

		FOR BHF USE					

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2006
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2006)

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 Facility 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 # ()

HFS ID Number: 14-6015

Date of Initial License for Current Owners: 1903

Type of Ownership:

<input checked="" type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL
<input checked="" type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State
<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County
IRS Exemption Code <u>501C3</u>	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other
	<input type="checkbox"/> "Sub-S" Corp.	
	<input type="checkbox"/> Limited Liability Co.	
	<input type="checkbox"/> Trust	
	<input type="checkbox"/> Other	

In the event there are further questions about this report, please contact:
Name: _____ **Telephone Number:** ()

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 07/01/2005 to 06/30/2006 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) _____	(Date) _____
	(Print Name and Title) _____	
	(Firm Name & Address) _____	
	(Telephone) () Fax # ()	

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: 07/01/2005 Ending: 06/30/2006

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>29</u>	Skilled (SNF)	<u>29</u>	<u>10,585</u>	1
2		Skilled Pediatric (SNF/PED)			2
3	<u>46</u>	Intermediate (ICF)	<u>46</u>	<u>16,790</u>	3
4		Intermediate/DD			4
5	<u>63</u>	Sheltered Care (SC)	<u>63</u>	<u>22,995</u>	5
6		ICF/DD 16 or Less			6
7	<u>138</u>	TOTALS	<u>138</u>	<u>50,370</u>	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF	<u>0</u>		<u>2,523</u>	<u>2,523</u>	8
9	SNF/PED					9
10	ICF	<u>5,930</u>	<u>14,572</u>		<u>20,502</u>	10
11	ICF/DD					11
12	SC	<u>1,095</u>	<u>10,749</u>		<u>11,844</u>	12
13	DD 16 OR LESS					13
14	TOTALS	<u>7,025</u>	<u>25,321</u>	<u>2,523</u>	<u>34,869</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 69.23%

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

J. Was the facility purchased or leased after January 1, 1978?

YES Date / / NO

K. Was the facility certified for Medicare during the reporting year?

YES NO If YES, enter number of beds certified 29 and days of care provided 1,993

Medicare Intermediary Administar

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 06/30/2006 Fiscal Year: 06/30/2006

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

Facility Name & ID Number

Hearthstone Manor

0027664

Report Period Beginning:

07/01/2005

Ending:

06/30/2006

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 OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	243,069	25,040	(5,097)	263,012		263,012		263,012			1
2	Food Purchase		165,967		165,967		165,967	(11,007)	154,960			2
3	Housekeeping	120,053	26,523	871	147,447		147,447		147,447			3
4	Laundry	55,097	8,157	4,525	67,779		67,779		67,779			4
5	Heat and Other Utilities			125,144	125,144		125,144	7,161	132,305			5
6	Maintenance			118,148	118,148		118,148	10,930	129,078			6
7	Other (specify):*											7
8	TOTAL General Services	418,219	225,687	243,591	887,497		887,497	7,084	894,581			8
	B. Health Care and Programs											
9	Medical Director			448,654	448,654		448,654		448,654			9
10	Nursing and Medical Records	1,718,668	163,589	29,259	1,911,516		1,911,516		1,911,516			10
10a	Therapy											10a
11	Activities	138,046	4,100	10,367	152,513		152,513		152,513			11
12	Social Services	77,458		1,763	79,221		79,221		79,221			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*	336,340	8,038	26,256	370,634		370,634		370,634			15
16	TOTAL Health Care and Programs	2,270,512	175,727	516,299	2,962,538		2,962,538		2,962,538			16
	C. General Administration											
17	Administrative	139,243		755,792	895,035		895,035	106,885	1,001,920			17
18	Directors Fees											18
19	Professional Services			23,177	23,177		23,177	55,251	78,428			19
20	Dues, Fees, Subscriptions & Promotions			160,618	160,618		160,618	(46,850)	113,768			20
21	Clerical & General Office Expenses	101,005		36,208	137,213		137,213	214,824	352,037			21
22	Employee Benefits & Payroll Taxes			1,049,595	1,049,595		1,049,595	211,960	1,261,555			22
23	Inservice Training & Education			1,192	1,192		1,192		1,192			23
24	Travel and Seminar			12,444	12,444		12,444	12,889	25,333			24
25	Other Admin. Staff Transportation							829	829			25
26	Insurance-Prop.Liab.Malpractice			58,927	58,927		58,927	21,784	80,711			26
27	Other (specify):*											27
28	TOTAL General Administration	240,248		2,097,953	2,338,201		2,338,201	577,572	2,915,773			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,928,979	401,414	2,857,843	6,188,236		6,188,236	584,656	6,772,892			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.

Facility Name & ID Number Hearthstone Manor #0027664 Report Period Beginning: 07/01/2005 Ending: 06/30/2006

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclassification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			191,596	191,596		191,596	(153,681)	37,915			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			32,441	32,441		32,441		32,441			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			13,429	13,429		13,429		13,429			35
36	Other (specify):*											36
37	TOTAL Ownership			237,466	237,466		237,466	(153,681)	83,785			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops	25,626	991	323	26,940		26,940	(26,940)				40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			40,068	40,068		40,068		40,068			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers	25,626	991	40,391	67,008		67,008	(26,940)	40,068			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,954,605	402,405	3,135,700	6,492,710		6,492,710	404,035	6,896,745			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

Facility Name & ID Number Hearthstone Manor

0027664

Report Period Beginning: 07/01/2005

Ending: 06/30/2006

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.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(11,007)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income				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	(32,441)			14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)	(26,940)	40		16
17	Non-Care Related Fees	(191,596)	30		17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(46,301)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(48,122)	20		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	(25,769)	20		28
29	Other-Attach Schedule	(753,770)	17		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (1,135,946)		\$	30

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	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$ 15,305	PG 5/2	31
32	Donated Goods-Attach Schedule*	24,063	PG 5/3	32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	753,770	Pg 6	34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ 793,138		36
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (342,808)		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	2	3	4	
		Yes	No	Amount	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	Exceptional Care Program		X			44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

BHF USE ONLY					
48		49		50	51
					52

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor

ID# 0027664

Report Period Beginning: 07/01/2005

Ending: 06/30/2006

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			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		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

07/01/2005

Ending:

06/30/2006**SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I**

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(11,007)	0	0	0	0	0	0	0	0	0	0	(11,007)	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	7,161	0	0	0	0	0	0	0	0	0	7,161	5
6	Maintenance	0	10,930	0	0	0	0	0	0	0	0	0	10,930	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(11,007)	18,091	0	7,084	8								
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	106,885	0	0	0	0	0	0	0	0	0	106,885	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	55,251	0	0	0	0	0	0	0	0	0	55,251	19
20	Fees, Subscriptions & Promotions	(120,192)	73,342	0	0	0	0	0	0	0	0	0	(46,850)	20
21	Clerical & General Office Expenses	0	214,824	0	0	0	0	0	0	0	0	0	214,824	21
22	Employee Benefits & Payroll Taxes	0	211,960	0	0	0	0	0	0	0	0	0	211,960	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	12,889	0	0	0	0	0	0	0	0	0	12,889	24
25	Other Admin. Staff Transportation	0	829	0	0	0	0	0	0	0	0	0	829	25
26	Insurance-Prop.Liab.Malpractice	0	21,784	0	0	0	0	0	0	0	0	0	21,784	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	TOTAL General Administration	(120,192)	697,764	0	577,572	28								
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(131,199)	715,855	0	584,656	29								

STATE OF ILLINOIS

Facility Name & ID Number Hearthstone Manor

0027664

Report Period Beginning:

07/01/2005 Ending:

Summary B

06/30/2006

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	(191,596)	37,915	0	0	0	0	0	0	0	0	0	(153,681)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(191,596)	37,915	0	(153,681)	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	(26,940)	0	0	0	0	0	0	0	0	0	0	(26,940)	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	(26,940)	0	0	0	0	0	0	0	0	0	0	(26,940)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(349,735)	753,770	0	404,035	45								

Facility Name & ID Number Hearthstone Manor

0027664

Report Period Beginning: 07/01/2005 Ending: 06/30/2006

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 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
				Woodstock Christian Life Services	Woodstock	Corporate Office
				Hearthstone Village	Woodstock	Ind. Living
				Woodstock Early Learning Center	Woodstock	Day Care

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 Schedule V	2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)
1	V	6 Maintenance	\$	Woodstock Christian Life Services	100.00%	\$ 10,930	\$ 10,930 1
2	V	22 Employee Benefits		Woodstock Christian Life Services	100.00%	211,960	211,960 2
3	V	26 Insurance		Woodstock Christian Life Services	100.00%	21,784	21,784 3
4	V	5 Utilities		Woodstock Christian Life Services	100.00%	7,161	7,161 4
5	V	30 Depreciation		Woodstock Christian Life Services	100.00%	37,915	37,915 5
6	V	33 Real Estate Taxes		Woodstock Christian Life Services	100.00%		
7	V	17 Administrative		Woodstock Christian Life Services	100.00%	106,885	106,885 7
8	V	21 Clerical/General Office		Woodstock Christian Life Services	100.00%	214,824	214,824 8
9	V	40 Other		Woodstock Christian Life Services	100.00%		
10	V	20 Fees, Subscriptions, Promotions		Woodstock Christian Life Services	100.00%	73,342	73,342 10
11	V	19 Professional Fees		Woodstock Christian Life Services	100.00%	55,251	55,251 11
12	V	24 Travel and Seminars		Woodstock Christian Life Services	100.00%	12,889	12,889 12
13	V	25 Other admin		Woodstock Christian Life Services	100.00%	829	829 13
14	Total		\$			\$ 753,770	\$ * 753,770 14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Hearthstone Manor

#

0027664

Report Period Beginning:

07/01/2005

Ending:

06/30/2006

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									\$	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: 07/01/2005

Ending: 6/30/2006

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

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

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	6	Maintenance		Corporate Allocation		\$		\$ 10,930	1
2	22	Employee Benefits		Corporate Allocation				211,960	2
3	26	Insurance		Corporate Allocation				21,784	3
4	5	Utilities		Corporate Allocation				7,161	4
5	30	Depreciation		Corporate Allocation				37,915	5
6	33	Real Estate Taxes		Corporate Allocation					6
7	17	Administrative		Corporate Allocation				106,885	7
8	21	Clerical/General Office		Corporate Allocation				214,824	8
9	40	Other		Corporate Allocation					9
10	20	Fees, Subscriptions, Promotions		Corporate Allocation				73,342	10
11	19	Professional Fees		Corporate Allocation				55,251	11
12	24	Travel and Seminars		Corporate Allocation				12,889	12
13	25	Other admin		Corporate Allocation				829	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					\$		\$ 753,770	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 N.A.	X	BUSINESS	VARIES	7/13/2005	5,260,894	5,190,741	7/13/2015	0.0665	32,441	6									
7										7										
8										8										
9	TOTAL Facility Related					\$ 5,260,894	\$ 5,190,741			\$ 32,441	9									
B. Non-Facility Related*																				
10										10										
11										11										
12										12										
13										13										
14	TOTAL Non-Facility Related					\$	\$			\$	14									
15	TOTALS (line 9+line14)					\$ 5,260,894	\$ 5,190,741			\$ 32,441	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.)

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2005 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2005 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2005.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2005 real estate tax bill to Healthcare and Family Services, Bureau of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2006 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Bureau of Health Finance at (217) 782-1630.

2005 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Hearthstone Manor COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0027664

CONTACT PERSON REGARDING THIS REPORT _____

TELEPHONE () _____ FAX #: () _____

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2005 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2005.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. _____	_____	\$ _____	\$ _____
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ _____	\$ _____

B. Real Estate Tax Cost Allocations

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

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

C. Tax Bills

Attach a copy of the original 2005 tax bills which were listed in Section A to this statement. Be sure to use the 2005 tax bill which is normally paid during 2006.

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

Facility Name & ID Number Hearthstone Manor

0027664 Report Period Beginning:

07/01/2005 Ending:

06/30/2006

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: _____ B. General Construction Type: Exterior _____ Frame _____ Number of Stories _____

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).

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	Land	60,000	1903	\$ 5,372	1
2					2
3	TOTALS	60,000		\$ 5,372	3

SEE ACCOUNTANTS' COMPILATION REPORT

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

Report Period Beginning:

07/01/2005 Ending: **06/30/2006****XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-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	10		1950	1950	\$ 150,823		40			\$ 150,823	4
5	90		1973	1973	796,110		40			676,697	5
6	38		1976	1976	751,053		40			582,061	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		40			3,515	15
16		Roof		1981	5,100		10			5,100	16
17		Parking Lot		1982	3,549		40			2,384	17
18		Roof Additions		1983	6,560		40			3,854	18
19		Roof		1984	4,690		10			4,690	19
20		Kitchen		1984	187		20			187	20
21		Kitchen		1985	1,415		40			783	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			5,744	28
29		Solarium		1987	45,713		40			22,858	29
30		HVAC		1987	3,931		20			3,935	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

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

Report Period Beginning:

07/01/2005 Ending: **06/30/2006****XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	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	Smoker Room	1992	973		10			973	47
48	Nurse Station	1992	359		10			359	48
49	Roof Repair	1992	720		10			720	49
50	Smoker Room	1992	216		10			216	50
51	Brick Smoker Room	1992	325		10			325	51
52	Parking Lot Expansion	1992	577		15			521	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	Courtvard	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			2,552	69
70	TOTAL (lines 4 thru 69)		\$ 1,993,683	\$		\$	\$	\$ 1,676,027	70

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:

07/01/2005 Ending: **06/30/2006****XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	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		\$ 1,993,683	\$		\$	\$	\$ 1,676,027	1
2	Fire Doors	1996	457		20			412	2
3	Doors	1996	1,649		10			1,301	3
4	Architect Service	1996	13,331		20			6,859	4
5	Roof Repair	1996	5,380		20			4,639	5
6	Roof Replacement	1996	27,341		20			13,557	6
7	Plumbing	1996	10,960		20			9,221	7
8	Architect Service	1996	1,332		20			660	8
9	Roof Repair	1996	1,758		20			1,469	9
10	Alum. Gutter-downspout	1996	1,650		20			1,364	10
11	Architect Service	1996	1,122		20			550	11
12	Roof Repair	1996	540		20			450	12
13	Roof HVAC Replacement	1996	52,688		20			25,689	13
14	New Door	1996	3,042		20			2,506	14
15	Roof Replacement	1996	25,941		20			12,537	15
16	Firestops Replacement	1996	3,553		10			3,437	16
17	Architect Service	1996	475		20			230	17
18	Exit Lights	1996	2,737		10			2,625	18
19	Architect Service	1996	750		20			359	19
20	HVAC	1996	77,291		20			37,036	20
21	New Sidewalk	1996	986		15			637	21
22	Parking lot repair	1996	1,623		10			1,572	22
23	S.M. Sign Maintenance	1996	308		5			308	23
24	Labor-Roof Replacement	1997	12,255		20			9,802	24
25	Architect Service	1997	1,775		20			1,487	25
26	Sunroom painting	1997	2,145		20			1,681	26
27	Asbestos repair	1997	715		20			561	27
28	Heating	1998	5,787		20			2,532	28
29	Ductwork and Electric	1998	3,370		20			2,387	29
30	Rebuild roof unit	1998	2,235		20			1,583	30
31	3rd floor project	1998	10,019		20			4,300	31
32	IDPH-Building Project Fees	1998	2,712		20			1,164	32
33	Shayman-Contractors	1998	10,000		20			4,292	33
34	TOTAL (lines 1 thru 33)		\$ 2,279,610	\$		\$	\$	\$ 1,833,233	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:

07/01/2005 Ending: **06/30/2006****XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	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		\$ 2,279,610	\$		\$	\$	\$ 1,833,233	1
2	Century Tiule	1998	461		20			323	2
3	Handi-Hut-Shelter	1998	7,488		20			5,117	3
4	Signage	1998	412		5			412	4
5	Phone/Data Lines	1998	7,869		10			6,295	5
6	ADA Sidewalk	1999	2,016		20			806	6
7	Phone/Data Lines	1999	1,450		10			1,160	7
8	Air Conditioning	1999	10,866		10			8,421	8
9	Aluminum Gutters/Downspouts	1999	540		10			419	9
10	Exit Lights	1999	322		10			244	10
11	Exit Lights	1999	400		10			300	11
12	Smoking Room	1999	114		10			93	12
13	Third Floor Renovation-Building	1999	240,021		20			90,008	13
14	Fire Protection	1999	2,750		10			2,040	14
15	Architect Fees	1999	1,080		3			1,080	15
16	Maintenance Labor-Painting	1999	1,740		5			1,740	16
17	Paint Stairwells & Halls	1999	1,624		5			1,624	17
18	Third Floor Renovation-Bldg-Final PMT	1999	32,418		20			12,157	18
19	Carpeting-Main Floor	1999	10,300		5			10,300	19
20	Signage	2000	987		5			987	20
21	Storm Windows	2000	941		5			941	21
22	New Park Street Door	2000	2,872		15			1,085	22
23	Replace Warped Doors	2000	3,960		5			4,752	23
24	Reception Area	2000	25,839		10			12,836	24
25	Property Banners	2000	968		5			1,162	25
26	Sidewalk Replacements	2001	5,100		15			1,700	26
27	ADT Security System - Manor	2001	21,653		10			10,285	27
28	Remodel RM 203 Admissions Office	2001	2,155		10			1,006	28
29	3rd Floor Office Space Conversion	2001	3,965		10			1,817	29
30	Convert RM 203 to Office, Copy and Storage	2001	3,765		10			1,725	30
31	Convert Sun Room to New Chapel	2001	39,890		10			18,227	31
32	SC Activity Dining Room Conversion	2002	7,422		10			3,340	32
33	General Store Conversion	2002	2,131		10			949	33
34	TOTAL (lines 1 thru 33)		\$ 2,723,127	\$		\$	\$	\$ 2,036,584	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:

07/01/2005 Ending: **06/30/2006****XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	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		\$ 2,723,127	\$		\$	\$	\$ 2,036,584	1
2	Replace Defective Water Piping	2002	10,213		10			4,170	2
3	Nursing Floor Showers	2003	2,943		10			1,177	3
4	Asbestos Inspection	2003	4,374		10			1,715	4
5	Chapel Conversion	2003	856		5			614	5
6	Tuckpoint Boiler Smoke Stack	2003	3,630		10			1,301	6
7	Traditions Alzheimer Dementia Units	2003	515,315		20			88,035	7
8	Traditions Blueprints and Design Drawings	2003	8,250		20			1,409	8
9	Traditions Policies and Procedures	2003	46,691		20			7,976	9
10	New Chapel Landscaping	2003	6,553		5			4,696	10
11	Replace flat roof	2003	4,680		20			800	11
12	Replace floor tile in dining room	2003	6,360		5			4,125	12
13	Signage Engraver - Manor	2003	544		5			362	13
14	Carpet Extractor	2003	2,035		5			1,323	14
15	Washer Drum	2003	1,738		5			1,130	15
16	Satellite TV System	2003	10,485		5			6,641	16
17	Elevator Code Updates	2003	2,227		5			1,411	17
18	Foor Processor	2003	1,147		5			726	18
19	Carpet repairs	2004	2,662		5			3,228	19
20	Motorola Furniture	2004	10,650		4			7,988	20
21	A/C Heating units (5)	2004	7,200		5			2,400	21
22	Furniture for Infant/Toddler room	2004	12,525		5			4,175	22
23	Maint Labor on Infant/Toddler room	2004	1,684		5			561	23
24	Furniture for Model Apartment	2004	5,832		5			1,555	24
25	Repair washer shaft & basket	2004	2,223		5			519	25
26	Remodel 831 Northampton	2004	5,108		5			851	26
27	Commercial garbage disposal	2004	1,404		5			234	27
28	Digital Copier	2004	6,122		5			1,020	28
29	Hot Pack Warming Device	2004	1,295		5			86	29
30	Signage	2004	1,430		5			95	30
31	Food Processor	2004	1,629		5			54	31
32	Two whirlpool baths and walk in shower	2004	30,215		10			4,537	32
33	Tub cut outs	2004	1,250		10			167	33
34	TOTAL (lines 1 thru 33)		\$ 3,442,395	\$		\$	\$	\$ 2,191,664	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:

07/01/2005

Ending:

06/30/2006

XI. OWNERSHIP COSTS (continued)

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

1	2	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 12D, Carried Forward		\$ 3,442,395	\$		\$	\$	\$ 2,191,664	1
2	Remodel entry way and lobby	2004	1,647		10			220	2
3	Repair water main to building	2004	1,066		10			124	3
4	New Furnace	2004	1,865		10			155	4
5	Replace fire panel	2004	2,525		10			126	5
6	Repair 2 broken pipes	2004	1,734		10			58	6
7	BLACK TOP COURT ROAD	2004	12,820		15			2,564	7
8	BEAUTY SHOP RELOCATION	2005	3,701		10			278	8
9	REHAB REMODEL	2005	3,566		10			178	9
10	WANDER GUARD DOORS	2005	8,898		10			371	10
11	FIRE SYSTEM HORNS & STROBES	2005	3,680		5			184	11
12	NURSING CARE FLOOR RENOVATION	2005	123,958		10			2,032	12
13	WATER METER AT STATION 2 DOOR	2005	2,930		10			24	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	HEARTHSTONE MANOR ALLOCATED DEPRECIATION								32
33	FROM WOODSTOCK			37,915		37,915			33
34	TOTAL (lines 1 thru 33)		\$ 3,610,786	\$ 37,915		\$ 37,915	\$	\$ 2,197,978	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: 07/01/2005 Ending: 06/30/2006

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-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	\$ 905,823	\$	\$	\$		\$ 465,096	71
72	Current Year Purchases	71,603					7,292	72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	\$ 977,426	\$	\$	\$		\$ 472,388	75

D. Vehicle Depreciation (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 W/ Lift	Ford	1998	\$ 14,000	\$	\$	\$		\$ 14,000	76
77	Painting of Vehicle	Ford Taurus	1996	1,693					1,693	77
78										78
79										79
80	TOTALS			\$ 15,693	\$	\$	\$		\$ 15,693	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)		\$ 4,609,277	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)		\$ 37,915	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)		\$ 37,915	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)		\$ 2,686,059	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	FURNITURE	\$ 37,569	\$	\$ 1,379	86
87					87
88					88
89					89
90					90
91	TOTALS	\$ 37,569	\$	\$ 1,379	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

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.	_____ /2007	\$ _____
13.	_____ /2008	\$ _____
14.	_____ /2009	\$ _____

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

* 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.

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.)

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

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		3	4
		1	2		
		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	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		hrs	\$		\$	\$		\$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescripts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			\$		\$	\$		\$	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

Facility Name & ID Number Hearthstone Manor# 0027664Report Period Beginning: 07/01/2005

Ending:

06/30/2006**XV. BALANCE SHEET - Unrestricted Operating Fund.**As of 06/30/2006

(last day of reporting year)

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	\$ 1,015	\$ 303,568	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	581,690	690,446	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	17,410	126,590	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>DUE FROM OTHER</u>	2,340,523		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,940,638	\$ 1,120,604	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost	1,614,668	6,310,772	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost			16
17	Accumulated Depreciation (book methods)			17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	134,133		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):		134,131	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,748,801	\$ 6,444,903	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,689,439	\$ 7,565,507	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 242,155	\$ 358,677	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	131,982	744,831	29
30	Accrued Salaries Payable	243,297	498,231	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	<u>SECURITY DEPOSITS</u>	4,490	185,122	36
37	<u>GIFT ANNUITY</u>		828	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 621,924	\$ 1,787,689	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	91,022	5,224,312	39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation		77,392	42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 91,022	\$ 5,301,704	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 712,946	\$ 7,089,393	46
47	TOTAL EQUITY(page 18, line 24)	\$ 3,976,493	\$ 476,114	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,689,439	\$ 7,565,507	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 3,387,807	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 3,387,807	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	588,686	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)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 588,686	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)	\$ 3,976,493	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor# 0027664Report Period Beginning: 07/01/2005Ending: 06/30/2006**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	\$ 6,179,405	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 6,179,405	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	23,352	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 23,352	23
D. Non-Operating Revenue			
24	Contributions	122,920	24
25	Interest and Other Investment Income***	1,950	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 124,870	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 6,327,627	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	887,497	31
32	Health Care	2,962,538	32
33	General Administration	2,338,201	33
B. Capital Expense			
34	Ownership	237,466	34
C. Ancillary Expense			
35	Special Cost Centers	67,008	35
36	Provider Participation Fee		36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 6,492,710	40
41	Income before Income Taxes (line 30 minus line 40)**	(165,083)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (165,083)	43

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

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

Facility Name & ID Number Hearthstone Manor

0027664

Report Period Beginning: 07/01/2005

Ending:

06/30/2006

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	1,760	2,101	\$ 61,600	\$ 29.32	1
2	Assistant Director of Nursing					2
3	Registered Nurses	21,735	23,144	542,647	23.45	3
4	Licensed Practical Nurses	11,044	11,977	239,079	19.96	4
5	CNAs & Orderlies	61,975	66,810	788,671	11.80	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,040	1,180	27,026	22.90	9
10	Activity Assistants	10,711	11,637	117,204	10.07	10
11	Social Service Workers	3,272	3,680	79,140	21.51	11
12	Dietician					12
13	Food Service Supervisor	1,840	2,320	39,330	16.95	13
14	Head Cook					14
15	Cook Helpers/Assistants	23,451	24,763	207,203	8.37	15
16	Dishwashers					16
17	Maintenance Workers					17
18	Housekeepers	12,403	13,412	125,921	9.39	18
19	Laundry	5,645	6,281	59,111	9.41	19
20	Administrator	1,848	2,080	84,466	40.61	20
21	Assistant Administrator					21
22	Other Administrative	1,928	2,120	39,916	18.83	22
23	Office Manager	1,040	1,160	19,801	17.07	23
24	Clerical	8,996	9,637	103,046	10.69	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,040	1,180	27,026	22.90	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,818	2,095	26,878	12.83	31
32	Other Health Care(specify)	25,019	26,880	339,213	12.62	32
33	Other(specify)	1,937	2,181	27,327	12.53	33
34	TOTAL (lines 1 - 33)	198,502	214,638	\$ 2,954,605 *	\$ 13.77	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	197	\$ 8,075		35
36	Medical Director	56	4,500		36
37	Medical Records Consultant	14	841		37
38	Nurse Consultant				38
39	Pharmacist Consultant	330	6,595		39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	20	1,157		44
45	Social Service Consultant	18	1,097		45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	635	\$ 22,266		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

Facility Name & ID Number Hearthstone Manor

Report Period Beginning: 07/01/2005 Ending:

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

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	Amount of Expense Amortized Per Year								
					5 FY2003	6 FY2004	7 FY2005	8 FY2006	9 FY2007	10 FY2008	11 FY2009	12 FY2010	13 FY2011
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

