

		FOR BHF USE					

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2011
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2011)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH License ID Number: 0036012

Facility Name: Caring First, Inc., d/b/a Breese Nursing Home

Address: 1155 North First Street Breese 62230
Number City Zip Code

County: Clinton

Telephone Number: (618) 526-4521 Fax # (618) 526-2833

HFS ID Number:

Date of Initial License for Current Owners: 03/09/1990

Type of Ownership:

☐

VOLUNTARY,NON-PROFIT

☐ Charitable Corp.

☐ Trust

IRS Exemption Code

☒

PROPRIETARY

☐ Individual

☐ Partnership

☐ Corporation

☒ "Sub-S" Corp.

☐ Limited Liability Co.

☐ Trust

☐ Other

☐

GOVERNMENTAL

☐ State

☐ County

☐ Other

In the event there are further questions about this report, please contact:
Name: J. Terry Dooling Telephone Number: (618) 465-7717
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2011 to 12/31/2011 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed)

(Type or Print Name) Mark Halloran

(Title) President, Caring First, Inc.

Paid Preparer

(Signed)

(Print Name and Title) J. Terry Dooling, Partner

(Firm Name & Address) C.J. Schlosser & Company, L.L.C.
233 East Center Drive, Alton, IL 62002

(Telephone) (618) 465-7717 Fax # (618) 465-7710

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home

0036012 Report Period Beginning: 01/01/2011 Ending: 12/31/2011

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds N/A

1	2	3	4		
Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period		
1	39	Skilled (SNF)	39	14,235	1
2		Skilled Pediatric (SNF/PED)			2
3	73	Intermediate (ICF)	73	26,645	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	112	TOTALS	112	40,880	7

B. Census-For the entire report period.

1	2	3	4	5		
Level of Care	Patient Days by Level of Care and Primary Source of Payment					
	Medicaid Recipient	Private Pay	Other	Total		
8	SNF	1,957	1,684	2,768	6,409	8
9	SNF/PED					9
10	ICF	10,449	7,859		18,308	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	12,406	9,543	2,768	24,717	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 60.46%

D. How many bed-hold days during this year were paid by the Department? 0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy) None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES ☐ NO ☒

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES ☐ NO ☒

I. On what date did you start providing long term care at this location? Date started 03/06/1990

J. Was the facility purchased or leased after January 1, 1978? YES ☒ Date 03/06/1990 NO ☐

K. Was the facility certified for Medicare during the reporting year? YES ☒ NO ☐ If YES, enter number of beds certified and days of care provided

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐

Is your fiscal year identical to your tax year? YES ☒ NO ☐

Tax Year: 12/31/11 Fiscal Year: 12/31/11

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

SEE ACCOUNTANTS' COMPILATION REPORT

	Operating Expenses	Costs Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	A. General Services	1	2	3	4	5	6	7	8			
1	Dietary	162,244	706	5,618	168,568		168,568		168,568			1
2	Food Purchase		117,221		117,221		117,221	(1,570)	115,651			2
3	Housekeeping	63,274	11,799		75,073		75,073		75,073			3
4	Laundry	39,699	9,764		49,463		49,463		49,463			4
5	Heat and Other Utilities			108,331	108,331		108,331		108,331			5
6	Maintenance	45,920	252	48,867	95,039		95,039		95,039			6
7	Other (specify):* Trash/Med Waste			16,261	16,261		16,261		16,261			7
8	TOTAL General Services	311,137	139,742	179,077	629,956		629,956	(1,570)	628,386			8
	B. Health Care and Programs											
9	Medical Director			6,000	6,000		6,000		6,000			9
10	Nursing and Medical Records	1,302,939	61,761	4,387	1,369,087		1,369,087		1,369,087			10
10a	Therapy		634	486,727	487,361		487,361		487,361			10a
11	Activities	28,513	4,454	1,326	34,293		34,293		34,293			11
12	Social Services	41,911		2,427	44,338		44,338		44,338			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	1,373,363	66,849	500,867	1,941,079		1,941,079		1,941,079			16
	C. General Administration											
17	Administrative	93,432			93,432		93,432		93,432			17
18	Directors Fees											18
19	Professional Services			28,544	28,544	(340)	28,204	(54)	28,150			19
20	Dues, Fees, Subscriptions & Promotions			27,598	27,598		27,598	(17,406)	10,192			20
21	Clerical & General Office Expenses	107,192	12,011	58,390	177,593	(3,096)	174,497	(20,801)	153,696			21
22	Employee Benefits & Payroll Taxes			249,019	249,019		249,019	(15,152)	233,867			22
23	Inservice Training & Education											23
24	Travel and Seminar			385	385		385		385			24
25	Other Admin. Staff Transportation		7,522		7,522		7,522	(7,227)	295			25
26	Insurance-Prop.Liab.Malpractice			41,306	41,306		41,306		41,306			26
27	Other (specify):*											27
28	TOTAL General Administration	200,624	19,533	405,242	625,399	(3,436)	621,963	(60,640)	561,323			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	1,885,124	226,124	1,085,186	3,196,434	(3,436)	3,192,998	(62,210)	3,130,788			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

SEE ACCOUNTANTS' COMPILATION REPORT

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			77,721	77,721		77,721	9,114	86,835			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			111,273	111,273		111,273	(4,681)	106,592			32
33	Real Estate Taxes			49,714	49,714	3,436	53,150		53,150			33
34	Rent-Facility & Grounds			11,000	11,000		11,000		11,000			34
35	Rent-Equipment & Vehicles			2,160	2,160		2,160		2,160			35
36	Other (specify):* Mortgage Ins.			13,042	13,042		13,042		13,042			36
37	TOTAL Ownership			264,910	264,910	3,436	268,346	4,433	272,779			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		118,415	18,589	137,004		137,004		137,004			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			61,320	61,320		61,320		61,320			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		118,415	79,909	198,324		198,324		198,324			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	1,885,124	344,539	1,430,005	3,659,668		3,659,668	(57,777)	3,601,891			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL **A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.**
In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer- ence	3 BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,570)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	9,114	30		9
10	Interest and Other Investment Income	(4,681)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(5,180)	21		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment	(9,668)	20		19
20	Contributions	(1,000)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(54)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional	(50)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule	(44,688)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (57,777)		\$	30

BHF USE ONLY							
48		49		50		51	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)			34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (57,777)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		X	\$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44						44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

ID#0036012

Report Period Beginning:01/01/2011

Ending:12/31/2011

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	To eliminate owners' health insurance	\$ (15,152)	22	1
2	To eliminate non-care related expenses	(233)	20	2
3	To eliminate non-care related expenses	(15,621)	21	3
4	To eliminate non-care related expenses	(7,227)	25	4
5	To eliminate expenses for 2012 IDPH License Fee	(995)	20	5
6	To eliminate fines & penalties	(5,460)	20	6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(44,688)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home# 0036012

Report Period Beginning:

01/01/2011

Ending:

12/31/2011

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(1,570)	0	0	0	0	0	0	0	0	0	0	(1,570)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(1,570)	0	0	0	0	0	0	0	0	0	0	(1,570)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(54)	0	0	0	0	0	0	0	0	0	0	(54)	19
20	Fees, Subscriptions & Promotions	(17,406)	0	0	0	0	0	0	0	0	0	0	(17,406)	20
21	Clerical & General Office Expenses	(20,801)	0	0	0	0	0	0	0	0	0	0	(20,801)	21
22	Employee Benefits & Payroll Taxes	(15,152)	0	0	0	0	0	0	0	0	0	0	(15,152)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	(7,227)	0	0	0	0	0	0	0	0	0	0	(7,227)	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	0	0	0	0	0	0	0	0	0	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	TOTAL General Administration	(60,640)	0	0	0	0	0	0	0	0	0	0	(60,640)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(62,210)	0	0	0	0	0	0	0	0	0	0	(62,210)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home # 0036012 Report Period Beginning: 01/01/2011 Ending: 12/31/2011

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	9,114	0	0	0	0	0	0	0	0	0	0	9,114	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(4,681)	0	0	0	0	0	0	0	0	0	0	(4,681)	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	4,433	0	0	0	0	0	0	0	0	0	0	4,433	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	0	0	0	0	0	0	0	0	0	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(57,777)	0	0	0	0	0	0	0	0	0	0	(57,777)	45

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Use Page 6-Supplemental as necessary.

1OWNERS		2RELATED NURSING HOMES		3OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Mark E. Halloran	50.00%					
Garrett C. Reuter	50.00%					

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☐ YES☒ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1Schedule V		2Line	3Cost Per General LedgerItem	4Amount	5Cost to Related OrganizationName of Related Organization	6Percent of Ownership	7Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V			\$			\$	\$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Hon # 0036012 Report Period Beginning: 01/01/2011 Ending: 12/31/2011

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Mark E. Halloran	President		50.00	0	12	30.00	Salary	\$ 12,033	17, 1	1
2	Garrett C. Reuter		Counsel	50.00	0	12	30.00	Salary	12,033	17, 1	2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 24,066		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home # 0036012 Report Period Beginning: 01/01/2011 Ending: 2/31/2011

VIII. ALLOCATION OF INDIRECT COSTS

Name of Related Organization _____
Street Address _____
City / State / Zip Code _____
Phone Number () _____
Fax Number () _____

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☐ NO ☒

B. Show the allocation of costs below. If necessary, please attach worksheets.

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1						\$	\$			1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					\$	\$		\$	25

SEE ACCOUNTANTS' COMPILATION REPORT

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE												
A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)												
	1	2	3	4	5	6	7	8	9	10		
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1	Gershman Investment Group		X	Refinance Mortgage	\$13,698.00	9/1/10	\$ 2,469,400	\$ 2,405,155	10/1/35	4.4800	\$ 108,895	1
2								Amortization of Loan Costs			2,378	2
3												3
4												4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related				\$13,698.00		\$ 2,469,400	\$ 2,405,155			\$ 111,273	9
	B. Non-Facility Related*											
10												10
11								Interest Income			(4,681)	11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ (4,681)	14
15	TOTALS (line 9+line14)						\$ 2,469,400	\$ 2,405,155			\$ 106,592	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 13,042 Line # 36

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.) SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

HFS 3745 (N-4-99)

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

		Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.				
1. Real Estate Tax accrual used on 2010 report.				\$	50,500	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)				\$	49,714	2
3. Under or (over) accrual (line 2 minus line 1).				\$	(786)	3
4. Real Estate Tax accrual used for 2011 report. (Detail and explain your calculation of this accrual on the lines below.)				\$	50,500	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)				\$	3,436	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)				\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	53,150	7
Real Estate Tax History:						
Real Estate Tax Bill for Calendar Year:		2006	23,233	8		
		2007	22,217	9		
		2008	23,171	10		
		2009	48,503	11		
		2010	49,714	12		
The payment on line 2 was for the 2010 tax year.						
The accrual used on line 4 was based on the 2010 tax year.						

	FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2010	\$	13
14	PLUS APPEAL COST FROM LINE 5	\$	14
15	LESS REFUND FROM LINE 6	\$	15
16	AMOUNT TO USE FOR RATE CALCULATION\$		16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

SEE ACCOUNTANTS' COMPILATION REPORT

2010 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Caring First, Inc., d/b/a Breese Nursing Home COUNTY Clinton

FACILITY IDPH LICENSE NUMBER 0036012

CONTACT PERSON REGARDING THIS REPORT Mark Halloran, President

TELEPHONE (618) 632-2500 FAX #: (618) 622-0800

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2010 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2010.

(A)	(B)	(C)	(D) Tax Applicable to Nursing Home
Tax Index Number	Property Description	Total Tax	
1. 06-06-22-252-008	Sec 22 Twp 2 Rng 4 Pt W 1/2 NE	\$ 49,714.00	\$ 49,714.00
2.	NE 4A	\$	\$
3.		\$	\$
4.		\$	\$
5.		\$	\$
6.		\$	\$
7.		\$	\$
8.		\$	\$
9.		\$	\$
10.		\$	\$
TOTALS		\$ 49,714.00	\$ 49,714.00

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation and a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2010 tax bills which were listed in Section A to this statement. Be sure to use the 2010 tax bill which is normally paid during 2011.

PLEASE NOTE: Payment information from the Internet or otherwise is not considered acceptable tax bill documentation . Facilities located in Cook County are required to providecopies of their original second installment tax bill.

X. BUILDING AND GENERAL INFORMATION:

- A. Square Feet: 30,286
- B. General Construction Type: ExteriorMasonryFrameReinforced ConcreteNumber of Stories1
- C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.
(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)
- D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.
(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)
- E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.)
List entity name, type of business, square footage, and number of beds/units available (where applicable).

N/A

- F. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO
- If so, please complete the following:

1. Total Amount Incurred: N/A
2. Number of Years Over Which it is Being Amortized: N/A
3. Current Period Amortization: N/A
4. Dates Incurred: N/A

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Facility	174,242	1990	\$ 15,400	1
2					2
3	TOTALS	174,242		\$ 15,400	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home# 0036012

Report Period Beginning:

01/01/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	112		1990	1975	\$ 1,750,695	\$ 55,578	31.5	\$ 55,578	\$	\$ 1,211,125	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Beg Balance			1990	10,000	317	31.5	317		6,915	9
10	Roof			1990	101,563	3,224	31.5	3,224		68,944	10
11	Air Conditioner			1990	2,828	90	31.5	90		1,937	11
12	Interior Renovation			1990	1,292	41	31.5	41		863	12
13	Air Conditioner Pad			1990	2,645		15			2,645	13
14	Roof			1991	48,265	1,532	31.5	1,532		31,727	14
15	Handrails			1991	4,884	155	31.5	155		3,184	15
16	Soffits & Siding			1991	11,204	356	31.5	356		7,362	16
17	Carpet			1991	1,987		7			1,987	17
18	Air Conditioner			1991	4,755	151	31.5	151		3,088	18
19	HVAC - Dining Room			1991	5,510	175	31.5	175		3,368	19
20	Cubicle Tracking			1992	1,815		7			1,815	20
21	Plastering			1992	1,952	62	31.5	62		1,162	21
22	Cubicle Tracking			1993	657		20	33	33	616	22
23	Carpet & Tile			1993	1,481		5			1,481	23
24	Air Conditioning			1993	5,877	151	10		(151)	5,877	24
25	Fire Alarm			1993	10,700	274	15		(274)	10,700	25
26	Front Door			1994	1,368	35	10		(35)	1,368	26
27	Electric Wiring			1994	9,131	234	20	457	223	7,993	27
28	Back Patio			1994	5,137		10			5,137	28
29	Landscaping			1994	1,221		10			1,221	29
30	Front Parking Lot			1994	80,603		10			80,603	30
31	Lighting & Ceiling			1994	2,110		10			2,110	31
32	Gutters & Shutters			1994	2,111	54	27	78	24	1,347	32
33	Dining Room Improvements			1994	2,558	66	27	95	29	1,620	33
34	Plumbing			1994	4,528	116	20	226	110	4,036	34
35	Ceiling Tile			1994	614	16	12		(16)	614	35
36	Laundry Improvements			1994	1,162	30	27	43	13	767	36

*Total beds on this schedule must agree with page 2.

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home# 0036012

Report Period Beginning:

01/01/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37 Administrative Office Improvements	1994	\$ 1,048	\$ 27	15	\$	\$ (27)	\$ 1,048	37
38 Water Softener	1994	3,661	94	12		(94)	3,661	38
39 Air Conditioners	1994	31,460	807	10		(807)	31,460	39
40 Window Blinds	1995	6,010		20	301	301	4,835	40
41 Land Improvements	1995	1,224		10			1,224	41
42 Sign	1995	2,455		12			2,455	42
43 Parking Lot Lighting	1995	7,456		15			7,456	43
44 Flag Pole	1995	1,511		20	74	74	1,260	44
45 Landscaping	1995	2,206		10			2,206	45
46 Landscaping	1996	2,927		10			2,927	46
47 Kitchen Renovations	1996	13,339		25	534	534	8,275	47
48 Window Screens	1996	914		5			914	48
49 Remodel Nurse Station	1996	1,077		25	43	43	667	49
50 Reception Room Addition	1996	3,721		25	149	149	2,308	50
51 Doors - Alzheimer Unit	1996	1,030		25	41	41	637	51
52 Shrubs	1997	1,001	59	15	67	8	970	52
53 Fence	1997	1,141	67	15	76	9	1,128	53
54 Fixtures	1997	2,835		10			2,835	54
55 Window	2000	35,000	897	10		(897)	35,000	55
56 Light Fixtures	2000	1,500	38	10		(38)	1,500	56
57 Sink Fixtures	2000	7,350	188	20	368	180	4,413	57
58 10 Ton HVAC	2000	10,000	256	17	588	332	7,056	58
59 Water Softener	2000		727	12	2,222	1,495		59
60 Water Heater	2000	1,500	38	15	100	162	1,200	60
61 Air Handling Unit	2000	3,000	77	15	200	2,856	2,400	61
62 Rear Parking Lot	2000	44,000	2,598	15	2,933	(2,538)	35,197	62
63 Dumpster Pad	2000	900	53	15	60	947	720	63
64 Shower Room Remodel	2001	15,000	385	15	1,000	(65)	11,000	64
65 Grab Bars	2002	4,800	123	15	320	(56)	3,200	65
66 Tuck Point	2002	1,000	26	15	67	74	670	66
67 Regrout	2002	1,500	38	15	100	162	1,000	67
68 Air Handler	2002	3,000	77	15	200	88	2,000	68
69 Remodel Sprayout Room	2002	2,481	64	15	165	72,157	1,768	69
70 TOTAL (lines 4 thru 69)		\$ 2,294,700	\$ 69,296		\$ 72,221	\$ 75,046	\$ 1,655,002	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)									
B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.									
1		3	4	5	6	7	8	9	
Improvement Type**		Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 2,294,700	\$ 69,296		\$ 72,221	\$ 2,925	\$ 1,655,002	1
2	Drainage	2002	1,500	62	15	100	38	1,700	2
3	Roof	2003	3,697	117	10	370	253	3,083	3
4	Floor Tile	2004	47,390	1,215	10	4,739	3,524	33,173	4
5	Door Alarm	2004	6,074	156	10	607	451	4,755	5
6	Telephone & Intercom System	2006	6,736	674	10	674		3,539	6
7	Hot Water Heater	2006	5,143	514	10	514		2,827	7
8	Concrete Sidewalks	2006	6,960	464	15	464		2,475	8
9	Fire Alarm	2011	18,582	310	10	310		310	9
10	Roof Repair	2011	35,195		10				10
11	Sprinkler	2011	78,346	522	25	522		522	11
12	Water Softener	2011	8,960	149	10	149		149	12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 2,513,283	\$ 73,479		\$ 80,670	\$ 7,191	\$ 1,707,535	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

C. Equipment Costs-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$63,899	\$3,421	\$5,344	\$1,923	5-20 yrs	\$34,184	71
72	Current Year Purchases	20,804	821	821		5-12 yrs	821	72
73	Fully Depreciated Assets	528,164					528,164	73
74								74
75	TOTALS	\$612,867	\$4,242	\$6,165	\$1,923		\$563,169	75

D. Vehicle Costs. (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Facility Business	1993 Ford F150	2003	\$9,500	\$	\$	\$		\$9,500	76
77										77
78										78
79										79
80	TOTALS			\$9,500	\$	\$	\$		\$9,500	80

E. Summary of Care-Related Assets

	1	2	
	Reference	Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$3,151,050	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$77,721	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$86,835	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$9,114	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$2,280,204	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	Section Not Applicable	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	Section Not Applicable	\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease:Section Not Applicable
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions.
- ☐ YES☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6								6
7	TOTAL				\$			7

**

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease
-

9. Option to Buy:
- ☐ YES☐ NO
- Terms:
- *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?
- ☐ N/A YES☐ N/A NO
16. Rental Amount for movable equipment: \$2,160
- Description: Dishwasher

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Section Not Applicable		\$	\$	17
18					18
19					19
20					20
21	TOTAL		\$	\$	21

10. Effective dates of current rental agreement:
- Beginning
- Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2012	\$
13.	/2013	\$
14.	/2014	\$

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? ☐ YES ☒ NO If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.	2. CLASSROOM PORTION: IN-HOUSE PROGRAM☐ IN OTHER FACILITY☐ COMMUNITY COLLEGE☐ HOURS PER CNA	3. CLINICAL PORTION: IN-HOUSE PROGRAM☐ IN OTHER FACILITY☐ HOURS PER CNA
--	---	---

B. EXPENSES

		ALLOCATION OF COSTS (d)			
		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training CNAs from other facilities.

\$

D. NUMBER OF CNAs TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.

(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.

(c) For in-house training programs only. Do not include fringe benefits.

(d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.

(e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.

(f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.

SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost						
					Units	Cost				
1	Licensed Occupational Therapist	10a 2 & 3	hrs	\$	5,740	\$ 184,376	\$	5,740	\$ 184,376	1
2	Licensed Speech and Language Development Therapist	10a, 3	hrs		1,451	96,130		1,451	96,130	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10a 2 & 3	hrs		6,719	205,490	634	6,719	206,124	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39,2	# of prescripts				118,415		118,415	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify):									12
13	Other (specify): X-Ray & Laboratory	39,3				18,589			18,589	13
14	TOTAL			\$	13,910	\$ 504,585	\$ 119,049	13,910	\$ 623,634	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 955,760	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 65,000)	881,988		3
4	Supply Inventory (priced at)	17,500		4
5	Short-Term Investments			5
6	Prepaid Insurance	30,035		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	60,450		8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,945,733	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	15,400		13
14	Buildings, at Historical Cost	2,498,839		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	619,945		16
17	Accumulated Depreciation (book methods)	(2,176,612)		17
18	Deferred Charges	56,472		18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,014,044	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,959,777	\$	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 236,625	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	124,620		30
31	Accrued Taxes Payable (excluding real estate taxes)	10,238		31
32	Accrued Real Estate Taxes(Sch.IX-B)	50,500		32
33	Accrued Interest Payable	8,979		33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36				36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 430,962	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable	2,405,155		40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 2,405,155	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,836,117	\$	46
47	TOTAL EQUITY(page 18, line 24)	\$ 123,660	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,959,777	\$	48

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (86,055)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (86,055)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	486,215	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(276,500)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 209,715	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ 123,660	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Caring First, Inc., d/b/a Breese Nursing Home

0036012

Report Period Beginning: 01/01/2011

Ending: 12/31/2011

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required**classifications of revenue and expense must be provided on this form, even if financial statements are attached.****Note: This schedule should show gross revenue and expenses. Do not net revenue against expense**

1			
	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 3,139,233	1
2	Discounts and Allowances for all Levels	82,465	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 3,221,698	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	873,212	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 873,212	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	62,261	19
20	Radiology and X-Ray	6,003	20
21	Other Medical Services		21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 68,264	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	4,681	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 4,681	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Miscellaneous Income	(21,972)	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ (21,972)	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 4,145,883	30

2			
	Expenses	Amount	
	A. Operating Expenses		
31	General Services	629,956	31
32	Health Care	1,941,079	32
33	General Administration	625,399	33
	B. Capital Expense		
34	Ownership	264,910	34
	C. Ancillary Expense		
35	Special Cost Centers	137,004	35
36	Provider Participation Fee	61,320	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 3,659,668	40
41	Income before Income Taxes (line 30 minus line 40)**	486,215	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 486,215	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,961	2,097	\$ 59,233	\$ 28.25	1
2	Assistant Director of Nursing					2
3	Registered Nurses	12,046	12,797	294,915	23.05	3
4	Licensed Practical Nurses	15,794	16,851	317,586	18.85	4
5	CNAs & Orderlies	49,563	52,334	610,547	11.67	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	2,595	2,771	28,513	10.29	10
11	Social Service Workers	3,094	3,243	41,911	12.92	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	13,706	14,674	162,244	11.06	15
16	Dishwashers					16
17	Maintenance Workers	3,298	3,619	45,920	12.69	17
18	Housekeepers	6,125	6,315	63,274	10.02	18
19	Laundry	4,103	4,280	39,699	9.28	19
20	Administrator	2,622	2,826	69,367	24.55	20
21	Assistant Administrator					21
22	Other Administrative	1,203	1,203	24,065	20.00	22
23	Office Manager					23
24	Clerical	6,946	7,566	107,192	14.17	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,802	1,802	20,658	11.46	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	124,858	132,378	\$ 1,885,124 *	\$ 14.24	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	113	\$ 5,630	1, 3	35
36	Medical Director	Contract	6,000	9, 3	36
37	Medical Records Consultant	20	720	10, 3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Contract	758	10, 3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Contract	1,316	11, 3	44
45	Social Service Consultant	Contract	1,316	12, 3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	133	\$ 15,740		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$ Section N/A		50
51	Licensed Practical Nurses				51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)		\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description		Amount	Description	Amount
Mark Halloran	Owner	50.00	\$ 12,033	Workers' Compensation Insurance		\$ 69,364	IDPH License Fee	\$ 995
Garrett Reuter	Owner	50.00	12,033	Unemployment Compensation Insurance		18,379	Advertising: Employee Recruitment	942
Krista Lanter	Administrator	0	69,366	FICA Taxes		143,999	Health Care Worker Background Check	576
				Employee Health Insurance			(Indicate # of checks performed 36)	
				Employee Meals			Patient Background Checks	
				Illinois Municipal Retirement Fund (IMRF)*			Promotional Advertising	50
				Employee Appreciation		2,125	Dues, subscriptions, & licenses	6,596
TOTAL (agree to Schedule V, line 17, col. 1)							Donations and Public Relations	2,316
(List each licensed administrator separately.)			\$ 93,432					
B. Administrative - Other				TOTAL (agree to Schedule V, line 22, col.8)			TOTAL (agree to Sch. V, line 20, col. 8)	
Description			Amount			\$ 233,867		\$ 10,192
			\$				Less: Public Relations Expense	(1,233)
Section Not Applicable							Non-allowable advertising	(50)
							Yellow page advertising	()
TOTAL (agree to Schedule V, line 17, col. 3)			\$	E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
(Attach a copy of any management service agreement)				Description	Line #	Amount	Description	Amount
C. Professional Services							Out-of-State Travel	\$
Vendor/Payee	Type		Amount	Section Not Applicable				
C.J. Schlosser & Co.	Accounting		\$ 19,070				In-State Travel	160
Paychex	Accounting		8,265					
Giffin, Winning, Cohen & Bodewes	Legal		674					
Greensfelder	Legal		340				Seminar Expense	225
Brandmeyer Law Offices	Legal		195					
Note:							Entertainment Expense	()
Total Legal Service \$1,209							(agree to Sch. V,	
Less: Non-Allowable (54)							line 24, col. 8)	
Adjusted Total \$1,155								
TOTAL (agree to Schedule V, line 19, column 3)				TOTAL		\$	TOTAL	\$ 385
(If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 28,544					

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	5	6	7	8	9	10	11	12	13
					Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1	Section Not Applicable		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
6													
7													
8													
9													
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12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 9,262 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 61,320
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? None
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ N/A Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,570
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? None
d. Have vehicle usage logs been maintained? Yes
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? N/A
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? Yes
Firm Name: C.J. Schlosser & Company, L.L.C.
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees

CARING FIRST, INC.
IDPH ID #0036012
ATTACHMENT TO SCHEDULE XVII
12/31/2011

BOOK TO TAX RECONCILIATION:

BOOK NET INCOME	\$ 486,215
DEPRECIATION ADJUSTMENT	(32,990)
FINES & PENALTIES	5,460
OFFICERS' LIFE INSURANCE PREMIUMS	7,162
CONVERSION TO CASH BASIS ADJUSTMENTS	(368,129)
TAX NET INCOME	<u>\$ 97,718</u>

BREESE NURSING HOME
RECLASSIFICATIONS
MEDICAID COST REPORT
12/31/2011

	<u>AMOUNT</u>	<u>LN #</u>
A		
CLERICAL & GENERAL OTHER	(3,096)	21
PROFESSIONAL SERVICES	(340)	19
TO RECLASS EXPENSES RELATED TO TH	3,436	33