Exhaust Fans

Building: Johanson

Location: Roof

Manufacturer: Various

Year Installed: 1991

Service: General Exhaust

Condition of Equipment: FAIR

Life Expectancy: 20 Years

Years until Replacement: 0

Reccomendation: Existing ventilation system does not meet current ventilation codes. Exhaust fans should be replaced with new Energy Recovery Unit.



Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Chiller

Building: Johanson

Location: Basement Chiller Room

Manufacturer: York

Year Installed: 2013

Service: Chilled Water

Condition of Equipment: GOOD

Life Expectancy: 25 Years

Years until Replacement: 21

Reccomendation: Chiller replacement may be necessary if capacity is not enough to handle building expansion.

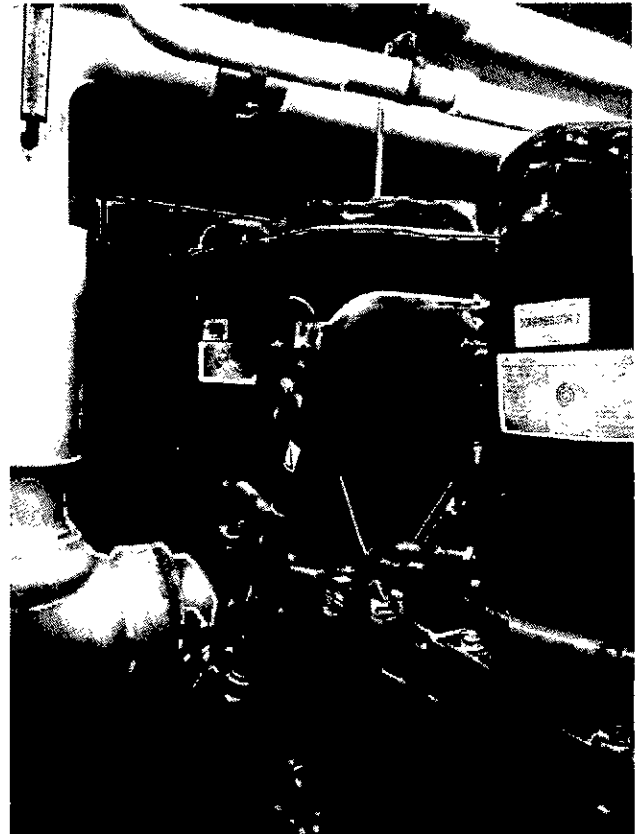


Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Boilers

Building: Johanson

Location: Basement Mechanical Room

Manufacturer: AJAX

Year Installed: 1991

Service: Heating Hot Water

Condition of Equipment: FAIR

Life Expectancy: 30 Years

Years until Replacement: 4

Reccomendation: Boilers should be replaced to provide greater operating efficiency. Boiler replacement may be necessary if capacity is not enough to handle building expansion.

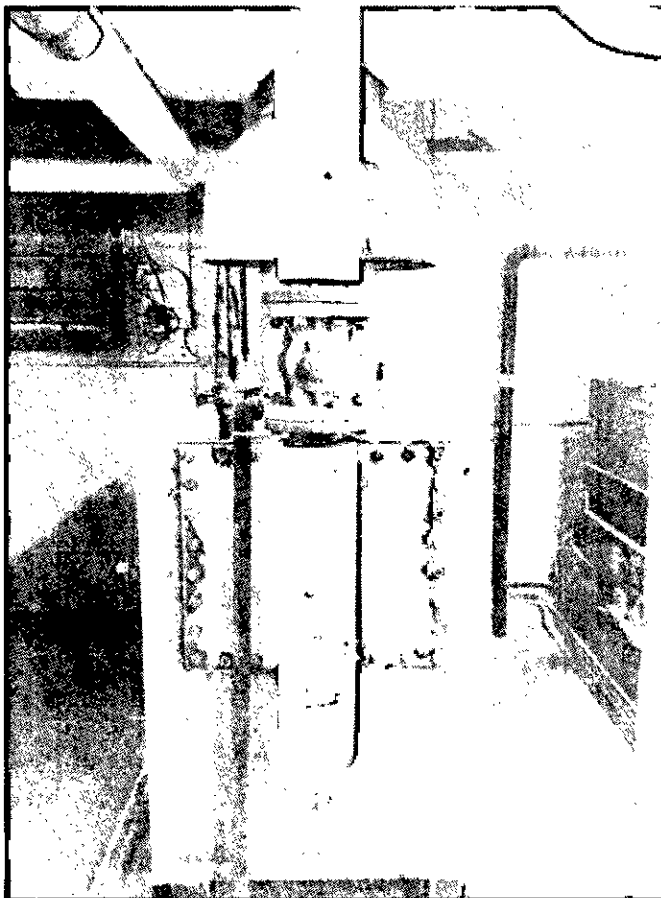


Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Pumps

Building: Johanson

Location: Basement Mechanical Room

Manufacturer: Bell & Gossett

Year Installed: 1991, 2012

Service: Heating Hot Water, Chilled Water, Cooling Tower Water

Condition of Equipment: FAIR to GOOD

Life Expectancy: 20-30 Years

Years until Replacement: 0, 25

Reccomendation: Heating Hot Water and Chilled Water pumps are nearing the end of their service life and should be replaced. Cooling tower pump replacement may be necessary to handle increased loads due to building expansion.

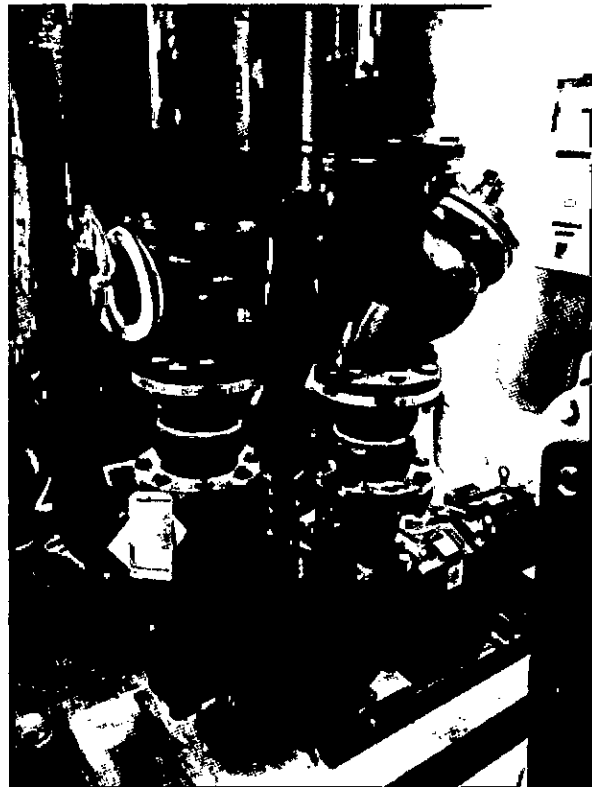
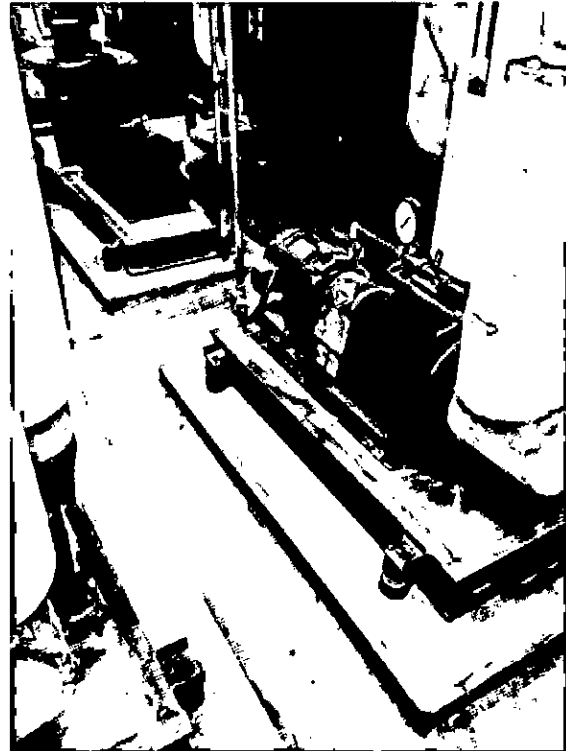


Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Cooling Tower
Building: Johanson
Location: On Grade
Manufacturer: Evapco
Year Installed: 2012
Service: Water Cooled Chiller Water

Condition of Equipment: GOOD
Life Expectancy: 25 Years
Years until Replacement: 20

Reccomendation: Cooling tower replacement may be necessary if capacity is not enough to handle building expansion. Cooling tower will need to be relocated to accommodate building expansion.

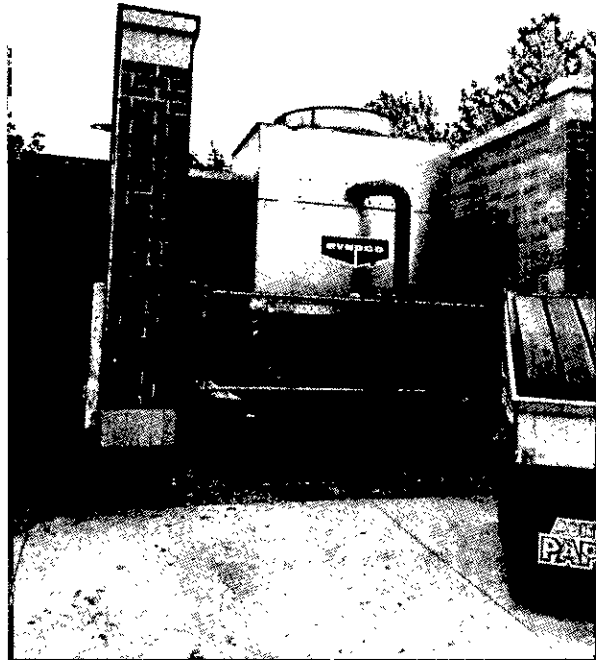


Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Fan Coil Units

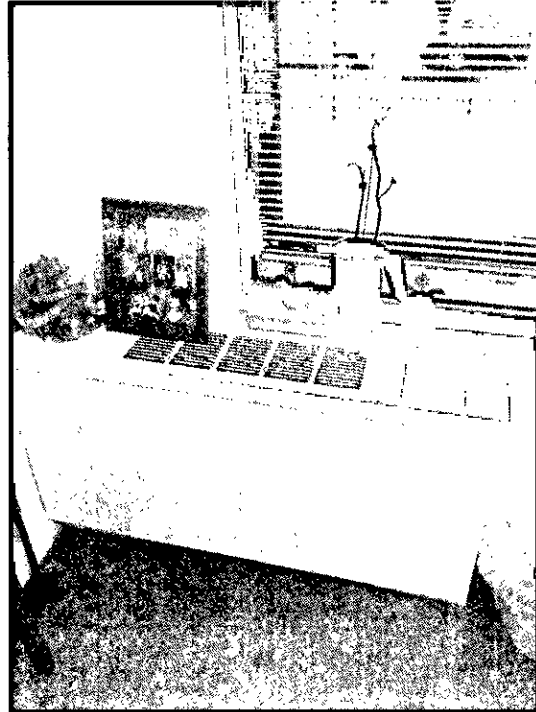
Building: Johanson

Location: All Spaces

Manufacturer: Unknown

Year Installed: 1991

Service: All Spaces



Condition of Equipment: FAIR

Life Expectancy: 25-35 Years

Years until Replacement: 0-9 Years

Reccomendation: Resident room fan coils do not have individual temperature control, only on/off control. All fan coils and controls should be replaced.

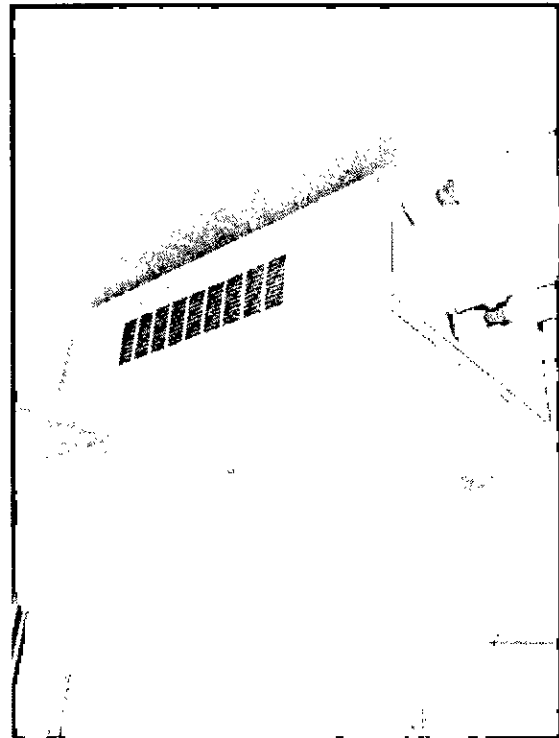


Exhibit I – Mechanical Equipment Survey

JOHANSON

Unit Designation: Controls

Building: Johanson

Location: All Spaces

Manufacturer: Powers

Year Installed: 1991

Service: All Spaces

Condition of Equipment: POOR

Life Expectancy: 25 Years

Years until Replacement: 0 Years

Reccomendation: Pneumatic controls have been poorly maintained and are failing. Controls should be replaced with a DDC control system connected to a centralized building automation system. BAS monitoring should also be added to equipment in other buildings.

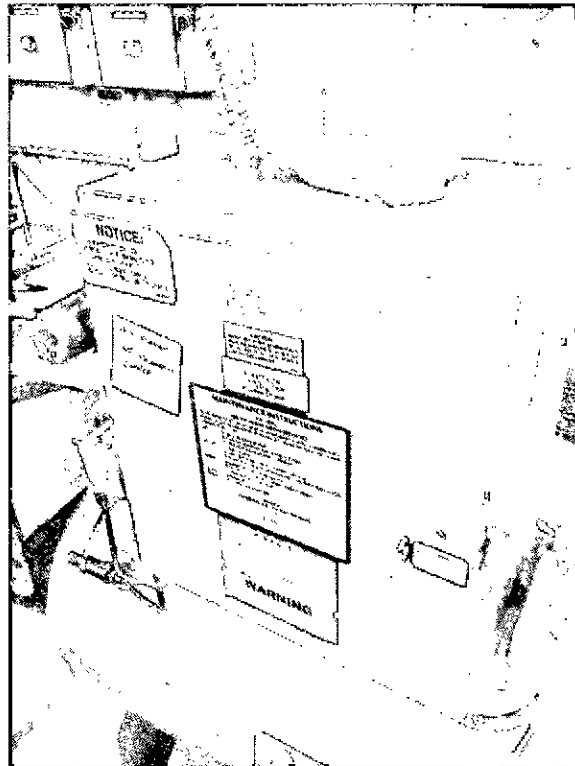


Exhibit I – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: HRVs

Building: Assisted Living

Location: Roof

Manufacturer: RenewAire

Year Installed: 2006

Service: MC Unit, Public Space, Back of House Ventilation

Condition of Equipment: FAIR

Life Expectancy: 25 Years

Years until Replacement: 14

Reccomendation: Heat Recovery

Ventilators shall be existing to remain and repaired as required.

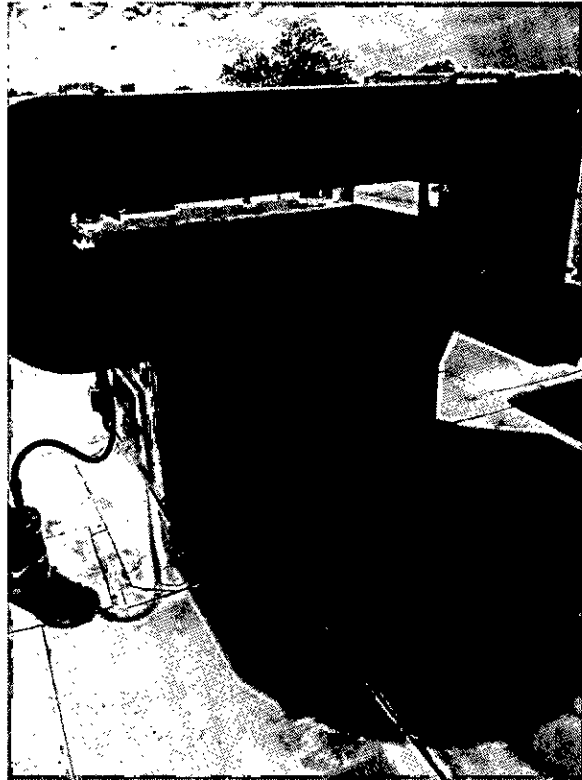


Exhibit I – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: RTU, KX

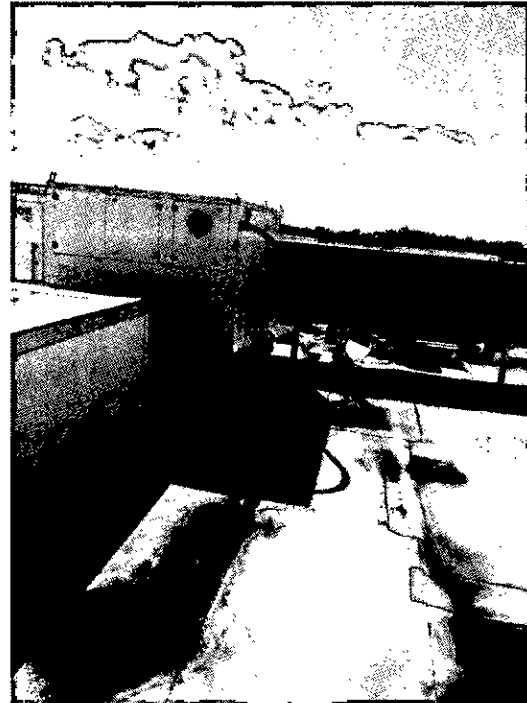
Building: Assisted Living

Location: Roof

Manufacturer: Reznor, Various

Year Installed: 2006

Service: Kitchen Ventilation and Exhaust



Condition of Equipment: FAIR

Life Expectancy: 20 Years

Years until Replacement: 9

Reccomendation: Kitchen make-up air units and exhaust fans shall be existing to remain and repaired as required.

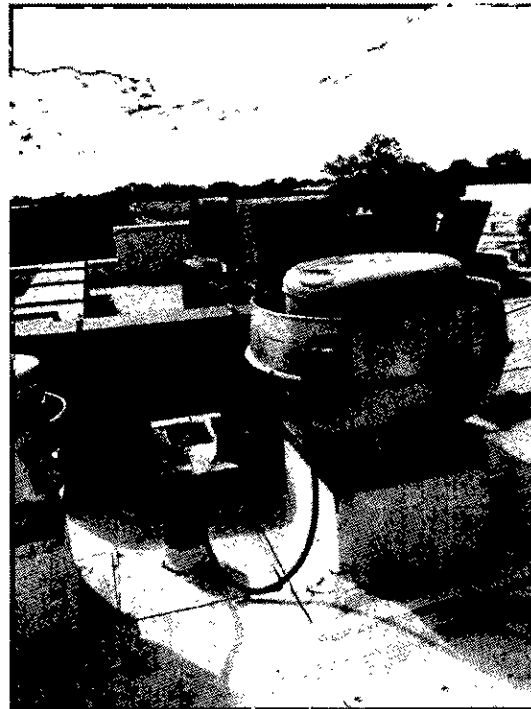


Exhibit I – Mechanical Equipment Survey

ASSISTED LIVING

Unit Designation: Magic-Paks

Building: Assisted Living

Location: Resident Units

Manufacturer: Magik-Pak

Year Installed: 2006

Service: Resident Units

Condition of Equipment: GOOD

Life Expectancy: 15-20 Years

Years until Replacement: 4-9

Reccomendation: Magic-Paks should be repaired or replaced on an as-needed basis.

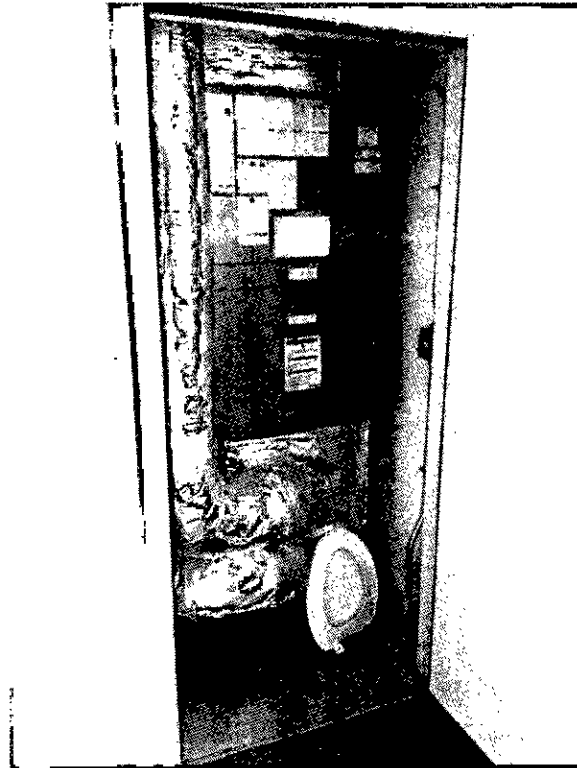


Exhibit I – Mechanical Equipment Survey

ASSISTED LIVING

Unit Designation: Split Systems

Building: Assisted Living

Location: Mechanical Closets

Manufacturer: Carrier

Year Installed: 2006

Service: Public Spaces, Corridors, MC
Units, Back of House Spaces

Condition of Equipment: GOOD

Life Expectancy: 15-20 Years

Years until Replacement: 4-9

Reccomendation: Equipment is in good
condition and should be repaired or
replaced on an as-needed basis.

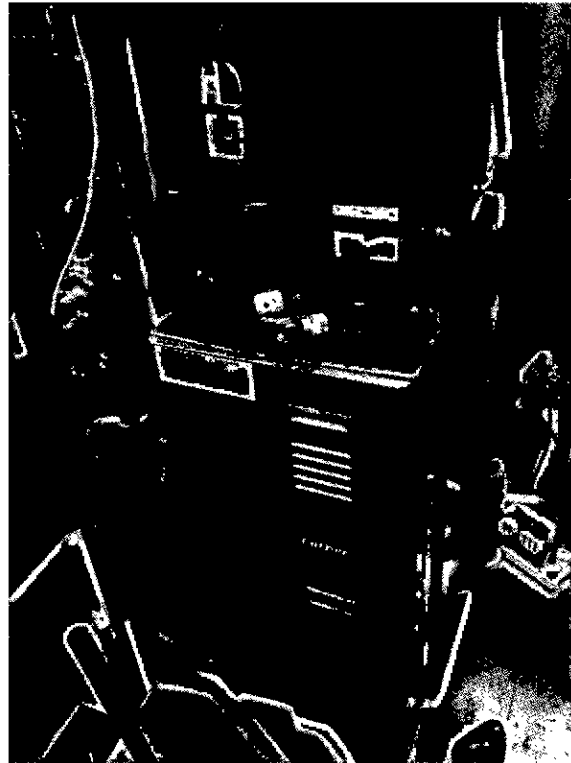


Exhibit I – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: HRVs

Building: Independent Living

Location: Roof

Manufacturer: RenewAire

Year Installed: 2008

Service: MC Unit, Public Space, Back of House Ventilation

Condition of Equipment: FAIR

Life Expectancy: 25 Years

Years until Replacement: 16

Reccomendation: Heat Recovery

Ventilators shall be existing to remain and repaired as required.

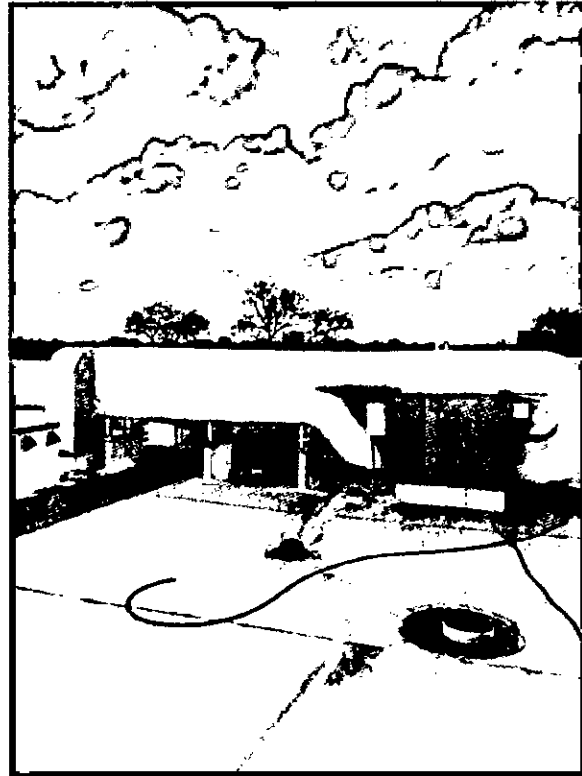


Exhibit I – Mechanical Equipment Survey

INDEPENDENT LIVING

Unit Designation: Magic-Paks

Building: Independent Living

Location: Resident Units

Manufacturer: Magik-Pak

Year Installed: 2008

Service: Resident Units



Condition of Equipment: GOOD

Life Expectancy: 15-20 Years

Years until Replacement: 6-11

Reccomendation: Magic-Paks should be repaired or replaced on an as-needed basis.

Exhibit I – Mechanical Equipment Survey

INDEPENDENT LIVING

Unit Designation: Split Systems

Building: Independent Living

Location: Mechanical Closets

Manufacturer: Carrier

Year Installed: 2008

Service: Public Spaces, Corridors, MC
Units, Back of House Spaces

Condition of Equipment: GOOD

Life Expectancy: 15-20 Years

Years until Replacement: 6-11

Reccomendation: Equipment is in good
condition and should be repaired or
replaced on an as-needed basis.

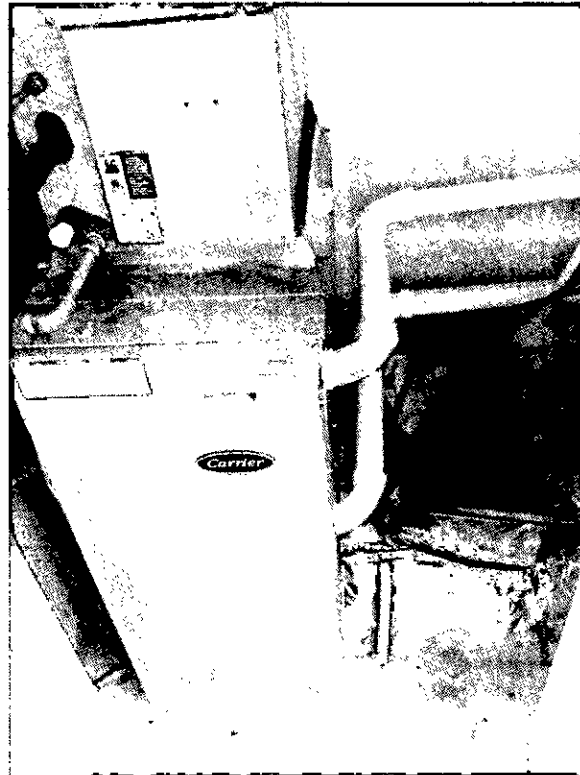


Exhibit I – MEP Equipment Survey

COMMONS

Unit Designation: RTUs

Building: Commons

Location: Roof

Manufacturer: Carrier

Year Installed: 2008

Service: Dining, Recreation, Lobby,
Resident Gathering Areas

Condition of Equipment: GOOD

Life Expectancy: 25 Years

Years until Replacement: 16

Reccomendation: Rooftop Units shall be existing to remain and repaired as required. Selective replacement of RTUs may be required for space re-programming.



Exhibit I – MEP Equipment Survey

COMMONS

Unit Designation: HRVs

Building: Commons

Location: Roof

Manufacturer: RenewAire

Year Installed: 2008

Service: Building Ventilation



Condition of Equipment: FAIR

Life Expectancy: 25 Years

Years until Replacement: 16

Reccomendation: Heat Recovery

Ventilators shall be existing to remain and repaired as required. Selective replacement of HRVs may be required for space re-programming.

Exhibit I – MEP Equipment Survey

COMMONS

Unit Designation: RTU, KX

Building: Commons

Location: Roof

Manufacturer: Reznor, Various

Year Installed: 2008

Service: Kitchen Ventilation and Exhaust



Condition of Equipment: FAIR

Life Expectancy: 20 Years

Years until Replacement: 11

Reccomendation: The kitchen rooftop make-up air unit should be replaced due to inadequate capacity and equipment failure. Hood exhaust fans shall be existing to remain.

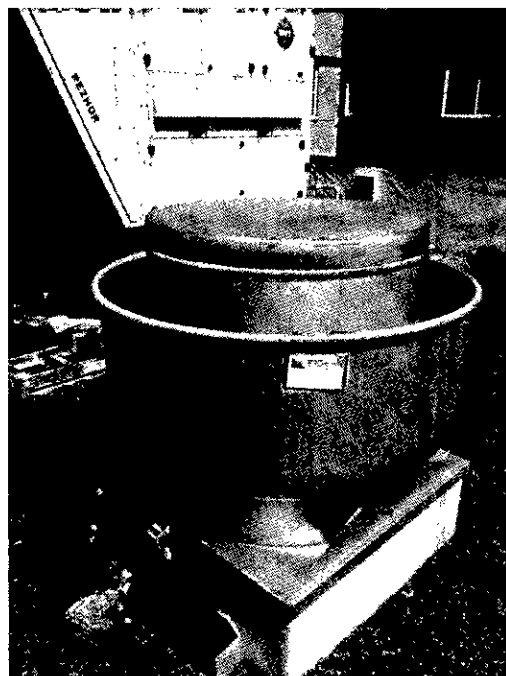


Exhibit I – Mechanical Equipment Survey

COMMONS

Unit Designation: Split Systems

Building: Commons

Location: Mechanical Closets

Manufacturer: Carrier

Year Installed: 2008

Service: Physical Therapy, Corridors,
Back of House, Various Spaces

Condition of Equipment: GOOD

Life Expectancy: 15-20 Years

Years until Replacement: 6-11

Reccomendation: Equipment is in good condition and should be repaired or replaced on an as-needed basis.

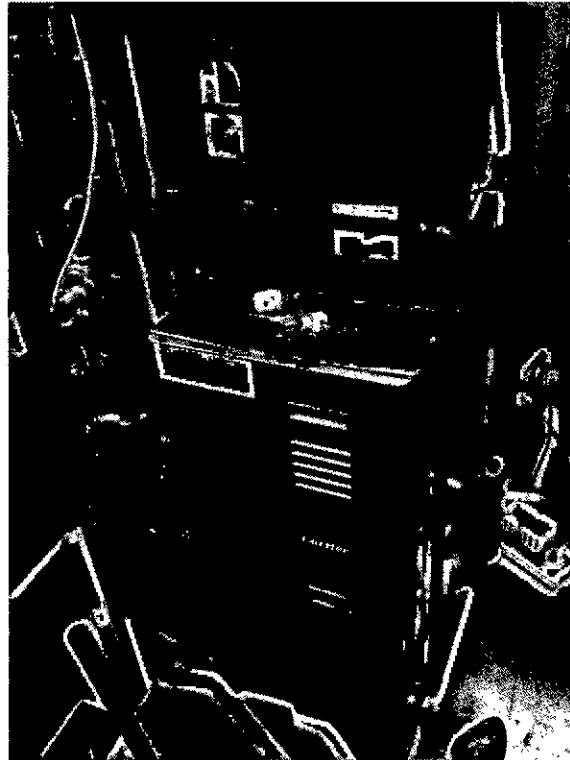


Exhibit III – MEP Equipment Survey

JOHANSON

Unit Designation: Electrical Gear
Building: Johanson
Location: Basement Electrical Room
Manufacturer: Siemens
Year Installed: 1991
Service: Johanson

Condition of Equipment: GOOD
Life Expectancy: 45 Years
Years until Replacement: 19

Reccomendation: Incoming service and electrical gear may be required to be upsized/replaced to handle additional capacity caused by building expansion.

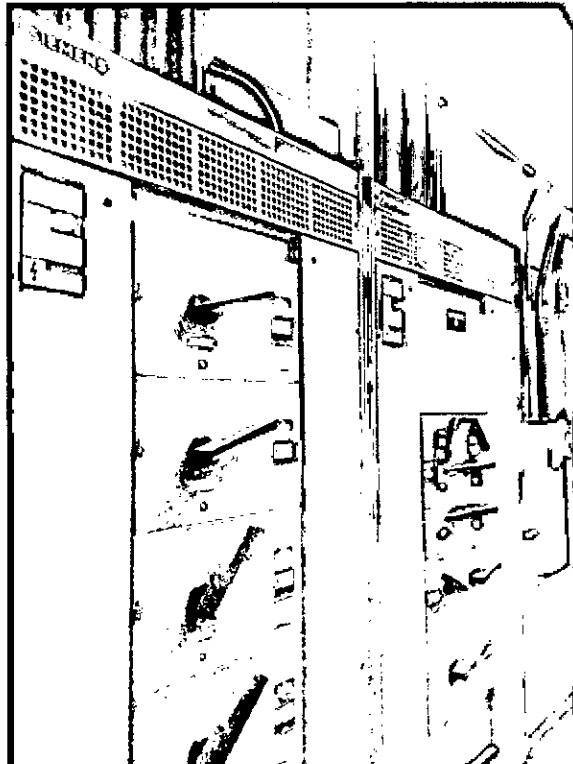
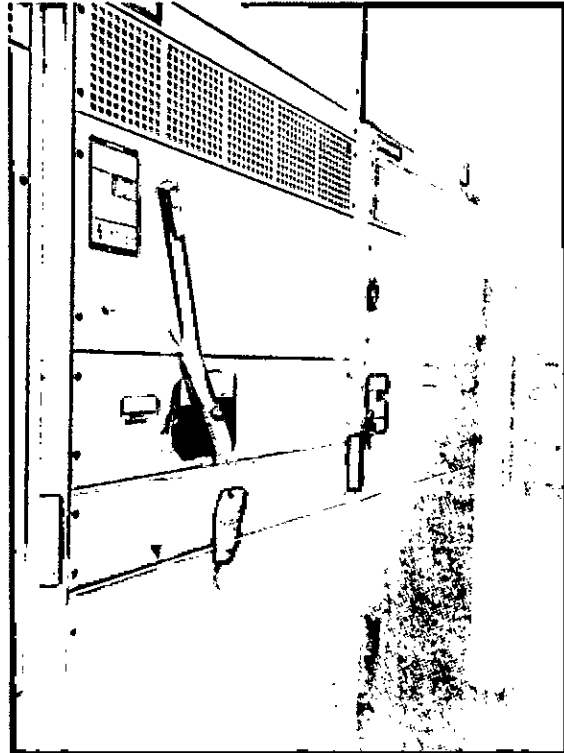


Exhibit III – MEP Equipment Survey

JOHANSON

Unit Designation: Generator
Building: Johanson
Location: Basement Generator Room
Manufacturer: Onan
Year Installed: 1991
Service: Johanson

Condition of Equipment: GOOD
Life Expectancy: 25-30 Years
Years until Replacement: 0-4

Reccomendation: Additional generator capacity may be required to bring existing spaces up to current codes. Further investigation is needed. Additional generator capacity will also be required to handle building expansion. Generator replacement may be difficult due to generator location. An additional generator may need to be added.

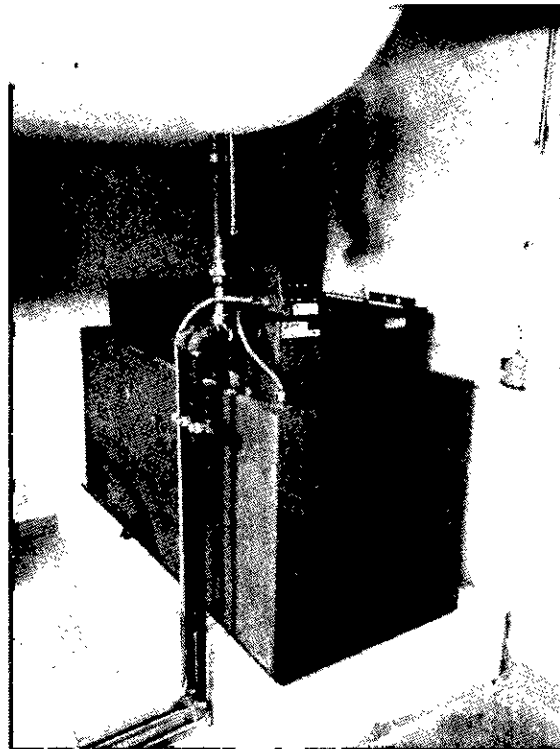
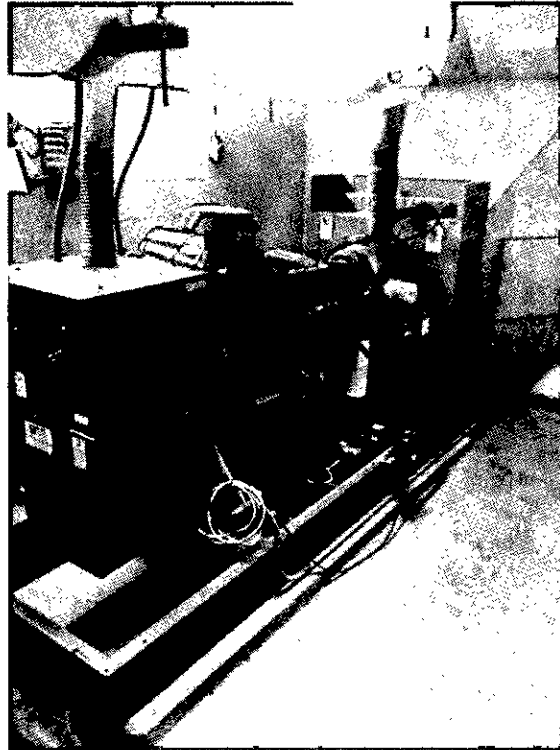


Exhibit II – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: Electrical Gear
Building: Assisted Living
Location: First Floor Electrical Room
Manufacturer: Eaton
Year Installed: 2006
Service: AL Building

Condition of Equipment: Good
Life Expectancy: 45 Years
Years until Replacement: 34

Reccommendation: Electrical infrastructure
is in good condition and can remain as is.

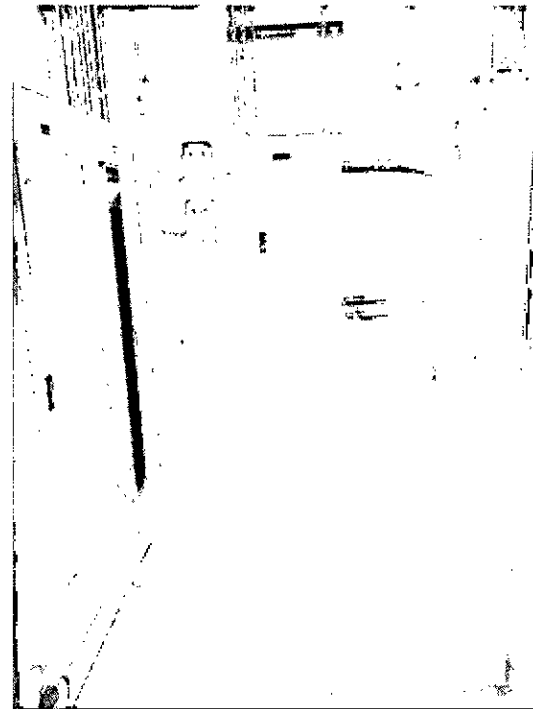
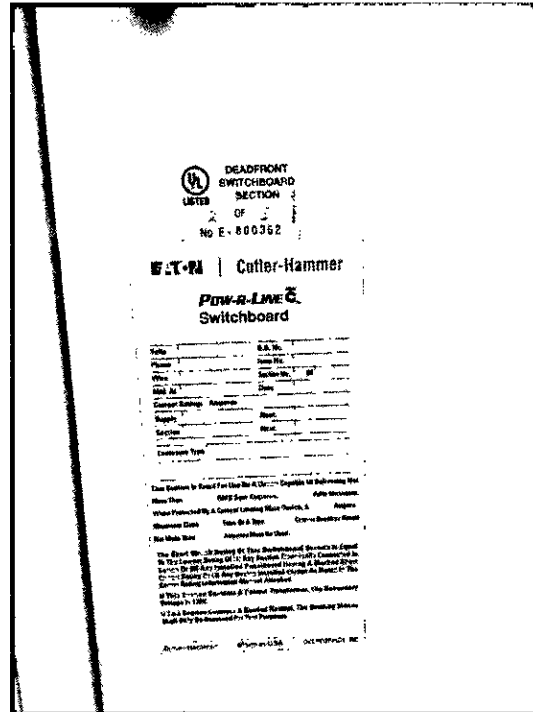


Exhibit III – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: Electrical Gear
Building: Independent Living
Location: Basement Electrical Room
Manufacturer: Eaton
Year Installed: 2008
Service: IL Building

Condition of Equipment: GOOD
Life Expectancy: 45 Years
Years until Replacement: 36

Reccomendation: Electrical infrastructure is in good condition and does not need to be replaced.

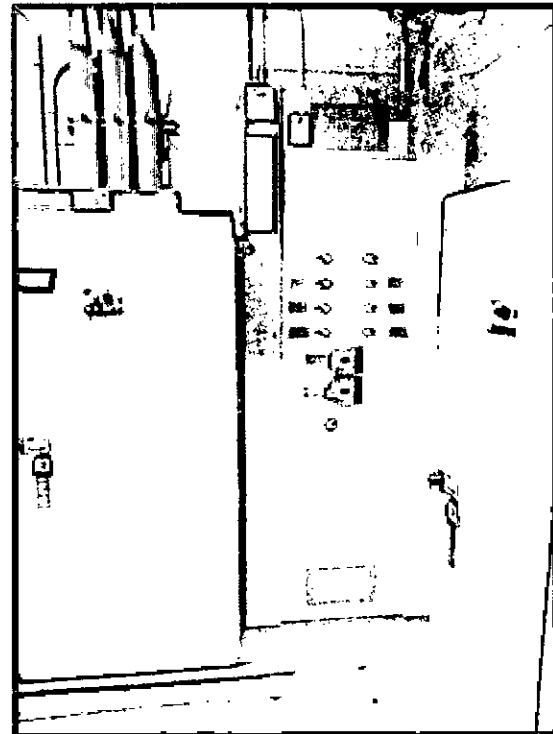


Exhibit III – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: Generator

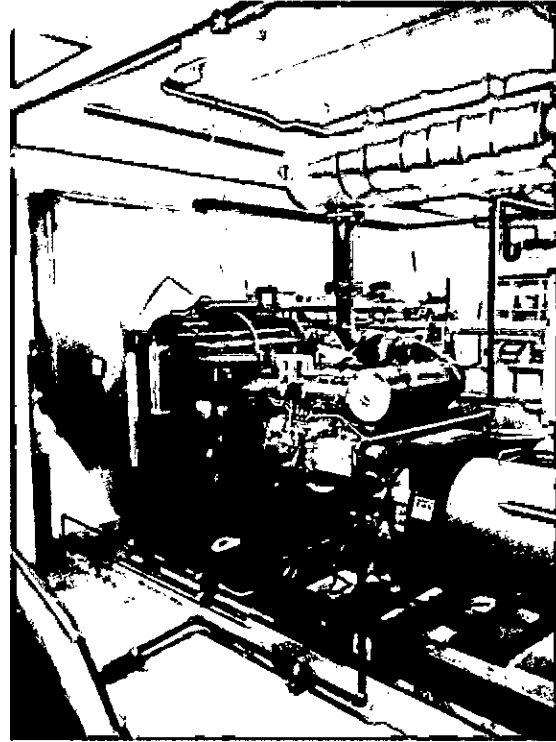
Building: Independent Living

Location: Basement Generator Room

Manufacturer: Generac

Year Installed: 2008

Service: IL, AL, & Commons Emergency Power



Condition of Equipment: GOOD

Life Expectancy: 25-30 Years

Years until Replacement: 16-21

Reccomendation: Generator is in good condition and would not need replacement unless increased capacity is needed to handle new code required loads or building expansion.

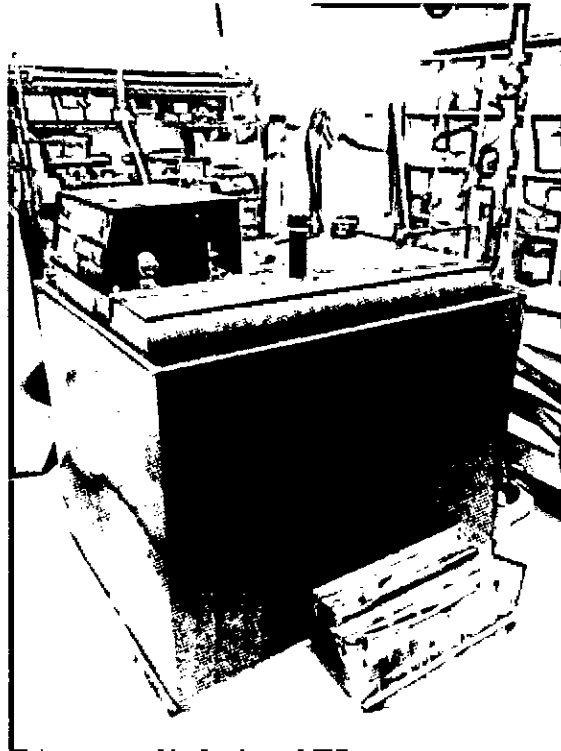


Exhibit II – MEP Equipment Survey

COMMONS

Unit Designation: Electrical Gear
Building: Commons Building
Location: Basement Electrical Room
Manufacturer: Eaton
Year Installed: 2008
Service: Commons Building

Condition of Equipment: GOOD
Life Expectancy: 45 Years
Years until Replacement: 36

Reccomendation: Electrical infrastructure is in good condition and does not need to be replaced.



Exhibit III – MEP Equipment Survey

JOHANSON

Unit Designation: Water Heater Plant

Building: Johanson

Location: Basement Mechanical Room

Manufacturer: Laars

Year Installed: 1991

Service: Domestic Hot Water

Condition of Equipment: FAIR

Life Expectancy: 25-40 Years

Years until Replacement: 0-13

Reccomendation: A hot water mixing valve should be installed to allow the water to be stored at 140°F. This significantly reduces the Legionella risk. The water heater plant should be replaced with a high efficiency direct vent system to increase efficiency and add capacity for building expansion.

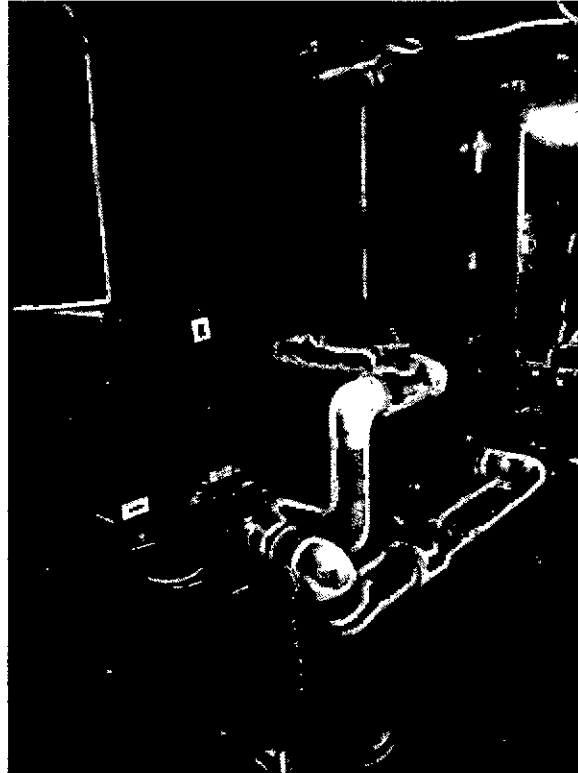


Exhibit III – MEP Equipment Survey

JOHANSON

Unit Designation: Water Booster Pump

Building: Johanson

Location: Basement Pump Room

Manufacturer: Metropolitan

Year Installed: 1991, ????

Service: Johanson Domestic Water



Condition of Equipment: FAIR to POOR

Life Expectancy: 25-30 Years

Years until Replacement: 0-3

Reccomendation: Failing pump should be replaced. Other pump has been recently replaced. Full Booster Pump replacement may be necessary if capacity is not enough to handle building expansion.



Exhibit III – MEP Equipment Survey

JOHANSON

Unit Designation: Sump Pump
Building: Johanson
Location: Basement Mechanical Room
Manufacturer: Metropolitan
Year Installed: 1991
Service: Johanson Domestic Water

Condition of Equipment: FAIR
Life Expectancy: 25-40Years
Years until Replacement: 0-13

Reccomendation: Pumps and pits shall be cleaned and repaired. Motors shall be repaired and re-built as required.

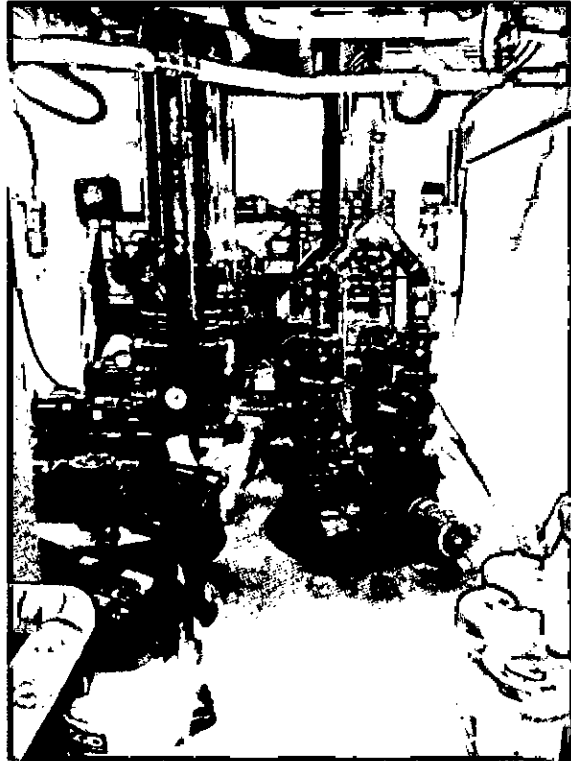


Exhibit III – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: Water Heaters

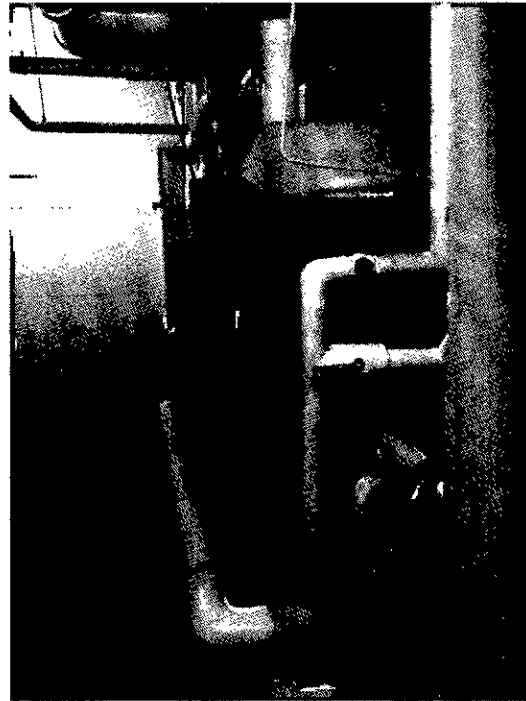
Building: Assisted Living

Location: First Floor Water Heater Rm

Manufacturer: A.O. Smith

Year Installed: Various

Service: AL Building Domestic Hot Water



Condition of Equipment: FAIR

Life Expectancy: 10-15 Years

Years until Replacement: 0-4

Reccomendation: Water Heater tanks have been failing. All heaters should be replaced in the next 5 years. Owner should get water test to determine water quality. Water Heaters should be replaced with a hot water plant with cement tanks if water is too hard. Alternatively, water softeners can be installed.

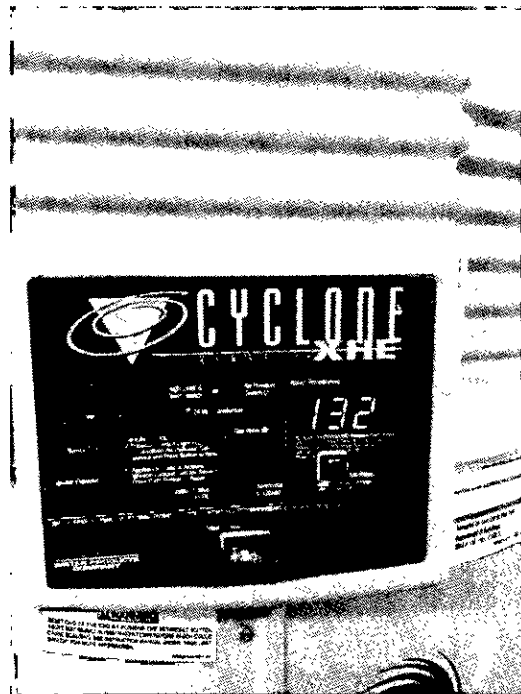


Exhibit III – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: Water Booster Pump

Building: Assisted Living

Location: Water/Mech AL119

Manufacturer: Bell & Gossett

Year Installed: 2006

Service: AL Building Domestic Water

Condition of Equipment: Good

Life Expectancy: 25-30 Years

Years until Replacement: 14-19

Reccomendation: Domestic water booster pump is in good condition and shall be existing to remain.



Exhibit III – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: Water Heaters

Building: Independent Living

Location: Basement Water Heater Room

Manufacturer: A.O. Smith

Year Installed: 2008

Service: IL Building Domestic Hot Water



Condition of Equipment: FAIR

Life Expectancy: 10-15 Years

Years until Replacement: 1-6

Reccomendation: Water Heater tanks have been failing. All heaters should be replaced in the next 5 years Owner should get water test to determine water quality. Water Heaters should be replaced Hot water plant with cement tanks if water is too hard. Alternatively, water softeners can be installed.



Exhibit III – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: Water Booster Pump

Building: Independent Living

Location: Basement Pump Room

Manufacturer: VC Systems

Year Installed: 2008

Service: IL & Commons Building

Domestic Hot Water

Condition of Equipment: Good

Life Expectancy: 25-30 Years

Years until Replacement: 16-21

Reccomendation: Domestic water booster pump is in good condition and shall be existing to remain.

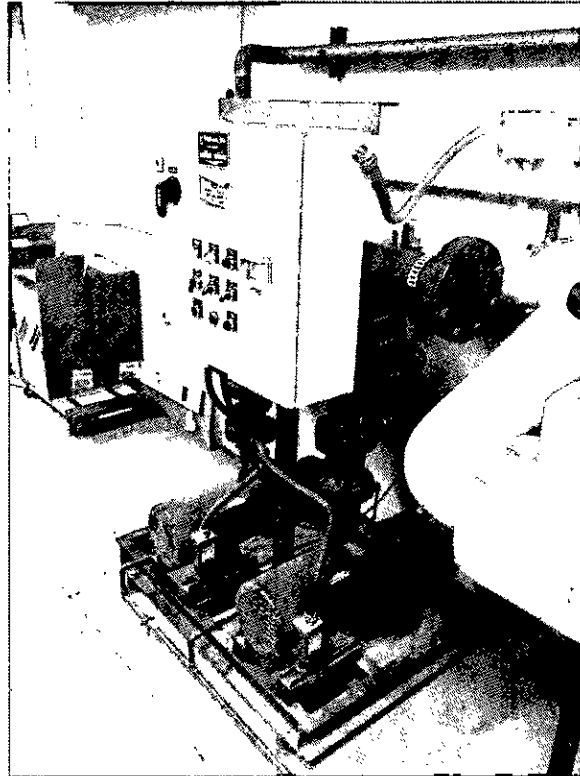


Exhibit III – MEP Equipment Survey

COMMONS

Unit Designation: Water Heaters

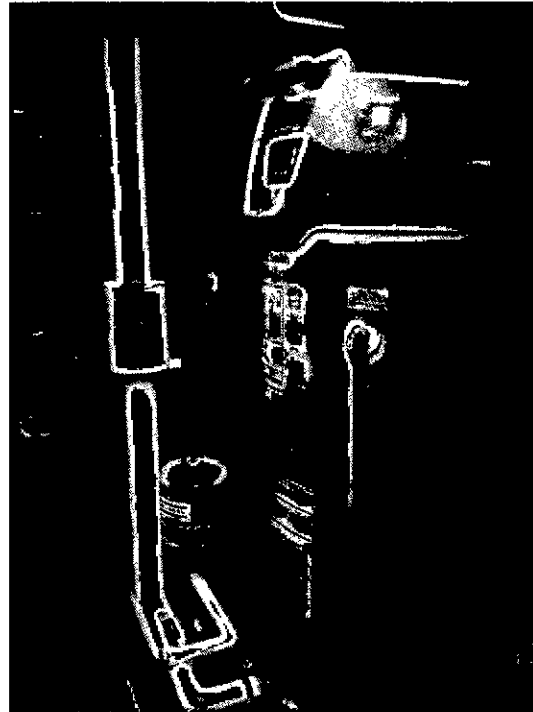
Building: Independent Living

Location: Basement Water Heater Room

Manufacturer: A.O. Smith

Year Installed: 2008

Service: Commons Building Domestic Hot Water



Condition of Equipment: FAIR

Life Expectancy: 10-15 Years

Years until Replacement: 1-6

Reccomendation: Water Heater tanks have been failing. All heaters should be replaced in the next 5 years Owner should get water test to determine water quality. Water Heaters should be replaced Hot water plant with cement tanks if water is too hard. Alternatively, water softeners can be installed.

Exhibit IV – MEP Equipment Survey

JOHANSON

Unit Designation: Fire Pump

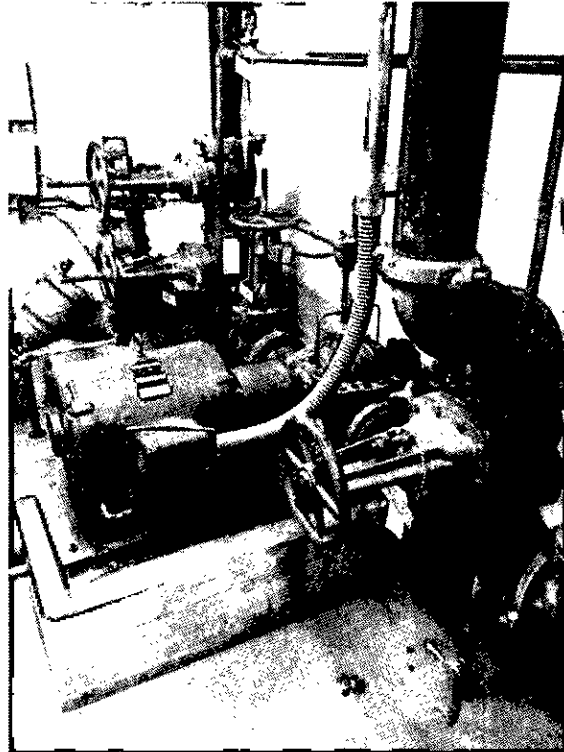
Building: Johanson

Location: Basement Pump Room

Manufacturer: Unknown

Year Installed: 1991

Service: Sprinkler System



Condition of Equipment: FAIR

Life Expectancy: 25-40 Years

Years until Replacement: 0-13

Reccomendation: Fire pump replacement may be necessary if capacity is not enough to handle building expansion.

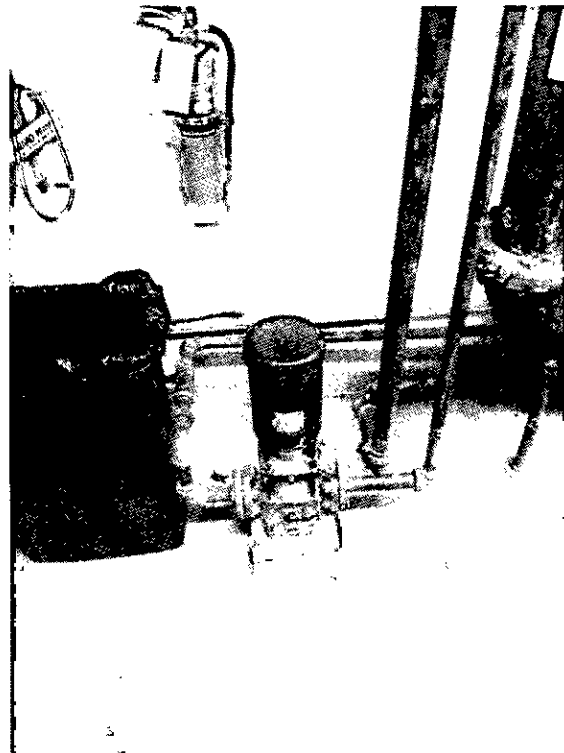


Exhibit IV – MEP Equipment Survey

ASSISTED LIVING

Unit Designation: Fire Pump
Building: Assisted Living
Location: Water/Mech AL119
Manufacturer: Peerless
Year Installed: 2006
Service: AL Building Sprinkler System

Condition of Equipment: FAIR
Life Expectancy: 25-40 Years
Years until Replacement: 14-29

Reccomendation: Fire pump is in good condition and shall be existing to remain.

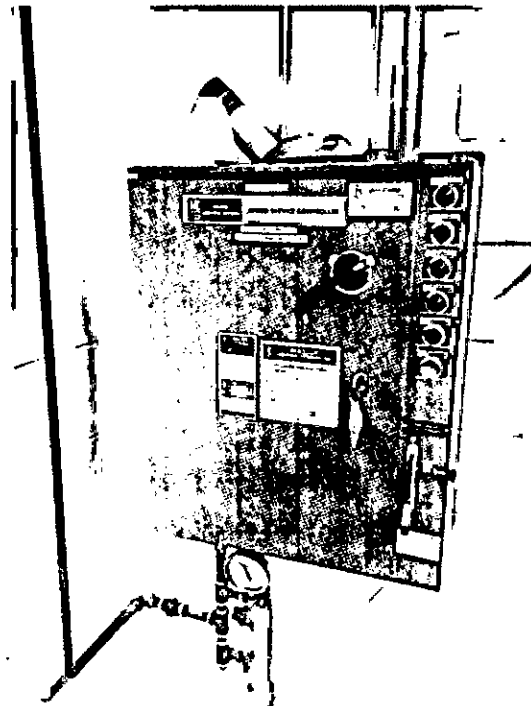


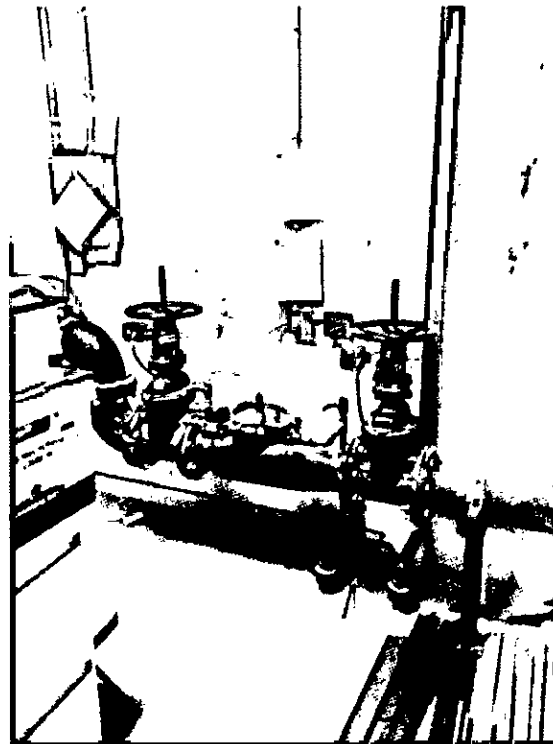
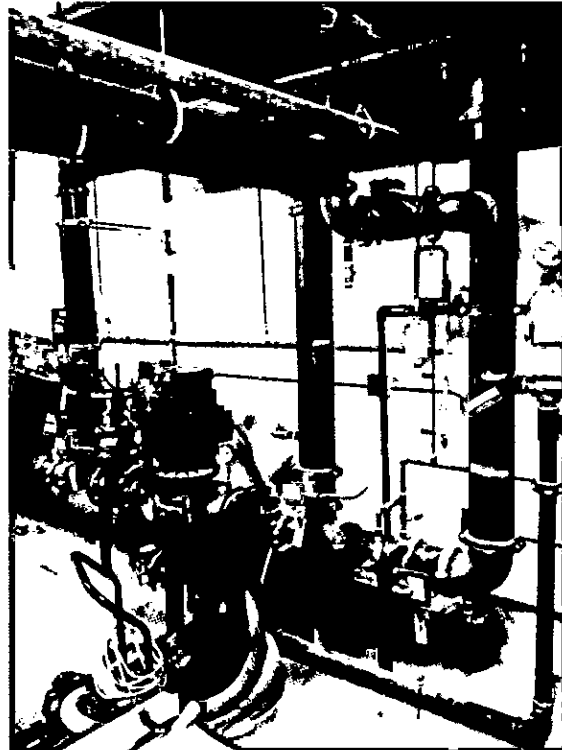
Exhibit IV – MEP Equipment Survey

INDEPENDENT LIVING

Unit Designation: Fire Pump
Building: Independent Living
Location: Basement Water/Mech Room
Manufacturer: Patterson
Year Installed: 2008
Service: IL and Commons sprinkler systems

Condition of Equipment: GOOD
Life Expectancy: 25-40 Years
Years until Replacement: 16-31

Reccomendation: Fire pump is in good condition and shall be existing to remain.



Smith Village
1308 S. Oakley Chicago, IL 60643
Scope of work:

1/28/2019

EXISTING BUILDING

- Johanson Nursing Building 1991
- 3 Story building with full basement
- 52,084 square feet (includes basement, 13,021 sq. ft. each floor)
- 59 resident rooms (licensed for 100 beds)

MECHNAICAL

1. Install Variable Refrigerant Flow (VRF) heating and air-conditioning system
 - a. These are the advantages of a VRF system:
 - i. Consistent comfort
 - ii. Quiet operation
 - iii. Energy efficiency
 - iv. Installation flexibility, great for tight spaces
 - v. Heat & cool simultaneously
 - vi. Zoned heating & cooling
 - vii. State-of-the-art controls
 - viii. Fewer breakdowns/less downtime
2. Hydronic 4 pipe system heating and cooling – original system
 - a. To be removed, new heat system VRFs
3. 4 circulating pumps – original system
 - a. To be removed, new heat system VRFs
4. Convectors (all rooms) update convectors and a building automation system
 - a. To be removed, new heat system VRFs
5. Chiller 100 Ton replace in 2012
 - a. To be removed, new heat system VRFs
6. Cooling tower with VFD cooling fan replace 2013
 - a. To be removed, new heat system VRFs
7. Pneumatics (have been abandon years ago) no control
 - a. Install building automation system (WiFi Thermostats)
 - b. To be removed, new heat system VRFs
8. Domestic hot water boiler with storage tank (original 1 water heater)
 - a. Install high efficient water heaters
 - b. Add 2nd water heater for back-up
 - c. Replace all lavatory faucets (low volume)
9. 1 make-up air system – existing 100% outside air.
 - a. Install Energy or Heating Recovery Ventilator (HRV or ERV) for fresh air and return air balance

ATTACHMENT-10D

Smith Village
1308 S. Oakley Chicago, IL 60643
Scope of work:

1/28/2019

10. Exhaust fans (7 fans) bathroom exhaust
 - a. connect all bath exhaust to HRV or ERVs
11. Generator 125KW - original
 - a. Install 250KW
 - b. Add EM outlets to all units (EM outlets are currently only located in corridors)
 - c. Add HVAC system to generator
12. Domestic water pressure boosting pump (original pumps)
 - a. Install automated pressure system (existing pumps run continuous)

BUILDING

1. Tuct pointing (east elevation)
2. Clean/power wash lintels/sills...
3. Windows, windows are oversize and hard to open
 - a. replace with smaller and low E gain efficiencies
4. Roof (original)
 - a. Changing mechanicals will require a new roof
5. 3 exterior steel doors'

ELECTRICAL

1. New addressable fire alarm system
 - a. Install addressable system (existing system is coded zones)
2. Elevator
 - a. No change
3. LED Lighting
 - a. Gain efficiencies
4. Nurse Call system – New installed 2018

Smith Village
1308 S. Oakley Chicago, IL 60643
Scope of work:

1/28/2019

ARCHITECTURE

1. Resident room bathrooms – new finishes
 - a. 1st floor baths add European showers
 - b. New resident room entry, closet, & bath doors
 - c. Vanities/medicine cabinets
 - d. Lighting
 - e. Flooring
2. 6-spa rooms, 2 per floor – reduce to 1 spa room per floor
 - a. Update finishes
 - b. Replace whirlpool tubs
3. Dining rooms
 - a. 1st floor ability to cook in kitchen and serve
 - b. New dining on 2nd and 3rd floor new building
 - c. Existing dining converted to family , library, activity space
4. 3rd floor beauty salon
 - a. Relocate to 1st floor Gregg
5. New Therapy suite to be located on 1st floor in new building
6. Lower Level (All work to be done in this area is to support the renovations of the upper floors and mechanical/electricals systems)
 - a. 2 bath rooms
 - b. Employee lunch room

FFE BUDGET

1. Hospital beds
2. Unit room furniture
3. Window treatments
4. Common's furniture

OCCUPANCY GOAL

Johanson/Gregg Building				New Construction	
1. 1st Floor	22	privates		1st Floor	Therapy Suite
0	0	semi			
3. 2nd Floor	22	privates		2nd Floor	Dining
6	3	semi			
4. 3rd Floor	22	privates		3rd Floor	Dining
6	3	semi			
5. 78 Total Beds					

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued vi

Criterion 1125.330 – Alternatives

1. Identify ALL of the alternatives to the proposed project:

Alternative options **must** include:

2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

Smith Village is a Continuing Care Retirement Community that offers Life Care Contracts, has Independent Living (149 units) and Assisted Living (82 units) and nursing (100-beds) levels of care. The scope of the project is limited to existing demand generated by the nursing beds that are existing and utilized. Smith Village is situated on just over 5.5 acres and enveloped by West 112th Place on the North, West 113th to the South, South Oakley Avenue to the East and Western Avenue to the West. The surrounding area is largely urban and established. The property is landlocked. Therefore, the alternatives to the project are also limited by the site.



The Applicant considered the following alternatives for the proposed project:

1. Maintain the status quo;
2. Modernize with addition to maintain 100-beds;
3. Replace the nursing unit at an off-site location; and
4. The project as being proposed.

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued vii

ALTERNATIVE #1-Maintain the status quo

Project Cost

Continuing operations without a major modernization project would perpetuate ongoing and increasing upkeep costs and would not immediately generate capital costs.

Patient Access

Smith Village has a long-standing positive reputation in the community as the facility of choice in the area³, yet it has already begun feeling the external pressures of the market. Between fiscal years 2017 and 2018, nursing utilization dropped from 90% to 85%. Not all of this decline is attributable to marketability, as much of the market pressures include shorter average lengths of stay and getting people back to a lower (less expensive) level of care. One factor that has been identified is the lack of private rooms at the facility. Should the Applicant modernize, the facility should be able to maintain patient access by providing a greater number of private rooms and through the improved therapy services being offered.

Quality

Smith Village is the provider of choice in the immediate market. Smith Village is one of 160 skilled nursing care providers statewide and one of 19 in Chicago to earn a top 5-star rating in a U.S. News and World Report study based on data from the Centers for Medicare & Medicaid Services. In Illinois there are more than 1,200 licensed skilled nursing care facilities and officials with Smith Senior Living, which operates both Smith Village and Smith Crossing in Orland Park, have shown pride that both their facilities are among the 5-star list in the 2018-2019 version of the rankings. It provides the highest level of quality possible in the physical

ATTACHMENT-11

³ <https://patch.com/illinois/beverly-mtgreenwood/smith-village-gets-5-star-rating-u-s-news-world-report>; Tim Moran, Patch Staff] Nov 13, 2018 12:01 am ET

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued viii

environment that it offers. Smith Village is always seeking ways to improve its quality and maintaining the status quo does not allow for improvements in quality measures.

Financial Benefits

Smith Village realized a five percent reduction in its annualized utilization between fiscal years 2017 and 2018 (FY ends June 30th). Moreover, it has been identified that existing mechanical and electrical systems are not as efficient as newer cost-effective systems and many of the existing systems are nearing the end of their useful life. Therefore, it can only be expected that this alternative would only continue to result in declining utilization and rising maintenance costs. Since 2013 facility expenses relating to repair and maintenance have increased 136.97% from an average of \$116,000 to over \$276,000. The minimum wage increase in the city of Chicago have also added external pressure to operating the facility which increases the need to implement more cost-effective mechanical systems. For these reasons, this alternative was rejected.

ALTERNATIVE #2-Modernize with addition to maintain 100-beds

Project Cost

As discussed in the previous alternative, the Applicant explored adding an entire fourth floor onto the proposed project to maintain the 100-nursing bed compliment and increase the healthcare services it offers to its residents. The proposed second and third floors each will have 18,267 gross square feet. At \$270⁴ per gross square foot, this alternative could add nearly \$5 million (\$4,932,090) to the project cost just in new construction contracts alone.

ATTACHMENT-11

⁴ January 9, 2019 HFSRB Staff evaluated current 3rd Quartile costs from the RS Means report. Utilizing 70,852 GSF in a 3-story structure equates to \$270.21/GSF for January 2019.

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued ix

Patient Access

There would be no change in patient access if 100 nursing care beds were maintained.

Quality

There would be no change in quality of care provided if 100 nursing beds were maintained in the proposed modern environment.

Financial Benefits

The reduction of the 22 beds only reduced the nursing unit annualized bottom line by approximately \$275,000. To maintain all 100 beds would have the added cost of nearly \$5 million and would have the added cost of legal fees and zoning in working with the City of Chicago to shut down one of its larger interior thoroughfares. Given the capital cost of this alternative compared to the reduction in bottom line, it could take nearly 25 years (24.66 years) to recoup the capital cost of the project at which time it would again be nearing the end of its useful life. The financial benefits of maintaining the full bed compliment compared to the ability to modernize the balance of the nursing building are not proportionate. For these reasons, this alternative was rejected.

ALTERNATIVE #3-Replace the nursing unit at an off-site location

Project Cost

To establish 100 beds in a freestanding three-story building (similar to existing structure) under present day cost and size standards of 713 gross square feet per bed, at a cost of \$270/gross square foot⁵, equates to hard construction costs of \$19,251,000. The new constructions cost for this alternative are comparable to new construction contracts,

ATTACHMENT-11

⁵ January 9, 2019 HFSRB Staff evaluated current 3rd Quartile costs from the RS Means report. Utilizing 70,852 GSF in a 3-story structure equates to \$270.21/GSF for January 2019.

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued x

modernization contracts, new construction contingencies and modernization contingencies for the proposed project which amount to \$17,261,700. This evaluation does not account for land costs, site work, site preparations and off-site work (together considered hard costs) which would all be higher than those of the current project.

Patient Access

There would appear to be no change in patient access if 100 nursing care beds are maintained. This alternative would also produce additional costs such as staffing at all levels which would be duplicative and in excess of the existing staffing pattern. The proposed project also explored the addition of a fourth floor to the existing three-story nursing structure and found that it was too cost prohibitive and disruptive to the existing operations and the community. The staging for getting material to a new level would require the temporary closing of Oakley Avenue which is a major thoroughfare. As such, the expansion of additional space to maintain all 100 beds was not considered viable. However, the existing beds are part of Smith Village and the population it serves. Accessing nursing beds at an off-site location would lessen the accessibility of those beds for the residents of Smith Village.

Quality

Smith Village is the provider of choice in the immediate market. It provides the highest level of quality possible in the physical environment that it offers. Smith Village is always seeking ways to improve its quality and in a new modern environment, quality could be further optimized.

Financial Benefits

Establishing a new service in an off-site location would require additional hard costs and

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued xi

land costs. It would also not easily allow for the good will that the current nursing unit enjoys as being part of the existing Continuing Care Retirement Community. This alternative was evaluated in earnest, as the Applicant weighed the opportunity cost of reducing 22 nursing care beds compared to maintaining the accessibility but not the continuity of care. Given the higher hard costs, additional land costs and the lack of continuity, this alternative was rejected.

ALTERNATIVE #4-Project as being proposed

Project Cost

It is difficult to truly compare project costs of each alternative as only the hard costs have state standards for which to compare. This alternative's comparable hard costs are \$17,264,700⁶. (new construction contracts, modernization contracts, new construction contingencies and modernization contingencies).

Patient Access

The modest reduction in the number of beds unquestionably equals less beds in the Planning Area. However, the utilization has been decreasing already. Smith Village's 2018 fiscal year ending June 30, 2018 realized an annual use rate of 85% or 85 beds. That is down 5 percent from FY ending June 30, 2017⁷. There are external pressures on the industry to reduce lengths of stay and to encourage residents to lesser levels of care for which Smith Village is uniquely suited for as it provides a full continuum of care. Moreover, by creating more private accommodations, resident privacy is increased while gender compatibility issues and risk of infection issues are reduced, thereby allowing the nursing beds to be accessible and to be turned

ATTACHMENT-11

⁶ Comparable hard cost includes: new construction contracts, modernization contracts, new construction contingencies and modernization contingencies.

⁷ CliftonLarsonAllen audited financial statements for Washington and Jane Smith Community – Beverly d/b/a Smith Village, years ended June 30, 2018 and 2017, note 1 (continued)-occupancy percentages, pg. 9.

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued xii

over more quickly. The building will be not only physically more efficient but will operationally be more efficient as well.

Quality

The issue of quality is the driver for this project. Smith Village (as its sister facility in Orland Park) has been on the cutting edge of providing quality nursing care. However, even with maintaining the facility, the industry has changed drastically in the last five years let alone the last twenty-eight years. The quality of care being provided will not diminish, but the physical environment will lend to improving the overall quality. Having a modern physical and occupational therapy department will also allow for increased quality outcomes to meet the demands and pressures of today's long-term care industry.

Financial Benefits

The benefits of modernizing the entire Smith Village nursing building has been weighed against the cost of said modernization. Moreover, alternatives to the project and their costs have been analyzed and thoroughly considered. This alternative provides the greatest access to care while improving the quality of the physical plant and amenities offered to move Smith Village forward to the extent that is fiscally responsible. For these reasons, this alternative was selected as most viable.

- b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

This project involves an existing, established health care provider who is already offering the proposed service. Moreover, the project proposes the reduction of total bed capacity. Therefore, a joint venture is not a viable alternative and the reduction of the licensed bed capacity puts beds back into the State's Inventory. Therefore, this item addresses existing services and the outstanding need (excess) for nursing care beds.

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** *Continued xiii*

- c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

As stated in the item above, the Applicant is one of the health care resources available to provide nursing care services. Therefore, this item has been addressed.

- d. Provide the reasons why the chosen alternative was selected.

<u>Alternative/Measurement</u>	<u>Cost</u>	<u>Patient Access</u>	<u>Quality</u>	<u>Financial Benefits</u>
Status Quo	No Capital Cost	Declining	Maintained	Declining
Modernize with addition to maintain 100-beds	Hard construction/ renovation cos: \$22,196,790	Equivalent	Maintained	Reduced
Replace the nursing unit off-site	Hard Construction Cost: \$19,251,000	Equivalent	Maintained	Equal with lack of continuity
Project as being proposed	Hard construction/ renovation cos: \$17,261,700	Equivalent	Maintained	Improved through modern physical plant and amenities

As illustrated, the project as being proposed had the least cost, maintained patient access and quality which results in the greatest cost benefit for the alternatives considered.

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

This Applicant does not question the quality of care being provided nor does it seek to improve quality of care provided. Rather, it seeks to improve the quality of the environment in which the care is provided. Smith Village has documented a strong history of providing quality care throughout its 95 years of operation in serving area seniors and specifically in the last 28 years of providing nursing care. Therefore, this item does not appear to be germane.

This Applicant believes that there are issues in addition to quality of care that impact the health and wellbeing of a resident. The issue present in this situation is that it is more conducive to be able to care for a resident within the campus that the resident has chosen, is familiar and is modern to the point of creating a positive outlook for residents, their families and staff.

ATTACHMENT-11

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued i

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

This project will reduce the nursing bed capacity by 22 nursing beds. The existing 100-bed long term care nursing facility will have 78 nursing beds upon project completion. Therefore, as the proposed project is complaint with this criterion.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued ii

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT-21A** are four (4) letters of support for the proposed modernization and expansion to Smith Village. These letters are from:

Smain Sadok, MD, Southtown Medical Center;

James W. Civik, volunteer at Smith Village;

Susan Flood, Executive Director, Beverly Area Planning Association;

Matthew J. O'Shea; Alderman, 19th Ward:

These letters represent civic, medical and governmental entities supporting the proposed project. Additional letters of support will be submitted upon receipt.

ATTACHMENT- 21

James W. Civik
10933 S. Longwood Dr. #1, Chicago, IL 60643
312.480.6979 • jimcivik@gmail.com

January 7, 2019

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761
RE Granting Certificate of Need to Smith Village

Dear Ms. Avery and Members of the Board:

This letter is sent regarding Smith Village's application to the Illinois Health Facilities and Services Review Board for a Certificate of Need. I enthusiastically endorse and support this organization, which has earned a very special place of respect in the community in which I have lived for forty years.

I am beginning my fourth year as a volunteer at Smith Village. During this period of time I have come to appreciate the complex professional compassion that grounds the place.

What the Smith Village staff does goes so far beyond just providing different levels of care. Rather Smith Village's commitment to residents is more about the creation of an environment aimed not only at addressing challenging medical issues, but also at alleviating anxiety through surroundings that foster a true sense of community.

Upon retirement and in good health, I was in need of activities that challenge me to use my academic credentials (all but dissertation for PhD in political science) and teaching experience (adjunct college professor plus eight years high school teacher). In addition, I worked for close to 20 years managing nonprofits in the health care field.

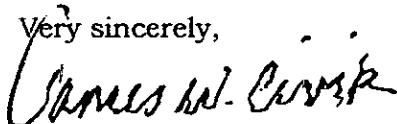
Nearby Smith Village was one of the first places I contacted.

Soon I found myself creating and presenting lectures on a wide variety of topics to the residents. I was delighted to be contributing to the mission. I was particularly pleased to offer residents insights into current political events and issues, and to share with them my experiences as a new and curious world traveler.

In general, I see a population that thrives amid caring and supportive surroundings, and a staff completely dedicated to its care and well-being.

I ask the Review Board to support Smith Village's application for a certificate of need

Very sincerely,



James W. Civik

Smain Sadok, MD
Board Certified in Family Medicine

January 6, 2019

Illinois Health Facilities and
Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

RE Granting Certificate of Need to Smith Village

Members of the Board:

As medical director for five years, I encourage you to permit Smith Village to invest in a major renovation project that will significantly improve rehab and skilled nursing care patients' experience of its excellent care.

Smith Village sustains its 5-star CMS rating because its nursing, therapeutic and support staff members are very competent and caring professionals. Unfortunately, Smith Village cannot offer the kind of private-room experience patients now expect, especially because hospitals have moved to private rooms and other senior living communities now feature private suites for rehab patients.

In addition to my responsibilities at Smith Village's medical director, I have a private practice with an office in Chicago. I am affiliated with Advocate Christ Medical Center and a member of Advocate Physician Partners through which physicians collaborate to ensure the integration of best practices across a continuum of care for every patient.

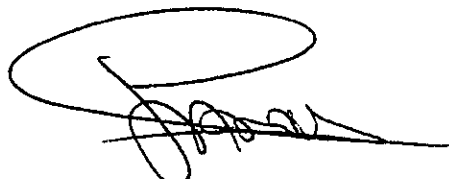
Based on my relationships as the physician for many Smith Village residents as well as other patients, who live in their homes on or near the southwest side of Chicago, I know Smith Village makes a very important difference in the lives of older adults whether they permanently live there or benefit from a short-term stay rehab program there.

Because I visit my patients at other nursing homes, I also can attest to the fact Smith Village has set an exceptionally high standard for its rehab and skilled nursing care.

Smith Village residents and the professionals who serve them deserve a place that encourages healing when a person is most vulnerable. Please grant a CON to Smith Village so it can transform how older adults better recuperate from surgery or a medical incident in a contemporary setting instead of one built almost 30 years ago.

Thank you for your consideration and support,

Smain Sadok, MD



Southtown Medical Center

3844 West 63rd Street • Chicago, Illinois 60453 • 773.284.8601

ATTACHMENT-21A



1987 W. 111th Street | Chicago, Illinois 60643
p 773.233.3100 | www.bapa.org

January 8, 2019

Love where you live.

Ms. Courtney Avery, Administrator
Illinois Health Facilities and
Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

RE Smith Village's Appeal for a Certificate of Need

Dear Ms. Avery and Members of the Review Board:

During my first year as Executive Director of the Beverly Area Planning Association, I have been very impressed by Smith Village's commitment to actively engaging so many sectors of our community.

Smith Village's Executive Director and her team collaborate with BAPA and other organizations in a variety of way to ensure the vitality of our neighborhoods.

Here are just three examples: In 2018, we joined forces to offer a very popular series called "Tech Tuesdays" not only for people throughout our community who wanted to better use their smartphones, tablets and computers. This February, we are co-sponsoring a free presentation by an author who educates people how to be their own best healthcare advocate. And, BAPA is honored to recognize the bravery of veterans, who live at Smith Village, by inviting them to serve as the Grand Marshall of some of our Memorial Day Parades.

Our Beverly citizens are very proud of our neighborhood's beautiful, historic homes and small businesses in our commercial districts. Because we live and work in many older buildings, we know the challenges of satisfying contemporary lifestyle expectations when interior spaces were configured for previous generations.

I unequivocally support Smith Village's request for a Certificate of Need, so it can make accommodations in its wing for rehab and skilled nursing care patients more appealing to our area's newest generations of older adults. Will you please grant a CON for this purpose to Smith Village?

Thank you for ensuring a strong future for Smith Village,

Susan Flood
Executive Director



MATTHEW J. O'SHEA
ALDERMAN, 19TH WARD

January 10, 2019

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

RE: Certificate of Need (CON) for Smith Village

Dear Ms. Avery and Honorable Review Board Members:

As Alderman of Chicago's 19th Ward, I champion our community's heritage. It is very common here that three generations of a single family live within blocks of each other. So, when brand new construction totaling \$68 million was completed in 2008, many of our older generation of citizens chose to break from tradition, and move into Smith Village's gracious independent living and assisted living apartments. This beautiful development allowed many of my constituents to focus on enjoying their lives while staying close to family.

When a healthcare need arises, parents and grandparents are able to stay in our neighborhood by taking advantage of short-term rehab or skilled nursing care. My family has taken advantage of this benefit when my Mother moved to Smith Village while needing short-term assistance with a health challenge. My family will always be grateful for the superior care she received. Our time at Smith Village gave me an up-close opportunity to see the disparity of amenities between the independent and assisted living apartments compared with the skilled care wing built in 1990. I enthusiastically support Smith Village's plan to invest \$24 million to make its rehab and skilled care wing more home-like.

Smith Village is an exceptionally thoughtful, forward-looking, not-for profit organization with a legacy of serving older adults in our community since 1924. Without exception, the executives of its sponsor, Smith Senior Living, and leaders of Smith Village make a variety of resources available to our entire community. In addition, Smith Village serves as a hub of volunteer activity for students and young retirees who wish to ensure a pleasant life for its residents. For example, on February 12th, Smith Village and my office will co-sponsor the third annual *Valentines for Vets* community outreach program to make life brighter for veterans treated at Rush Medical Center.

Smith Village is an invaluable asset, treasured by residents of Chicago and our surrounding communities. I humbly ask that you please support Smith Village's intent to improve the short-term rehab and skilled nursing care facilities by granting a Certificate of Need for its newest plan to invest in our seniors. I sincerely appreciate any consideration you are able to offer this request.

Regards,

Matthew J. O'Shea
Alderman, 19th Ward

ATTACHMENT-21A

10400 S. WESTERN AVENUE • CHICAGO, ILLINOIS 60643-2508 • 773-238-8766 • Fax 773-238-9049

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued iii

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

Upon project completion, Smith Village will have 37,011 clinical gross square feet. This equates to 474.5 gross square feet per bed. The proposed project is in compliance with this criterion as it is within the range limit of 435-713 gross square feet per bed in accordance with Appendix A of the 77 IAC 1125.

ATTACHMENT- 22

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued iv

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

The property is utilized and has been zoned through a “planned unit development”, PD73. The full document of PD73 can be accessed through the City of Chicago’s zoning website (https://gisapps.cityofchicago.org/gisimages/zoning_pds/PD73.pdf).

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued v

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:

- a. High cost of maintenance;

Since 2013 facility expenses relating to repair and maintenance have increased 136.97% from an average of \$116,000 to over \$276,000. The minimum wage increase in the city of Chicago has also added external pressure to operating the facility which increases the need to implement more cost-effective mechanical systems.

- b. Non-compliance with licensing or life safety codes;

The Applicant has taken pride in maintaining the physical plant environment at Smith Village. There are no issues having waivers as of non-conformance with licensing or life safety codes.

- c. Changes in standards of care (e.g., private versus multiple bed rooms); or

One of the most prominent reasons for the proposed project is the changes in standards of care that have created pressure to increase the number of private resident room accommodations. This trend can be seen in the hospital industry and long-term care must keep pace as patients of the hospitals are increasingly out-patient instead of in-patient and instead of providing rehab services in the hospitals they are done in a nursing facility or through in-home physical and occupational therapy. With the push to keep people at home nursing homes are finding themselves with residents who are sicker and with more co-morbidities. The residents in the nursing facilities today are the patients who would have been admitted to a hospital before these trends started. The reasons for private rooms in hospitals, and now in nursing facilities, stems from the need for better infection control and resident's desire for increased privacy. However, in a nursing

ATTACHMENT-25

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA, Continued vi

environment these types of facility's also serve as a residents' home. There are additional pressures to make the stay more comfortable and homelike to accommodate space for loved ones who visit. These types of updates can assist in the healing process.

d. Additional space for diagnostic or therapeutic purposes.

Facilities seeking to establish a more modern resident focused long-term care nursing facility usually begin by creating a facility program and resident philosophy and finally creates its facility program and resident philosophy and then design a physical plant around that program and philosophy. Today's driver for the foreseeable future is the therapy options that the nursing home can provide. Therefore, the entire therapy department in Smith Village's nursing building was evaluated and is being overhauled through this proposed project. Residents and their therapists need more private areas to work together on the resident's rehabilitation. As physical therapy (PT) has evolved, there is significant documentation that more space and equipment is necessary to achieve better and quicker results. The Applicant is proposing that the PT and OT (occupational therapy) area will be roughly 33% larger going from 1,359 square feet on the third floor to 2,033 square feet on the first floor. In fact, the entire first floor will consist of specifically designed post-acute resident rooms and the adjacent therapy department will account for the facility's "rehabilitation" unit.

The changing standards of care and the evolution of diagnostic and therapeutic services are the cornerstones of modern and more effective nursing facilities. These proposed changes to the clinical areas also create the perfect opportunity to update building mechanicals to be more energy efficient which lower overall operating costs for the operator.

ATTACHMENT-25

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued vii

2. Documentation shall include the most recent:

- IDPH and CMMS inspection reports; and

Appended as **ATTACHMENT-25A** is the most recent survey of findings from the Department of Health and Human Services Centers for Medicare & Medicaid Services.

- Copies of citations for life safety code violations; and

Appended as **ATTACHMENT-25B** is the IDPH Life Safety Code annual certification.

- Other pertinent reports and data.

Appended as **ATTACHMENT-25C** is the Annual Health & Life Safety Surveys Corporate Compliance report.

4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

There are 76 nursing residents in Smith Village. Over the past 24 months (FY 2017 and 2018) the annual facility occupancy rate was 90% and 85% respectively⁸. Therefore, over the past 24-months the nursing beds had 87.5 residents. The occupancy standard, 77 IAC, Chapter II of Subchapter b, Section 1125.210(c) sets the target utilization rate at 90%. Smith Village, in proposing the reduction of 22-beds far exceeds this criterion which states Smith Village must have residents that number 90% or greater of the proposed 78-bed license. (Prior to opening the proposed unit, the facility will reduce their occupancy level by limiting admissions so that no one resident will be displaced.) A 90% target capacity equals 70.2 residents. The facility anticipates

ATTACHMENT-25

⁸ CliftonLarsonAllen audited financial statements for Washington and Jane Smith Community – Beverly d/b/a Smith Village, years ended June 30, 2018 and 2017, note 1 (continued)-occupancy percentages, pg. 9.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued viii

reducing the total number of residents through attrition and proceed with the new construction portion of the project. Once the new construction is complete modernization will be phased in by building areas. It is contemplated to begin with the north three floors being renovated first, the east three floors being renovated second, finishing with the west portion of the building in order to provide the least amount of disruption to the existing residents and ability to maintain operations.

ATTACHMENT-25

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/18/2018
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 145904	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 09/06/2018
NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
F 000	INITIAL COMMENTS	F 000			
F 623 SS=D	<p>Annual Licensure and Certification Survey Notice Requirements Before Transfer/Discharge CFR(s): 483.15(c)(3)-(6)(8)</p> <p>§483.15(c)(3) Notice before transfer. Before a facility transfers or discharges a resident, the facility must-</p> <p>(i) Notify the resident and the resident's representative(s) of the transfer or discharge and the reasons for the move in writing and in a language and manner they understand. The facility must send a copy of the notice to a representative of the Office of the State Long-Term Care Ombudsman.</p> <p>(ii) Record the reasons for the transfer or discharge in the resident's medical record in accordance with paragraph (c)(2) of this section; and</p> <p>(iii) Include in the notice the items described in paragraph (c)(5) of this section.</p> <p>§483.15(c)(4) Timing of the notice. (i) Except as specified in paragraphs (c)(4)(ii) and (c)(8) of this section, the notice of transfer or discharge required under this section must be made by the facility at least 30 days before the resident is transferred or discharged. (ii) Notice must be made as soon as practicable before transfer or discharge when-</p> <p>(A) The safety of individuals in the facility would be endangered under paragraph (c)(1)(i)(C) of this section;</p> <p>(B) The health of individuals in the facility would be endangered, under paragraph (c)(1)(i)(D) of this section;</p> <p>(C) The resident's health improves sufficiently to allow a more immediate transfer or discharge,</p>	F 623			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X8) DATE

Manti Gas

Executive Director 10/1/18

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See Instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/18/2018
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 145904	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 09/06/2018
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F 623	Continued From page 1 under paragraph (c)(1)(i)(B) of this section; (D) An immediate transfer or discharge is required by the resident's urgent medical needs, under paragraph (c)(1)(i)(A) of this section; or (E) A resident has not resided in the facility for 30 days. §483.15(c)(5) Contents of the notice. The written notice specified in paragraph (c)(3) of this section must include the following: (i) The reason for transfer or discharge; (ii) The effective date of transfer or discharge; (iii) The location to which the resident is transferred or discharged; (iv) A statement of the resident's appeal rights, including the name, address (mailing and email), and telephone number of the entity which receives such requests; and information on how to obtain an appeal form and assistance in completing the form and submitting the appeal hearing request; (v) The name, address (mailing and email) and telephone number of the Office of the State Long-Term Care Ombudsman; (vi) For nursing facility residents with intellectual and developmental disabilities or related disabilities, the mailing and email address and telephone number of the agency responsible for the protection and advocacy of individuals with developmental disabilities established under Part C of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (Pub. L. 106-402, codified at 42 U.S.C. 15001 et seq.); and (vii) For nursing facility residents with a mental disorder or related disabilities, the mailing and email address and telephone number of the agency responsible for the protection and advocacy of individuals with a mental disorder	F 623			

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/18/2018
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OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 145904		(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 09/06/2018	
NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE				STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643			
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)			ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)		(X5) COMPLETION DATE
F 623	<p>Continued From page 2</p> <p>established under the Protection and Advocacy for Mentally Ill Individuals Act.</p> <p>§483.15(c)(6) Changes to the notice. If the information in the notice changes prior to effecting the transfer or discharge, the facility must update the recipients of the notice as soon as practicable once the updated information becomes available.</p> <p>§483.15(c)(8) Notice in advance of facility closure In the case of facility closure, the individual who is the administrator of the facility must provide written notification prior to the impending closure to the State Survey Agency, the Office of the State Long-Term Care Ombudsman, residents of the facility, and the resident representatives, as well as the plan for the transfer and adequate relocation of the residents, as required at § 483.70(l). This REQUIREMENT is not met as evidenced by: Based on interview and record review, the facility failed to have a record of the notice of resident's transfer/discharge sent to a representative of the office of the State Long Term Care Ombudsman. This affects three residents (R19, R22, and R62) of three residents in a sample of 19 reviewed for proper notice before transfer.</p> <p>Findings include:</p> <p>On 9/5/18 at 1:30pm, V1 (Administrator) presented the face sheets for R22 and R62. These face sheets show that R22 was hospitalized on 1/29/18 through 2/1/18. R 62's face sheet shows that R62 was hospitalized from 7/21/18 through 7/27/18. V1 also presented both residents' progress notes</p>			F 623			

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NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
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F 623	<p>Continued From page 3</p> <p>that showed that residents were transferred to hospital as follows: On 1/29/18 at 10:28pm, V6 (Registered Nurse) documented that R22 was sent to the hospital. On 2/2/18 at 4:28am, V7 (Registered Nurse) documented that R22 was re-admitted to the facility. On 7/21/18 at 7:34am, V7 documented that R62 was sent to the hospital. On 7/27/18 at 8:31pm, V8 (Registered Nurse) documented that R62 was re-admitted to the facility.</p> <p>For both of R22 and R62, nothing was documented in their medical records regarding a notice of residents' transfer being given to R22 and R62 or their representatives upon transfer to the hospital.</p> <p>On 9/5/18 at 1:30pm, V1 stated that she has no record of the notification of the transfer for when both residents were sent to the hospital. V1 added that they send the admit/transfer/discharge list by email attachment every month to the ombudsman.</p> <p>On 9/5/18 at 2:10pm, V1 presented a document titled "Transfer and Discharge Policy" dated 8/13/15 with revision date 2/7/18. This policy states in #j: Social Services Director, or designee shall provide notice of transfer to a representative of the State Long-Term Care Ombudsman via a monthly list.</p> <p>Findings include:</p>	F 623			

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F 623	Continued From page 4 Reviewed R19's "clinical note" dated 3/13/18 at 9:32am documents in part, transferred to local hospital per local ambulance, c/o slight pain to left leg, doctor informed to transport to local hospital. On 3/18/18 "clinical note" documents in part, R19 was readmitted from local hospital. There was no documentation within the medical record of a bed hold notification policy being provided to resident/family or the ombudsmen being notified of R19's transfer to the local hospital. On 9/5/18 at 12:05PM V2 (Director of Nursing) stated, all of our beds are certified for Medicare. When residents go to the hospital, we give a bed hold policy and during their admission. We don't notify the ombudsmen when they go to the hospital. On 9/5/18 at 1:30pm V1 (Administrator) stated, I do not have a bed hold notification for R19 when transferred to the hospital. The Facility's Policy "Bed Hold Notification" (No date) documents in part, we are required to provide a written notice of our bed hold policy whenever a resident is temporarily away from the facility overnight (such as in the case of hospitalization) with the intent to return.	F 623			
F 625 SS=D	Notice of Bed Hold Policy Before/Upon Transfr CFR(s): 483.15(d)(1)(2) §483.15(d) Notice of bed-hold policy and return- §483.15(d)(1) Notice before transfer. Before a nursing facility transfers a resident to a hospital or the resident goes on therapeutic leave, the nursing facility must provide written information to	F 625			

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F 625	<p>Continued From page 5</p> <p>the resident or resident representative that specifies-</p> <p>(i) The duration of the state bed-hold policy, if any, during which the resident is permitted to return and resume residence in the nursing facility;</p> <p>(ii) The reserve bed payment policy in the state plan, under § 447.40 of this chapter, if any;</p> <p>(iii) The nursing facility's policies regarding bed-hold periods, which must be consistent with paragraph (e)(1) of this section, permitting a resident to return; and</p> <p>(iv) The information specified in paragraph (e)(1) of this section.</p> <p>§483.15(d)(2) Bed-hold notice upon transfer. At the time of transfer of a resident for hospitalization or therapeutic leave, a nursing facility must provide to the resident and the resident representative written notice which specifies the duration of the bed-hold policy described in paragraph (d)(1) of this section. This REQUIREMENT is not met as evidenced by:</p> <p>Based on interview and record review, the facility failed to have a record that a written bed-hold policy was provided to residents or residents' representatives upon transfer to the hospital. This affects three residents (R19, R22 and R62) of three residents reviewed for proper notice before transfer, in a sample of 19 residents.</p> <p>Findings include:</p> <p>On 9/5/18 at 1:30pm, V1 (Administrator) presented the face sheets for R22 and R62. These face sheets show that R22 was hospitalized on 1/29/18 through 2/1/18. R 62's face sheet shows that R62 was hospitalized from</p>	F 625			

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F 625	<p>Continued From page 6 7/21/18 through 7/27/18. V1 also presented both residents' progress notes that showed that residents were transferred to hospital as follows: On 1/29/18 at 10:28pm, V6 (Registered Nurse) documented that R22 was sent to the hospital. On 2/2/18 at 4:28am, V7 (Registered Nurse) documented that R22 was re-admitted to the facility. On 7/21/18 at 7:34am, V7 documented that R62 was sent to the hospital. On 7/27/18 at 8:31pm, V8 (Registered Nurse) documented that R62 was re-admitted to the facility.</p> <p>For both of R22 and R62, there were no records that bed-hold policy was given to R22 and R62 or their representatives upon transfer to the hospital.</p> <p>On 9/5/18 at 1:30pm, V1 stated that she has no record of the notification of the bed-hold policy for when both residents were sent to the hospital. On 9/5/18 at 12:05pm, V2 (Director of Nursing) stated that the facility gives bed-hold policy upon admission to the facility, and that they always hold their beds when they are transferred to the hospital.</p> <p>On 9/5/18 at 2:10pm, V1 presented a document titled "Bed Hold Notice upon Transfer Policy". This policy dated February 7, 2018 states in part: At the time of transfer for hospitalization or therapeutic leave, the facility will provide to the resident and/or the resident representative written notice which specifies the duration of the bed-hold policy.</p>	F 625			

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F 625	Continued From page 7 Findings include: Reviewed R19's "clinical note" dated 3/13/18 at 9:32am documents in part, transferred to local hospital per local ambulance, c/o slight pain to left leg, doctor informed to transport to local hospital. On 3/18/18 "clinical note" documents in part, R19 was readmitted from local hospital. There was no documentation within the medical record of a bed hold notification policy being provided to resident/family or the ombudsmen being notified of R19's transfer to the local hospital. On 9/5/18 at 12:05PM V2 (Director of Nursing) stated, all of our beds are certified for Medicare. When residents go to the hospital, we give a bed hold policy and during their admission. We don't notify the ombudsmen when they go to the hospital. On 9/5/18 at 1:30pm V1 (Administrator) stated, I do not have a bed hold notification for R19 when transferred to the hospital. The Facility's Policy "Bed Hold Notification" (No date) documents in part, we are required to provide a written notice of our bed hold policy whenever a resident is temporarily away from the facility overnight (such as in the case of hospitalization) with the intent to return.	F 625			
F 689 SS=D	Free of Accident Hazards/Supervision/Devices CFR(s): 483.25(d)(1)(2) §483.25(d) Accidents. The facility must ensure that - §483.25(d)(1) The resident environment remains as free of accident hazards as is possible; and	F 689			

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F 689	<p>Continued From page 8</p> <p>§483.25(d)(2) Each resident receives adequate supervision and assistance devices to prevent accidents. This REQUIREMENT is not met as evidenced by:</p> <p>Based on observation, interview and record review, the facility failed to implement fall precautions for one of four residents (Resident # 72) reviewed for falls in a total sample of 19 residents.</p> <p>09/04/18 12:15PM Resident # 72 stated that I am non weight bearing on my leg from surgery. Two staff have to help me transfer from wheelchair to toilet with a sliding board.</p> <p>Resident #72's Minimum Data Set (MDS), transfer section dated 8/8/18 notes that Resident # 72 requires extensive assistance from staff with 2 people plus physical assistance to transfer.</p> <p>09/05/18 01:33 PM Resident # 72 entered spa bathroom with V4 (Certified Nursing Assistant, CNA) then door closed.</p> <p>09/05/18 01:56 PM V4 stated that Resident # 72 is non weight bearing on her right leg and needs extensive assistance for transfers. Resident # 72 uses sliding board to transfer. For the most part I am comfortable transferring her to the toilet, it's just getting her off the toilet that I am not confident. I am a small person. I did not have a second staff to transfer her to the toilet in the bathroom.</p> <p>09/05/18 02:26 PM V2 (Director of Nursing) stated that Resident #72 requires 2 staff for assistance due to non-weight bearing on her leg.</p>	F 689			

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F 689	<p>Continued From page 9</p> <p>One staff member transfers the resident and the other staff keeps the leg straight so it is not accidentally bent or hurt.</p> <p>09/05/18 02:32 PM V5 (MDS Coordinator) Two staff members are needed to transfer Resident #72. One staff member assists in transferring Resident #72 with the sliding board and the other staff member holds her right leg. V5 provided therapy notes dated 8/23/18 that states Resident #72 is non-weight bearing to right leg and requires a slide board with 2 staff for transfer. V5 stated this information is given to CNA's.</p> <p>Resident #72's Care plan notes that Resident is at risk for falls and will have measures in place to decrease incidents of injuries.</p>	F 689			

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E 000	Initial Comments This facility is in Compliance 42 CFR 483.73 Emergency Preparedness for this survey. Compliance with E15, E22, and E41 will be determined by Life Safety 000-LTC facility 16.01 Annual Licensure and Certification Survey.	E 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

September 19, 2018

Dear Administrators;

As of, September 7, 2016, we are e-mailing Life Safety Survey documents including notices for the Initial Surveys, DOPNA, POC and Revisits. Once you receive the Initial Survey e-mail please send an e-mail reply acknowledging the facility has received the notice.

Once your POC or evidence of compliance is completed please **E-MAIL** them to dph.field.services@illinois.gov. The POC and evidence of compliance can be e-mailed together or separately. Larger POC and evidence documents may require multiple e-mails if the size exceeds 3mb. In the subject line of the e-mail please indicate the Facility name.

It will be the responsibility of the facility to forward copies of all letters from the IDPH Life Safety Code & construction section regarding the LSC Certification surveys to your Registered Agent.

There is no need to mail or fax these documents. We will send you an e-mail reply stating that we have received your POC.

If you have any questions, please call 217-785-9183. Thank you and have a great day!



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09/19/2018

BY E-MAIL

Marti Jatis, Administrator
Smith Village
2320 West 113th Place
Chicago, IL 60643

REFERENCE: Provider #: 145904/0015032
Cycle Date: 09/06/2018
Survey Date: 09/06/2018
Survey Type: LSC Annual Certification
LSC Survey: 09/05/2018

Dear Administrator:

On 09/06/18, a Health inspection was conducted at the above-named facility by staff of the Illinois Department of Public Health to determine compliance with federal certification requirements for nursing homes participating in the Medicare and/or Medicaid programs. Deficiencies were identified and remedies have been proposed, recommended or imposed in an "Initial Notice" dated 09/18/18, and any amendments thereto. On 09/05/18, an Annual Life Safety Code (LSC) survey was conducted. As a result of that survey, ADDITIONAL DEFICIENCIES were identified. (See Enclosure #1, "Statement of Deficiencies," CMS Form 2567.)

Although no additional remedies will be recommended or imposed as a result of the revisit, all remedies proposed, recommended or imposed in the "Initial Notice" and any subsequent notices will continue in effect. Time lines and effective dates established in the "Initial Notice" or any amendments thereto remain unchanged.

The facility must submit a Plan of Correction (POC) for all deficiencies at "B" Level or higher. Level "A" deficiencies must be corrected, but do not require a written POC. All required POCs must be submitted to the Department within ten (10) calendar days after receipt of the written "Statement of Deficiencies." The POC cannot be submitted on the CMS-2567, but on separate sheets of paper which are attached to the first page of the CMS-2567. The first page of the CMS-2567 must be returned with the facility representative's signature and date. The POC is not to be used to dispute a deficiency or to make comments about the survey process. Information disputing a deficiency may be provided through the informal dispute resolution (IDR) process on the enclosed form, and, if necessary, separate sheets of paper; comments about the survey process may be provided on the enclosed Provider Feedback Survey. In order for a POC to be acceptable, it must:

1. Address corrective actions taken and/or how the deficiency will be corrected;
2. Address actions the facility will take to assure that no other examples of the deficiency exist in other parts of the building. Cited deficiencies may not identify all locations where a condition may occur. It is the facility's responsibility to review its building to assure that similar conditions do not exist in other areas;
3. Address what measures will be put in place or systemic changes made to ensure that the deficient practice will not recur;
4. Indicate how the facility plans to monitor its performance to make sure those solutions are sustained. The facility must develop a plan for ensuring that correction is achieved and sustained. This plan must be implemented, and the corrective action evaluated for its effectiveness. This plan of correction is integrated into the quality assurance system; and

ATTACHMENT-25B

5. Include a specific date when corrective action will be completed not later than 10/21/18 for any deficiency at Level "D" or higher.

*****See the ORANGE attachment that further explains POC requirements for Life Safety Code*****

Further, in accordance with the *State Operations Manual (Sections 7304D and 7316)*, the facility must submit POCs to the Department within ten (10) calendar days after receipt of the CMS-2567. Therefore, our Department cannot grant an extension of the time for which the POC is to be submitted. Failure to submit a POC which includes the above-listed components and in the mandated timeframes will result in our Department imposing or recommending immediate imposition of remedies and/or termination from the Medicare and/or Medicaid programs.

In some cases, while certain provisions of the LSC might not be met but the facility provides a reasonable degree of fire safety, an Annual Waiver may be requested with proper justification. The Annual Waiver justification must include facility fire safety characteristics to support granting of the waiver would not adversely affect patient health and safety and would impose an unreasonable hardship on the facility. For those cases of unreasonable hardship an actual estimate from a licensed contractor or consulting firm in support of the statement of estimated cost must be submitted along with justification to support how this is a financial hardship. Details of how resident safety will be protected if the deficiency is not corrected must also be included in the waiver request to include building sprinkler status and smoke control features. The Annual Waiver request must provide this specific information as described in the *State Operations Manual (Section 2480)* and must be signed and dated by the facility's representative. One (1) Annual Waiver request form (Enclosure #4) must be completed, signed and dated for each K tag/deficiency. Only Plans of Correction (POCs) or Annual Waivers will be accepted and reviewed for deficiencies at Levels "B" and/or "C". Notification of CMS approval or denial of Annual Waiver requests will be issued by our Department when received from the Regional Office of the Centers for Medicare and Medicaid Services (CMS). CMS has the final authority to approve or deny all Annual Waiver requests.

The Regional CMS Office has authorized our Department to review and issue notice of our approval of Temporary Waivers up to 12 months duration from the survey cycle date for Medicare/Medicaid certified nursing homes. The Temporary Waiver response/request must address increased fire safety awareness as required by the *State Operation Manual (Section 7410F1)* to be deemed acceptable. The Temporary Waiver request must include benchmarking correction to justify the date of completion, financial information to justify the waiver request and safeguards for residents in the facility until the end of the waiver period. The request must also include interim safety measures to be implemented until correction of the deficiency. If corrective actions include modifications to the sprinkler system and/or fire alarm system or building exit access, the Licensure Plan/Review Unit must be consulted prior to modification to determine the need for project plan submission to ensure Code compliance. Temporary Waivers for more than 12 months from the survey cycle date will be forwarded to CMS for review. Notification of CMS approval or denial of these requests will be issued by our Department when received from CMS. The Temporary Waiver request form must be completed, signed and dated by the facility's representative. One (1) Temporary Waiver request form (Enclosure #4A) must be completed, signed and dated for each K tag/deficiency. Temporary Waiver requests will not be accepted or reviewed for deficiencies at Levels "B" and/or "C". If any deficiency cited on the Annual LSC survey has a previously requested Temporary Waiver on file, the POC response submitted for that deficiency for the Annual survey cannot exceed the date previously requested. [NOTE: The survey cycle date is included in the information reference block on the first page of the "Initial Notice" accompanying the LSC Statement of Deficiencies.] CMS has the final authority to approve or deny all Temporary Waiver requests.

If a deficiency is to be addressed through a Fire Safety Evaluation System (FSES) the provider is responsible for completion of the FSES to include a Table of Alternates. The FSES must be submitted within ten (10) calendar days after receipt of the written "Statement of Deficiencies" (CMS-2567) along with the POC. CMS will not allow Temporary Waivers to allow time to conduct the FSES. An inability to submit the FSES will not delay the effective date of any enforcement action. Further, Annual Waivers may not be used in conjunction with the Fire Safety Evaluation System (FSES) to achieve compliance. CMS has the final authority to approve or deny all FSES requests. (Enclosure#5)

If the facility is subject to a LSC Federal Monitoring Survey (FMS), that survey will in most instances become part of an existing enforcement cycle. No revisit activity for the Annual LSC will occur until our office has received authorization from the Regional CMS Office to conduct a revisit for the FMS survey. The Regional CMS Office has final authority for review and approval of POCs, Waiver requests and FSES requests for the LSC FMS. All inquiries regarding Denial of Payments for New Admissions (DOPNA) in these cases should be made to the CMS Illinois Principal Program Representative.

Before a revisit will be scheduled, the facility must provide to the Department an acceptable POC for all deficiencies. An acceptable POC will also serve as the facility's allegation of compliance, thereby signifying the facility attests it will be in substantial compliance with all federal certification requirements.

Based upon the acceptable POC, a revisit will be conducted to verify compliance. Before a revisit will be scheduled, the facility must provide to the Department an acceptable POC for all deficiencies. An acceptable POC will also serve as the facility's allegation of compliance, thereby signifying the facility attests it will be in substantial compliance with all federal certification requirements. Based upon the acceptable POC, a revisit will be conducted to verify compliance.

SUBMISSION OF EVIDENCE IN LIEU OF AN ONSITE FOLLOW-UP REVISIT

Based upon the scope and severity level of the LSC deficiencies cited, the facility may be considered eligible to submit evidence in lieu of an onsite revisit. This evidence must be submitted within thirty days of the survey exit date, should be clearly separated by tag number, and should show that the facility has:

1. Put into place systemic changes as identified in its Plan of Correction to ensure that the deficient practices will not recur, and
2. Initiated a program to monitor the continued effectiveness of its Plan of Correction.

Evidence of correction should include documentation such as copies of written policies and procedures, completed (i.e., filled out) monitoring sheets, outline of in-service programs, in-service attendance sheets, quality assurance monitoring reports, committee minutes, licenses or other credentials, invoices, receipts, photographs or other credible evidence. If the evidence that the facility submits is determined by the Department to show correction of the deficiencies, an on-site life safety code revisit will not be conducted. If the evidence does not prove correction, or is not submitted in a timely manner, an on-site revisit will be scheduled. Evidence will be reviewed during revisit activity (not during POC review) by the Architect that conducted the Annual survey. All evidence submitted for review must be legible. Please be aware that copies of photographs sent via facsimile generally are not legible and may result in a request for other documents.

PLEASE SUBMIT ALL EVIDENCE WITHIN 30 DAYS OF THE LSC SURVEY EXIT DATE TO THIS OFFICE

The facility may request an "Informal Dispute Resolution" (IDR) to challenge any deficiency that renders the facility not in substantial compliance (Level "D" or above). The facility may only question whether or not a deficiency existed at the time of the survey, not the scope/severity or any recommended or imposed remedies.

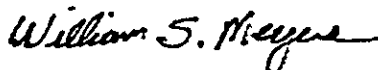
The IDR process will not delay the effective date of any enforcement action! If the facility requests an IDR without submitting an acceptable POC and the Department's decision, as a result of the process, does not result in the deletion of the deficiency, our Department will then proceed to impose or recommend immediate imposition of remedies, to include termination from the Medicare and/or Medicaid programs. The provider is allowed one (1) opportunity for IDR. **Informal dispute resolution (IDR) information must be submitted within ten (10) calendar days after receipt of the CMS-2567.** (See Enclosure #3)

Please submit all documents or other materials relating to this survey to:

Illinois Department of Public Health
Division of Long-Term Care, Life Safety &
Construction
525 West Jefferson, Fourth Floor
Springfield, Illinois 62761-0001
Attention: William Meyers

If you have questions concerning this notice, please contact my staff at the above address or telephone (217) 782-5180. You may also telephone the Department's TTY number (hearing impaired use only) at 1-800-547-0466.

Sincerely,



William S. Meyers, Supervisor Field Services
Illinois Department of Public Health
Division of Life Safety and Construction
E-mail contact: DPH.Field.services@illinois.gov

Enclosures

cc: State Medicaid Agency
IL Department on Aging
Debra D. Bryars, Deputy Director IDPH/OHCR
G2/041411/as/JP

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/07/2018
FORM APPROVED
OMB NO. 0938-0391

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NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
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E 000	Initial Comments Life Safety Survey for Emergency Preparedness requirements for E-15, E-22, E-41 was found in compliance.	E 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

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K 000	<p>INITIAL COMMENTS</p> <p>An Annual Life Safety Code (LSC) Certification Survey was conducted by the Illinois Department of Public Health. At this survey, Smith Village, Chicago was found not in substantial compliance with the requirements for participation in Medicare/Medicaid at 42 CFR Subpart 483.470(a), Life Safety from Fire, and the 2012 Edition of the National Fire Protection Association (NFPA) 101, Life Safety Code, Chapter 19 Existing Health Care.</p> <p>Building 0101 is a three story building with full basement used by residents and was determined to be of Type I (3 3 2) construction (poured in place concrete). The building is fully protected by an approved supervised automatic sprinkler system (electrical room meets exception for 2 hr separation). There is a fire alarm system with smoke detectors in corridors, spaces open to corridors, common areas and resident rooms.</p> <p>Batteries: N EPS: Y KW: 120 Voltage: 120/208 V Fuel Source: Natural Gas: N Diesel: Y Propane: N EPS used for: Life Safety: Y Heating: Y, Cooling: N</p> <p>In this report Maintenance Director will be referred to as E-1, Administrator will be referred to as E-2 and Corporate EVS and Safety will be referred to as E-3.</p> <p>The facility has a capacity of 100 licensed beds and had a census of 81 residents at the time of the survey.</p>	K 000			

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K 000	Continued From page 1	K 000			
K 133 SS=E	<p>The requirements at 42 CFR Subpart 483.470 (a) are NOT MET as evidenced by:</p> <p>Multiple Occupancies - Construction Type CFR(s): NFPA 101</p> <p>Multiple Occupancies - Construction Type Where separated occupancies are in accordance with 18/19.1.3.2 or 18/19.1.3.4, the most stringent construction type is provided throughout the building, unless a 2-hour separation is provided in accordance with 8.2.1.3, in which case the construction type is determined as follows:</p> <ul style="list-style-type: none"> * The construction type and supporting construction of the health care occupancy is based on the story in which it is located in the building in accordance with 18/19.1.6 and Tables 18/19.1.6.1 * The construction type of the areas of the building enclosing the other occupancies shall be based on the applicable occupancy chapters. 18.1.3.5, 19.1.3.5, 8.2.1.3 <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on observations and interview, the facility failed to provide properly rated fire resistive barriers and/or self closing and automatic latching doors in fire barrier wall with an adjacent building or area under construction. This deficient practice could affect 15 of 81, in smoke compartment 2 North, as well as an indeterminable number of staff if the fire was to spread due to deficient barrier.</p> <p>Findings include:</p> <p>On 09/05/18 at 12:40 PM while accompanied by E-1 and E-3 observations revealed on second floor, in smoke compartment 2 North, above fire</p>	K 133			

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K 133	Continued From page 2 rated double door installed in the fire wall between skilled nursing building and assisted living, above ceiling tile, annular space at penetration of 2 cables through fire wall not firestopped by a through penetration firestop system having a design number in accordance with UL or other recognized agency. Not in accordance with NFPA 101, 2012 Edition Sections, 19.1.3.3, 8.3.3.3.	K 133			
K 293 SS=F	This finding was review at exit conference with E-1, E-2 and E-3. Exit Signage CFR(s): NFPA 101 Exit Signage 2012 EXISTING Exit and directional signs are displayed in accordance with 7.10 with continuous illumination also served by the emergency lighting system. 19.2.10.1 (Indicate N/A in one-story existing occupancies with less than 30 occupants where the line of exit travel is obvious.) This REQUIREMENT is not met as evidenced by: Based on record review facility failed to provide and maintain exit and directional exit signs to mark exit paths to reach the exits. This deficient practice could affect all 81 residents as well as an indeterminable number of staff and visitors if these exits were required to be used during a building evacuation. Findings include: On 09/05/18 at 1:30 PM while accompanied by E-1 and E-3 maintenance record review revealed	K 293			

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K 293	Continued From page 3 that facility failed to provide record of monthly (intervals not to exceed 30 days) visual inspection for the operation of illumination source of emergency exit signs installed in the facility. Not in accordance with NFPA 101 2012 Edition Sections 7.10.9.1.	K 293			
K 311 SS=E	This finding was reviewed at exit conference with E-1, E-2 and E-3. Vertical Openings - Enclosure CFR(s): NFPA 101 Vertical Openings - Enclosure 2012 EXISTING Stairways, elevator shafts, light and ventilation shafts, chutes, and other vertical openings between floors are enclosed with construction having a fire resistance rating of at least 1 hour. An atrium may be used in accordance with 8.6. 19.3.1.1 through 19.3.1.6 If all vertical openings are properly enclosed with construction providing at least a 2-hour fire resistance rating, also check this box. This REQUIREMENT is not met as evidenced by: Based on the observation the facility failed to provide stairway, elevator shafts, HVAC, linen chute and trash chute enclosures with an one hour fire resistance rating. This deficiency practice could affect 32 of 81 residents in smoke compartments 2 South, 3 South, as well as indeterminable number of staff and visitors, if fire was allowed to travel from floor to floor. Findings include: On 09/05/18 at 12:30 PM, while accompanied by	K 311			

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K 311	Continued From page 4 E-1 and E-3, observations revealed penetrations through and voids in exit enclosure wall not firestopped by a through penetration firestop system having a design number in accordance with UL or other recognized agency. On first floor, above door to South exit stair shaft and ceiling tile, void not fire stopped was observed at penetrations of open metal conduit. Not in accordance with NFPA 101 2012 Edition, Sections 19.3.1.1, 8.3.5., 8.3.5.1.	K 311			
K 351 SS=E	This finding was reviewed at exit conference with E-1, E-2 and E-3. Sprinkler System - Installation CFR(s): NFPA 101 Spinkler System - Installation 2012 EXISTING Nursing homes, and hospitals where required by construction type, are protected throughout by an approved automatic sprinkler system in accordance with NFPA 13, Standard for the Installation of Sprinkler Systems. In Type I and II construction, alternative protection measures are permitted to be substituted for sprinkler protection in specific areas where state or local regulations prohibit sprinklers. In hospitals, sprinklers are not required in clothes closets of patient sleeping rooms where the area of the closet does not exceed 6 square feet and sprinkler coverage covers the closet footprint as required by NFPA 13, Standard for Installation of Sprinkler Systems. 19.3.5.1, 19.3.5.2, 19.3.5.3, 19.3.5.4, 19.3.5.5, 19.4.2, 19.3.5.10, 9.7, 9.7.1.1(1) This REQUIREMENT is not met as evidenced by: Based on observation the facility failed to	K 351			

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K 351	Continued From page 5 maintain installed sprinkler heads or sprinkler piping. This deficient practice could affect 11 of 81 residents in smoke compartment 1 North as well as an indeterminable number of staff and visitors if fire were to spread due to insufficient sprinkler coverage or lack of sprinkler maintenance. Findings include: On 09/05/18 at 12:08 PM while accompanied by E-1 and E-3 observations revealed on first floor, in smoke compartment 1 North, in resident room 1106, pendant sprinkler head was missing an escutcheon ring. Not in accordance with NFPA 13 2010 Edition, Section 6-2.7. This finding was reviewed at exit conference with E-1, E-2 and E-3.	K 351			
K 353 SS=F	Sprinkler System - Maintenance and Testing CFR(s): NFPA 101 Sprinkler System - Maintenance and Testing Automatic sprinkler and standpipe systems are inspected, tested, and maintained in accordance with NFPA 25, Standard for the Inspection, Testing, and Maintaining of Water-based Fire Protection Systems. Records of system design, maintenance, inspection and testing are maintained in a secure location and readily available. a) Date sprinkler system last checked b) Who provided system test c) Water system supply source	K 353			

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K 353	<p>Continued From page 6</p> <p>Provide in REMARKS information on coverage for any non-required or partial automatic sprinkler system.</p> <p>9.7.5, 9.7.7, 9.7.8, and NFPA 25</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on maintenance record review and interview, the facility failed to provide proper maintenance, required clearance at devices, quarterly inspections or required multi-year tests of the sprinkler system. This deficient practice could affect all 81 residents in all smoke compartments as well as an indeterminable number of staff if the sprinkler system failed to operate properly due to improper maintenance.</p> <p>Findings include:</p> <p>On 09/05/18 while accompanied by E-1 and E-3 maintenance record review revealed the following:</p> <p>A. At 11:10 AM, facility failed to provide record of quarterly sprinkler inspections for second quarter of 2018. In interview, E-3 stated that contract with sprinkler company had lapsed. Not in accordance with NFPA 25, 2011 Edition, Section 5.2, Table 5.1.1.2.</p> <p>B. At 1:35 PM, facility failed to ensure all sprinkler system control valves are inspected monthly. Monthly control valve inspection log located in fire pump room, indicates that control valves located in fire pump room are inspected monthly. During observations, three sectional control valves were observed installed on the sprinkler riser inside the stairwell. In interview E-3 stated that facility is not checking these valves monthly. Not in accordance with NFPA 25 2011 Edition</p>	K 353			

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K 353	Continued From page 7 Sections 13.3.2.1, 13.3.2.1.1. These findings were reviewed at exit conference with with E-1, E-2 and E-3.	K 353			
K 354 SS=C	Sprinkler System - Out of Service CFR(s): NFPA 101 Sprinkler System - Out of Service Where the sprinkler system is impaired, the extent and duration of the impairment has been determined, areas or buildings involved are inspected and risks are determined, recommendations are submitted to management or designated representative, and the fire department and other authorities having jurisdiction have been notified. Where the sprinkler system is out of service for more than 10 hours in a 24-hour period, the building or portion of the building affected are evacuated or an approved fire watch is provided until the sprinkler system has been returned to service. 18.3.5.1, 19.3.5.1, 9.7.5, 15.5.2 (NFPA 25) This REQUIREMENT is not met as evidenced by: Based on the review of policies, the facility failed to establish a complete written policy indicating the procedures the facility must initiate when a required automatic sprinkler system is out of service for more than 10 hours in a 24 -hour period, the authority having jurisdiction shall be notified, and the building shall be evacuated or an approved fire watch shall be provided for all the parties left unprotected by the shutdown until the sprinkler system has been returned to service. This deficient practice could affect all 81 residents in all smoke compartments, as well as an indeterminable number of staff and visitors, if staff did not initiate the proper procedures when	K 354			

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K 354	Continued From page 8 the sprinkler system was inoperable. Findings include: On 09/05/18 at 10:42 AM while accompanied by E-1 and E-3 review of the facility records revealed that facility's fire watch policy not in accordance with NFPA 25, 2011 Edition Section 15.5.2, as evidenced by: 1. Facility's fire watch policy failed to indicate that Regional Office of Illinois Department of Public Health (authorities having jurisdiction) will be notified when facility implements fire watch procedures. 2. Facility policy failed to indicate that insurance carrier will be notified when fire watch is implemented. 3. Facility policy failed to indicate property owner or designated representative will be notified when fire watch is implemented. 4. Facility policy failed to indicate Fire Alarm Company (or fire alarm monitoring entity) will be notified when fire watch is implemented. These findings were reviewed at exit conference with E-1, E-2 and E-3.	K 354			
K 372 SS=E	Subdivision of Building Spaces - Smoke Barrie CFR(s): NFPA 101 Subdivision of Building Spaces - Smoke Barrier Construction 2012 EXISTING Smoke barriers shall be constructed to a 1/2-hour fire resistance rating per 8.5. Smoke barriers shall	K 372			

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K 372	<p>Continued From page 9</p> <p>be permitted to terminate at an atrium wall. Smoke dampers are not required in duct penetrations in fully ducted HVAC systems where an approved sprinkler system is installed for smoke compartments adjacent to the smoke barrier.</p> <p>19.3.7.3, 8.6.7.1(1)</p> <p>Describe any mechanical smoke control system in REMARKS.</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on observations the facility failed to provide properly constructed and fire stopped smoke barriers to provide compartmentalization of the facility. This deficient practice could affect 52 of 81 residents in smoke compartments 1 North, 1 South, 2 North, 2 South, as well as an indeterminable number of staff and visitors if smoke from a fire were allowed to pass from one smoke compartment to another.</p> <p>Findings include:</p> <p>On 09/05/18, while accompanied by E-1 and E-3 observations revealed penetrations through smoke barrier walls and voids in the smoke walls not firestopped by a through penetration firestop system having a design number in accordance with UL or other recognized agency. Not in accordance with NFPA 101, 2012 Edition, Sections 19.3.7.3, 8.4.4, as evidenced by:</p> <p>1. At 12:22 PM, on first floor, between smoke compartments 1 North and 1 South, in exit corridor adjacent to resident room 1117, above cross corridor smoke barrier door, above ceiling tile, void at the penetration of cable through open metal conduit was not sealed with fire stopping material.</p>	K 372			

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K 372	Continued From page 10 2. At 12:36 PM, on second floor, between smoke compartments 2 North and 2 South, in exit corridor adjacent to resident room 2117, above cross corridor smoke barrier door, above ceiling tile, void at the penetration of cable through open metal conduit was not sealed with fire stopping material. These findings were reviewed at exit conference with E-1, E-2 and E-3.	K 372			
K 374 SS=E	Subdivision of Building Spaces - Smoke Barrier CFR(s): NFPA 101 Subdivision of Building Spaces - Smoke Barrier Doors 2012 EXISTING Doors in smoke barriers are 1-3/4-inch thick solid bonded wood-core doors or of construction that resists fire for 20 minutes. Nonrated protective plates of unlimited height are permitted. Doors are permitted to have fixed fire window assemblies per 8.5. Doors are self-closing or automatic-closing, do not require latching, and are not required to swing in the direction of egress travel. Door opening provides a minimum clear width of 32 inches for swinging or horizontal doors. 19.3.7.6, 19.3.7.8, 19.3.7.9 This REQUIREMENT is not met as evidenced by: Based on observation facility failed to maintain self closing or automatic closing doors in smoke barriers. This deficient practice could affect 33 of 81 residents in smoke compartments 2 North and 2 South as well as an indeterminate number of staff and visitors if smoke was to spread from one smoke compartment to next through deficient	K 374			

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 09/07/2018
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 145904	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02 - BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 09/05/2018
NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
K 374	Continued From page 11 door. Findings include: On 09/05/18 at 1:05 PM, while accompanied by E-1 observations revealed on second floor, smoke barrier double doors between smoke compartments 2 North and 2 South, failed to fully close into frame when fire alarm was tested. One door leaf remained fully open due to closing device failing to close door once door hold open magnet released. Not in accordance with NFPA 101 Sections 19.3.7.8. This findings was reviewed at exit conference with E-1, E-2 and E-3.	K 374			
K 712 SS=F	Fire Drills CFR(s): NFPA 101 Fire Drills Fire drills include the transmission of a fire alarm signal and simulation of emergency fire conditions. Fire drills are held at expected and unexpected times under varying conditions, at least quarterly on each shift. The staff is familiar with procedures and is aware that drills are part of established routine. Where drills are conducted between 9:00 PM and 6:00 AM, a coded announcement may be used instead of audible alarms. 19.7.1.4 through 19.7.1.7 This REQUIREMENT is not met as evidenced by: Based on record review it was determined that the facility failed to conduct fire drills as required. Fire drills are to be held at unexpected times under varying conditions, at least quarterly on	K 712			

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NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
K 712	Continued From page 12 each shift (drills held during shift changes can only be counted as quarterly drill for one shift) for all staff. This deficient practice could affect all 81 residents in all smoke compartments as well as indeterminate number of staff and visitors if the staff were not trained to properly respond to fire emergency. Findings include: On 09/05/18 at 10:55 AM, while accompanied by E-1 and E-3 fire drill records from past 4 quarters and the current quarter revealed that quarterly fire drills are not in accordance with NFPA 101 2012 Edition Section 19.7.1, 4.7.4, as evidenced by: 1. Five fire drills were missing complete date. Only month and year were recorded, not day. 2. Alarm activation and transmission of alarm to the fire department sections of fire drill form was not filled out on three of four third shift drills. 3. Facility failed to provide record of fire drill for first shift in fourth quarter of 2017. These findings were reviewed at exit conference with E-1, E-2 and E-3.	K 712			
K 761 SS=F	Maintenance, Inspection & Testing - Doors CFR(s): NFPA 101 Maintenance, Inspection & Testing - Doors Fire doors assemblies are inspected and tested annually in accordance with NFPA 80, Standard for Fire Doors and Other Opening Protectives. Non-rated doors, including corridor doors to patient rooms and smoke barrier doors, are routinely inspected as part of the facility	K 761			

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NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
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K 761	Continued From page 13 maintenance program. Individuals performing the door inspections and testing possess knowledge, training or experience that demonstrates ability. Written records of inspection and testing are maintained and are available for review. 19.7.6, 8.3.3.1 (LSC) 5.2, 5.2.3 (2010 NFPA 80) This REQUIREMENT is not met as evidenced by: Based on record review and observation the facility failed to provide record of annual inspection of fire rated door assemblies installed in the means of egress. This deficient practice could affect all 81 residents in all smoke compartments as well as an indeterminable number of staff and visitors if doors failed to function properly during an emergency. Finding includes: On 09/05/18 at 11:00 AM while accompanied by E-1 and E-3, maintenance record review and observation revealed that facility failed to provide record of annual inspection of fire rated door assemblies installed in the means of egress. Not in accordance with NFPA 101 2012 Edition Section 7.2.1.15, NFPA 80 2010 Edition, Section 5.2. This finding was reviewed at exit conference with E-1, E-2 and E-3.	K 761			
K 918 SS=C	Electrical Systems - Essential Electric Syste CFR(s): NFPA 101 Electrical Systems - Essential Electric System Maintenance and Testing The generator or other alternate power source	K 918			

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K 918	<p>Continued From page 14</p> <p>and associated equipment is capable of supplying service within 10 seconds. If the 10-second criterion is not met during the monthly test, a process shall be provided to annually confirm this capability for the life safety and critical branches. Maintenance and testing of the generator and transfer switches are performed in accordance with NFPA 110.</p> <p>Generator sets are inspected weekly, exercised under load 30 minutes 12 times a year in 20-40 day intervals, and exercised once every 36 months for 4 continuous hours. Scheduled test under load conditions include a complete simulated cold start and automatic or manual transfer of all EES loads, and are conducted by competent personnel. Maintenance and testing of stored energy power sources (Type 3 EES) are in accordance with NFPA 111. Main and feeder circuit breakers are inspected annually, and a program for periodically exercising the components is established according to manufacturer requirements. Written records of maintenance and testing are maintained and readily available. EES electrical panels and circuits are marked, readily identifiable, and separate from normal power circuits. Minimizing the possibility of damage of the emergency power source is a design consideration for new installations.</p> <p>6.4.4, 6.5.4, 6.6.4 (NFPA 99), NFPA 110, NFPA 111, 700.10 (NFPA 70)</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on record review the facility failed to provide proper maintenance, testing or installation of the emergency electrical generator or generator components. This deficient practice could affect all 81 residents in all smoke compartments, as well as an indeterminable</p>	K 918			

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K 918	Continued From page 15 number of staff and visitors if emergency generator failed to provide power in case of an emergency. Findings include: On 09/05/18 at 10:10 AM while accompanied by E-1 and E-3 maintenance record review reveled that facility failed to record required generator cool down period (over required 30 minutes under load) during monthly generator exercise under load on all the monthly logs in the past 12 month period. Not in accordance with NFPA 110 2012 Edition, Section 8.4.5. These findings were reviewed at exit conference with E-1, E-2 and E-3.	K 918			
K 920 SS=D	Electrical Equipment - Power Cords and Extens CFR(s): NFPA 101 Electrical Equipment - Power Cords and Extension Cords Power strips in a patient care vicinity are only used for components of movable patient-care-related electrical equipment (PCREE) assembles that have been assembled by qualified personnel and meet the conditions of 10.2.3.6. Power strips in the patient care vicinity may not be used for non-PCREE (e.g., personal electronics), except in long-term care resident rooms that do not use PCREE. Power strips for PCREE meet UL 1363A or UL 60601-1. Power strips for non-PCREE in the patient care rooms (outside of vicinity) meet UL 1363. In non-patient care rooms, power strips meet other UL standards. All power strips are used with general precautions. Extension cords are not used as a	K 920			

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NAME OF PROVIDER OR SUPPLIER SMITH VILLAGE			STREET ADDRESS, CITY, STATE, ZIP CODE 2320 WEST 113TH PLACE CHICAGO, IL 60643		
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K 920	<p>Continued From page 16</p> <p>substitute for fixed wiring of a structure. Extension cords used temporarily are removed immediately upon completion of the purpose for which it was installed and meets the conditions of 10.2.4.</p> <p>10.2.3.6 (NFPA 99), 10.2.4 (NFPA 99), 400-8 (NFPA 70), 590.3(D) (NFPA 70), TIA 12-5</p> <p>This REQUIREMENT is not met as evidenced by:</p> <p>Based on the observation the facility failed to properly install electrical wiring. This deficient practice could affect 1 of 81 residents in smoke compartments 1 North as well as an indeterminable number of staff and visitors if improper electrical wiring caused electrocution or an electrical fire.</p> <p>Finding Include:</p> <p>On 09/05/18 at 12:06 PM, while accompanied by E-1 and E-3 observations revealed on first floor, in smoke compartment 1 North, in resident room 1103, phone charge plugged into a three plug extension cord.</p> <p>Not in accordance with NFPA 70 Section 400.8, NFPA 99 2012 Edition, Sections 10.2.3.6, 10.2.4, CMS S&C: 14-48-LSC.</p> <p>This finding was reviewed at exit conference with E-1, E-2 and E-3.</p>	K 920			

CORPORATE COMPLIANCE
SMITH VILLAGE

Facility: Smith Village

Survey Date: September 2018

Survey Type: Annual Health & Life Safety Surveys

HEALTH SURVEY:

F 623 NOTICE OF TRANSFER / DISCHARGE

Residents and their representatives now require a written (and verbal) notice when being transferred to the hospital or to another community. The Ombudsman also requires notification. We were cited because during three transfers to the hospital residents were not provided a written notification.

We adjusted our bed hold/ transfer form to include information on how to contact the Ombudsman and how to formally appeal a transfer out of the community.

Audits will be done and report in our quarterly Quality Assurance meetings.

F 625 NOTICE OF BED HOLD

A new regulation this year is that all residents and their representatives need to be provided a written notice of the bed hold policy upon admission and upon any transfer to the hospital. We adjusted our bed hold/transfer form and now are doing audits on the process each time someone goes to the hospital. The nurses were also trained in the new policies.

Audits will be done and report in our quarterly Quality Assurance meetings.

F 689 ENVIRONMENT FREE OF ACCIDENTS/SUPERVISION

During the survey, a surveyor observed a resident transfer that did not follow the resident's plan of care. More specifically, the resident required a two person transfer but only one CNA was present during the transfer. Because this does have the potential to affect other residents, all CNAs are required to complete more training on transfers. Random transfer audits will be completed and reported in QA.

CORPORATE COMPLIANCE
SMITH VILLAGE

LIFE SAFETY SURVEY:

In all, we received 12 K tags for life safety throughout the building, all plans of correction have been completed and are under review at the IDPH now.

K 133, K311 and K372 were tags for penetration in smoke compartments.

K293 was a tag for an exit sign that was out

K351 missing sprinkler escutcheon ring

K353 missing sprinkler inspection due to contract termination

K354 new regulation requires that the administrator, fire department and insurance company be notified when fire watch is in effect

K374 a fire door was found not to close correctly

K761 requires an 11 point inspection for fire doors

K712 missing one fire drill for the 4th quarter of last year

K918 new regulations require a 10 minute cool down of generator documented each time it is tested

K920 and extension cord was found in a resident room for personal use

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued i

Criterion 1125.800 Estimated Total Project Cost

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Availability of Funds – Review Criteria
- Financial Viability – Review Criteria
- Economic Feasibility – Review Criteria, subsection (a)

Availability of Funds

- a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:

Appended as **ATTACHMENT-27A** are 3-years of audited financial statements illustrating that the entity has the wherewithal to fund the equity portion of the project through cash and investments.

- d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:

3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;

Appended as **ATTACHMENT-27B** is a letter from First Midwest Bank providing the terms and conditions and stating its expectations of making the loan.

ATTACHMENT-27

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



ATTACHMENT-27A

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
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YEARS ENDED JUNE 30, 2018 AND 2017**

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CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Washington and Jane Smith Community - Beverly
dba: Smith Village
Chicago, Illinois

We have audited the accompanying financial statements of the Washington and Jane Smith Community - Beverly dba: Smith Village (the Organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees
Washington and Jane Smith Community - Beverly
dba: Smith Village

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington and Jane Smith Community - Beverly dba: Smith Village as of June 30, 2018 and 2017, and the results of its operations, changes in net assets (deficit), and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
August 31, 2018

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,535,104	\$ 1,768,453
Resident Accounts Receivable, Net of Allowance of Doubtful Accounts	1,651,266	2,041,826
Entrance Fees Receivable	941,130	627,535
Prepaid Expenses	<u>117,724</u>	<u>101,202</u>
Total Current Assets	5,245,224	4,539,016
 PROPERTY AND EQUIPMENT, NET	 48,679,946	 50,099,463
 OTHER ASSETS		
Long-Term Investments	9,170,040	8,594,707
Deposits	2,767	2,767
Other Assets	127,835	113,571
Fair Value Interest Rate Swap	<u>1,433,855</u>	<u>652,310</u>
Total Other Assets	<u>10,734,497</u>	<u>9,363,355</u>
 Total Assets	 <u><u>\$ 64,659,667</u></u>	 <u><u>\$ 64,001,834</u></u>

See accompanying Notes to Financial Statements.

(3)

ATTACHMENT-27A

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2018 AND 2017**

LIABILITIES AND NET ASSETS	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 941,400	\$ 916,400
Current Portion of Capital Lease	5,009	4,671
Accounts Payable	945,798	722,362
Accounts Payable - Entrance Fees	534,262	1,408,533
Accrued Salaries	331,524	298,446
Resident Trust Liability	127,834	113,570
Resident Credit Balances	299,910	307,341
Deferred Revenue from Nonrefundable Continuing-Care Contracts	353,855	334,873
Refundable Reservation Deposits	865,864	847,759
Other Accrued Liabilities	1,013	7,836
Due to Affiliates	5,388,664	5,854,674
Total Current Liabilities	<u>9,795,133</u>	<u>10,816,465</u>
LONG-TERM LIABILITIES		
Long-Term Debt, Net of Current Portion	29,489,896	30,391,248
Capital Lease, Net of Current Portion	1,308	6,317
Refundable Continuing-Care Contracts	24,486,999	23,069,225
Refundable Continuing-Care Contracts - Related Party	732,420	732,420
Deferred Revenue from Nonrefundable Continuing-Care Contracts, Net of Current Portion	1,381,148	1,180,338
Deferred Revenue from Nonrefundable Continuing-Care Contracts - Related Party	61,035	63,070
Total Long-Term Liabilities	<u>56,152,806</u>	<u>55,442,618</u>
Total Liabilities	65,947,939	66,259,083
NET DEFICIT		
Unrestricted	(1,288,272)	(2,257,249)
Total Net Assets	<u>(1,288,272)</u>	<u>(2,257,249)</u>
Total Liabilities and Net Assets	<u>\$ 64,659,667</u>	<u>\$ 64,001,834</u>

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CHANGES IN UNRESTRICTED NET ASSETS		
Unrestricted Revenues, Gains, and Other Support:		
Independent Living Services	\$ 4,716,004	\$ 4,412,572
Nursing Care Services	8,655,605	8,960,629
Assisted Living Services	4,176,051	4,076,422
Ancillary Services	2,866,503	2,585,214
Miscellaneous Support Services	438,682	406,940
Apartment Building	163,445	155,700
Contractual Allowances	(433,758)	(210,572)
Health Services Discounts	(271,203)	(269,412)
Net Resident Service Revenue	<u>20,311,329</u>	<u>20,117,493</u>
Continuing-Care Contracts Recognized	578,914	568,356
Contributions	230,663	214,666
Bond Funds Investment Income	-	104,327
Total Unrestricted Revenues, Gains, and Other Support	<u>21,120,906</u>	<u>21,004,842</u>
Operating Expenses:		
Nursing Services	5,268,439	5,120,185
Dining Services	3,263,138	3,334,909
Ancillary Services	1,807,189	1,545,768
Smith Senior Living Service Fees	1,664,671	1,591,812
Administrative and General Services	1,431,653	1,586,764
Environmental Services	1,690,852	1,654,991
Housekeeping and Laundry Services	886,769	850,483
Support Services	835,101	706,367
Marketing Services	933,265	954,898
Apartment Building	70,043	75,825
Board Initiatives	495,859	37,025
Depreciation and Amortization	2,173,498	2,317,411
Bond Interest Costs	1,009,643	1,154,321
Total Operating Expenses	<u>21,530,120</u>	<u>20,930,759</u>
OPERATING INCOME (LOSS) BEFORE OTHER INCOME	(409,214)	74,083
Loss on Refinance of Long-Term Debt	-	(914,115)
Change in Fair Value of Swap	781,545	652,310
Interest and Dividend Income	229,303	191,333
Net Realized Gain on Assets Limited as to Use	-	22,302
EXCESS OF NET REVENUE OVER EXPENSE	601,634	25,913
Contributions from Affiliate	-	35,912
Net Unrealized Gain on Investments	<u>367,343</u>	<u>796,350</u>
CHANGE IN NET DEFICIT	968,977	858,175
Net Deficit - Beginning of Year	<u>(2,257,249)</u>	<u>(3,115,424)</u>
NET DEFICIT - END OF YEAR	<u>\$ (1,288,272)</u>	<u>\$ (2,257,249)</u>

See accompanying Notes to Financial Statements.

(5)

ATTACHMENT-27A

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ 968,977	\$ 858,175
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided (Used) by Operating Activities:		
Continuing-Care Contracts Recognized	(578,914)	(568,356)
Depreciation and Amortization	2,173,498	2,317,411
Amortized Interest Expense	40,000	41,069
Provision for Bad Debts	9,646	120,074
Net Realized and Unrealized Gain on Investments	(367,343)	(818,652)
Reinvestment of Income Dividends	(207,744)	(293,170)
Change in Fair Market Value of Interest Rate Swaps	(781,545)	(652,310)
Loss on Refinance	-	914,115
Changes in Assets and Liabilities:		
Resident Accounts Receivable	210,665	(1,147,620)
Prepaid Expenses and Other Current Assets	(16,522)	(46,398)
Accounts Payable	223,436	246,880
Accrued Expenses and Other Current Liabilities	18,824	(410,261)
Refundable Reservation Deposits	18,105	75,659
Deferred Management Fees to Affiliate	-	(1,897,675)
Net Cash Provided (Used) by Operating Activities	<u>1,711,083</u>	<u>(1,261,059)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Assets Limited as to Use	-	1,780,726
Purchase of Property and Equipment	(753,981)	(870,966)
Proceeds from Sale of Investment Securities	1,353,394	1,139,260
Purchase of Investment Securities	(1,353,640)	(609,000)
Net Cash Provided (Used) by Investing Activities	<u>(754,227)</u>	<u>1,440,020</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Advances (to) from Affiliates	(466,010)	318,783
Proceeds from Refundable and Nonrefundable Entrance Fees	4,343,688	3,917,769
Refunds of Entrance Fees	(3,146,860)	(3,666,563)
Principal Payments on Capital Lease Obligations	(4,671)	(4,356)
Principal Payments on Long-Term Debt	(916,352)	(746,996)
Net Cash Used by Financing Activities	<u>(190,205)</u>	<u>(181,363)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	766,651	(2,402)
Cash and Cash Equivalents - Beginning of Year	<u>1,768,453</u>	<u>1,770,855</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,535,104</u></u>	<u><u>\$ 1,768,453</u></u>

See accompanying Notes to Financial Statements.

(6)

ATTACHMENT-27A

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Washington and Jane Smith Community – Beverly dba: Smith Village (the Organization) was incorporated under the laws of Illinois as a nonprofit corporation. The Organization was organized for the charitable purpose of providing independent living, assisted living, and nursing care services to men and women through operation of a life plan community, doing business as Smith Village, located in Chicago, Illinois.

Within the community, Smith Village operates a 152-unit independent living, 82-unit assisted living, and 100-bed skilled nursing facility licensed by the Illinois Department of Public Health (IDPH). All skilled nursing beds have been certified for participation in the Medicare and Medicaid programs.

The Organization's related corporate parent and operating organizations (affiliates) that are not included in these financial statements include: Washington and Jane Smith Home dba: Smith Senior Living (Smith Senior Living), Washington and Jane Smith Community - Orland Park dba: Smith Crossing (Smith Crossing), and Smith Cares LLC (Smith Cares). Smith Senior Living is the sole member of Smith Village, Smith Crossing, and Smith Cares. Smith Cares provides nursing and maintenance support services to residents of Smith Village and Smith Crossing.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Those resources over which the board of trustees (board) has discretionary control. Designated amounts represent those revenues the board has set aside for a particular purpose.

Temporarily Restricted Net Assets - Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or through the passage of time.

Permanently Restricted Net Assets - Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for program purposes.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions are satisfied, net assets are released and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period as received are recorded as unrestricted contributions. No such donor-restricted contributions were received during 2018 or 2017.

As of June 30, 2018 and 2017, the Organization has no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization qualifies as a tax-exempt corporation described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service (IRS).

Net Resident Services Revenue

Net resident service revenue is recognized in the period in which occupancy and services are provided. Net resident service revenue is reported at the estimated net realizable amounts from residents and third-party payors, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are reserved on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Third-Party Reimbursement Agreements

Medicaid

The Organization participates in the Medicaid program administered by the Illinois Department of Healthcare and Family Services (HFS). A licensed nursing facility that participates in the Medicaid program in the state of Illinois is reimbursed based upon prospective rates. Rates are set taking into account individual facility costs, variations in patient case mix, and geographical location.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Third-Party Reimbursement Agreements (Continued)

Medicare

This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The Organization is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services (SNFs). A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services). CMS uses separate PPSs for reimbursement to acute inpatient hospitals, home health agencies, hospice, hospital outpatient, inpatient psychiatric facilities, inpatient rehabilitation facilities, long-term care hospitals, and skilled nursing facilities. Annual cost reports are required to be submitted to the designated Medicare administrative contractor; however, they do not contain a cost settlement.

Occupancy Percentages

During the years ended June 30, the occupancy percentages and the percentages of residents covered under the Medicaid and Medicare programs for the skilled nursing facility were as follows:

	2018		2017	
	Days	Percent	Days	Percent
Medicaid	2,397	7.9 %	1,824	5.6 %
Medicare	8,296	26.8	5,325	16.1
Private and Other	20,213	65.4	25,831	78.3
Total	30,906	100.0	32,980	100.0
Skilled Nursing Facility Occupancy:				
Percentage		85 %		90 %

For the years ended June 30, 2018 and 2017, occupancy percentages for the assisted living units and memory support were 84% and 90%, respectively.

For the years ended June 30, 2018 and 2017, occupancy percentages for the independent living units were 90% and 84%, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in accounts that are interest-bearing and federally insured up to \$250,000 or noninterest-bearing and fully guaranteed by the federal government. Additionally, for purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Accounts Receivable

The Organization reports accounts receivable for services rendered at net realizable amounts from third-party payors, residents, and others. An allowance for doubtful accounts is provided based upon the review of outstanding receivables, historical collection information, and existing economic conditions. Accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account. At June 30, 2018 and 2017, the allowance for doubtful accounts was \$382,833 and \$416,911, respectively.

Entrance Fees Receivables

Entrance fees receivable consist of unpaid entrance fees from residents. As amounts are due within 12 months and considered fully collectible, no allowance has been established for these balances.

Property and Equipment

Property and equipment are stated at cost or, if donated to the Organization, at fair value on the date of donation. Additions and improvements with an estimated useful life of three years or more and a cost in excess of \$5,000 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method.

Impairment of Long-Lived Assets

On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate the carrying amounts may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2018 and 2017, management believes that no impairments existed.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Included in other assets are \$127,835 and \$113,073 of funds in which residents can elect to use the Organization for the management of their funds through the resident trust accounts. There is no upper limit on amounts that can be accepted. Residents authorize the Organization to utilize their funds to pay for items as needed. All funds are held separately from corporate funds but commingled with other residents' funds. Interest is paid on a pass-through basis from banking institutions. No additional fees are incurred for residents to utilize this trust fund arrangement.

Investments and Investment Income

All investments are valued at their fair values in the statements of financial position. Investment income includes dividend, interest, and realized gains and losses from unrestricted investments and is recorded as other income. Unrealized gains and losses are included in the change in net assets.

Costs of Acquiring Initial Continuing-Care Contracts

Marketing costs totaling \$3,281,891 incurred in connection with securing the initial continuing-care contracts were capitalized and are being amortized over the average life expectancy of the initial residents. Marketing costs are net of accumulated amortization of \$3,281,891 as of June 30, 2018 and 2017, respectively. Amortization expense was \$-0- and \$333,318 for the years ended June 30, 2018 and 2017. As of June 30, 2018, all costs of acquiring continuing-care contracts had been fully amortized.

Continuing-Care Contracts

Under a continuing-care contract, a resident makes an initial two-part payment for his/her occupied unit. The Organization offers several different continuing-care contracts ranging from traditional nonrefundable contracts to 80% and 90% refundable contracts. The refundable portion of the payment is held as an interest-free deposit by the Organization and is repaid, as provided in the contract, after the resident terminates occupancy at the Organization and his/her unit is reoccupied or 365 days after resident terminates occupancy at the Organization, whichever occurs first. The refundable portion of the payment is not recognized into income by Organization. The nonrefundable portion is recorded as deferred revenue when the contract is executed and the resident takes occupancy. Revenue is recognized over the resident's remaining life expectancy as determined annually from actuarial tables.

In addition to the initial payment, residents pay a monthly service charge for utilities, insurance, maintenance, and other provided services. The resident does not acquire an ownership interest in the property.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

In addition to receiving cash contributions, the Organization periodically receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind contributions as both revenue and expense for the programs or activities benefited when such donations create or enhance nonfinancial assets or require specialized skills, are performed by people with these skills and would be purchased by the Organization. No such contributions were received during 2018 and 2017.

The value of donated services is not reflected in the accompanying financial statements since the above criteria were not met. However, volunteers have donated 10,162 hours and 12,235 hours to various activities for the years ended June 30, 2018 and 2017, respectively.

Obligation to Provide Future Services

The Organization calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount to the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities were to exceed the deferred revenue from entrance fees, a liability (obligation to provide future services) would be recorded with a corresponding charge to income. No such obligation was required to be recorded at June 30, 2018 and 2017.

Charitable Care

Smith Senior Living sponsors senior living communities with a history of more than nine decades of serving seniors. Designed to support Independent living, Assisted living, Alzheimer's and Memory support, and Skilled Nursing Care; residents and their families are offered the security of knowing assistance and health care is available, all on the same campus, if and when it is ever needed.

Charity care covers services provided to a resident with a demonstrated inability to pay. A resident is eligible for charity care consideration based upon meeting certain income and asset eligibility criteria as established by corporate policy. Charity care represents residential and health care services that are provided but are never expected to result in payment. As a result, charity care does not qualify for recognition as receivable or net resident revenue in the financial statements. Charity care will be valued based on the lower of cost of resident care services, or charges, with costs being determined by application of the standard cost-to-charge ratio or from the Organization's cost accounting system.

Using this methodology, the Organization has estimated the costs foregone for services and supplies furnished under the Organization's financial assistance policy aggregated approximately \$326,000 and \$748,000 for the years ended June 30, 2018 and 2017, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncompensated Charges

The Organization provides nursing care to residents under the Medicaid program for which the costs to provide such care exceeds reimbursement. The Organization funds this difference through its operations and charitable giving. The shortfall associated for care provided under this program for the years ended June 30, 2018 and 2017 was approximately \$309,000 and \$242,000, respectively.

Advertising

The Organization expenses general and employment advertising costs as incurred. Advertising expense amounted to approximately \$97,000 and \$153,000 for the years ended June 30, 2018 and 2017, respectively.

Excess of Net Revenue Over Expense

The statements of activities and changes in net assets (deficit) include a measurement of excess of net revenue over expense. Changes in unrestricted net assets which are excluded from excess of net revenue over expense, consistent with industry practice, include net unrealized gain (loss) on investments, assets limited as to use, and contributions from affiliates.

Interest Rate Swaps

The Organization utilizes derivative instruments to mitigate its exposure to interest rate fluctuations. All derivative instruments are recorded in the statements of financial position at fair value. Management has elected not to apply hedge accounting. Therefore, the change in fair value of derivative instruments is reflected in nonoperating revenues (expenses) in the accompanying statements of activities and changes in net assets (deficit). The period cash settlements on these derivative instruments are recorded in interest expense.

Recent Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for its fiscal year ending June 30, 2020. Management is evaluating the impact of the amended revenue recognition guidance on the Organization's financial statements.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statements of Nonprofit Entities

In August 2016, the FASB issued amended guidance to improve the current net asset classification requirements and the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The main provisions of the update are:

- Present on the face of the statement of financial position amounts for two classes of net assets at the end of the year, rather than the current three classes.
- Present on the face of the statement of operations the amount of the change in each of the two classes of net assets.
- Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting. However, no longer require the presentation or disclosure of the indirect method reconciliation, if using the direct method.
- Enhanced disclosures in the following areas:
 - Board-designated net assets
 - Donor restricted net assets
 - Qualitative and quantitative information on liquidity
 - Amounts of expenses by both their natural and functional classification
 - Methods used to allocate costs among program and supporting functions
 - Underwater endowments
- Report investment return net of external and direct internal investment expenses and no longer require disclosures of those netted expenses.

The amendments should be applied on a retrospective basis in the year that the pronouncement is first applied. The standard will be effective for the Organization for annual periods beginning after December 15, 2017. The Organization will adopt in fiscal year ending June 30, 2019.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 2 PROPERTY AND EQUIPMENT

The Organization's property and equipment and the related accumulated depreciation at June 30 are as follows:

	2018	2017
Land and Improvements	\$ 2,200,239	\$ 2,200,239
Building and Improvements	67,077,571	67,109,880
Construction in Progress	375,591	60,314
Furniture and Equipment	3,720,546	3,839,750
Vehicles	91,480	91,480
Subtotal	73,465,427	73,301,663
Less: Accumulated Depreciation	24,785,481	23,202,200
Total	<u>\$ 48,679,946</u>	<u>\$ 50,099,463</u>

Depreciation expense for the years ended June 30, 2018 and 2017 was \$2,173,498 and \$2,166,240, respectively. As of June 30, 2018, construction in progress cost of \$375,591 consists of costs related to projects that began prior to year-end, but were not completed as of June 30, 2018.

NOTE 3 INVESTMENTS

The following are the major types of investments held by the Organization at June 30:

	2018	2017
Unrestricted Investments:		
Cash and Cash Equivalents	\$ 13,118	\$ 836
Mutual Funds	9,156,922	8,593,871
Total	<u>\$ 9,170,040</u>	<u>\$ 8,594,707</u>

NOTE 4 REFUNDABLE RESERVATION DEPOSITS

The Organization has collected a 10% refundable reservation deposit from individuals who have signed intents to occupy an independent living unit. At June 30, 2018 and 2017, the total liability was \$39,667 and \$9,966 respectively.

The Organization has also collected a refundable reservation deposit from individuals for apartments totaling \$14,353 and \$15,766 at June 30, 2018 and 2017, respectively. The Organization does not pay interest on these deposits.

The Organization has also collected a refundable reservation deposit from individuals who occupy assisted living and skilled nursing units. The Organization does not pay interest on these deposits. The liability was \$811,844 and \$822,027 at June 30, 2018 and 2017, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5 LONG-TERM DEBT

Long-term debt at June 30 consists of:

<u>Description</u>	<u>2018</u>	<u>2017</u>
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016A, (the Organization) in the amount of \$12,500,000 with a final maturity date of November 15, 2046. The Series 2016A bonds have been privately placed with First Midwest Bank for the initial 10-year period, requiring monthly principal payments of \$28,800 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (3.89% at June 30, 2018). Secured by real estate.	\$ 11,859,420	\$ 12,212,001
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016B, (the Organization) in the amount of \$15,000,000 with a final maturity date of November 15, 2046. The Series 2016B bonds have been privately placed with Huntington Bank for the initial 10-year period, requiring monthly principal payments of \$34,500 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (3.89% at June 30, 2018). Secured by real estate.	14,232,024	14,655,002
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016C, (the Organization) in the amount of \$5,000,000 with a final maturity date of November 15, 2046. The Series 2016C bonds have been privately placed with First Midwest Bank for the initial 10-year period, requiring monthly principal payments of \$11,400 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (3.89% at June 30, 2018). Secured by real estate.	4,745,208	4,886,001
Subtotal	30,836,652	31,753,004
Less: Unamortized Bond Issuance Costs, Net	(405,356)	(445,356)
Subtotal	30,431,296	31,307,648
Less: Current Portion	941,400	916,400
Total	<u>\$ 29,489,896</u>	<u>\$ 30,391,248</u>

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 5 LONG-TERM DEBT (CONTINUED)

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 941,400
2020	968,600
2021	999,200
2022	1,030,400
2023	1,060,600
Thereafter	25,836,452
Total	<u>\$ 30,836,652</u>

Bond Issuance Costs

Bond issuance costs represent costs incurred in the procurement of the Illinois Health Facilities Authority Revenue Bonds, Series 2005 totaling \$1,711,022. These deferred costs were being amortized using the effective interest method over the life of the bonds. As of June 30, 2018, deferred financing costs represent costs incurred with the refinancing of the Series 2005 Bonds through the issuance of Series 2016 Bonds and total \$482,023. These deferred costs are being amortized using the straight-line method over the life of the related debt. Upon the refinancing of the Series 2005 Bonds in the fiscal year that ended June 30, 2017, the Organization incurred a loss of \$914,115 related to the write-off of the unamortized deferred financing costs on the Series 2005 Bonds.

Accumulated amortization as of June 30, 2018 and 2017 is \$76,667 and \$36,667, respectively.

Restrictive Covenants

The provisions of the debt agreements of the bonds as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture. Management believes the Organization is in compliance with such covenants at June 30, 2018 and 2017.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 6 INTEREST RATE SWAPS

The Organization entered into two interest rate swap agreements on August 17, 2016 to hedge interest rate exposure on the Series 2016A and Series 2016B Bonds. The agreements, which expire on August 10, 2026, effectively fix the interest rate on an original notional value of \$27,500,000 at 3.03%. The notional values of the swaps include annual amortization consistent with the Series 2016A and Series 2016B Bonds. These agreements are considered to be derivative financial instruments and are reported at their fair value as an asset of \$1,433,855 and \$652,310 in other assets in the statements of financial position at June 30, 2018 and 2017, respectively. The net changes in the fair value of the agreements are reported as nonoperating revenues (expenses) in the statements of activities and changes in net assets (deficit) for the year ended June 30, 2018 and 2017, respectively.

NOTE 7 DEFINED CONTRIBUTION PLAN

The Organization provides benefits under the same plan of its affiliate organization, Smith Senior Living. The Organization follows safe harbor provisions by matching 100% of employees' first 3% of contributions, plus 50% of the next 2% of employee compensation. The Organization's plan also provides for an additional discretionary contribution to all eligible employees who have in excess of 1,000 hours worked in the plan year, are age 21 or older, and are employed as of the last day of the plan year. Employer contributions to the 401(k) plan for the years ended June 30, 2018 and 2017 totaled \$74,288 and \$74,082 respectively.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Litigation

The Organization is subject to asserted and unasserted claims encountered in the normal course of business. The Organization's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 8 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Health Care

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Government Regulations - Medicaid

The state of Illinois reserves the right to perform field audit examinations of the Organization's records. Any adjustments resulting from such examinations could retroactively adjust Medicaid revenue.

Government Regulations - Medicare

The Medicare intermediary has the authority to audit the skilled nursing facility's records any time within a three-year period after the date the skilled nursing facility receives a final notice of program reimbursement for each cost reporting period. Any adjustments resulting from these audits could retroactively adjust Medicare revenue.

NOTE 9 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents, investments, and assets limited as to use at financial institutions which management believes has strong credit ratings and the credit risk related to these deposits is minimal. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, deposits may exceed FDIC limits. The Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 9 CONCENTRATION OF CREDIT RISK (CONTINUED)

The Organization grants credit without collateral to its various facility residents or his/her families, most of who are private pay individuals or are insured under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows at June 30:

	2018	2017
Medicaid	40.0 %	23.0 %
Medicare	33.0	52.0
Private and Insurance	27.0	25.0
Total	100.0 %	100.0 %

NOTE 10 RELATED PARTY TRANSACTIONS

Office Rental

The Organization has an agreement with Smith Senior Living to utilize four units of the independent living building for use as corporate office space. The Organization received an \$813,800 entrance fee from Smith Senior Living in 2008, 90% of which will be fully refunded to Smith Senior Living at such time the space is vacated and the units are returned to their original residential occupancy condition. Smith Senior Living is responsible for all tenant improvements and monthly maintenance fees paid in 2018 and 2017 of \$146,328 and \$142,068, respectively. Monthly maintenance fees may be increased each July by the Organization. The Organization amortizes the nonrefundable portion using the straight-line method over 40 years. Amortization income for the years ended June 30, 2018 and 2017 was \$2,034.

Services Agreement

The Organization has an agreement with Smith Senior Living to oversee its general operations. This agreement renews annually unless terminated in accordance with other terms and conditions contained therein. Under the terms of the agreement, the Organization must compensate Smith Senior Living for services rendered. Furthermore, certain subordination provisions apply in connection with payment of compensation to Smith Senior Living.

Expenses incurred by the Organization in 2018 and 2017 for services provided under this agreement and certain pass-through corporate costs were approximately \$1,665,000 and \$1,592,000, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 10 RELATED PARTY TRANSACTIONS (CONTINUED)

Expenses

Smith Senior Living is the sole member of Smith Cares LLC (Smith Cares), which provides nursing and maintenance support services to residents of the Organization. Expenses incurred by the Organization with Smith Cares for the years ended June 30, 2018 and 2017, totaled approximately \$2,846,000 and \$2,644,000, respectively.

Due to Affiliates

The Organization has amounts due to Smith Senior Living and Smith Cares at June 30, 2018 and 2017 of \$5,388,664 and \$5,854,674, respectively, representing unpaid subordinated fees for overseeing general operations and certain other pass-through corporate costs related to services provided by Smith Senior Living, an affiliated organization through common board. The Organization's ability to meet its obligations is dependent upon future operations.

Contributions from Affiliate

The Smith Senior Living endowment distribution amount is calculated as a percentage of the portfolio's December 31 balance. The percentage for any given year is the portfolio's annualized three-year return less a 3% inflation buffer and the portfolio's maximum distribution percentage is capped at 4%. These amounts have been designated to support the charitable care activities of the Organization. Due to the annualized three year return being below 3%, no contributions were made in 2018 or 2017.

NOTE 11 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

- Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of cash and cash equivalents and mutual funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 11. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The value of assets held in perpetual trust is based upon the Organization's proportionate share of the trust's pooled investment portfolio and is valued using the market approach valuation technique. The Organization's management reviews the valuations and returns in comparison to industry benchmarks and other information provided by the trust.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The level that has the most observable significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at June 30, 2018				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Fixed Income	\$ 4,588,236	\$ -	\$ -	\$ 4,588,236
Mutual Funds - Equities	4,568,686	-	-	4,568,686
Total Investments at Fair Value	<u>\$ 9,156,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,156,922</u>
Interest Rate Swaps	<u>\$ -</u>	<u>\$ 1,433,855</u>	<u>\$ -</u>	<u>\$ 1,433,855</u>
Fair Value Measurements at June 30, 2017				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Fixed Income	\$ 4,186,072	\$ -	\$ -	\$ 4,186,072
Mutual Funds - Equities	4,407,799	-	-	4,407,799
Total Investments at Fair Value	<u>\$ 8,593,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,593,871</u>
Interest Rate Swaps	<u>\$ -</u>	<u>\$ 652,310</u>	<u>\$ -</u>	<u>\$ 652,310</u>

Interest Rate Swaps

The fair value of the interest rate swaps are estimated by a third party using a model that builds a yield curve from market data for actively traded securities at various times and maturities and takes into account current interest rates and the current credit worthiness of the respective counterparties. Such securities are classified within Level 2 of the valuation hierarchy.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 12 FUNCTIONAL EXPENSES

The Organization provides services to senior citizens within its geographic location. Expenses related to providing these services are as follows:

	<u>2018</u>	<u>2017</u>
Program	\$ 19,761,309	\$ 19,224,166
Management and General Support	1,768,811	1,706,593
Total Operating Expenses	<u>\$ 21,530,120</u>	<u>\$ 20,930,759</u>

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on the best estimates of management.

NOTE 13 CASH FLOW DISCLOSURES

Cash paid for interest during the years ended June 30, 2018 and 2017 was \$955,272 and \$1,371,190, respectively.

During the year ended June 30, 2018, the Organization had the following noncash activities:

The Organization decreased refundable continuing-care contracts and resident accounts receivable by \$170,249 for residents who used a portion of the refundable entrance fee in order to pay outstanding monthly service fees.

Refundable continuing-care contracts in process of settlement included in accounts payable totaled \$534,262.

Entrance fees totaling \$944,012 were financed through the issuance of entrance fee receivables.

During the year ended June 30, 2017, the Organization had the following noncash activities:

The Organization reduced refundable continuing-care contracts and resident accounts receivable by \$268,747 for residents who used a portion of the refundable entrance fee in order to pay outstanding monthly service fees.

Refundable continuing-care contracts in process of settlement included in accounts payable totaled \$1,395,546.

Entrance fees totaling \$625,270 were financed through the issuance of entrance fee receivables.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 14 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 31, 2018, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2018, but prior to August 31, 2018, that provided additional evidence about conditions that existed at June 30, 2018, have been recognized in the financial statements for the year ended June 30, 2018. Events or transactions that provided evidence about conditions that did not exist at June 30, 2018, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2018.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.

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**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE**

**FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2017 AND 2016**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Washington and Jane Smith Community - Beverly
dba: Smith Village
Chicago, Illinois

We have audited the accompanying financial statements of the Washington and Jane Smith Community - Beverly dba: Smith Village (the Organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and changes in net assets (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Trustees
Washington and Jane Smith Community - Beverly
dba: Smith Village

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington and Jane Smith Community - Beverly dba: Smith Village as of June 30, 2017 and 2016, and the results of its operations, changes in net assets (deficit), and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
August 29, 2017

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,768,453	\$ 1,770,855
Assets Limited as to Use	-	1,147,000
Resident Accounts Receivable, Net of Allowance of Doubtful Accounts	2,041,826	1,283,027
Entrance Fees Receivable	627,535	188,210
Prepaid Expenses	101,202	54,803
Total Current Assets	<u>4,539,016</u>	<u>4,443,895</u>
 ASSETS LIMITED AS TO USE		
Bond Funds Held by Trustee for Working Capital and Debt Service Reserve Fund	-	5,262,749
Less: Current Portion of Assets Limited as to Use	<u>-</u>	<u>(1,147,000)</u>
Total Assets Limited as to Use	-	4,115,749
 PROPERTY AND EQUIPMENT, NET	 50,099,463	 51,394,737
 OTHER ASSETS		
Long-Term Investments	8,594,707	8,013,145
Deposits	2,767	2,767
Other Assets	113,571	73,337
Fair Value Interest Rate Swap	652,310	-
Costs of Acquiring Initial Continuing-Care Contracts, Net of Accumulated Amortization of \$3,281,891 and \$2,948,572 in 2017 and 2016, Respectively	-	333,319
Total Other Assets	<u>9,363,355</u>	<u>8,422,568</u>
 Total Assets	 <u><u>\$ 64,001,834</u></u>	 <u><u>\$ 68,376,949</u></u>

See accompanying Notes to Financial Statements.

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	2017	2016
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ 916,400	\$ 885,000
Current Portion of Capital Lease	4,671	4,356
Accounts Payable	722,362	475,482
Accounts Payable - Entrance Fees	1,408,533	1,518,216
Accrued Salaries	298,446	485,299
Accrued Interest	-	262,231
Resident Trust Liability	113,570	73,202
Resident Credit Balances	307,341	274,025
Deferred Revenue from Nonrefundable Continuing-Care Contracts	334,873	314,730
Refundable Reservation Deposits	847,759	772,100
Other Accrued Liabilities	7,836	2,463
Due to Affiliates	5,854,674	5,535,891
Total Current Liabilities	10,816,465	10,602,995
LONG-TERM LIABILITIES		
Deferred Management Fees to Affiliate	-	1,897,675
Long-Term Debt, Net of Current Portion	30,391,248	33,878,630
Capital Lease, Net of Current Portion	6,317	10,988
Refundable Continuing-Care Contracts	23,069,225	23,100,369
Refundable Continuing-Care Contracts - Related Party	732,420	732,420
Deferred Revenue from Nonrefundable Continuing-Care Contracts, Net of Current Portion	1,180,338	1,204,192
Deferred Revenue from Nonrefundable Continuing-Care Contracts - Related Party	63,070	65,104
Total Long-Term Liabilities	55,442,618	60,889,378
Total Liabilities	66,259,083	71,492,373
NET DEFICIT		
Unrestricted	(2,257,249)	(3,115,424)
Total Net Assets	(2,257,249)	(3,115,424)
Total Liabilities and Net Deficit	\$ 64,001,834	\$ 68,376,949

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (DEFICIT)
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CHANGES IN UNRESTRICTED NET ASSETS		
Unrestricted Revenues, Gains, and Other Support:		
Independent Living Services	\$ 4,412,572	\$ 4,290,069
Nursing Care Services	8,960,629	9,014,524
Assisted Living Services	4,076,422	3,974,128
Ancillary Services	2,585,214	2,110,570
Miscellaneous Support Services	406,940	387,942
Apartment Building	155,700	136,691
Contractual Allowances	(210,572)	(346,441)
Health Services Discounts	(269,412)	(198,166)
Net Resident Service Revenue	20,117,493	19,369,317
Continuing-Care Contracts Recognized	568,356	624,301
Contributions	214,666	204,817
Bond Funds Investment Income	104,327	175,499
Net Assets Released from Restriction	-	15,637
Total Unrestricted Revenues, Gains, and Other Support	21,004,842	20,389,571
Operating Expenses:		
Nursing Services	5,120,185	4,873,169
Dining Services	3,334,909	3,204,525
Ancillary Services	1,545,768	1,488,984
Smith Senior Living Service Fees	1,591,812	1,725,056
Administrative and General Services	1,586,764	1,571,849
Environmental Services	1,654,991	1,499,193
Housekeeping and Laundry Services	850,483	817,386
Support Services	706,367	697,683
Marketing Services	954,898	864,481
Apartment Building	75,825	130,260
Board Initiatives	37,025	-
Depreciation and Amortization	2,317,411	2,546,605
Bond Interest Costs	1,154,321	2,163,489
Total Operating Expenses	20,930,759	21,582,680
OPERATING INCOME (LOSS) BEFORE OTHER INCOME	74,083	(1,193,109)
Loss on Refinance of Long-Term Debt	(914,115)	-
Change in Fair Value of Swap	652,310	-
Interest and Dividend Income	191,333	219,006
Net Realized Gain on Assets Limited as to Use	22,302	-
DEFICIT OF NET REVENUE OVER EXPENSE	25,913	(974,103)
Contributions from Affiliate	35,912	515,801
Net Unrealized Gain (Loss) on Assets Limited as to Use	-	(31,701)
Net Unrealized Gain (Loss) on Investments	796,350	(165,210)
CHANGES IN UNRESTRICTED NET DEFICIT	858,175	(655,213)
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Net Assets Released from Restriction	-	(15,637)
CHANGE IN NET DEFICIT	858,175	(670,850)
Net Deficit - Beginning of Year	(3,115,424)	(2,444,574)
NET DEFICIT - END OF YEAR	\$ (2,257,249)	\$ (3,115,424)

See accompanying Notes to Financial Statements.

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**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ 858,175	\$ (670,850)
Adjustments to Reconcile Change in Net Assets (Deficit) to Net Cash Provided (Used) by Operating Activities:		
Continuing-Care Contracts Recognized	(568,356)	(624,301)
Depreciation and Amortization	2,317,411	2,546,605
Amortized Interest Expense	41,069	54,003
Provision for Bad Debts	120,074	137,844
Net Unrealized (Gain) Loss on Assets Limited as to Use	-	31,701
Net Realized and Unrealized (Gain) Loss on Investments	(818,652)	165,210
Reinvestment of Income Dividends	293,170	(199,761)
Change in Fair Market Value of Interest Rate Swaps	(652,310)	-
Loss on Refinance	914,115	-
Changes in Assets and Liabilities:		
Resident Accounts Receivable	(1,147,620)	(365,470)
Entrance Fees Receivables	185,945	582,090
Prepaid Expenses and Other Current Assets	(46,398)	31,233
Accounts Payable	246,880	(60,596)
Accrued Expenses and Other Current Liabilities	(410,261)	(837,148)
Refundable Reservation Deposits	75,659	6,727
Deferred Management Fees to Affiliate	(1,897,675)	784,616
Net Cash Provided (Used) by Operating Activities	(488,774)	1,581,903
CASH FLOWS FROM INVESTING ACTIVITIES		
Change in Assets Limited as to Use	1,780,726	(384,289)
Purchase of Property and Equipment	(870,966)	(1,061,509)
Proceeds from Sale of Investment Securities	552,920	1,759,930
Purchase of Investment Securities	(609,000)	(2,145,000)
Net Cash Provided (Used) by Investing Activities	853,680	(1,830,868)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Advances from Affiliates	318,783	808,886
Proceeds from Refundable and Nonrefundable Entrance Fees	3,731,824	2,986,179
Refunds of Entrance Fees	(3,666,563)	(2,260,924)
Principal Payments on Capital Lease Obligations	(4,356)	(4,063)
Principal Payments on Long-Term Debt	(746,996)	(840,000)
Net Cash Provided (Used) by Financing Activities	(367,308)	690,078
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,402)	441,113
Cash and Cash Equivalents - Beginning of Year	1,770,855	1,329,742
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,768,453</u>	<u>\$ 1,770,855</u>

See accompanying Notes to Financial Statements.

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**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Washington and Jane Smith Community – Beverly dba: Smith Village (the Organization) was incorporated under the laws of Illinois as a nonprofit corporation. The Organization was organized for the charitable purpose of providing independent living, assisted living, and nursing care services to men and women through operation of a life plan community, doing business as Smith Village, located in Chicago, Illinois.

Within the community, Smith Village operates a 149-unit independent living, 81-unit assisted living, and 100-bed skilled nursing facility licensed by the Illinois Department of Public Health (IDPH). All skilled nursing beds have been certified for participation in the Medicare and Medicaid programs.

The Organization's related corporate parent and operating organizations (affiliates) that are not included in these financial statements include: Washington and Jane Smith Home dba: Smith Senior Living (Smith Senior Living), Washington and Jane Smith Community - Orland Park dba: Smith Crossing (Smith Crossing), and Smith Cares LLC (Smith Cares). Smith Senior Living is the sole member of Smith Village, Smith Crossing, and Smith Cares. Smith Cares provides nursing and maintenance support services to residents of Smith Village and Smith Crossing.

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

Contributions received are recorded as an increase in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - Those resources over which the board of trustees (board) has discretionary control. Designated amounts represent those revenues the board has set aside for a particular purpose.

Temporarily Restricted Net Assets - Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Organization or through the passage of time.

Permanently Restricted Net Assets - Those resources subject to a donor-imposed restriction that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for program purposes.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When donor restrictions are satisfied, net assets are released and reported as an increase in unrestricted net assets. Donor-restricted contributions whose restrictions are met in the same reporting period as received are recorded as unrestricted contributions. No such donor-restricted contributions were received during 2017 or 2016.

As of June 30, 2017 and 2016, the Organization has no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization qualifies as a tax-exempt corporation described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the IRC.

The Organization is not aware of any activities that would jeopardize its tax-exempt status. Should that status be challenged in the future, all years since inception could be subject to review by the Internal Revenue Service (IRS).

Net Resident Services Revenue

Net resident service revenue is recognized in the period in which occupancy and services are provided. Net resident service revenue is reported at the estimated net realizable amounts from residents and third-party payors, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are reserved on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Third-Party Reimbursement Agreements

Medicaid

The Organization participates in the Medicaid program administered by the Illinois Department of Healthcare and Family Services (HFS). A licensed nursing facility that participates in the Medicaid program in the state of Illinois is reimbursed based upon prospective rates. Rates are set taking into account individual facility costs, variations in patient case mix, and geographical location.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Third-Party Reimbursement Agreements (Continued)

Medicare

This federal program is administered by the Centers for Medicare and Medicaid Services (CMS). The Organization is paid under the Medicare Prospective Payment System (PPS) for residents who are Medicare Part A eligible and meet the coverage guidelines for skilled nursing facility services (SNFs). A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services). CMS uses separate PPSs for reimbursement to acute inpatient hospitals, home health agencies, hospice, hospital outpatient, inpatient psychiatric facilities, inpatient rehabilitation facilities, long-term care hospitals, and skilled nursing facilities. Annual cost reports are required to be submitted to the designated Medicare administrative contractor; however, they do not contain a cost settlement.

Occupancy Percentages

During the years ended June 30, the occupancy percentages and the percentages of residents covered under the Medicaid and Medicare programs for the skilled nursing facility were as follows:

	2017		2016	
	Days	Percent	Days	Percent
Medicaid	1,824	5.6 %	1,945	5.9 %
Medicare	5,325	16.1	5,889	17.7
Private and Other	25,831	78.3	25,488	76.4
Total	32,980	100.0	33,322	100.0
Skilled Nursing Facility Occupancy Percentage		90 %		91 %

For the years ended June 30, 2017 and 2016, occupancy percentages for the assisted living units and memory support were 90% and 93%, respectively.

For the years ended June 30, 2017 and 2016, occupancy percentages for the independent living units were 84% and 84%, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in accounts that are interest-bearing and federally insured up to \$250,000 or noninterest-bearing and fully guaranteed by the federal government. Additionally, for purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

**WASHINGTON AND JANÉ SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited as to Use

Assets limited as to use are comprised of bond funds held by trustee under the terms of an indenture agreement for payment of accrued interest payable and for payment of current portion of long-term debt and reported in current assets. The balance of bond funds held by trustee is reported as noncurrent assets. As of June 30, 2017 no bond funds are being held by trustee as a result of the refinancing of long-term debt discussed in Note 6.

Resident Accounts Receivable

The Organization reports accounts receivable for services rendered at net realizable amounts from third-party payors, residents, and others. An allowance for doubtful accounts is provided based upon the review of outstanding receivables, historical collection information, and existing economic conditions. Accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account. At June 30, 2017 and 2016, the allowance for doubtful accounts was \$416,911 and \$353,101, respectively.

Entrance Fees Receivables

Entrance fees receivable consist of unpaid entrance fees from residents. As amounts are due within 12 months and considered fully collectible, no allowance has been established for these balances.

Property and Equipment

Property and equipment are stated at cost or, if donated to the Organization, at fair value on the date of donation. Additions and improvements with an estimated useful life of three years or more and a cost in excess of \$5,000 are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method.

Impairment of Long-Lived Assets

On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate the carrying amounts may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the assets to fair value. As of June 30, 2017 and 2016, management believes that no impairments existed.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Assets

Included in other assets are \$113,073 and \$72,839 of funds in which residents can elect to use the organization for the management of their funds through the resident trust accounts. There is no upper limit on amounts that can be accepted. Residents authorize the Organization to utilize their funds to pay for items as needed. All funds are held separately from corporate funds but commingled with other residents' funds. Interest is paid on a pass-through basis from banking institutions. No additional fees are incurred for residents to utilize this trust fund arrangement.

Investments and Investment Income

All investments are valued at their fair values in the statements of financial position. Investment income includes dividend, interest, and realized gains and losses from unrestricted investments and is recorded as other income. Unrealized gains and losses are included in the change in net assets.

Costs of Acquiring Initial Continuing-Care Contracts

Marketing costs totaling \$3,281,891 incurred in connection with securing the initial continuing-care contracts were capitalized and are being amortized over the average life expectancy of the initial residents. Marketing costs are net of accumulated amortization of \$3,281,891 and \$2,948,572 as of June 30, 2017 and 2016, respectively. Amortization expense was \$333,318 and \$360,215 for the years ended June 30, 2017 and 2016 respectively. As of June 30, 2017 all costs of acquiring continuing-care contracts have been fully amortized.

Continuing-Care Contracts

Under a continuing-care contract, a resident makes an initial two-part payment for his/her occupied unit. The refundable portion of the payment is held as an interest-free deposit by the Organization and is repaid, as provided in the contract, after the resident terminates occupancy at the Organization and his/her unit is reoccupied or 365 days after resident terminates occupancy at the Organization, whichever occurs first. The refundable portion of the payment is not recognized into income by Organization. The nonrefundable portion is recorded as deferred revenue when the contract is executed and the resident takes occupancy. Revenue is recognized over the resident's remaining life expectancy as determined annually from actuarial tables.

In addition to the initial payment, residents pay a monthly service charge for utilities, insurance, maintenance, and other provided services. The resident does not acquire an ownership interest in the property.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In-Kind Contributions

In addition to receiving cash contributions, the Organization periodically receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind contributions as both revenue and expense for the programs or activities benefited when such donations create or enhance nonfinancial assets or require specialized skills, are performed by people with these skills and would be purchased by the Organization. No such contributions were received during 2017 and 2016.

The value of donated services is not reflected in the accompanying financial statements since the above criteria were not met. However, volunteers have donated 12,235 hours and 13,282 hours to various activities for the years ended June 30, 2017 and 2016, respectively.

Obligation to Provide Future Services

The Organization calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount to the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities were to exceed the deferred revenue from entrance fees, a liability (obligation to provide future services) would be recorded with a corresponding charge to income. No such obligation was required to be recorded at June 30, 2017 and 2016.

Charitable Care

Smith Senior Living sponsors senior living communities with a history of more than nine decades of serving seniors. Designed to support Independent living, Assisted living, Alzheimer's and Memory support, and Skilled Nursing Care; residents and their families are offered the security of knowing assistance and health care is available, all on the same campus, if and when it is ever needed.

Charity care covers services provided to a resident with a demonstrated inability to pay. A resident is eligible for charity care consideration based upon meeting certain income and asset eligibility criteria as established by corporate policy. Charity care represents residential and health care services that are provided but are never expected to result in payment. As a result, charity care does not qualify for recognition as receivable or net resident revenue in the financial statements. Charity care will be valued based on the lower of cost of resident care services, or charges, with costs being determined by application of the standard cost-to-charge ratio or from the Organization's cost accounting system.

Using this methodology, the Organization has estimated the costs foregone for services and supplies furnished under the Organization's financial assistance policy aggregated approximately \$748,000 and \$739,000 for the years ended June 30, 2017 and 2016, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncompensated Charges

The Organization provides nursing care to residents under the Medicaid program for which the costs to provide such care exceeds reimbursement. The Organization funds this difference through its operations and charitable giving. The shortfall associated for care provided under this program for the years ended June 30, 2017 and 2016 was approximately \$242,000 and \$238,000, respectively.

Advertising

The Organization expenses general and employment advertising costs as incurred. Advertising expense amounted to approximately \$153,000 and \$166,000 for the years ended June 30, 2017 and 2016, respectively.

Deficit of Net Revenue Over Expense

The statements of activities and changes in net assets (deficit) include a measurement of deficit of net revenue over expense. Changes in unrestricted net assets which are excluded from deficit of net revenue over expense, consistent with industry practice, include net unrealized gain (loss) on investments, assets limited as to use, and contributions from affiliates.

Interest Rate Swaps

The Organization utilizes derivative instruments to mitigate its exposure to interest rate fluctuations. All derivative instruments are recorded in the statements of financial position at fair value. Management has elected not to apply hedge accounting. Therefore, the change in fair value of derivative instruments is reflected in nonoperating revenues (expenses) in the accompanying statements of activities and changes in net assets (deficit). The period cash settlements on these derivative instruments are recorded in interest expense.

Recent Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued amended guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. The guidance will initially be applied retrospectively using one of two methods. The standard will be effective for the Organization for annual reporting periods beginning after December 15, 2017. Early adoption is permitted beginning for annual reporting periods beginning after December 15, 2016. Management is evaluating the impact of the amended revenue recognition guidance on the Organization's financial statements.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

**NOTE 1 DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (CONTINUED)**

Recent Pronouncements (Continued)

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on the Organization's financial statements.

In August 2016, the FASB issued amended guidance to improve the current net asset classification requirements and the information presented in financial statements and notes about a nonprofit entity's liquidity, financial performance, and cash flows. The main provisions of the update are:

- Present on the face of the statement of financial position amounts for two classes of net assets at the end of the year, rather than the current three classes.
- Present on the face of the statement of operations the amount of the change in each of the two classes of net assets.
- Continue to present on the face of the statement of cash flows the net amount for operating cash flows using either the direct or indirect method of reporting. However, no longer require the presentation or disclosure of the indirect method reconciliation, if using the direct method.
- Enhanced disclosures in the following areas:
 - Board-designated net assets
 - Donor restricted net assets
 - Qualitative and quantitative information on liquidity
 - Amounts of expenses by both their natural and functional classification
 - Methods used to allocate costs among program and supporting functions
 - Underwater endowments
- Report investment return net of external and direct internal investment expenses and no longer require disclosures of those netted expenses.

The amendments should be applied on a retrospective basis in the year that the pronouncement is first applied. The standard will be effective for the Organization for annual periods beginning after December 15, 2017. Early adoption is permitted.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 2 ASSETS LIMITED AS TO USE

The composition of assets limited as to use at June 30 is set forth in the following table. Assets limited as to use are stated at fair value.

	2017	2016
Cash and Cash Equivalents	\$ -	\$ 1,427,787
Fixed Income Funds	-	3,709,614
Mutual Funds	-	125,348
Total	<u>\$ -</u>	<u>\$ 5,262,749</u>

NOTE 3 PROPERTY AND EQUIPMENT

The Organization's property and equipment and the related accumulated depreciation at June 30 are as follows:

	2017	2016
Land and Improvements	\$ 2,200,239	\$ 2,200,239
Building and Improvements	67,109,880	66,219,249
Construction in Progress	60,314	140,425
Furniture and Equipment	3,839,750	3,779,304
Vehicles	91,480	91,480
Subtotal	<u>73,301,663</u>	<u>72,430,697</u>
Less: Accumulated Depreciation	<u>23,202,200</u>	<u>21,035,960</u>
Total	<u>\$ 50,099,463</u>	<u>\$ 51,394,737</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$2,166,240 and \$2,202,143, respectively. As of June 30, 2017, construction in progress cost of \$60,314 consists of costs related to the addition of a theater within the community.

NOTE 4 INVESTMENTS

The following are the major types of investments held by the Organization at June 30:

	2017	2016
Unrestricted Investments:		
Cash and Cash Equivalents	\$ 836	\$ 65,362
Bonds	-	397,119
Mutual Funds	8,593,871	7,550,664
Total	<u>\$ 8,594,707</u>	<u>\$ 8,013,145</u>

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 5 REFUNDABLE RESERVATION DEPOSITS

The Organization has collected a 10% refundable reservation deposit from individuals who have signed intents to occupy an independent living unit. At June 30, 2017 and 2016, the total liability was \$9,966 and \$2,000, respectively.

The Organization has also collected a refundable reservation deposit from individuals for apartments totaling \$15,766 and \$12,621 at June 30, 2017 and 2016, respectively. The Organization does not pay interest on these deposits.

The Organization has also collected a refundable reservation deposit from individuals who occupy assisted living and skilled nursing units. The Organization does not pay interest on these deposits. The liability was \$822,027 and \$757,479 at June 30, 2017 and 2016, respectively.

NOTE 6 LONG-TERM DEBT

Long-term debt at June 30 consists of:

<u>Description</u>	<u>2017</u>	<u>2016</u>
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016A, (the Organization) in the amount of \$12,500,000 with a final maturity date of November 15, 2046. The Series 2016A bonds have been privately placed with First Midwest Bank for the initial 10-year period, requiring monthly principal payments of \$28,800 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (2.64% at June 30, 2017). Secured by real estate.	\$ 12,212,001	\$ -
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016B, (the Organization) in the amount of \$15,000,000 with a final maturity date of November 15, 2046. The Series 2016B bonds have been privately placed with Huntington Bank for the initial 10-year period, requiring monthly principal payments of \$34,500 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (2.64% at June 30, 2017). Secured by real estate.	14,655,002	-
Illinois Health Facilities Authority Variable Rate Revenue Bonds, Series 2016C, (the Organization) in the amount of \$5,000,000 with a final maturity date of November 15, 2046. The Series 2016C bonds have been privately placed with First Midwest Bank for the initial 10-year period, requiring monthly principal payments of \$11,400 plus interest at variable rate equal to 75% of the one month LIBOR Plus 1.80% (2.64% at June 30, 2017). Secured by real estate.	4,886,001	-

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 6 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>2017</u>	<u>2016</u>
Illinois Finance Authority Revenue Bonds, Series 2005A, (Smith Village Project); principal payments beginning November 2011 with final maturity November 2035; including semi-annual interest payments at fixed rates ranging from 5.25% to 6.25% (weighted-average of 6.04%); secured by real estate and unrestricted receivables. The Series 2005A Bonds are callable by the Organization on November 15, 2016.	\$ -	\$ 30,500,000
Illinois Finance Authority Revenue Bonds, Series 2005B-1, Extendable Rate Adjustable Securities (EXTRAS) (Smith Village Project); one time principal payment due November 2035; including semi-annual interest payments at an initial fixed rate of 5% through November 2010; subsequently adjusted to 4.25% through November 2016; secured by real estate and unrestricted receivables. The Series 2005B-1 Bonds are callable by the Organization on November 15, 2016.	-	5,000,000
Subtotal	31,753,004	35,500,000
Less: Unamortized Bond Issuance Costs, Net	(445,356)	(918,517)
Plus: Unamortized Bond Premium, Net	-	182,147
Subtotal	31,307,648	34,763,630
Less: Current Portion	916,400	885,000
Total	<u>\$ 30,391,248</u>	<u>\$ 33,878,630</u>

Future maturities of long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 916,400
2019	941,400
2020	968,600
2121	999,200
2022	1,030,400
Thereafter	26,897,004
Total	<u>\$ 31,753,004</u>

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 6 LONG-TERM DEBT (CONTINUED)

Bond Issuance Costs

Bond issuance costs represent costs incurred in the procurement of the Illinois Health Facilities Authority Revenue Bonds, Series 2005 totaling \$1,711,022. These deferred costs were being amortized using the effective interest method over the life of the bonds. As of June 30, 2017 deferred financing costs represent costs incurred with the refinancing of the Series 2005 bonds through the issuance of Series 2016 bonds and total \$482,023. These deferred costs are being amortized using the straight-line method over the life of the related debt. Upon the refinancing of the Series 2005 bonds, the Organization incurred a loss of \$914,115 related to the write-off of the unamortized deferred financing costs on the Series 2005 bonds.

Accumulated amortization as of June 30, 2017 and 2016 is \$36,667 and \$792,505, respectively.

Restrictive Covenants

The provisions of the debt agreements of the bonds as described above contain various restrictive covenants that limit the occurrence of additional debt and require certain measures of financial performance be satisfied as long as the bonds are outstanding. Failure to maintain compliance could result in acceleration of payment for debt outstanding under the Master Trust Indenture. Management believes the Organization is in compliance with such covenants at June 30, 2017 and 2016.

NOTE 7 INTEREST RATE SWAPS

The Organization entered into two interest rate swap agreements on August 17, 2016 to hedge interest rate exposure on the Series 2016A and Series 2016B bonds. The agreements, which expire on August 10, 2026, effectively fix the interest rate on an original notional value of \$27,500,000 at 3.03%. The notional value of the swaps include annual amortization consistent with the Series 2016A and Series 2016B bonds. These agreements are considered to be derivative financial instruments and are reported at their fair value as an asset of \$652,310 in other assets in the statements of financial position at June 30, 2017. The net changes in the fair value of the agreements are reported as nonoperating revenues (expenses) in the statement of activities and changes in net assets (deficit) for the year ended June 30, 2017.

NOTE 8 DEFINED CONTRIBUTION PLAN

The Organization provides benefits under the same plan of its affiliate organization, Smith Senior Living. The Organization follows safe harbor provisions by matching 100% of employees' first 3% of contributions, plus 50% of the next 2% of employee compensation. The Organization's plan also provides for an additional discretionary contribution to all eligible employees who have in excess of 1,000 hours worked in the plan year, are age 21 or older, and are employed as of the last day of the plan year. Employer contributions to the 401(k) plan for the years ended June 30, 2017 and 2016 totaled \$74,082 and \$59,313, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 9 COMMITMENTS AND CONTINGENCIES

Litigation

The Organization is subject to asserted and unasserted claims encountered in the normal course of business. The Organization's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the Organization's financial condition or results of operations.

Health Care

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Government Regulations - Medicaid

The state of Illinois reserves the right to perform field audit examinations of the Organization's records. Any adjustments resulting from such examinations could retroactively adjust Medicaid revenue.

Government Regulations - Medicare

The Medicare intermediary has the authority to audit the skilled nursing facility's records any time within a three-year period after the date the skilled nursing facility receives a final notice of program reimbursement for each cost reporting period. Any adjustments resulting from these audits could retroactively adjust Medicare revenue.

NOTE 10 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalents, investments, and assets limited as to use at financial institutions which management believes has strong credit ratings and the credit risk related to these deposits is minimal. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times, deposits may exceed FDIC limits. The Organization has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 10 CONCENTRATION OF CREDIT RISK (CONTINUED)

The Organization grants credit without collateral to its various facility residents or his/her families, most of who are private pay individuals or are insured under third-party payor agreements. The mix of receivables from residents and third-party payors was as follows at June 30:

	2017	2016
Medicaid	23.0 %	27.0 %
Medicare	52.0	30.0
Private and Insurance	25.0	43.0
Total	<u>100.0 %</u>	<u>100.0 %</u>

NOTE 11 RELATED-PARTY TRANSACTIONS

Office Rental

The Organization has an agreement with Smith Senior Living to utilize four units of the independent living building for use as corporate office space. The Organization received an \$813,800 entrance fee from Smith Senior Living in 2008, 90% of which will be fully refunded to Smith Senior Living at such time the space is vacated and the units are returned to their original residential occupancy condition. Smith Senior Living is responsible for all tenant improvements and monthly maintenance fees paid in 2017 and 2016 of \$142,068 and \$107,124, respectively. Monthly maintenance fees may be increased each July by the Organization. The Organization amortizes the nonrefundable portion using the straight-line method over 40 years. Amortization income for the years ended June 30, 2017 and 2016 was \$2,034.

Services Agreement

The Organization has an agreement with Smith Senior Living to oversee its general operations. The initial term of this agreement was for the period of one year. This agreement renews annually thereafter unless terminated in accordance with other terms and conditions contained therein. Furthermore, certain subordination and deferral provisions apply in connection with payment of compensation to Smith Senior Living.

Under the terms of the agreement, the Organization must compensate Smith Senior Living for services rendered. The agreement also contains a provision to compensate Smith Senior Living for supplemental services it may provide above and beyond those enumerated in the agreement. In addition, the Organization must pay Smith Senior Living an additional sum on a monthly basis as reimbursement for Smith Senior Living's overhead expenses related to the Organization.

Expenses incurred by the Organization in 2017 and 2016 for services provided under this agreement and certain pass-through corporate costs was approximately \$1,592,000 and \$1,725,000, respectively.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 11 RELATED-PARTY TRANSACTIONS (CONTINUED)

Expenses

Smith Senior Living is the sole member of Smith Cares LLC (Smith Cares), which provides nursing and maintenance support services to residents of the Organization and Smith Crossing. Expenses incurred by the Organization with Smith Cares for the years ended June 30, 2017 and 2016, totaled approximately \$2,644,000 and \$2,568,000, respectively.

Due to Affiliates

The Organization has amounts due to Smith Senior Living and Smith Cares at June 30, 2017 and 2016 of \$5,854,674 and \$7,433,566, respectively, representing unpaid subordinated fees for overseeing general operations and certain other pass-through corporate costs related to services provided by Smith Senior Living, an affiliated organization through common board. The Organization's ability to meet its obligations is dependent upon future operations.

Contributions from Affiliate

Smith Senior Living made charitable contributions to the Organization totaling \$35,912 and \$515,801 which are reported as Contributions from Affiliate within the statements of activities and changes in net assets (deficit) for 2017 and 2016, respectively. The Smith Senior Living endowment distribution amount is calculated as a percentage of the portfolio's December 31 balance. The percentage for any given year is the portfolio's annualized three-year return less a 3% inflation buffer and the portfolio's maximum distribution percentage is capped at 4%. These amounts have been designated to support the charitable care activities of the Organization.

Support Agreement

On December 1, 2005, Smith Senior Living entered into a support agreement with the master trustee and bond trustee, which is currently Wells Fargo Bank, National Association. Under the support agreement, Smith Senior Living has agreed to guarantee up to an aggregate limit of \$2,000,000 (the required amount) of the Organization's debt service payments and other operating payments to be made under the Series 2005 bonds referenced above. Under the agreement, Smith Senior Living is required to maintain certain cash and investments in an initial amount of \$3,000,000 (the cushion amount). The required amount and cushion amount will be reduced as the Organization achieves certain debt service coverage ratios and achieves certain days' cash on hand. This support agreement has been eliminated as part of the refinancing of the Series 2005 Bonds with the issuance of the Series 2016 Bonds.

NOTE 12 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America define fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 12 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of cash and cash equivalents and mutual funds that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The value of assets held in perpetual trust is based upon the Organization's proportionate share of the trust's pooled investment portfolio and is valued using the market approach valuation technique. The Organization's management reviews the valuations and returns in comparison to industry benchmarks and other information provided by the trust.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The level that has the most observable significant input determines the placement of the entire fair value measurement in the hierarchy.

Assets and liabilities measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at June 30, 2017				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Fixed Income	\$ 4,186,072	\$ -	\$ -	\$ 4,186,072
Mutual Funds - Equities	4,407,799	-	-	4,407,799
Total Investments at Fair Value	<u>\$ 8,593,871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,593,871</u>
Interest Rate Swaps	\$ -	\$ 652,310	\$ -	\$ 652,310
Fair Value Measurements at June 30, 2016				
	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds - Fixed Income	\$ 4,092,665	\$ -	\$ -	\$ 4,092,665
Mutual Funds - Equities	3,457,999	-	-	3,457,999
Bonds	-	747,119	-	747,119
Total Investments	<u>7,550,664</u>	<u>747,119</u>	<u>-</u>	<u>8,297,783</u>
Assets Limited as to Use:				
Fixed Income Funds	3,709,614	-	-	3,709,614
Mutual Funds	125,348	-	-	125,348
Total Assets Limited as to Use	<u>3,834,962</u>	<u>-</u>	<u>-</u>	<u>3,834,962</u>
Total Assets at Fair Value	<u>\$ 11,385,626</u>	<u>\$ 747,119</u>	<u>\$ -</u>	<u>\$ 12,132,745</u>

(22)

ATTACHMENT-27A

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
DBA: SMITH VILLAGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 12 FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (CONTINUED)

Interest Rate Swaps

The fair value of the interest rate swaps are estimated by a third party using a model that builds a yield curve from market data for actively traded securities at various times and maturities and takes into account current interest rates and the current credit worthiness of the respective counterparties. Such securities are classified within Level 2 of the valuation hierarchy.

NOTE 13 FUNCTIONAL EXPENSES

The Organization provides services to senior citizens within its geographic location. Expenses related to providing these services are as follows:

	<u>2017</u>	<u>2016</u>
Program	\$ 19,224,166	\$ 19,690,963
Management and General Support	1,706,593	1,891,717
Total Operating Expenses	<u>\$ 20,930,759</u>	<u>\$ 21,582,680</u>

Salaries and related expenses are allocated based on job descriptions and the best estimates of management. Expenses, other than salaries and related expenses, which are not directly identifiable by program or supporting services, are allocated based on the best estimates of management.

NOTE 14 CASH FLOW DISCLOSURES

Cash paid for interest during the years ended June 30, 2017 and 2016 was \$1,371,190 and \$2,105,824, respectively.

During the year ended June 30, 2017, the Organization had the following noncash activities:

The Organization reduced refundable continuing-care contracts and resident accounts receivable by \$268,747 for residents who used a portion of the refundable entrance fee in order to pay outstanding monthly service fees.

Refundable continuing-care contracts in process of settlement included in accounts payable totaled \$1,395,546.

Entrance fees totaling \$625,270 were financed through the issuance of entrance fee receivables.

**WASHINGTON AND JANE SMITH COMMUNITY – BEVERLY
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE 14 CASH FLOW DISCLOSURES (CONTINUED)

During the year ended June 30, 2016, the Organization had the following noncash activities:

The Organization reduced refundable continuing-care contracts and resident accounts receivable by \$126,441 for residents who used a portion of the refundable entrance fee in order to pay outstanding monthly service fees.

Refundable continuing-care contracts in process of settlement included in accounts payable totaled \$1,518,216.

Entrance fees totaling \$185,400 were financed through the issuance of entrance fee receivables.

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 29, 2017, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2017, but prior to August 29, 2017, that provided additional evidence about conditions that existed at June 30, 2017, have been recognized in the financial statements for the year ended June 30, 2017. Events or transactions that provided evidence about conditions that did not exist at June 30, 2017, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2017.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.

ATTACHMENT-27A



First Midwest Bank

Healthcare Lending Group
First Midwest Bank
8750 West Bryn Mawr Avenue
Chicago, Illinois 60631

January 23, 2019

Mr. Raymond Marneris
Chief Financial Officer
Smith Village
2320 West 113th Street
Chicago, IL 60643

RE: *Financing proposal for Smith Village ("the Borrower", "the Obligated Group"),*

Dear Ray,

First Midwest Bank ("the Bank" or "FMB") has reviewed your financing request for the modernization of the current skilled nursing facility on the Smith Village campus. The Bank is interested in further pursuing this financing with you and this letter a preliminary and tentative proposal based upon our recent discussions with you and our analysis and review to date of the financial condition, business prospects and operations of Smith Village to date.

Please note that FMB is not acting in an advisory capacity as it pertains to this transaction. The Bank was requested to provide a proposal of loan options offered by and to be held on the balance sheet of First Midwest Bank. It is recommended that Smith Village retain an advisor to discuss its plan of finance options, including any work related to swaps or hedging instruments.

Sincerely,

FIRST MIDWEST BANK

Kimberly A. McMahon
SVP, Healthcare Lending

CC: Mike Taylor - FMB

ATTACHMENT-27B

Borrower /
Obligated Group: Smith Village, Inc. ("Smith Village", "the Borrower" or "the Obligated Group").

Credit Facility
Types: A) Non-Bank Qualified Private Placement ("the Tax-exempt Draw Down Bonds")
B) Taxable construction Loan ("the Taxable Loan")

Facilities A and B are herein collectively referred to as the "Credit Facilities"

Purpose: The proceeds of the Credit Facilities will be used to finance the modernization and expansion of the Smith Village campus as described in the request for proposal dated January 2019.

Facility
Amount: Up to \$24,000,000

Final Facility Amount
/ Loan to Value: The Bank will order and obtain an acceptable appraisal. The Final Facility Amount shall not exceed 80% of the 'As Is' appraised value.

Initial Term /
Commitment: Up to 10 years from closing.

Interest Rate
Option (s): The Bank proposes providing a floating rate interest option for the Credit Facilities on a taxable and / or tax-exempt basis. The Bank is willing to work with the Borrower to structure a transaction which provides the most flexible plan of finance and capital structure for Smith Village and the Borrower will also have the option of choosing any combination of taxable and tax-exempt structures.

The Borrower will also have the option of drawing down any portion of the Credit Facilities, regardless if the Bonds are issued on taxable or tax-exempt basis. The Bank would charge an unused fee of 0.25% a month on any undrawn commitment calculated as $(\text{Undrawn Loan Amount} * 0.25\%) / 365 * \text{Number of Days in Period (i.e. 30 days)}$.

Tax-Exempt
Floating-Rate
Interest Calculation: 80% (30 Day Libor plus *225 basis point applicable credit spread*), to be reset on a monthly basis.

Taxable
Floating-Rate
Interest
Calculation: 30 Day Libor plus *225 basis point applicable credit spread*, to be reset on a monthly basis.

LIBOR: If at any time LIBOR is not available, the rate will convert to an alternative base rate which will be defined within the loan agreement.

**Interest Rate
Hedging
Agreement:**

During the term of the Bank's commitment, the Borrower will be required to maintain a capital structure whereby no portion of the Borrower's total long-term debt is in floating rate mode. The Borrower can accomplish this synthetically with an interest rate swap. The Bank is willing to amend the existing hedging agreements in place to accommodate this requirement. Regardless of hedging arrangement chosen by Smith Village, the Bank will require the Borrower to finalize its Swap / Interest Rate Hedging Agreement no later than 30 days after close.

The swap counterparty, if not the Bank, will be subject to Bank approval and upon other terms and conditions, will maintain a minimum credit rating of AA and will be unsecured.

**Final Maturity and
Amortization:**

Interest only during construction and FMB is willing to structure the amortization for a term of up to 25 years, or whatever lesser period as determined to be the useful life of the assets being financed, per bond counsel.

Closing Fee:

The Bank will charge a one-time closing fee of 25 basis points on the Final Facility Amount. Regardless of the term and / or interest rate mode chosen, \$20,000 of the closing fee will be due at the time of acceptance of this proposal and the remainder due at the time of closing.

Collateral:

The Bank will be secured by 1) first mortgage on the Borrower's interest in the community and all fixtures and property pursuant to a mortgage and security agreement; 2) on all property and assets of the Borrower including but not limited to inventory, accounts receivable, leasehold improvements, and equipment; and 3) a pledge of gross revenues which will include an assignment of interest in all rents and leases.

**Prepayment
Fees:**

The Bank would require 60 days-notice of the Borrower's intent to prepay the loan in whole or in part. FMB would charge an exit fee of 3% in Years 1 and 2, 2% in Years 3, 4, and 1% in Years 5 and 6, with no additional pre-payment penalties thereafter.

**Additional
Business:**

It is understood that the Borrower will utilize the Bank as its primary banking partner. This will include maintenance of the majority of the operating and depository accounts at the Bank. All debt service payments shall be automatically debited from the Borrower's operating account at the Bank on the fifth of every month.

**Construction
Monitor:**

The Bank will require a third-party construction monitor for the project.

Title Policy: Borrower shall provide Bank with an ALTA Loan Title Policy in form and manner satisfactory to the Bank in the amount of the Term Loan insuring the mortgage of the Bank on the Property.

Survey: Borrower shall provide Bank with an ALTA survey in form and manner satisfactory to the Bank that is certified to the Bank and the title company issuing the ALTA Loan Title Policy referred to in this letter.

Environmental: The Bank will require a Phase I Environmental Site Assessment or other environmental assessment the Bank may deem appropriate (and a Phase II if necessary) showing the site to be free from environmental hazards.

Insurance: Borrower shall provide Bank with proof of, and at all times maintain, insurance coverage in effect on the Property in form, type, amount and manner satisfactory to the Bank, including, but not limited to, casualty insurance and business interruption insurance in an amount acceptable to the Bank and naming Bank as mortgagee and loss payee, and liability insurance naming Bank as an additional insured.

Covenants: As long as the Bank's debt is outstanding, the Bank will also require the following covenants through the term of our loan:

1. Upon stabilization debt service coverage for the Borrower shall be at least 1.20x throughout the term of the loan, tested on a quarterly basis utilizing the trailing 12 months.
2. Days Cash on Hand ratio of the Borrower calculated on a rolling twelve-month basis and reported on a semi-annual basis of at least 180 days.
3. The Borrower will be required to maintain a minimum campus-wide occupancy of 80%, tested quarterly, with adjustments made for units related to the construction project.
4. Other standard and customary covenants for a transaction of this type.

**Financial
Reporting:**

The Bank will require the following:

1. Quarterly status reports with updates on occupancy, payor mix and operations inclusive of interim income statement, balance sheet, cash flow statements, etc.
2. Annual financial projections / budget with accompanying current rates (entrance fees, monthly fees etc.), balance sheet, income statement, and cash flow within 60 days of each fiscal year end.
3. Annual audited financial statements of the Borrower to be delivered within 150 days of the end of each fiscal year end.
4. Copies of facility inspection reports with highlights of any finding, exceptions, or deficiencies related to the licensure of the Borrower's facilities.
5. Together with the above financial statements, the Borrower will provide an Officers Certificate identifying that the Borrower has maintained compliance with its covenants and that there has not been an event of default.
6. Other additional information as reasonably requested by the Bank.

**Additional
Conditions /
Conditions to
Close:**

1. Receipt of required CON approval, final GMP contract, appraisal, environmental reports, surveys, property condition inspection reports, financial projections, and title policies as deemed necessary by the Bank.
2. Completion of Bank's due diligence including but not limited to review the unaudited interim financial statements, evidence of insurance, and other customary items for such related transactions.
3. Execution and delivery of all financing related documents and all certificates, authorizations, opinions, and account control agreements as requested, and in a form acceptable to the Bank.
4. Receipt of all required fees to be paid and expenses for which invoices have been presented prior to closing.

**Expenses &
Indemnification:**

The Borrower will pay all costs and expenses associated with the preparation and due diligence of the term loan and all documentation executed in connection with the term loan, including without limitation all out-of-pocket expenses and reasonable legal fees of the counsel of the Bank regardless of whether the term loan is closed.

The Borrower shall indemnify and hold harmless the Bank, its directors, officers, affiliates, and employees from and against all losses, liabilities, claims, damages or expenses relating to the facility and the Borrower including, without limitation, reasonable attorneys' fees and settlement costs. This indemnification shall survive and continue for the benefit of all such persons or entities. The indemnification provisions will not apply to the extent that such losses, liabilities, claims, or damages are incurred by reason of gross negligence or willful misconduct of the applicable indemnified person, as determined by a final, non-appealable judgment by a court of competent jurisdiction.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued ii

Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

The ratios for the Applicant, **Washington and Jane Smith Community - Beverly d/b/a Smith Village**, are provided in the application pages of this application. It is this entity that has the responsibility in funding the project through equity and debt financing. Smith Village's sole corporate member, **The Washington and Jane Smith Home d/b/a Smith Senior Living** (co-Applicant) is also considered an Applicant but it is not guaranteeing the debt.

Financial Viability Waiver

The co-Applicants do not meet the thresholds for the financial viability waiver, therefore, this item is not germane.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued iii

1. The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Three years of viability ratios for **Washington and Jane Smith Community – Beverly d/b/a Smith Village** are provided within the application pages of this application.

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

The viability ratio methodology/calculations are provided in the worksheet appended as **ATTACHMENT-29A**. The ratios in compliance include Net Margin Percentage, Projected Debt Service Coverage, Days Cash on Hand and the Cushion Ratio for all historical years and Projected Debt Service Coverage, Days Cash on Hand and the Cushion Ratio for the projected year. The ratios not in compliance are the Current Ratio and Percent Debt to Total Capitalization historical ratios in all years and for the Current Ratio, Net Margin Percentage and Percent Debt to Total Capitalization in the projected year.

Current Ratio: This ratio appears to be out of compliance due to generally accepted accounting principles (GAAP) in which campus entrances fees (around \$25 million) are carried on the books as a liability. This is unique to CCRC's who require entrance fees and offer "life care contracts". After the stay of the resident, the funds will convert to assets or partially returned to resident. As this negative is completely the result of required accounting principles and should not be counted against this project's consideration.

Net Margin Percentage: This item is only out of compliance in the projected year. This can be attributed to the fact that the Applicant, Smith Village, is a CCRC and not just a nursing

ATTACHMENT-29

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued iv

provider, but includes Independent and Assisted Living levels of care in distinct yet connected structures. It is not possible to separate out every ratio but when the net margin for the nursing unit only is calculated, the ratio exceeds the standard in all historical years and in the projected year. This ratio is provided in the ratio worksheet appended as **ATTACHMENT-29A** and equates to 14.9 percent compared to the State Standard of 2.5%. Therefore, this item should be considered in compliance.

Percentage Debt to Total Capitalization: This item is also reflective of the financials of a CCRC corporate entity that includes each level of care under its umbrella. The nursing building was the first portion of the campus that was constructed. It should be known that the cost of the nursing building has been paid off for some time. The long-term debt remaining is related to the construction of the Assisted Living and Independent Living Centers. The construction of the Assisted Living Center which consists of 82 Assisted Living Units, 58 of which are located on the first, second and third floors of a four-story building and 24 of which are specialized Memory Support Units located on the fourth floor was completed in 2005. The construction of the Independent Living Center was completed in 2007. This ratio is also subject to the same GAAP requirements that count entrance fees collected as a liability instead of an asset. Therefore, the roughly \$25 million in entrance fees that the Applicant is holding makes it appear that there are negative net assets which then makes this ratio out of compliance with the State's standards for this item. As this negative is the result of required accounting principles it should not be counted against the consideration of this project.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

ATTACHMENT-29

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued v

It would appear that the Applicant is only out of compliance due to technical issues related to how collected entrance fees are accounted for and the fact that this is not the traditional freestanding nursing facility but rather an entire CCRC with all levels of care under the single organizational structure, Smith Village. When this is realized the ratios appear to be in compliance and a variance is not necessary.

ATTACHMENT-29

Washington and Jane Smith Community - Beverly d/b/a Smith Village
(Owner and Operator)
FINANCIAL VIABILITY RATIOS

	2016	2017	2018	2024	NORM
<u>CURRENT RATIO</u>					
1. CURRENT ASSETS	\$ 4,444,000	\$ 4,539,000	\$ 5,245,000	\$ 3,758,000	
2. CURRENT LIABILITIES	\$ 10,603,000	\$ 10,817,000	\$ 9,795,000	\$ 10,329,000	
3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2)	0.4	0.4	0.5	0.4	1.5 or more
<u>NET MARGIN PERCENTAGE</u>					
4. NET INCOME OR (LOSS)	\$ 655,000	\$ 858,000	\$ 969,000	\$ 285,000	
5. NET OPERATING REVENUE	\$ 20,390,000	\$ 21,005,000	\$ 21,122,000	\$ 24,187,000	
6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5)	3.2%	4.1%	4.6%	1.2%	3% or more
<u>Net Margin Percentage: SKILLED-NURSING ONLY</u>					
<u>NET MARGIN PERCENTAGE</u>					
4. NET INCOME OR (LOSS)	\$ 1,657,000	\$ 1,866,000	\$ 1,848,000	\$ 1,702,000	
5. NET OPERATING REVENUE	\$ 10,582,000	\$ 11,068,000	\$ 11,093,000	\$ 11,417,000	
6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5)	15.7%	16.9%	16.7%	14.9%	3% or more
<u>LONG-TERM DEBT TO TOTAL CAPITALIZATION RATIO</u>					
7. LONG TERM DEBT	\$ 60,889,000	\$ 55,443,000	\$ 56,153,000	\$ 66,421,000	
8. LONG TERM DEBT + NET ASSETS	\$ 57,774,000	\$ 53,185,000	\$ 54,865,000	\$ 64,782,000	
9. DEBT CAPITALIZATION RATIO (LINE 7 DIVIDED BY LINE 8)	105.4%	104.2%	102.3%	102.5%	80% or less
<u>PROJECTED DEBT SERVICE COVERAGE</u>					
10. NET INCOME(LOSS) + DEPR + INTEREST + AMORTIZATION	\$ 6,542,000	\$ 3,623,000	\$ 3,632,000	\$ 4,919,000	
11. PRINCIPAL + INTEREST	\$ 2,975,000	\$ 1,976,000	\$ 1,928,000	\$ 3,091,000	
12. DEBT SERVICE COVERAGE RATIO (LINE 10 DIVIDED BY LINE 11)	2.2	1.8	1.9	1.6	1.5 or more
<u>DAYS CASH ON HAND</u>					
13. CASH + INVESTMENTS + BOARD DESIGNATED FUNDS	\$ 9,714,000	\$ 10,363,000	\$ 11,705,000	\$ 12,887,000	
14. OPER EXPENSE LESS DEPR EXP/36	\$ 48,000	\$ 50,000	\$ 53,000	\$ 56,000	
15. DAY CASH ON HAND (LINE 13 / LINE 14)	202.4	207.3	220.8	230.1	45 days or more
<u>CUSHION RATIO</u>					
16. CASH + INVESTMENTS + BOARD DESIGNATED FUNDS	\$ 10,112,000	\$ 10,363,000	\$ 11,705,000	\$ 12,887,000	
17. PRINCIPAL + INTEREST EXPENSE	\$ 2,975,000	\$ 1,976,000	\$ 1,928,000	\$ 3,161,000	
18. CUSHION (LINE 16 / LINE 17)	3.4	5.2	6.1	4.1	3 or more

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued vi

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
2. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

Appended as **ATTACHMENT-30A**, is a letter from the owner addressing reasonableness of financing arrangements.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;
2. That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
3. That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

ATTACHMENT - 30

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued vii

Appended as **ATTACHMENT-30B** is a letter from the owner addressing the conditions of debt financing.

C. Reasonableness of Project and Related Costs

Identify each area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

This item is provided in the application pages of this CON. A summary of the project and related costs are provided in the following chart.

	Clinical Cost	State Standard	Allowed	Compliance?
Preplanning Costs	\$ 162,488	1.8% of Construction, Modernization, Contingencies & Mov. Equipment	\$ 162,572	Yes
Site Survey / Soil Investigation / Site Preparation	\$ 414,441	5% of Construction, Modernization and Contingencies	\$ 415,497	Yes
New Construction Contracts	\$ 1,179,675	\$270.21 ⁹ /GSF	\$ 1,301,061	Yes
Modernization Contracts	\$ 6,097,652	70% of \$270.21 ¹⁰ /GSF	\$ 6,089,777	No
Contingencies-NCC	\$ 117,968	10% or less of NCC	\$ 117,968	Yes
Contingencies-MC	\$ 914,648	15% or less of MC	\$ 914,648	Yes
Architectural/Engineering Fees-NCC	\$ 134,282	10.35% of NCC & Contingency	\$ 134,306	Yes
Architectural/Engineering Fees-MC	\$ 616,663	8.81% of MC & MC-contingency	\$ 617,784	Yes
Movable or Other Equipment	\$ 721,860	Mov. Equip. inflated through 2020 (9,254.61 * 78-beds)	\$ 721,860	Yes

It appears that all line items for which there are state standards are in conformance with the exception of Modernization Contracts. The standard for this item is 70% of the new construction contracts which is set by the RS Means Report (3rd quartile for similar projects). This line item exceeds the 70% standard because it is more extensive than traditional modernization projects. The PT/OT area is relocating from the third floor to the first floor, the total number of resident rooms are increasing by 22% from 59 rooms to 72 rooms, all bathrooms

ATTACHMENT - 30

⁹ January 9, 2019 HFSRB Staff evaluated current 3rd Quartile costs from the RS Means report. Utilizing 70,852 GSF in a 3-story structure equates to \$270.21/GSF for January 2019.

¹⁰ January 9, 2019 HFSRB Staff evaluated current 3rd Quartile costs from the RS Means report. Utilizing 70,852 GSF in a 3-story structure equates to \$270.21/GSF for January 2019.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued viii

on the first floor are being expanded to include showers, all of the electrical is being upgraded and replaced as are all windows. Electrical and windows alone account from approximately \$2.2 million (electrical - \$2,007,587 and windows - \$198,000). These areas coupled with the total replacement of the HVAC system cause this project to be more than the traditional renovation project.

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

	CY2024	
Salaries	\$2,332,353	
Benefits	\$ 607,650	
Supplies	\$5,048,800	
Patient Days @ 90%		25,623
Total/Operating Cost/PT Day	\$7,988,803	\$311.78

RS
E.

Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

	CY2024	
Amortization	\$ 10,000	
Depreciation	\$ 977,148	
Interest Expense	\$ 739,000	
PT Days @ 90%		25,623
Total/Operating Cost/PT Day	\$1,726,148	\$67.37

ATTACHMENT - 30

Smith VILLAGE

January 29, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for **Washington and Jane Smith Community – Beverly d/b/a Smith Village**; reasonableness of financing arrangements


Dear Ms. Avery:

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1. That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A. A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 1.5 times for LTC facilities; or
 - B. Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

Respectfully,


Kevin McGee President & CEO


Raymond Marneris Treasurer & CFO

Notarization:
Subscribed and sworn to before me
this 29th day of January, 2019



Signature of Notary

Seal

OFFICIAL SEAL
COLEEN BARKMEIER
Notary Public, State of Illinois
My Commission Expires 01/02/2021

Notarization:
Subscribed and sworn to before me
this 29th day of January, 2019



Signature of Notary

Seal

OFFICIAL SEAL
COLEEN BARKMEIER
Notary Public, State of Illinois
My Commission Expires 01/02/2021

Smith VILLAGE

January 24, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for
(Washington and Jane Smith Community –
Beverly d/b/a Smith Village); conditions of
debt financing

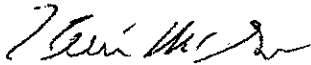
Dear Ms. Avery:

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1. That the selected form of debt financing for the project will be at the lowest net cost available;

Respectfully,


Kevin McGee President & CEO


Raymond Marneris Treasurer & CFO

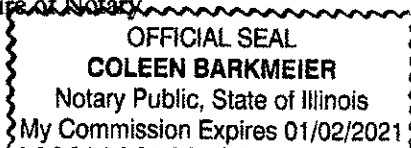
Notarization:

Subscribed and sworn to before me
this 24th day of January 2019



Signature of Notary

Seal



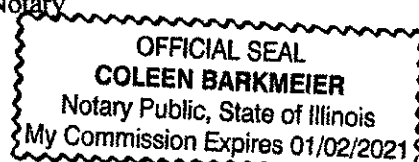
Notarization:

Subscribed and sworn to before me
this 24th day of January 2019



Signature of Notary

Seal



A Smith Senior Living Community

ATTACHMENT-30B

