

ANNUAL OPERATING STATEMENT & WORKING BUDGET

INTRODUCTION

The Annual Operating Statement and Working Budget provide financial information regarding actual and anticipated revenue and actual and anticipated expenses. Actual revenue and expenses reflect the revenue received and costs incurred for the most recent complete year of facility operations. Anticipated revenue and expenses reflect the expected revenue and expenses for the next year of operations and constitute the working budget for the facility. This form is of primary importance in providing selected information needed to determine financial responsibility as required by § 63.2-1702 of the Code of Virginia. When completing this form, do not include any revenue or expenses that are not directly associated with operation of the licensed facility. The instructions for completing the form which follow describe the information to be recorded for each item.

INSTRUCTIONS FOR COMPLETING THE FORM

ACTUAL AND ANTICIPATED REVENUE: **For the Initial Application for Licensure, complete only the Anticipated Revenue column; for the Renewal Application for Licensure, complete both the Actual Revenue and Anticipated Revenue columns.** This section should reflect the actual and anticipated annual income available to operate the facility. It should **not** reflect the actual and anticipated annual income of the applicant(s) unless this income was or will be used to operate the facility. Anticipated amounts should be as accurate as possible and supported by confirming documentation to the maximum extent feasible. Actual amounts should be supported by confirming documentation.

1. Fees for Care: The actual and anticipated revenue which was or will be received each year as fees or payments for care should be entered here. Anticipated values should be based on the rate per child or adult to be charged by the facility and the number of children or adults who will actually be in care during the next year of operation. This may be estimated to be less than the licensed capacity which is being requested on the application and, if so, should be used rather than licensed capacity in determining the anticipated revenue to be received.
2. Fees for Other Clients/Services (only applies to assisted living facilities and children's residential facilities): The actual anticipated revenue which was and will be received each year as fees or payments for care or services provided to children or adults other than those in residential (24 hour) care.
3. Federal Funds: The revenue which was and will be received each year from Federal agencies. Do not include revenue already listed as part of "Fees for Care."

4. State Funds: The revenue which was and will be received each year from State agencies. Do not include revenue already listed as part of "Fees for Care."
5. Local Funds: The revenue which was and will be received each year from localities. Do not include revenue already listed as part of "Fees for Care."
6. Income from Investments: Annual income to support facility operation which was and will be provided by any existing investments.
7. Endowment/Trust Fund(s): Revenue which was or is to be received for the entire year from any endowments or trust funds which currently exist and provide or would provide income to be used to support facility operations.
8. Donations/Solicitations: Income received or estimated to be received from such sources as religious or fraternal organizations, United Way funds, fund drives and solicitations, or any other fundraising activity used to support facility operations.
9. Other (Specify): Annual income received or estimated to be received from any other source(s) which will be used to operate the facility. Specify each source and the amount.

ACTUAL AND ANTICIPATED EXPENSES: For the Initial Application for Licensure, complete only the Anticipated Expenses column; for the Renewal Application for Licensure, complete both the Actual Expenses and Anticipated Expenses columns. This section includes actual and anticipated annual expenses of facility operation. It is the total of all expense items shown below. Three major categories of expenses are shown. The explanations of the sub-headings are intended to assist the applicant in understanding the number and types of financial considerations which may be involved in facility operation, and to assist the Department in evaluating the facility's application.

1. Administration:
 - a. Office Supplies & Equipment: Actual and estimated annual cost of expendable and non-expendable items used for administrative purposes. (*e.g. pens, pencils, paper*).
 - b. Depreciation: Buildings: Total annual amount and estimate of depreciation on all buildings owned and utilized by the facility to support the administration of the facility (*e.g. buildings which house administrative offices*).
 - c. Depreciation: Equipment: Total annual amount and estimate of depreciation on all capital equipment owned and used in support of administrative operations (*e.g. desks, chairs, computers, etc. used in administrative offices*).

d. Insurance:

(1) Liability (Premises and Operations): Total annual cost of liability insurance covering the premises and operation.

(2) Liability (Vehicles): Total annual cost of liability insurance covering all of the vehicles used in support of System's Operations.

(3) Other: Total annual cost of other types of insurance (*e.g. fire insurance*). NOTE: Health Care, Group Life, and other insurance benefiting employees should be shown under Item 2.a. Salaries, Wages & Benefits and **not** in this item.

e. Interest: Total amount of interest payments paid during the past year and due within the next year on outstanding loans or other debts.

f. Taxes: Annual amount of all taxes which were paid last year and must be paid this year by the facility. This would include VEC taxes and Federal Unemployment Taxes which must be paid on employees' salaries and wages as well as business license taxes, property taxes, real estate taxes (if not included as part of the mortgage payment under Item 3, below). NOTE: The Employer's FICA (Social Security) taxes must be shown under Item 2, b, and **not** in this item. Specify each tax on a separate line under the entry "taxes."

2. Salaries, Wages & Benefits:

a. Salaries & Wages: All salaries and wages paid during the last year and to be paid by the facility to its employees including those employed through contract; and any salaries or wages paid by facility revenue for any officers, members, managers, clerks, assistants, professional staff, etc. of the licensed entity (sole proprietor, corporation, limited liability company, business trust, partnership, public agency, or association).

b. FICA (Social Security): Enter the total annual FICA (Social Security) tax, (including both OASDI and Medicare) to be paid by the facility for all employees and others listed above.

c. Health Care Insurance: Total amount of annual premiums paid by the facility for health care insurance for employees and others listed above when the cost of all or part of such insurance is provided by the facility. Do not include portions paid by employees.

- d. Group Life Insurance: Total amount of annual premiums paid by the facility for employee group life insurance when the cost of all or part of such insurance is provided by the facility.
 - e. Employer Retirement Contribution: Total annual contribution made by the facility to the retirement fund(s) of employees and others listed above.
 - f. Other Benefits (Specify): On an item-by-item basis, the cost(s) of any additional benefits provided by the facility to employees and others listed above.
3. Operations:
- a. Food: Actual and anticipated annual cost of food to be used in the facility. It includes the cost of all meal and snacks each day. *(Do not include the cost of food provided at no cost to staff who are required to eat with participants or residents. These costs are reported under Item 3.m: Other.)*
 - b. Rent or Mortgage Payments: Payments for buildings/property of the facility (*e.g. office building, living units*); amount shown should be the total annual expense.
 - c. Utilities: Total of payments made or to be made by the facility for electricity, water, fuel oil, gas (*for heating*), sewage and refuse services, telephone and similar services.
 - d. Maintenance & Repairs: Annual cost of all items used to maintain and carry out necessary repairs on the facility. This would include such items as paint, lumber, nails, roofing materials, grass seed.
 - e. Equipment and Supplies: Total actual and projected annual cost of equipment, which is not to be depreciated, and expendable supplies which were and will be used to support facility operation in areas other than the administrative offices. Equipment rental costs should be included here.
 - f. Depreciation: Buildings: Total actual costs and annual estimate of depreciation on all buildings owned and utilized by the applicant to support facility operation other than administration (*e.g., classrooms, residential cottages*).
 - g. Depreciation: Equipment: Total actual costs and annual estimate of depreciation on all capital equipment owned and used by the facility in support of operation other than administration (*e.g., food service equipment, furniture in residential cottages, classroom equipment, vehicles*).

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- h. Motor Vehicles: All expenses related to the maintenance and operation of cars, vans, trucks, etc, owned by the facility and used in support of the operation of the facility.
 - i. Laundry and Linens: Cost of soap, detergents, etc., required for the laundry of table linens, bed linens, etc., used by the facility and the cost for outside laundry services.
 - j. Staff Travel: Actual travel expenses for last year and total projected travel expense for staff which will be incurred in support of facility operations and the program offered by the facility. This includes transportation costs, the cost for food and the cost for lodging if overnight travel is required.
 - k. Staff Training: Actual and projected annual costs of formal training for facility staff which will be paid for or reimbursed by the facility.
 - l. Contractual Services: Actual and projected annual cost for any services provided to the facility under contract to support the program offered or facility operation. List each contractual service separately.
 - m. Other (Specify): Annual cost of all other expenses not included in other items. Specify each item of expense included here and the expense amount (*e.g. the estimated cost of meals provided at no cost to staff required to eat with residents or participants would be entered here.*

**VIRGINIA DEPARTMENT OF SOCIAL SERVICES
DIVISION OF LICENSING PROGRAMS**

ANNUAL OPERATING STATEMENT & WORKING BUDGET

DATE: _____

NAME OF FACILITY: _____

REVENUE (ACTUAL & ANTICIPATED)

	<u>Actual This Year</u>	<u>Anticipated Next Year</u>
	Date: ____ to ____	Date: ____ to ____
Fees for Care	_____	_____
Fees from Other Clients/Services	_____	_____
Federal Funds	_____	_____
State Funds	_____	_____
Local Funds	_____	_____
Endowment(s)/Trust Fund(s)	_____	_____
Income from Investments	_____	_____
Donations/Solicitations	_____	_____
Other (<i>Specify</i>)	_____	_____
TOTAL REVENUE:	\$ _____	\$ _____

EXPENSES (ACTUAL & ANTICIPATED)

	<u>Actual This Year</u>	<u>Anticipated Next Year</u>
	Date: ____ to ____	Date: ____ to ____
1. ADMINISTRATION		
Office Supplies & Equipment	\$ _____	\$ _____
Depreciation: Buildings	_____	_____
Depreciation: Equipment	_____	_____
Insurance		
Liability (Premises/Operations)	_____	_____
Liability (Vehicles)	_____	_____
Other (Specify by Type)	_____	_____
Interest	_____	_____
Taxes (Specify by Type)	_____	_____
TOTAL ADMINISTRATIVE EXPENSES	_____	_____
 2. SALARIES, WAGES, AND BENEFITS		
Salaries and Wages	\$ _____	\$ _____
FICA (Social Security)	_____	_____
Health Care Insurance	_____	_____
Group Life Insurance	_____	_____
Employer Retirement Contributions	_____	_____
Other Benefits (Specify)	_____	_____
TOTAL SALARIES, WAGES, AND BENEFITS EXPENSES	_____	_____

EXPENSES (ACTUAL & ANTICIPATED)

	<u>Actual This Year</u>	<u>Anticipated Next Year</u>
	Date: ____ to ____	Date: ____ to ____
3. OPERATIONS		
Food	\$ _____	\$ _____
Rent and Mortgage	_____	_____
Utilities	_____	_____
Maintenance & Repairs	_____	_____
Equipment & Supplies	_____	_____
Depreciation: Buildings	_____	_____
Depreciation: Equipment	_____	_____
Laundry and Linens	_____	_____
Motor Vehicles	_____	_____
Staff Travel	_____	_____
Staff Training	_____	_____
Contractual Services (Specify)	_____	_____
Other (Specify)	_____	_____
TOTAL OPERATIONS EXPENSES	_____	_____
TOTAL EXPENSES (Administration; Salaries, Wages, and Benefits; and Operations):	\$ _____	\$ _____