

		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: 0027664

Facility Name: Hearthstone Manor

Address: 920 North Seminary Avenue Woodstock 60098
Number City Zip Code

County: McHenry

Telephone Number: (815) 321-4021 Fax # (815) 338-8846

HFS ID Number:

Date of Initial License for Current Owners: 1903

Type of Ownership:

☒	VOLUNTARY,NON-PROFIT	☐	PROPRIETARY	☐	GOVERNMENTAL
☒	Charitable Corp.	☐	Individual	☐	State
☐	Trust	☐	Partnership	☐	County
IRS Exemption Code	501 (c)(3)	☐	Corporation	☐	Other
		☐	"Sub-S" Corp.		
		☐	Limited Liability Co.		
		☐	Trust		
		☐	Other		

In the event there are further questions about this report, please contact:
Name: Michael W. Martin Telephone Number: (217) 258-8888
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 07/01/10 to 06/30/11 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

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

Officer or Administrator of Provider	(Signed)		(Date)	
	(Type or Print Name)			
	(Title)			
Paid Preparer	(Signed)	SEE ACCOUNTANTS' COMPILATION REPORT		
			(Date)	
	(Print Name and Title)			
	(Firm Name & Address)	McGladrey & Pullen, LLP 20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173		
	(Telephone)	(847) 517-7070	Fax #	(847) 517-7067

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 Hearthstone Manor # 0027664 Report Period Beginning: 07/01/10 Ending: 06/30/11

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR BHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	359,162	33,263	9,141	401,566		401,566	(5,315)	396,251			1
2	Food Purchase		271,146		271,146		271,146	(2,354)	268,792			2
3	Housekeeping	119,157	29,947		149,104		149,104	(4,416)	144,688			3
4	Laundry	57,192	9,100		66,292		66,292	(165)	66,127			4
5	Heat and Other Utilities			123,253	123,253		123,253	3,260	126,513			5
6	Maintenance			105,957	105,957		105,957	152,418	258,375			6
7	Other (specify):*											7
8	TOTAL General Services	535,511	343,456	238,351	1,117,318		1,117,318	143,428	1,260,746			8
	B. Health Care and Programs											
9	Medical Director							3,000	3,000			9
10	Nursing and Medical Records	2,500,647	172,081	177,556	2,850,284		2,850,284	136,361	2,986,645			10
10a	Therapy			531,867	531,867		531,867	(3,000)	528,867			10a
11	Activities	162,159	8,718	1,329	172,206		172,206	(3,781)	168,425			11
12	Social Services	117,996	13,623	338	131,957		131,957	(69,417)	62,540			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	2,780,802	194,422	711,090	3,686,314		3,686,314	63,163	3,749,477			16
	C. General Administration											
17	Administrative	161,191		967,172	1,128,363		1,128,363	(1,017,517)	110,846			17
18	Directors Fees											18
19	Professional Services			83,763	83,763		83,763	116,353	200,116			19
20	Dues, Fees, Subscriptions & Promotions			20,724	20,724		20,724	1,274	21,998			20
21	Clerical & General Office Expenses	117,172	26,870	40,180	184,222		184,222	507,256	691,478			21
22	Employee Benefits & Payroll Taxes			837,290	837,290		837,290	143,984	981,274			22
23	Inservice Training & Education			3,463	3,463		3,463		3,463			23
24	Travel and Seminar			9,689	9,689		9,689	9,125	18,814			24
25	Other Admin. Staff Transportation			6,775	6,775		6,775	11,591	18,366			25
26	Insurance-Prop.Liab.Malpractice			64,701	64,701		64,701	12,827	77,528			26
27	Other (specify):*											27
28	TOTAL General Administration	278,363	26,870	2,033,757	2,338,990		2,338,990	(215,107)	2,123,883			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,594,676	564,748	2,983,198	7,142,622		7,142,622	(8,516)	7,134,106			29

*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

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

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			284,929	284,929		284,929	14,421	299,350			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			8,152	8,152		8,152	(1,824)	6,328			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds							3,984	3,984			34
35	Rent-Equipment & Vehicles			8,535	8,535		8,535		8,535			35
36	Other (specify):*											36
37	TOTAL Ownership			301,616	301,616		301,616	16,581	318,197			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		156,505		156,505		156,505		156,505			39
40	Barber and Beauty Shops	28,121	902		29,023		29,023	13,653	42,676			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			41,063	41,063		41,063		41,063			42
43	Other (specify):* Non-Allow Costs			13,068	13,068		13,068	(13,068)				43
44	TOTAL Special Cost Centers	28,121	157,407	54,131	239,659		239,659	585	240,244			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,622,797	722,155	3,338,945	7,683,897		7,683,897	8,650	7,692,547			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				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	(8,614)	30		9
10	Interest and Other Investment Income	(1,824)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				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				19
20	Contributions	(24,007)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	1,505	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	33,498	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(6,833)	43		28
29	Other-Attach Schedule See Pg 5A	14,925	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$8,650		\$	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))	\$8,650		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

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Non-allowable marketing costs	\$ (15,726)	43	1
2	Offset meal revenue against food cost	(1,130)	2	2
3	Offset gift shop revenue against activity cost	(1,224)	2	3
4	Value of non-paid volunteers	36,428	10	4
5	Non-allowable travel expense	(1,413)	24	5
6	Miscellaneous Revenue Offset	(2,010)	21	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	14,925		49

SEE ACCOUNTANTS' COMPILATION REPORT

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.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
N/A		N/A		Woodstock Christian		
				Life Services	Woodstock	Corporate Office
				Hearthstone Village	Woodstock	Independent Living
				Woodstock Early		
				Learning Center	Woodstock	Daycare

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.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	5	Utilities	\$	Woodstock Christian Life Services	100.00%	\$ 3,260	\$ 3,260	1
2	V	6	Maintenance		Woodstock Christian Life Services	100.00%	152,418	152,418	2
3	V	17	Management Fees	967,172	Woodstock Christian Life Services	100.00%		(967,172)	3
4	V	19	Professional Fees		Woodstock Christian Life Services	100.00%	115,170	115,170	4
5	V	20	Dues, Subscriptions, Promo		Woodstock Christian Life Services	100.00%	1,274	1,274	5
6	V	21	Clerical / General Office		Woodstock Christian Life Services	100.00%	489,091	489,091	6
7	V	22	Employee Benefits		Woodstock Christian Life Services	100.00%	143,984	143,984	7
8	V	24	Travel & Seminar		Woodstock Christian Life Services	100.00%	10,538	10,538	8
9	V	25	Admin. Staff Transportation		Woodstock Christian Life Services	100.00%	11,591	11,591	9
10	V	26	Insurance		Woodstock Christian Life Services	100.00%	12,827	12,827	10
11	V	30	Depreciation		Woodstock Christian Life Services	100.00%	23,035	23,035	11
12	V	34	Rent - Facility		Woodstock Christian Life Services	100.00%	3,984	3,984	12
13	V								13
14	Total			\$ 967,172			\$ 967,172	\$ *	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

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	See attached Sch 7A								\$		1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$		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 Hearthstone Manor # 0027664 Report Period Beginning: 07/01/10 Ending: 06/30/11

VIII. ALLOCATION OF INDIRECT COSTS

Name of Related Organization Woodstock Christian Life Services
Street Address 318 Christian Way
City / State / Zip Code Woodstock, IL 60098
Phone Number (815) 321-4021
Fax Number (815) 338-8846

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	2	3	4	5	6	7	8	9	
	Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	5	Utilities	Direct Cost	1		\$ 3,260	\$	1	\$ 3,260	1
2	6	Maintenance	Direct Cost	1		152,418		1	152,418	2
3	19	Professional Fees	Direct Cost	1		115,170		1	115,170	3
4	20	Dues, Subscriptions, Promo	Direct Cost	1		1,274		1	1,274	4
5	21	Clerical / General Office	Direct Cost	1		489,091		1	489,091	5
6	22	Employee Benefits	Direct Cost	1		143,984		1	143,984	6
7	24	Travel & Seminar	Direct Cost	1		10,538		1	10,538	7
8	25	Admin. Staff Transportation	Direct Cost	1		11,591		1	11,591	8
9	26	Insurance	Direct Cost	1		12,827		1	12,827	9
10	30	Depreciation	Direct Cost	1		23,035		1	23,035	10
11	34	Rent - Facility	Direct Cost	1		3,984		1	3,984	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					\$ 967,172	\$		\$ 967,172	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							\$				1
2											2
3											3
4											4
5											5
	Working Capital										
6	Harris Bank NA		X	Operations	\$2,549.22	7/13/05	223,004	95,424	7/13/15	0.0655	8,152
7											7
8											8
9	TOTAL Facility Related				\$2,549.22		\$ 223,004	\$ 95,424			\$ 8,152
	B. Non-Facility Related*										
10									Offset Interest Income		(1,824)
11											11
12											12
13											13
14	TOTAL Non-Facility Related						\$	\$			(1,824)
15	TOTALS (line 9+line14)						\$ 223,004	\$ 95,424			\$ 6,328

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A

* 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.		\$	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.)	2010	\$ N/A	2
3. Under or (over) accrual (line 2 minus line 1).		\$	3
4. Real Estate Tax accrual used for 2011 report. (Detail and explain your calculation of this accrual on the lines below.)		\$	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.)		\$	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.		\$	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:	2006		8
	2007		9
	2008		10
	2009		11
	2010	N/A	12

Facility is not-for-profit entity and is exempt from real estate taxes.

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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

FACILITY NAME	Hearthstone Manor	COUNTY	McHenry
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CONTACT PERSON REGARDING THIS REPORT John Delavan, Interim CFO

A. Summary of Real Estate Tax Cost

(A)	(B)	(C)	(D)
			<u>Tax</u>
<u>Ex Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Applicable to</u> <u>Nursing Home</u>

B. Real Estate Tax Cost Allocations

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.)

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.

SEE ACCOUNTANTS' COMPILATION REPORT

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet:60,000

B. General Construction Type:ExteriorMasonryFrameNumber of StoriesThree

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).

None

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:

N/A

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

XI. OWNERSHIP COSTS:

A. Land.	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Resident Use	60,000	1903	\$5,372	1
2					2
3	TOTALS	60,000		\$5,372	3

SEE ACCOUNTANTS' COMPILATION REPORT

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	10		1950	1950	\$ 150,823	\$	40	\$	\$	150,823	4
5	90		1973	1973	796,110	19,903	40	19,903		776,212	5
6	38		1976	1976	751,053	18,776	40	18,776		675,942	6
7											7
8											8
	Improvement Type**										
9	Sprinkler System			1977	2,935		25			2,935	9
10	Air conditioning			1977	10,374		10			10,374	10
11	Roof			1978	4,656		20			4,656	11
12	Roof			1978	7,536		20			7,536	12
13	Boiler			1978	8,498		20			8,498	13
14	Sprinkler System			1980	10,353		25			10,353	14
15	Office Remodeling			1980	5,218	130	40	130		4,165	15
16	Roof			1981	5,100		10			5,100	16
17	Parking Lot			1982	3,549	89	40	89		2,828	17
18	Roof Additions			1983	6,560	164	40	164		4,510	18
19	Roof			1984	4,690		10			4,690	19
20	Kitchen			1984	187		20			187	20
21	Kitchen			1985	1,415	35	40	35		958	21
22	Sign			1985	855		5			855	22
23	Remodeling Second Floor			1985	10,026		10			10,026	23
24	Activity Room			1985	1,044		15			1,044	24
25	Remodeling Second Floor			1985	1,735		20			1,735	25
26	Dining Room Remodel			1986	27,607		10			27,607	26
27	Solarium			1986	15,216		10			15,216	27
28	Kitchen			1986	5,749		20			5,749	28
29	Solarium			1987	45,713	1,143	40	1,143		28,573	29
30	HVAC			1987	3,931		20			3,931	30
31	Water Heater			1987	1,258		15			1,258	31
32	Roof			1987	11,828		10			11,828	32
33	Re-Key Locks			1987	1,004		10			1,004	33
34	Renovations Room 241			1987	629		15			629	34
35	Parking Lot			1987	3,291		15			3,291	35
36											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

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	Roof	1988	\$ 12,550	\$	10	\$	\$	\$ 12,550	37
38	Remodel Employee Lounge	1988	890		10			890	38
39	Water Meters	1989	2,820		10			2,820	39
40	Roof Repair	1990	1,255		10			1,255	40
41	Thermostats	1991	1,264		10			1,264	41
42	Roof Repair	1992	980		10			980	42
43	Thermostats	1992	1,481		10			1,481	43
44	Drop Ceiling	1992	370		10			370	44
45	Windows	1992	607		10			607	45
46	Roof Repair	1992	608		10			608	46
47									47
48	Nurse Station	1992	359		10			359	48
49	Roof Repair	1992	720		10			720	49
50									50
51									51
52	Parking Lot Expansion	1992	577		15			577	52
53	Roof Repair	1993	800		10			800	53
54	Windows	1993	317		10			317	54
55	Roof Repair	1993	1,715		10			1,715	55
56	Generator Repair	1993	1,049		10			1,049	56
57	Water Heater	1994	3,240		10			3,240	57
58	Courtyard	1994	819		10			819	58
59	Alarm System	1994	1,391		10			1,391	59
60	Fire Doors	1994	437		10			437	60
61	Roof Repair	1994	1,259		10			1,259	61
62	Plumbing	1995	10,741		5			10,741	62
63	Roof Repair	1995	1,170		10			1,170	63
64	Roof Repair	1995	11,299		10			11,299	64
65	Roof Repair	1995	12,340		10			12,340	65
66	Roof Repair	1995	861		10			861	66
67	Electrical Repair	1995	15,122		10			15,122	67
68	Roof Repair	1996	3,500		10			3,500	68
69	Doors	1996	2,685		15			2,685	69
70	TOTAL (lines 4 thru 69)		\$ 1,992,169	\$ 40,240		\$ 40,240	\$	\$ 1,875,739	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		\$ 1,992,169	\$ 40,240		\$ 40,240	\$	\$ 1,875,739	1
2	Fire Doors	1996	457		20			457	2
3	Doors	1996	1,649		10			1,649	3
4	Architect Service	1996	13,331	667	20	667		10,194	4
5	Roof Repair	1996	5,380		20			5,380	5
6	Roof Replacement	1996	27,341	1,367	20	1,367		20,392	6
7	Plumbing	1996	10,960		20			10,960	7
8	Architect Service	1996	1,332	67	20	67		995	8
9	Roof Repair	1996	1,758		20			1,758	9
10	Alum. Gutter-downspout	1996	1,650		20			1,650	10
11	Architect Service	1996	1,122	56	20	56		830	11
12	Roof Repair	1996	540		20			540	12
13	Rooftop HVAC Replacement	1996	52,688	2,634	20	2,634		33,072	13
14	New Door	1996	3,042		20			3,042	14
15	Roof Replacement	1996	25,941	1,297	20	1,297		19,023	15
16	Firestops Replacement	1996	3,553		10			3,553	16
17	Architect Service	1996	475	24	20	24		350	17
18	Exit Lights	1996	2,737		10			2,737	18
19	Architect Service	1996	750	38	20	38		549	19
20	HVAC	1996	77,291	3,865	20	3,865		56,360	20
21	New Sidewalk	1996	986	66	15	66		967	21
22	Parking lot repair	1996	1,623		10			1,623	22
23	S.M. Sign Maintenance	1996	308		5			308	23
24	Labor-Roof Replacement	1997	12,255	1	20	1		12,255	24
25	Architect Service	1997	1,775		20			1,775	25
26	Sunroom painting	1997	2,145	35	20	35		2,145	26
27	Asbestos repair	1997	715	10	20	10		715	27
28	Heating	1998	5,787	289	20	289		4,403	28
29	Ductwork and Electric	1998	3,370	169	20	169		3,232	29
30	Rebuild roof unit	1998	2,235	112	20	112		2,143	30
31	3rd floor project	1998	10,019	501	20	501		6,805	31
32	IDPH-Building Project Fees	1998	2,712	136	20	136		1,844	32
33	Shayman-Contractors	1998	10,000	500	20	500		6,792	33
34	TOTAL (lines 1 thru 33)		\$ 2,278,096	\$ 52,074		\$ 52,074	\$	\$ 2,094,237	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number **Hearthstone Manor**# **0027664**

Report Period Beginning:

07/01/10

Ending:

06/30/11**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 12B, Carried Forward		\$ 2,278,096	\$ 52,074		\$ 52,074	\$	\$ 2,094,237	1
2 <u>Century Tile</u>	1998	461	23	20	23		438	2
3								3
4 <u>Signage</u>	1998	412		5			412	4
5 <u>Phone/Data Lines</u>	1998	7,869		10			7,869	5
6 <u>ADA Sidewalk</u>	1999	2,016	101	20	101		1,311	6
7 <u>Phone/Data Lines</u>	1999	1,450		10			1,450	7
8 <u>Air Conditioning</u>	1999	10,866		10			10,866	8
9 <u>Aluminum Gutters/Downspouts</u>	1999	540		10			540	9
10 <u>Exit Lights</u>	1999	322		10			322	10
11 <u>Exit Lights</u>	1999	400		10			400	11
12								12
13 <u>Third Floor Renovation-Building</u>	1999	240,021	12,001	20	12,001		150,013	13
14 <u>Fire Protection</u>	1999	2,750		10			2,750	14
15 <u>Architect Fees</u>	1999	1,080		3			1,080	15
16 <u>Maintenance Labor-Painting</u>	1999	1,740		5			1,740	16
17 <u>Paint Stairwells & Halls</u>	1999	1,624		5			1,624	17
18 <u>Third Floor Renovation-Bldg-Final PMT</u>	1999	32,418	1,621	20	1,621		20,262	18
19 <u>Carpeting-Main Floor</u>	1999	10,300		5			10,300	19
20 <u>Signage</u>	2000	987		5			987	20
21 <u>Storm Windows</u>	2000	941		5			941	21
22 <u>New Park Street Door</u>	2000	2,872	191	15	191		2,041	22
23 <u>Replace Warped Doors</u>	2000	3,960		5			3,960	23
24 <u>Reception Area</u>	2000	25,839	2,584	10	2,584		25,756	24
25 <u>Property Banners</u>	2000	968		5			968	25
26 <u>Sidewalk Replacements</u>	2001	5,100	340	15	340		3,400	26
27 <u>ADT Security System - Manor</u>	2001	21,653	2,165	10	2,165		21,111	27
28 <u>Remodel RM 203 Admissions Office</u>	2001	2,155	215	10	215		2,081	28
29 <u>3rd Floor Office Space Conversion</u>	2001	3,965	396	10	396		3,797	29
30 <u>Convert RM 203 to Office, Copy and Storage</u>	2001	3,765	376	10	376		3,606	30
31 <u>Convert Sun Room to New Chapel</u>	2001	39,890	3,989	10	3,989		38,172	31
32 <u>SC Activity Dining Room Conversion</u>	2002	7,422	742	10	742		7,050	32
33 <u>General Store Conversion</u>	2002	2,131	213	10	213		2,014	33
34 TOTAL (lines 1 thru 33)		\$ 2,714,011	\$ 77,031		\$ 77,031	\$	\$ 2,421,498	34

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 12C, Carried Forward		\$ 2,714,011	\$ 77,031		\$ 77,031	\$	\$ 2,421,498	1
2	Replace Defective Water Piping	2002	10,213	1,021	10	1,021		9,276	2
3	Nursing Floor Showers	2003	2,943	294	10	294		2,647	3
4	Asbestos Inspection	2003	4,374	437	10	437		3,900	4
5	Chapel Conversion	2003	856		5			856	5
6	Tuckpoint Boiler Smoke Stack	2003	3,630	363	10	363		3,116	6
7	Traditions Alzheimer Dementia Units	2003	517,689	25,766	20	25,766		216,865	7
8	Traditions Blueprints and Design Drawings	2003	8,250	413	20	413		3,474	8
9	Traditions Arch Design, IDPH & Other fees/permits, other soft cost	2003	46,691	2,335	20	2,335		19,651	9
10	New Chapel Landscaping	2003	6,553		5			6,553	10
11	Replace flat roof	2003	4,680	234	20	234		1,970	11
12	Replace floor tile in dining room	2003	6,360		5			6,360	12
13	Signage Engraver - Manor	2003	544		5			544	13
14	Carpet Extractor	2003	2,035		5			2,035	14
15	Washer Drum	2003	1,738		5			1,738	15
16	Satellite TV System	2003	10,485					10,485	16
17	Elevator Code Updates	2003	2,227		5			2,227	17
18	Foor Processor	2003	1,147		5			1,147	18
19	Carpet repairs	2004	2,662		5			2,662	19
20	Motorola Furniture	2004	10,650		4			10,650	20
21	A/C Heating units (5)	2004	7,200	480	5	480		7,200	21
22	Furniture for Infant/Toddler room	2004	12,525		5			12,525	22
23	Maint Labor on Infant/Toddler room	2004	1,684		5			1,684	23
24	Furniture for Model Apartment	2004	5,832		5			5,832	24
25	Repair washer shaft & basket	2004	2,223		5			2,223	25
26	Remodel 831 Northampton	2004	5,108	169	5	169		5,108	26
27	Commercial garbage disposal	2004	1,404	46	5	46		1,404	27
28	Digital Copier	2004	6,122	205	5	205		6,122	28
29	Hot Pack Warming Device	2004	1,295	173	5	173		1,295	29
30	Signage	2004	1,430	191	5	191		1,430	30
31	Food Processor	2004	1,629	271	5	271		1,629	31
32	Two whirlpool baths and walk in shower	2004	30,215	3,021	10	3,021		19,642	32
33	Tub cut outs	2004	1,250	125	10	125		792	33
34	TOTAL (lines 1 thru 33)		\$ 3,435,653	\$ 112,575		\$ 112,575	\$	\$ 2,794,539	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

HFS 3745 (N-4-99)

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

SEE ACCOUNTANTS' COMPILATION REPORT

HFS 3745 (N-4-99)

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	\$922,152	\$59,784	\$57,424	\$(2,360)	3-10	\$828,777	71
72	Current Year Purchases	85,081	4,254	4,254			4,254	72
73	Fully Depreciated Assets							73
74	See Schedule 13A (Capital Lease)	(4,950)	10,709	10,709			(4,950)	74
75	TOTALS	\$1,002,283	\$74,747	\$72,387	\$(2,360)		\$828,081	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	Van with Lift	Ford	1998	\$14,000	\$	\$	\$	5	\$14,000	76
77	Chevrolet	Chevrolet 2005	2008	11,000	2,200	2,200		5	5,866	77
78	Ed Dorado Bus	Ford E350 1994	2008	2,500	500	500		5	1,334	78
79	See Schedule 13A			120,191	24,038	24,038		3-5	36,057	79
80	TOTALS			\$147,691	\$26,738	\$26,738	\$		\$57,257	80

E. Summary of Care-Related Assets		1 Reference	2 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)	\$5,251,164	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$284,929	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$299,350	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$14,421	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$3,910,712	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)					
	1	2	Current Book	Accumulated	
	Description & Year Acquired	Cost	Depreciation 3	Depreciation 4	
86	N/A	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress			
	Description	Cost	
92	Construction in Progress	\$ 36,449	92
93			93
94			94
95		\$ 36,449	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.

SCHEDULE 13A

Page 13 Section C. Equipment Costs

Equipment	Cost	Current Year Depr	Straight Line Depr	Adjustments	Component Life	Accumulated Depr
Retired Air Conditioner	(4,950)					(4,950)
Capital Lease		10,709	10,709			
	(4,950)	10,709	10,709	-	-	(4,950)

Page 13 Section D. Vehicle Depreciation

Vehicle	Model, Make & Yr	Year Acquired	Cost	Current Bk Depr	SL Depr	Adjustment	Life in Years	Accum Depr
Eldorado Bus	Chevrolet	2009	92,191	18,438	18,438	-	5	27,657
Bus	International	2003	28,000	5,600	5,600	-	5	8,400
			120,191	24,038	24,038	-		36,057

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease:Woodstock Christian Life Services
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:				\$3,984			3
4	Additions							4
5								5
6								6
7	TOTAL				\$3,984			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?
☐ YES☐ NO
16. Rental Amount for movable equipment: \$8,535Description:Satellite Equipment - 6,817; Dishwasher - 1,439; Water Conditioner - 244; Table Cloth Rental - 34
(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			\$	\$	17
18			N/A		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

It is the policy of this facility to only hire certified nurses aides.
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.)

	Service	Schedule V Line & Column Reference	2	3	4		6	7	8	
			Units of Service	Cost	Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
					Units	Cost				
1	Licensed Occupational Therapist	10A(3)	hrs	\$	3,335	\$ 240,107	\$	3,335	\$ 240,107	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		2,813	202,556		2,813	202,556	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		1,197	86,205		1,197	86,205	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				156,505		156,505	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify):									12
13	Other (specify):									13
14	TOTAL			\$	7,345	\$ 528,867	\$ 156,505	7,345	\$ 685,372	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

This report must be completed even if financial statements are attached.				
		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 955	\$ 955	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (202,119))	298,365	298,365	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	10,308	10,308	6
7	Other Prepaid Expenses	18,503	18,503	7
8	Accounts Receivable (owners or related parties)	3,296,019	3,296,019	8
9	Other(specify): Other Current Assets	12,157	12,157	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 3,636,307	\$ 3,636,307	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	5,372	5,372	13
14	Buildings, at Historical Cost	3,989,628	4,095,818	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	1,379,313	1,149,974	16
17	Accumulated Depreciation (book methods)	(4,033,647)	(3,910,712)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	138,082	138,082	21
22	Other Long-Term Assets (spe Const. in Progress	36,449	36,449	22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,515,197	\$ 1,514,983	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 5,151,504	\$ 5,151,290	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	13,479	13,479	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	203,796	203,796	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See Schedule 17A	290,639	290,639	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 507,914	\$ 507,914	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	95,424	95,424	39
40	Mortgage Payable			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)	\$ 95,424	\$ 95,424	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 603,338	\$ 603,338	46
47	TOTAL EQUITY(page 18, line 24)	\$ 4,548,166	\$ 4,547,952	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 5,151,504	\$ 5,151,290	48

XV. BALANCE SHEET - Unrestricted Operating Fund.

	<u>Operating</u>	<u>After Consolidation</u>
Other Current Liabilities		
Miscellaneous Accruals	(127,599)	(127,599)
Employees Contributions	(346)	(346)
Accrued Paid Time Off	(162,194)	(162,194)
Division or Acct Transfers	(500)	(500)
	<u>(290,639)</u>	<u>(290,639)</u>

SEE ACCOUNTANTS' COMPILATION REPORT

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 4,320,221	1
2	Restatements (describe):		2
3	Prior Period Adjustment	213,663	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 4,533,884	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	14,282	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	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe) Rounding		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 14,282	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)	\$ 4,548,166	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Hearthstone Manor**# **0027664**Report Period Beginning: **07/01/10**Ending: **06/30/11****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**

	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 5,654,963	1
2	Discounts and Allowances for all Levels	(25,810)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 5,629,153	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,955,310	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,955,310	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	1,224	12
13	Barber and Beauty Care	27,962	13
14	Non-Patient Meals	1,130	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		19
20	Radiology and X-Ray		20
21	Other Medical Services	424	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 30,740	23
	D. Non-Operating Revenue		
24	Contributions	70,971	24
25	Interest and Other Investment Income***	1,824	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 72,795	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a	<u>See Schedule 19A</u>	10,181	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 10,181	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 7,698,179	30

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,117,318	31
32	Health Care	3,686,314	32
33	General Administration	2,338,990	33
	B. Capital Expense		
34	Ownership	301,616	34
	C. Ancillary Expense		
35	Special Cost Centers	198,596	35
36	Provider Participation Fee	41,063	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 7,683,897	40
41	Income before Income Taxes (line 30 minus line 40)**	14,282	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 14,282	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? Yes 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.

Hearthstone Manor
Schedule XVII - Income Statement
ID#: 0027664
070/01/10 - 06/30/11

Schedule 19A

Schedule XVII - Revenue - Line 29

Application Fees	-
Linen Service	6,281
Miscellaneous Resident Service	1,890
Miscellaneous Revenues	<u>2,010</u>
Total	<u><u>10,181</u></u>

See Accountants' Compilation Report

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	1,992	2,080	\$ 75,739	\$ 36.41	1
2	Assistant Director of Nursing					2
3	Registered Nurses	15,288	16,224	572,739	35.30	3
4	Licensed Practical Nurses	13,501	14,793	351,848	23.78	4
5	CNAs & Orderlies	64,869	69,315	989,053	14.27	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,848	2,080	60,413	29.04	9
10	Activity Assistants	7,638	8,220	97,966	11.92	10
11	Social Service Workers	1,680	2,108	48,579	23.05	11
12	Dietician					12
13	Food Service Supervisor	1,804	2,080	47,136	22.66	13
14	Head Cook					14
15	Cook Helpers/Assistants	29,836	31,273	306,712	9.81	15
16	Dishwashers					16
17	Maintenance Workers					17
18	Housekeepers	9,179	9,716	114,741	11.81	18
19	Laundry	5,710	6,176	57,027	9.23	19
20	Administrator	2,028	2,080	110,846	53.29	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager	273	421	6,451	15.32	23
24	Clerical	8,188	8,893	130,573	14.68	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	148	160	4,997	31.23	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,357	2,080	31,931	15.35	31
32	Other Health Care <u>See Sch 20A</u>	36,081	38,726	574,273	14.83	32
33	Other(specify) <u>Barber/Beauty</u>	2,105	2,652	41,773	15.75	33
34	TOTAL (lines 1 - 33)	203,525	219,077	\$ 3,622,797 *	\$ 16.54	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	Monthly	\$ 9,141	1(3)	35
36	Medical Director	Monthly	3,000	9(7)	36
37	Medical Records Consultant	Monthly	6,228	10(3)	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	6,859	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	Quarterly	974	11(3)	44
45	Social Service Consultant	Quarterly	338	12(3)	45
46	Other(specify) <u>Hazard Waste Removal</u>		1,137	10(3)	46
47					47
48					48
49	TOTAL (lines 35 - 48)		\$ 27,677		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses	297	\$ 12,130	10(3)	50
51	Licensed Practical Nurses	2,296	87,723	10(3)	51
52	Certified Nurse Assistants/Aides	3,040	63,479	10(3)	52
53	TOTAL (lines 50 - 52)	5,633	\$ 163,332		53

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor
Provider # 0027664
07/01/2010 - 06/30/11
Staffing & Salary Costs

Schedule 20A

Other Health Care (specify) - Line 32:

	<u>Hours Worked</u>	<u>Hours Paid</u>	<u>Salary or Wages</u>	<u>Ave. Hrly. Wages</u>
Care Plan Coordinator	1,960	2,160	58,406	27.04
Resident Services	34,121	36,566	515,867	14.11
TOTAL	36,081	38,726	574,273	14.83

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
<u>Richard A. Curtis</u>	<u>Administrator</u>	<u>0</u>	\$ <u>110,846</u>	<u>Workers' Compensation Insurance</u>	\$	<u>127,317</u>	<u>IDPH License Fee</u>	\$
<u>Reconciling item eliminated in col 7</u>			<u>50,345</u>	<u>Unemployment Compensation Insurance</u>			<u>Advertising: Employee Recruitment</u>	<u>17,847</u>
				<u>FICA Taxes</u>		<u>253,312</u>	<u>Health Care Worker Background Check</u>	
				<u>Employee Health Insurance</u>		<u>440,441</u>	<u>(Indicate # of checks performed)</u>	
				<u>Employee Meals</u>			<u>Patient Background Checks</u>	<u>172</u>
				<u>Illinois Municipal Retirement Fund (IMRF)*</u>			<u>Miscellaneous Licenses & Fees</u>	<u>736</u>
				<u>Valic</u>		<u>4,601</u>	<u>Miscellaneous Dues & Subscriptions</u>	<u>77</u>
				<u>Employee Recognition</u>		<u>3,385</u>	<u>Allocated from Home Office</u>	<u>1,274</u>
				<u>Other Employee Benefits</u>		<u>8,234</u>		
				<u>Allocation from Home Office</u>		<u>143,984</u>		
							<u>Less: Public Relations Expense</u>	<u>()</u>
							<u>Non-allowable advertising</u>	<u>()</u>
							<u>Yellow page advertising</u>	<u>()</u>
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)								
			\$ <u>161,191</u>					
B. Administrative - Other				TOTAL (agree to Schedule V, line 22, col.8)			TOTAL (agree to Sch. V, line 20, col. 8)	
Description			Amount		\$	<u>981,274</u>		\$
<u>Management Fees</u>			\$ <u>967,172</u>					<u>21,998</u>
<u>(Eliminated in Column 7)</u>								
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)								
			\$ <u>967,172</u>					
C. Professional Services				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Vendor/Payee	Type		Amount	Description	Line #	Amount	Description	Amount
<u>Leading Edge Consulting</u>	<u>HR Consultant</u>		\$ <u>7,080</u>			\$	<u>Out-of-State Travel</u>	\$
<u>Gummerson & Rausch</u>	<u>Legal</u>		<u>8,178</u>	<u>N/A</u>				
<u>IVANS, Inc.</u>	<u>Computer Services</u>		<u>1,242</u>					
<u>Medifax EDI</u>	<u>Computer Services</u>		<u>5</u>				<u>In-State Travel</u>	<u>1,525</u>
<u>MDI Achieve, Inc.</u>	<u>Computer Services</u>		<u>332</u>				<u>Allocated from Home Office</u>	<u>10,538</u>
<u>ACT Network Solutions</u>	<u>Computer Services</u>		<u>8,844</u>					
<u>Dart Chart</u>	<u>Computer Services</u>		<u>50,202</u>					
<u>Polsinelli</u>	<u>Legal</u>		<u>9,109</u>				<u>Seminar Expense</u>	<u>6,751</u>
<u>Monthly Accrual Reversals</u>	<u>Legal</u>		<u>(2,500)</u>					
<u>Answers on Demand</u>	<u>Computer Services</u>		<u>949</u>					
<u>Xclutel Communications</u>	<u>Computer Services</u>		<u>133</u>					
<u>Briggs Corp</u>	<u>Computer Services</u>		<u>190</u>				<u>Entertainment Expense</u>	<u>()</u>
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)				TOTAL		\$	(agree to Sch. V, line 24, col. 8)	\$
			\$ <u>83,763</u>				TOTAL	<u>18,814</u>

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Hearthstone Manor
Schedule XIX - Support Schedules
ID#: 0027664
070/01/10 - 06/30/11

Schedule 21A

Schedule XIX (C) - Professional Services

From Schedule XIX (c) - agreeing to Sch. V, L19, C3	83,763
Allocated from Woodstock Christian Life Services	115,170
Additional Legal Fees from invoices	2,500
Less out of period Legal Fees	(995)
Miscoded amount out of Computer Support & Data Process account	(322)
To Sch. V, L19, C8	200,116

SEE ACCOUNTANTS' COMPILATION REPORT

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

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3									N/A				
4													
5													
6													
7													
8													
9													
10													
11													
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 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 48,843 Line 10(2)
- (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. \$ 41,063
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? Yes
- (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. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 2,354
- (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? 0
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
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: McGladrey & Pullen, LLP
- (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