

		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: <u>0045617</u>		II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER																							
Facility Name: <u>Lawrence Community Healthcare Center, Inc.</u>		I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/2011</u> to <u>12/31/2011</u> 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.																							
Address: <u>900 E. Corporation Street</u> <u>Bridgeport</u> <u>62417</u>																									
Number City Zip Code																									
County: <u>Lawrence</u>																									
Telephone Number: <u>(618) 945-2091</u> Fax # <u>(618) 945-9030</u>																									
HFS ID Number: _____		<table><tr><td rowspan="2">Officer or Administrator of Provider</td><td>(Signed) _____</td></tr><tr><td>(Date) _____</td></tr><tr><td rowspan="4">Paid Preparer</td><td>(Type or Print Name) <u>William R. Gillis</u></td></tr><tr><td>(Title) <u>Administrator</u></td></tr><tr><td>(Signed) _____</td></tr><tr><td>(Date) _____</td></tr></table>		Officer or Administrator of Provider	(Signed) _____	(Date) _____	Paid Preparer	(Type or Print Name) <u>William R. Gillis</u>	(Title) <u>Administrator</u>	(Signed) _____	(Date) _____														
Officer or Administrator of Provider	(Signed) _____																								
	(Date) _____																								
Paid Preparer	(Type or Print Name) <u>William R. Gillis</u>																								
	(Title) <u>Administrator</u>																								
	(Signed) _____																								
	(Date) _____																								
Date of Initial License for Current Owners: <u>08/02/1996</u>																									
Type of Ownership:																									
<table><tr><td>☐ VOLUNTARY, NON-PROFIT</td><td>☒ PROPRIETARY</td><td>☐ GOVERNMENTAL</td></tr><tr><td>☐ Charitable Corp.</td><td>☐ Individual</td><td>☐ State</td></tr><tr><td>☐ Trust</td><td>☐ Partnership</td><td>☐ County</td></tr><tr><td>IRS Exemption Code _____</td><td>☐ Corporation</td><td>☐ Other _____</td></tr><tr><td></td><td>☒ "Sub-S" Corp.</td><td>_____</td></tr><tr><td></td><td>☐ Limited Liability Co.</td><td>_____</td></tr><tr><td></td><td>☐ Trust</td><td>_____</td></tr><tr><td></td><td>☐ Other _____</td><td>_____</td></tr></table>		☐ VOLUNTARY, NON-PROFIT	☒ PROPRIETARY	☐ GOVERNMENTAL	☐ Charitable Corp.	☐ Individual	☐ State	☐ Trust	☐ Partnership	☐ County	IRS Exemption Code _____	☐ Corporation	☐ Other _____		☒ "Sub-S" Corp.	_____		☐ Limited Liability Co.	_____		☐ Trust	_____		☐ Other _____	_____
☐ VOLUNTARY, NON-PROFIT	☒ PROPRIETARY	☐ GOVERNMENTAL																							
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	☒ "Sub-S" Corp.	_____																							
	☐ Limited Liability Co.	_____																							
	☐ Trust	_____																							
	☐ Other _____	_____																							
In the event there are further questions about this report, please contact:		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																							
Name: <u>John Knoblett, CPA</u>																									
Telephone Number: <u>(217) 351-2073</u>																									
Email Address: _____																									

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lawrence Community Healthcare Center, Inc.

0045617 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 _____

	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	<u>99</u>	Skilled (SNF)	<u>99</u>	<u>36,135</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>99</u>	TOTALS	<u>99</u>	<u>36,135</u>	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	<u>15,322</u>	<u>5,022</u>	<u>4,834</u>	<u>25,178</u>	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>15,322</u>	<u>5,022</u>	<u>4,834</u>	<u>25,178</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 69.68%

D. How many bed-hold days during this year were paid by the Department? 64 (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) _____

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 08/02/1996

J. Was the facility purchased or leased after January 1, 1978?
YES ☒ Date 08/02/1996 NO ☐

K. Was the facility certified for Medicare during the reporting year?
YES ☒ NO ☐ If YES, enter number of beds certified 56 and days of care provided 4,834

Medicare Intermediary National Government Services, Inc.

IV. ACCOUNTING BASIS

ACCRAUAL ☒ MODIFIED CASH* ☐ CASH* ☐

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

Tax Year: 12/31/2011 Fiscal Year: 12/31/2011
* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lawrence Community Healthcare Center, Inc # 0045617 Report Period Beginning: 01/01/2011 Ending: 12/31/2011

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	178,749	29,417	9,990	218,156		218,156	(10,207)	207,949			1
2	Food Purchase		191,732		191,732		191,732	(189)	191,543			2
3	Housekeeping	198,101	48,669		246,770		246,770		246,770			3
4	Laundry	45,371	33,398		78,769		78,769		78,769			4
5	Heat and Other Utilities			71,430	71,430		71,430		71,430			5
6	Maintenance	26,650	6,844	70,165	103,659		103,659		103,659			6
7	Other (specify):*											7
8	TOTAL General Services	448,871	310,060	151,585	910,516		910,516	(10,396)	900,120			8
	B. Health Care and Programs											
9	Medical Director			2,200	2,200		2,200		2,200			9
10	Nursing and Medical Records	1,255,225	67,740	10,209	1,333,174		1,333,174		1,333,174			10
10a	Therapy			542,957	542,957		542,957		542,957			10a
11	Activities	63,621	1,397	1,485	66,503		66,503		66,503			11
12	Social Services	43,355		1,485	44,840		44,840		44,840			12
13	CNA Training			2,292	2,292		2,292		2,292			13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	1,362,201	69,137	560,628	1,991,966		1,991,966		1,991,966			16
	C. General Administration											
17	Administrative	110,262		264,000	374,262	(135,991)	238,271	(53,096)	185,175			17
18	Directors Fees											18
19	Professional Services			22,138	22,138	2,703	24,841		24,841			19
20	Dues, Fees, Subscriptions & Promotions			26,399	26,399		26,399	(16,764)	9,635			20
21	Clerical & General Office Expenses	54,854		128,118	182,972	108,683	291,655	(79,154)	212,501			21
22	Employee Benefits & Payroll Taxes			300,491	300,491	19,472	319,963		319,963			22
23	Inservice Training & Education			2,500	2,500		2,500		2,500			23
24	Travel and Seminar			16,589	16,589	1,778	18,367	(7,846)	10,521			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			56,745	56,745	573	57,318		57,318			26
27	Other (specify):*											27
28	TOTAL General Administration	165,116		816,980	982,096	(2,782)	979,314	(156,860)	822,454			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	1,976,188	379,197	1,529,193	3,884,578	(2,782)	3,881,796	(167,256)	3,714,540			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			56,433	56,433	21,029	77,462	(10,098)	67,364			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			2,796	2,796	24,775	27,571	(3,489)	24,082			32
33	Real Estate Taxes			23,038	23,038		23,038		23,038			33
34	Rent-Facility & Grounds					(43,463)	(43,463)	(102,030)	(145,493)			34
35	Rent-Equipment & Vehicles			145,493	145,493		145,493		145,493			35
36	Other (specify):*											36
37	TOTAL Ownership			227,760	227,760	2,341	230,101	(115,617)	114,484			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers			218,718	218,718		218,718		218,718			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,203	54,203		54,203		54,203			42
43	Other (specify):*			1,177	1,177	441	1,618	(1,618)				43
44	TOTAL Special Cost Centers			274,098	274,098	441	274,539	(1,618)	272,921			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	1,976,188	379,197	2,031,051	4,386,436		4,386,436	(284,491)	4,101,945			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	(10,207)	1		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
10	Interest and Other Investment Income	(3,489)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(189)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)	(1,646)	21		16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment	(7,782)	24		19
20	Contributions	(1,618)	43		20
21	Owner or Key-Man Insurance	(739)	17		21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(75,833)	21		24
25	Fund Raising, Advertising and Promotional	(16,764)	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 See Page 5A	(11,837)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (130,104)		\$	30

BHF USE ONLY							
48		49		50		51	
						52	

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)	(154,387)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (154,387)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (284,491)		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.			\$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44						44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Depreciation on Non-Care Assets	\$ (10,098)	30	1
2	Miscellaneous Income	(1,675)	21	2
3	Administrative out-of-state Travel	(64)	24	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
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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	(11,837)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Lawrence Community Healthcare Center, Inc.# 0045617

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	(10,207)	0	0	0	0	0	0	0	0	0	0	(10,207)	1
2	Food Purchase	(189)	0	0	0	0	0	0	0	0	0	0	(189)	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	(10,396)	0	0	0	0	0	0	0	0	0	0	(10,396)	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	(739)	(52,357)	0	0	0	0	0	0	0	0	0	(53,096)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Fees, Subscriptions & Promotions	(16,764)	0	0	0	0	0	0	0	0	0	0	(16,764)	20
21	Clerical & General Office Expenses	(79,154)	0	0	0	0	0	0	0	0	0	0	(79,154)	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(7,846)	0	0	0	0	0	0	0	0	0	0	(7,846)	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	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	(104,503)	(52,357)	0	0	0	0	0	0	0	0	0	(156,860)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(114,899)	(52,357)	0	0	0	0	0	0	0	0	0	(167,256)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Lawrence Community Healthcare Center, Inc. # 0045617 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	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
30	Depreciation	(10,098)	0	0	0	0	0	0	0	0	0	0	(10,098)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(3,489)	0	0	0	0	0	0	0	0	0	0	(3,489)	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	(102,030)	0	0	0	0	0	0	0	0	0	(102,030)	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	(13,587)	(102,030)	0	0	0	0	0	0	0	0	0	(115,617)	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):*	(1,618)	0	0	0	0	0	0	0	0	0	0	(1,618)	43
44	TOTAL Special Cost Centers	(1,618)	0	0	0	0	0	0	0	0	0	0	(1,618)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(130,104)	(154,387)	0	0	0	0	0	0	0	0	0	(284,491)	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.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Page 29						

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	17	Management Fees	\$ 264,000	Rincker Healthcare Corporation	100.00%	\$ 211,643	\$ (52,357)	1
2	V	34	Facility Rental	145,493	William F. Rincker Trust		43,463	(102,030)	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			\$ 409,493			\$ 255,106	\$ * (154,387)	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lawrence Community Healthcare Center, Inc # 0045617 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	William J. Rincker		Management	20.00	19,430	9	0.25	Wages	\$ 13,570	17-1	1
2	Jane Rincker	Accounting Suprv.	Bookkeeping	20.00	113,510	10	0.25	Wages	79,276	21-1	2
3	Angela West		Management	20.00	19,430	9	0.25	Wages	13,570	17-1	3
4	Deanna Gillis		Management	20.00	37,557	1	0.10	Wages	16,451	17-1	4
5	William R. Gillis	Administrator	Management	20.00	39,703	37	0.93	Wages	137,511	17-1	5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 260,378		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 Lawrence Community Healthcare Center, Inc. # 0045617 Report Period Beginning: 01/01/2011 Ending: 2/31/2011

VIII. ALLOCATION OF INDIRECT COSTS

- 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.

Name of Related Organization Rincker Healthcare Corporation
Street Address 900 East Corporation
City / State / Zip Code Bridgeport, IL 62417
Phone Number (618) 945-2091
Fax Number (618) 945-9030

	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	See Attached Schedule Pg 25				\$	\$			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	First Financial Bank NA		X	Purchase	\$8,053.00	09/25/02	\$ 970,129	\$ 446,113	09/15/17	4.6000	\$ 22,434	1	
2	First Financial Bank NA		X	Rincker Healthcare	\$1,170.13	03/30/10	62,000	32,310	12/08/14	5.0000	748	2	
3	First Financial Bank NA		X	Purchase - 2009 Ford E250	\$795.00	01/30/09	41,052	19,293	02/16/14	5.9900	1,422	3	
4												4	
5												5	
	Working Capital												
6	First Financial Bank NA		X	Rincker Healthcare - LOC	n/a	11/12/11	2,000,000	n/a	10/07/12	4.0000	1,593	6	
7												7	
8												8	
9	TOTAL Facility Related				\$10,018.13		\$ 3,073,181	\$ 497,716			\$ 26,197	9	
	B. Non-Facility Related*												
10	Toyota Financial		X	Purchase - 2008 Sequoia	\$750.64	05/10/09	38,832	20,138	05/10/14	5.9000	1,432	10	
11												11	
12												12	
13												13	
14	TOTAL Non-Facility Related				\$750.64		\$ 38,832	\$ 20,138			\$ 1,432	14	
15	TOTALS (line 9+line14)						\$ 3,112,013	\$ 517,854			\$ 27,629	15	

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

* 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.)

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.			\$	31,145	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.)			\$	27,092	2
3. Under or (over) accrual (line 2 minus line 1).			\$	(4,053)	3
4. Real Estate Tax accrual used for 2011 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	27,092	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.			\$	23,038	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:		2006	30,731	8	
		2007	29,747	9	
		2008	30,509	10	
		2009	31,145	11	
		2010	27,092	12	
				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

FACILITY NAME	<u>Lawrence Community Healthcare Center, Inc.</u>	COUNTY	<u>Lawrence</u>
---------------	---	--------	-----------------

CONTACT PERSON REGARDING THIS REPORT John Knoblett, CPA

A. Summary of Real Estate Tax Cost

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

B. Real Estate Tax Cost Allocations

C. Tax Bills

Page 10A

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 23,766 B. General Construction Type: Exterior Brick Frame Brick Number of Stories 1

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:	2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: _____ **4. Dates Incurred:** _____

Nature of Costs:

(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	Facility	52,541	1996	\$ 20,000	1
2					2
3	TOTALS	52,541		\$ 20,000	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lawrence Community Healthcare Center, Inc.

0045617

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	2	3	4	5	6	7	8	9	
	Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4	99		1996		\$ 664,000	\$ 16,600	40	\$ 16,600		\$ 257,300
5										
6										
7										
8										
	Improvement Type**									
9	Various Fully Depreciated Assets thru 2011				70,978					70,978
10	Siding		1997		5,300	133	40	133		1,921
11	Fire Alarm System		1998		17,000	1,133	15	1,133		15,867
12	Concrete Pads		1998		734	49	15	49		653
13	Awning at back door		1998		890	59	15	59		791
14	Carpentry Work		1999		3,645	243	15	243		3,119
15	Bathroom Renovation		1999		3,570	238	15	238		3,035
16	Hot Water System		1999		10,500	700	15	700		8,925
17	Hand Rails		1999		3,520	235	15	235		2,992
18	Alarm System		1999		5,297	353	15	353		4,443
19	Replacement Windows		2000		3,864	258	15	258		3,048
20	Plumbing		2000		1,719	86	20	86		996
21	Fire Suppression System		2000		1,849	74	25	74		844
22	Flooring/ Tiling		2001		3,340	28	10	28		3,340
23	Flooring/ Tiling		2001		3,150	26	10	26		3,150
24	Flooring/ Tiling		2001		4,450	37	10	37		4,450
25	Flooring/ Tiling		2001		2,625	22	10	22		2,625
26	Bi-fold doors		2001		1,665	42	10	42		1,665
27	120 gal Water Heater		2001		2,483	207	10	207		2,483
28	Water Heater		2002		2,961	296	10	296		2,936
29	Temperature Control Valve		2002		980	98	10	98		972
30	Chandaliers		2002		1,532	153	10	153		1,507
31	Windows		2002		1,900	190	10	190		1,758
32	Carpet		2003		3,378	338	10	338		2,843
33	Carpet		2003		1,570	157	10	157		1,282
34	Water Softner		2003		2,103	210	10	210		1,700
35										
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 Lawrence Community Healthcare Center, Inc.

0045617

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 <u>Air Conditioning Units</u>	2003	\$ 77,655	\$ 7,766	10	\$ 7,766	\$	\$ 65,360	37
38 <u>Sidewalk</u>	2005	7,600	507	15	507		3,251	38
39 <u>Storage Barn</u>	2005	3,390	226	15	226		1,525	39
40 <u>Doors</u>	2005	5,042	252	20	252		1,702	40
41 <u>Painting</u>	2005	10,455	1,046	10	1,046		6,622	41
42 <u>Hall Flooring</u>	2007	1,987	199	10	199		927	42
43 <u>Concrete Path</u>	2007	3,045	203	15	203		930	43
44 <u>Carpeting for Hall 4</u>	2008	2,229	446	5	446		1,746	44
45 <u>Roof Improvements</u>	2008	18,117	1,812	10	1,812		6,492	45
46 <u>Roof Improvements</u>	2008	13,165	1,316	10	1,316		4,278	46
47 <u>Water System</u>	2009	9,570	957	10	957		2,393	47
48 <u>3 Ton Rooftop A/C Unit</u>	2009	2,874	575	5	575		1,437	48
49 <u>Kitchen Air Conditioner</u>	2010	5,100	340	15	340		595	49
50 <u>Replacement Windows</u>	2010	3,950	263	15	263		351	50
51 <u>Water Heater</u>	2010	4,693	469	10	469		626	51
52 <u>Hall Carpeting</u>	2010	13,430	112	10	112		1,455	52
53 <u>Hall Carpeting</u>	2011	11,819	1,182	10	1,182		1,182	53
54 <u>Generator</u>	2011	6,015	1,203	5	1,203		1,203	54
55 <u>New Painting, Wall Coverings</u>	2011	36,768	6,128	5	6,128		6,128	55
56 <u>Town Square Activity Display Board</u>	2011	1,604	134	10	134		134	56
57 <u>Hahn's Carpeting</u>	2011	6,311	473	10	473		473	57
58 <u>Moore Bros - Parking Lot Improvement</u>	2011	5,573	186	20	186		186	58
59 <u>Roof Coating Project</u>	2011	7,364	368	10	368		368	59
60 <u>3 Ton Unit/Condenser Package</u>	2011	5,728	239	10	239		239	60
61 <u>Commercial Grade Aluminum Door/Frame</u>	2011	2,872	36	20	36		36	61
62								62
63								63
64								64
65								65
66								66
67								67
68								68
69								69
70 TOTAL (lines 4 thru 69)		\$ 1,091,359	\$ 48,403		\$ 48,403	\$	\$ 515,262	70

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	\$84,076	\$8,342	\$8,342	\$		\$44,840	71	
72	Current Year Purchases	3,886	356	356			356	72	
73	Fully Depreciated Assets	512,594					512,594	73	
74								74	
75	TOTALS	\$600,556	\$8,698	\$8,698	\$		\$557,790	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	Transport Residents	2008 Ford E250 Van	2009	\$ 41,052	\$ 10,263	\$ 10,263	\$	4	\$ 25,657	76
77										77
78										78
79										79
80	TOTALS			\$ 41,052	\$ 10,263	\$ 10,263	\$		\$ 25,657	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)				\$1,752,967	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)				\$67,364	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)				\$67,364	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)				\$	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)				\$1,098,709	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	2008 Toyota Sequoia	\$40,393	\$10,098	\$25,246	86
87					87
88					88
89					89
90					90
91	TOTALS	\$40,393	\$10,098	\$25,246	91

G. Construction-in-Progress			
	Description	Cost	
92		\$	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.

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: _____
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
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? ☐ YES ☐ NO
16. Rental Amount for movable equipment: \$ _____ Description: _____

(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					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

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-3	hrs	\$	3,750	\$ 247,914	\$	3,750	\$ 247,914	1
2	Licensed Speech and Language Development Therapist	10a-3	hrs		1,358	95,349		1,358	95,349	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10a-3	hrs		3,199	199,694		3,199	199,694	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts							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			\$	8,307	\$ 542,957	\$	8,307	\$ 542,957	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 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 11,442	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	1,116,217		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	3,597		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	68,000		8
9	Other(specify): <u>Employee Advances</u>	4,485		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,203,741	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	273,180		15
16	Equipment, at Historical Cost	682,001		16
17	Accumulated Depreciation (book methods)	(728,078)		17
18	Deferred Charges			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)	\$ 227,103	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,430,844	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 331,808	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	39,044		30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)	27,092		32
33	Accrued Interest Payable			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)	\$ 397,944	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	39,431		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	<u>Owner Advances</u>	511,113		43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 550,544	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 948,488	\$	46
47	TOTAL EQUITY(page 18, line 24)	\$ 482,356	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,430,844	\$	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 216,435	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 216,435	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	385,921	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	(120,000)	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)	\$ 265,921	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)	\$ 482,356	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

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	\$ 4,399,539	1
2	Discounts and Allowances for all Levels	(1,003,002)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 3,396,537	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	907,119	6
7	Oxygen	105,309	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,012,428	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	10,207	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	233,840	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	42,689	19
20	Radiology and X-Ray	12,379	20
21	Other Medical Services	59,110	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 358,225	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	3,489	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 3,489	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Miscellaneous</u>	1,678	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,678	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 4,772,357	30

2			
	Expenses	Amount	
	A. Operating Expenses		
31	General Services	910,516	31
32	Health Care	1,991,966	32
33	General Administration	982,096	33
	B. Capital Expense		
34	Ownership	227,760	34
	C. Ancillary Expense		
35	Special Cost Centers	218,718	35
36	Provider Participation Fee	54,203	36
	D. Other Expenses (specify):		
37	<u>Contributions</u>	1,177	37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 4,386,436	40
41	Income before Income Taxes (line 30 minus line 40)**	385,921	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 385,921	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? See Pg 26 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	2,088	2,088	\$ 60,042	\$ 28.76	1
2	Assistant Director of Nursing	1,080	1,080	25,294	23.42	2
3	Registered Nurses	16,412	17,217	310,448	18.03	3
4	Licensed Practical Nurses	13,881	15,440	245,766	15.92	4
5	CNAs & Orderlies	63,673	67,077	597,536	8.91	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,606	1,689	15,757	9.33	9
10	Activity Assistants	5,537	5,664	47,865	8.45	10
11	Social Service Workers	3,675	3,897	43,355	11.13	11
12	Dietician					12
13	Food Service Supervisor	2,040	2,080	27,740	13.34	13
14	Head Cook	1,751	1,863	16,227	8.71	14
15	Cook Helpers/Assistants	14,535	15,750	132,915	8.44	15
16	Dishwashers	213	222	1,867	8.41	16
17	Maintenance Workers	2,072	2,080	26,650	12.81	17
18	Housekeepers	22,526	23,671	198,101	8.37	18
19	Laundry	5,454	5,413	45,371	8.38	19
20	Administrator	2,080	2,080	110,261	53.01	20
21	Assistant Administrator	1,304	1,328	30,332	22.84	21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	2,040	2,080	24,522	11.79	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	1,363	1,435	16,139	11.25	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	163,330	172,154	\$ 1,976,188 *	\$ 11.48	34

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	144	\$ 9,990	1-03	35
36	Medical Director	44	2,200	9-03	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	96	2,656	39-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	31	1,485	11-3	44
45	Social Service Consultant	31	1,485	12-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	346	\$ 17,816		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

** See instructions.

XIX. SUPPORT SCHEDULES

A. Administrative Salaries			
Name	Function	%	Amount
William R. Gillis	Administrator	20	\$ 110,262
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 110,262
B. Administrative - Other			
Description			Amount
Management Fees			\$ 264,000
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 264,000
C. Professional Services			
Vendor/Payee	Type		Amount
Kemper CPA Group LLP			\$ 19,232
James Stout			150
Kemper Technology Consulting			2,756
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 22,138
D. Employee Benefits and Payroll Taxes			
Description			Amount
Workers' Compensation Insurance			\$ 61,357
Unemployment Compensation Insurance			34,549
FICA Taxes			158,554
Employee Health Insurance			65,503
Employee Meals			
Illinois Municipal Retirement Fund (IMRF)*			
TOTAL (agree to Schedule V, line 22, col.8)			\$ 319,963
E. Schedule of Non-Cash Compensation Paid to Owners or Employees			
Description	Line #		Amount
			\$
TOTAL			\$
F. Dues, Fees, Subscriptions and Promotions			
Description			Amount
IDPH License Fee			\$
Advertising: Employee Recruitment			848
Health Care Worker Background Check (Indicate # of checks performed 32)			1,439
Patient Background Checks			
Dues & Subscriptions			5,212
License Fees			2,136
Other Advertising			16,764
Less: Public Relations Expense	(		)
Non-allowable advertising			(16,764)
Yellow page advertising	(		)
TOTAL (agree to Sch. V, line 20, col. 8)			\$ 9,635
G. Schedule of Travel and Seminar**			
Description			Amount
Out-of-State Travel			\$
Educational Out of State Travel			64
In-State Travel			
Program Transportation - Gas/oil, etc.			9,558
Entertainment & Meals			7,782
Administrative Travel - Airfare/gas			963
Seminar Expense			
Educational Out of State Travel			(64)
Entertainment Expense			(7,782)
(agree to Sch. V, line 24, col. 8)			
TOTAL			\$ 10,521

*** 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	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													
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. _____

(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? _____

(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? _____

(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. \$ 0 Line N/A

(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. _____

(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.

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 54,203
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.

(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 benefits on Schedule V. \$ 0 Has any meal income been offset against related costs? No Indicate the amount. \$ 0

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? Yes - See Pg 24
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. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 100%
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? Yes
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. \$ 0

(17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: _____

(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? N/A
Attach invoices and a summary of services for all architect and appraisal fees

SEE ACCOUNTANTS' COMPILATION REPORT

Page 15

There are no training fees because Lawrence Community Healthcare Center only hires fully-trained employees.

Page 23, Line 16a
Out of state travel

The out-of-state travel is for eductaional purposes.

SEE ACCOUNTANTS' COMPILATION REPORT.

Page 8 - Allocation of costs of Related Party - Rincker Healthcare, Inc.

<u>Line Description</u>	<u>Amount</u>	<u>Line Ref</u>
Administrative	\$ 75,652	17
Professional Services	2,703	19
Clerical & General Office Expenses	108,683	21
Employee Benefits & Payroll Taxes	19,472	22
Travel and Seminar	1,778	24
Insurance - Prop.Liab.Malpractice	573	26
Interest	2,341	32
Rent - Equipment & Vehicles	-	35
Contributions	441	43
Administrative	<u>211,643</u>	17
Depreciation	21,029	30
Interest	<u>22,434</u>	32
Rent - Facility Grounds	<u>43,463</u>	34
Grand Total of allocated costs	<u><u>\$ 255,106</u></u>	

SEE ACCOUNTANTS' COMPILATION REPORT.

Reconciliation of taxable income to book net income

Book Net Income	\$ 385,921
Rounding Difference	(2)
Difference book vs. tax depreciation	22,809
Disallowed Meals & Entertainment	3,604
Accrual to cash conversion	<u>(553,108)</u>
Taxable Income	<u><u>\$ (140,776)</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT.

Breakdown of owner salaries from other nursing homes.

	William J. Rincker	Angie West	Deanna Gillis	Jane Rincker	William Gillis
Friendship Manor	\$ 7,402.00	\$ 7,402.00	\$ 8,974.00	\$ 43,242.00	\$ 15,125.00
West Grove	4,626.00	4,626.00	19,609.00	27,026.00	9,453.00
Lawrence Comm. Healthcare Center	13,570.00	13,570.00	16,451.00	79,276.00	137,511.00
Rincker Residential	7,402.00	7,402.00	8,974.00	43,242.00	15,125.00
	<u>33,000.00</u>	<u>33,000.00</u>	<u>54,008.00</u>	<u>192,786.00</u>	<u>177,214.00</u>
Salaries reported on this cost report	<u>13,570.00</u>	<u>13,570.00</u>	<u>16,451.00</u>	<u>79,276.00</u>	<u>137,511.00</u>
Salaries reported by other homes	<u>\$ 19,430.00</u>	<u>\$ 19,430.00</u>	<u>\$ 37,557.00</u>	<u>\$ 113,510.00</u>	<u>\$ 39,703.00</u>

SEE ACCOUNTANTS' COMPILATION REPORT.

Fixed Assets Reconciliation

	Land	Building & Improvements	Equipment	Vehicles	Total
Schedule XV Balance Sheet	<u>\$ -</u>	<u>\$ 273,180</u>	<u>\$ 600,556</u>	<u>\$ 81,445</u>	<u>\$ 955,181</u>
Non-Care Assets	-	-	-	40,393	40,393
Schedule XI Ownership Costs	<u>20,000</u>	<u>1,091,359</u>	<u>600,556</u>	<u>41,052</u>	<u>1,752,967</u>
Difference	<u><u>\$ (20,000)</u></u>	<u><u>\$ (818,179)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (838,179)</u></u>

On January 1, 2002, Lawrence Community Healthcare Center was incorporated. The real estate, building, and building improvements were not included. The facility is rented from a related party and the appropriate adjustments have been made on the cost report.

SEE ACCOUNTANTS' COMPILATION REPORT.

List of Related Parties (attachment to pg. 6)

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1		2		OTHER RE
OWNERS		RELATED NURSING HOMES		
Name	Ownership %	Name	City	Name
Angela West Trust	25%	West Grove, Inc.	Lawrenceville	
Angela West Trust	25%	Rincker Healthcare Corporation	Bridgeport	
Angela West Trust	25%	Friendship Manor	St. Elmo	
Mary Jane Rincker Trust	25%	West Grove, Inc.	Lawrenceville	
Mary Jane Rincker Trust	25%	Rincker Healthcare Corporation	Bridgeport	
Mary Jane Rincker Trust	25%	Friendship Manor	St. Elmo	
Deanna Gillis Trust	25%	West Grove, Inc.	Lawrenceville	
Deanna Gillis Trust	25%	Rincker Healthcare Corporation	Bridgeport	
Deanna Gillis Trust	25%	Friendship Manor	St. Elmo	
William J. Rincker Trust	25%	West Grove, Inc.	Lawrenceville	
William J. Rincker Trust	25%	Rincker Healthcare Corporation	Bridgeport	
William J. Rincker Trust	25%	Friendship Manor	St. Elmo	

SEE ACCOUNTANTS' COMPILATION REPORT.

3 LATED BUSINESS ENTITIES		
	City	Type of Business