

		FOR BHF USE				

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2008
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2008)

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.

<p>I. IDPH License ID Number: <u>0039362</u></p> <p>Facility Name: <u>Carlinville Estates</u></p> <p>Address: <u>1221 South Plum Street</u> <u>Carlinville</u> <u>62626</u> <small>Number City Zip Code</small></p> <p>County: <u>Macoupin</u></p> <p>Telephone Number: <u>(217) 854-9443</u> Fax # <u>(217) 854-9324</u></p> <p>HFS ID Number: <u>37-1281054002</u></p> <p>Date of Initial License for Current Owners: <u>10/26/94</u></p> <p>Type of Ownership:</p> <table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;"> <input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____ </td> <td style="width:33%; border: none;"> <input checked="" type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> "Sub-S" Corp. <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____ </td> <td style="width:33%; border: none;"> <input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____ </td> </tr> </table> <p>In the event there are further questions about this report, please contact: Name: <u>Thomas W. Hill, C.P.A., C.V.A.</u> Telephone Number: <u>(217) 425-4800</u> Email Address: _____</p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____	<input checked="" type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> "Sub-S" Corp. <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____	<input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____	<p>II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER</p> <p>I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>10/1/07</u> to <u>9/30/08</u> and certify to the best of my knowledge and belief that the said content 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</p> <p>Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment</p> <table style="width:100%; border: none;"> <tr> <td style="width:20%; border: none;">Officer or Administrator of Provider</td> <td style="border: none;">(Signed) _____ (Type or Print Name) <u>Daniel P. Caulkins</u> (Title) <u>Vice-President</u></td> </tr> <tr> <td style="border: none;">Paid Preparer</td> <td style="border: none;">(Signed) _____ (Date) _____ (Print Name and Title) <u>Thomas W. Hill, C.P.A., C.V.A.</u> (Firm Name & Address) <u>Hill & White L.L.C.</u> <u>132 South Water Street, Suite 500, Decatur, IL 62523</u> (Telephone) <u>(217) 425-4800</u> Fax # <u>(217) 425-8866</u></td> </tr> </table> <p align="right"> 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 </p>	Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) <u>Daniel P. Caulkins</u> (Title) <u>Vice-President</u>	Paid Preparer	(Signed) _____ (Date) _____ (Print Name and Title) <u>Thomas W. Hill, C.P.A., C.V.A.</u> (Firm Name & Address) <u>Hill & White L.L.C.</u> <u>132 South Water Street, Suite 500, Decatur, IL 62523</u> (Telephone) <u>(217) 425-4800</u> Fax # <u>(217) 425-8866</u>
<input type="checkbox"/> VOLUNTARY, NON-PROFIT <input type="checkbox"/> Charitable Corp. <input type="checkbox"/> Trust IRS Exemption Code _____	<input checked="" type="checkbox"/> PROPRIETARY <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> "Sub-S" Corp. <input type="checkbox"/> Limited Liability Co. <input type="checkbox"/> Trust <input type="checkbox"/> Other _____	<input type="checkbox"/> GOVERNMENTAL <input type="checkbox"/> State <input type="checkbox"/> County <input type="checkbox"/> Other _____						
Officer or Administrator of Provider	(Signed) _____ (Type or Print Name) <u>Daniel P. Caulkins</u> (Title) <u>Vice-President</u>							
Paid Preparer	(Signed) _____ (Date) _____ (Print Name and Title) <u>Thomas W. Hill, C.P.A., C.V.A.</u> (Firm Name & Address) <u>Hill & White L.L.C.</u> <u>132 South Water Street, Suite 500, Decatur, IL 62523</u> (Telephone) <u>(217) 425-4800</u> Fax # <u>(217) 425-8866</u>							

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Carlinville Estates

0039362 Report Period Beginning: 10/1/07 Ending: 9/30/08

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		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6	16	ICF/DD 16 or Less	16	5,856	6
7	16	TOTALS	16	5,856	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	
8	SNF				8
9	SNF/PED				9
10	ICF				10
11	ICF/DD				11
12	SC				12
13	DD 16 OR LESS	5,727			5,727
14	TOTALS	5,727			5,727

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 97.80%

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

68 (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)

N/A

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 12/01/93

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

YES Date 12/1/93 NO

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

YES NO If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/08 Fiscal Year: 9/30/08

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

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Facility Name & ID Number Carlinville Estates # 0039362 Report Period Beginning: 10/1/07 Ending: 9/30/08

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	34,911	1,812	2,313	39,036		39,036		39,036		1
2	Food Purchase		32,538		32,538	(251)	32,287		32,287		2
3	Housekeeping	36,620	3,419		40,039		40,039		40,039		3
4	Laundry		2,583		2,583		2,583		2,583		4
5	Heat and Other Utilities			14,553	14,553		14,553		14,553		5
6	Maintenance		3,002	7,511	10,513		10,513		10,513		6
7	Other (specify):*										7
8	TOTAL General Services	71,531	43,354	24,377	139,262	(251)	139,011		139,011		8
B. Health Care and Programs											
9	Medical Director			1,325	1,325		1,325		1,325		9
10	Nursing and Medical Records	95,823	5,202	5,832	106,857		106,857		106,857		10
10a	Therapy			2,115	2,115		2,115		2,115		10a
11	Activities	23,734	931		24,665		24,665		24,665		11
12	Social Services	34,991		3,624	38,615		38,615		38,615		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Workshop			158,421	158,421		158,421	(158,421)			15
16	TOTAL Health Care and Programs	154,548	6,133	171,317	331,998		331,998	(158,421)	173,577		16
C. General Administration											
17	Administrative	94,399			94,399		94,399		94,399		17
18	Directors Fees										18
19	Professional Services			11,341	11,341		11,341		11,341		19
20	Dues, Fees, Subscriptions & Promotions			1,523	1,523		1,523	(354)	1,169		20
21	Clerical & General Office Expenses		3,851	10,458	14,309		14,309		14,309		21
22	Employee Benefits & Payroll Taxes			50,477	50,477	251	50,728	(100)	50,628		22
23	Inservice Training & Education			1,101	1,101		1,101		1,101		23
24	Travel and Seminar										24
25	Other Admin. Staff Transportation			14,057	14,057	(9,387)	4,670		4,670		25
26	Insurance-Prop.Liab.Malpractice			8,474	8,474		8,474		8,474		26
27	Other (specify):* N/D Penalties			29	29		29	(29)			27
28	TOTAL General Administration	94,399	3,851	97,460	195,710	(9,136)	186,574	(483)	186,091		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	320,478	53,338	293,154	666,970	(9,387)	657,583	(158,904)	498,679		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 Carlinville Estates

#0039362

Report Period Beginning:

10/1/07

Ending:

9/30/08

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost 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	
	D. Ownership											
30	Depreciation			7,773	7,773		7,773	6,908	14,681			30
31	Amortization of Pre-Op. & Org.			16,593	16,593		16,593	(16,593)				31
32	Interest			19,372	19,372		19,372	5,980	25,352			32
33	Real Estate Taxes			10,975	10,975		10,975		10,975			33
34	Rent-Facility & Grounds			31,646	31,646		31,646	(29,496)	2,150			34
35	Rent-Equipment & Vehicles			1,789	1,789		1,789	(1,296)	493			35
36	Other (specify):*											36
37	TOTAL Ownership			88,148	88,148		88,148	(34,497)	53,651			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation					9,387	9,387		9,387			38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			28,778	28,778		28,778		28,778			42
43	Other (specify):* IL replacement tax			2,067	2,067		2,067	(2,067)				43
44	TOTAL Special Cost Centers			30,845	30,845	9,387	40,232	(2,067)	38,165			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	320,478	53,338	412,147	785,963		785,963	(195,468)	590,495			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

SEE ACCOUNTANTS' COMPILATION REPORT.

Facility Name & ID Number Carlinville Estates

0039362

Report Period Beginning: 10/1/07

Ending: 9/30/08

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	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs	(158,421)	15		3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				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				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(29)	27		18
19	Entertainment	(100)	22		19
20	Contributions	(174)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainer				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional	(180)	20		25
	Income Taxes and Illinois Personal				
26	Property Replacement Tax	(2,067)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule	(17,889)	31,35		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (178,860)		\$	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	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
	Amortization of Organization & Pre-Operating Expense			
33				33
	Adjustments for Related Organization			
34	Costs (Schedule VII)	(16,608)	30,32,34	34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (16,608)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (195,468)		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		\$ 9,387	25	38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44						44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$ 9,387		47

SEE ACCOUNTANTS' COMPILATION REPORT

Carlinville Estates

ID# 0039362

Report Period Beginning: 10/1/07

Ending: 9/30/08

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Amortization - Goodwill	\$ (16,593)	31	1
2	Vehicle Lease	(1,296)	35	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	(17,889)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Carlinville Estates# 0039362 Report Period Beginning:10/1/07

Ending:

9/30/08

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	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	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):* Workshop	(158,421)	0	0	0	0	0	0	0	0	0	0	(158,421)	15
16	TOTAL Health Care and Programs	(158,421)	0	0	0	0	0	0	0	0	0	0	(158,421)	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	19
20	Fees, Subscriptions & Promotions	(354)	0	0	0	0	0	0	0	0	0	0	(354)	20
21	Clerical & General Office Expenses	0	0	0	0	0	0	0	0	0	0	0	0	21
22	Employee Benefits & Payroll Taxes	(100)	0	0	0	0	0	0	0	0	0	0	(100)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	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):*	(29)	0	0	0	0	0	0	0	0	0	0	(29)	27
28	TOTAL General Administration	(483)	0	0	0	0	0	0	0	0	0	0	(483)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(158,904)	0	0	0	0	0	0	0	0	0	0	(158,904)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Carlinville Estates# 0039362

Report Period Beginning:

10/1/07

Ending:

9/30/08

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

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	0	6,908	0	0	0	0	0	0	0	0	0	6,908	30
31	Amortization of Pre-Op. & Org.	(16,593)	0	0	0	0	0	0	0	0	0	0	(16,593)	31
32	Interest	0	5,980	0	0	0	0	0	0	0	0	0	5,980	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	(29,496)	0	0	0	0	0	0	0	0	0	(29,496)	34
35	Rent-Equipment & Vehicles	(1,296)	0	0	0	0	0	0	0	0	0	0	(1,296)	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(17,889)	(16,608)	0	(34,497)	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):* IL replacmnt tax	(2,067)	0	0	0	0	0	0	0	0	0	0	(2,067)	43
44	TOTAL Special Cost Centers	(2,067)	0	0	0	0	0	0	0	0	0	0	(2,067)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(178,860)	(16,608)	0	(195,468)	45								

Facility Name & ID Number Carlinville Estates# 0039362Report Period Beginning: 10/1/07Ending: 9/30/08

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
Richard L. Grader	50	Carlinville Estates	Carlinville	Two-Can, Inc.	Decatur	Landlord
Daniel P. Caulkins	50	Emerald Estates	Canton			
		Marigold Estates	Pekin			
		Patterson House	Sullivan			

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: Adjustments for Related Organization Costs (7 minus 4)		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization			
1	V	30 Depreciation	\$	Two-Can, Inc.		\$ 6,908	\$	6,908	1
2	V	32 Interest		Two-Can, Inc.		5,980		5,980	2
3	V	34 Rent	29,496	Two-Can, Inc.				(29,496)	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		\$ 29,496			\$ 12,888	\$ *	(16,608)	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Carlinville Estates # 0039362 Report Period Beginning: 10/1/07 Ending: 9/30/08

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	Richard L. Grader	President	Administration	50.00	See Attached	10	25.00	Wages	\$ 37,852	17,1	1
2	Daniel P. Caulkins	Vice-President	Administration	50.00	See Attached	10	25.00	Wages	37,852	17,1	2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 75,704		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 Carlinville Estates # 0039362 Report Period Beginning: 10/1/07 Ending: 9/30/08

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 Central Office - Patterson House
 Street Address 636 West Imboden
 City / State / Zip Code Decatur, IL 62525
 Phone Number (217) 422-6510
 Fax Number (217) 422-6819

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	See Attached Schedule				\$	\$		\$	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

Facility Name & ID Number Carlinville Estates # 0039362 Report Period Beginning: 10/1/07 Ending: 9/30/08

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		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	Regions Bank & Trust		X	Mortgage	\$1,865.00	11/30/03	\$ 152,796		11/30/08	5.9500	\$ 3,018	1								
2	Regions Bank & Trust		X	Mortgage	\$2,468.00	11/30/03	199,919		11/30/08	5.9500	5,980	2								
3	Regions Bank & Trust		X	Mortgage	\$3,494.00	7/1/08	525,000	521,064	7/1/13	4.7200	3,720	3								
4												4								
5												5								
Working Capital																				
6	Regions Bank & Trust		X	Working Capital		12/1/03		115,250			12,634	6								
7												7								
8												8								
9	TOTAL Facility Related				\$7,827.00		\$ 877,715	\$ 636,314			\$ 25,352	9								
B. Non-Facility Related*																				
10												10								
11												11								
12												12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$	14								
15	TOTALS (line 9+line14)						\$ 877,715	\$ 636,314			\$ 25,352	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.)

Facility Name & ID Number **Carlinville Estates**

0039362 Report Period Beginning: **10/1/07** Ending: **9/30/08**

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

B. Real Estate Taxes

<p>Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.</p>			
1. Real Estate Tax accrual used on 2007 report.		\$ 5,463	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.)		\$ 9,386	2
3. Under or (over) accrual (line 2 minus line 1).		\$ 3,923	3
4. Real Estate Tax accrual used for 2008 report. (Detail and explain your calculation of this accrual on the lines below.)		\$ 7,052	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		\$ 10,975	7
Real Estate Tax History:			
Real Estate Tax Bill for Calendar Year:	2003	5,561	8
	2004	6,320	9
	2005	6,572	10
	2006	6,609	11
	2007	6,902	12
Line 2, R/E taxes paid: Carlinville Estates bill \$6,902 + \$2,501 (1/4) Central Office bill - \$17 adjustment = \$9,386			
Line 4, R/E tax accrual: 9/12 Carlinville Estates bill \$5,177 + \$1,875 (1/4) 9/12 Central Office bill = \$7,052			

FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2007	\$ 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

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2007 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 2007 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2007.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2007 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 2008 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,

2007 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Carlinville Estates COUNTY Macoupin

FACILITY IDPH LICENSE NUMBER 0039362

CONTACT PERSON REGARDING THIS REPORT Thomas W. Hill, C.P.A.

TELEPHONE (217) 425-4800 FAX #: (217) 425-8866

A. Summary of Real Estate Tax Cos

Enter the tax index number and real estate tax assessed for 2007 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 2007.

(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. <u>12-001-990-00</u>	<u>Lots 1-12 Blk 21 Hoxsey & Edwards</u>	\$ <u>6,902.04</u>	\$ <u>6,902.04</u>
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>6,902.04</u>	\$ <u>6,902.04</u>

B. Real Estate Tax Cost Allocation:

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

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (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 2007 tax bills which were listed in Section A to this statement. Be sure to use the 20C tax bill which is normally paid during 2008

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 Carlinville Estates

0039362 Report Period Beginning:

10/1/07 Ending:

9/30/08

X. BUILDING AND GENERAL INFORMATION:A. Square Feet: 4,356 B. General Construction Type: Exterior Brick-Vinyl Frame Wood Number of Stories OneC. 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).

NoneF. 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	102,379	1993	\$ 18,747	1
2					2
3	TOTALS	102,379		\$ 18,747	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Carlinville Estates

0039362

Report Period Beginning:

10/1/07

Ending:

9/30/08

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	16		1993	1989	\$ 269,911	\$ 6,908	39	\$ 6,908		\$ 97,517	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9		Remodel Interior		1996	5,000	250	20	250		3,021	9
10		Bathroom remodel		1999	4,773	239	20	239		2,307	10
11		Bathroom remodel		2000	2,224	111	20	111		899	11
12		Counter top		2001	749	19	39	19		131	12
13		New floor		2002	2,300	329	7	329		2,136	13
14		New roof		2002	10,500	525	20	525		3,238	14
15		(2) Trane furnaces		2005	4,700	671	7	671		2,518	15
16		Carpet		2005	8,349	1,193	7	1,193		4,174	16
17		Vinyl floor		2005	1,195	239	5	239		797	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

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
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									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 309,701	\$ 10,484		\$ 10,484	\$	\$ 116,738	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 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	\$ 67,099	\$ 4,131	\$ 4,131			\$ 64,383	71
72	Current Year Purchases	2,098	66	66			66	72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	\$ 69,197	\$ 4,197	\$ 4,197			\$ 64,449	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				\$	\$	\$	\$		\$	76
77										77
78										78
79										79
80	TOTALS			\$	\$	\$	\$		\$	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)	\$ 397,645	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 14,681	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 14,681	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)	\$ 181,187	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		\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	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

Facility Name & ID Number Carlinville Estates

Report Period Beginning: 10/1/07

Ending: 9/30/08

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. _____/2009 \$ _____

13. _____/2010 \$ _____

14. _____/2011 \$ _____

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

<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. CLASSROOM PORTION:</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. CLINICAL PORTION:</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			
	1	2	3	4
	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

Facility Name & ID Number Carlinville Estates# 0039362 Report Period Beginning:

10/1/07

Ending:

9/30/08

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

	Service	1 Schedule V Line & Column Reference	2 Staff		4 Outside Practitioner (other than consultant)		6 Supplies (Actual or) Allocated	7 Total Units (Column 2 + 4)	8 Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	5 Units 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	Other (specify):									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

SEE ACCOUNTANTS' COMPILATION REPORT.

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Carlinville Estates

0039362

Report Period Beginning: 10/1/07

Ending:

9/30/08

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 9/30/08

(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	\$ 16,724	\$ 66,894	1
2 Cash-Patient Deposits			2
3 Accounts & Short-Term Notes Receivable-Patients (less allowance)	257,608	993,644	3
4 Supply Inventory (priced at)	1,496	4,541	4
5 Short-Term Investments			5
6 Prepaid Insurance			6
7 Other Prepaid Expenses			7
8 Accounts Receivable (owners or related parties)	393,213	1,572,850	8
9 Other(specify):			9
TOTAL Current Assets (sum of lines 1 thru 9)	\$ 669,041	\$ 2,637,929	10
B. Long-Term Assets			
11 Long-Term Notes Receivable			11
12 Long-Term Investments			12
13 Land		20,550	13
14 Buildings, at Historical Cost		269,708	14
15 Leasehold Improvements, at Historical Cos	39,790	174,550	15
16 Equipment, at Historical Cost	69,197	321,335	16
17 Accumulated Depreciation (book methods)	(83,669)	(467,505)	17
18 Deferred Charges			18
19 Organization & Pre-Operating Costs		10,232	19
20 Accumulated Amortization - Organization & Pre-Operating Costs		(10,232)	20
21 Restricted Funds			21
22 Other Long-Term Assets (specify):	3,505	14,020	22
23 Other(specify): Goodwill - net	2,765	8,295	23
TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 31,588	\$ 340,953	24
TOTAL ASSETS (sum of lines 10 and 24)	\$ 700,629	\$ 2,978,882	25

	1	2	
	Operating	After Consolidation*	
C. Current Liabilities			
26 Accounts Payable	\$ 4,751	\$ 22,464	26
27 Officer's Accounts Payable	2,316	9,263	27
28 Accounts Payable-Patient Deposits			28
29 Short-Term Notes Payable	115,250	461,000	29
30 Accrued Salaries Payable	14,513	56,712	30
31 Accrued Taxes Payable (excluding real estate taxes)	1,761	5,357	31
32 Accrued Real Estate Taxes(Sch.IX-B)	7,052	31,683	32
33 Accrued Interest Payable			33
34 Deferred Compensation			34
35 Federal and State Income Taxes			35
Other Current Liabilities(specify):			
36 Unemployment Taxes Payable	425	1,699	36
37 Intercompany	52,987		37
TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 199,055	\$ 588,178	38
D. Long-Term Liabilities			
39 Long-Term Notes Payable			39
40 Mortgage Payable	521,064	2,084,254	40
41 Bonds Payable			41
42 Deferred Compensation			42
Other Long-Term Liabilities(specify):			
43			43
44			44
TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 521,064	\$ 2,084,254	45
TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 720,119	\$ 2,672,432	46
47 TOTAL EQUITY (page 18, line 24)	\$ (19,490)	\$ 306,450	47
48 TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 700,629	\$ 2,978,882	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT.

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (76,334)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (76,334)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	116,148	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	(59,304)	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)	\$ 56,844	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)	\$ (19,490)	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	\$ 706,356	1
2	Discounts and Allowances for all Levels	(1,920)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 704,436	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 Radic		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	10,782	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 10,782	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	3,817	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 3,817	26
E. Other Revenue (specify):***			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See Attached</u>	183,076	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 183,076	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 902,111	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	139,262	31
32	Health Care	331,998	32
33	General Administration	186,323	33
B. Capital Expense			
34	Ownership	88,148	34
C. Ancillary Expense			
35	Special Cost Centers	9,387	35
36	Provider Participation Fee	28,778	36
D. Other Expenses (specify):			
37	<u>IL Replacement Tax</u>	2,067	37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 785,963	40
41	Income before Income Taxes (line 30 minus line 40)**	116,148	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 116,148	43

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

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

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

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

Facility Name & ID Number Carlinville Estates

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
2	Assistant Director of Nursing				2
3	Registered Nurses				3
4	Licensed Practical Nurses				4
5	CNAs & Orderlies				5
6	CNA Trainees				6
7	Licensed Therapist				7
8	Rehab/Therapy Aides				8
9	Activity Director	1,098	1,098	9,479	8.63
10	Activity Assistants	1,615	1,723	14,255	8.27
11	Social Service Workers	2,080	2,162	34,991	16.18
12	Dietician				12
13	Food Service Supervisor				13
14	Head Cook	1,319	1,431	14,055	9.82
15	Cook Helpers/Assistants	2,138	2,163	20,856	9.64
16	Dishwashers				16
17	Maintenance Workers				17
18	Housekeepers	3,752	3,901	36,620	9.39
19	Laundry				19
20	Administrator	500	520	15,888	30.55
21	Assistant Administrator				21
22	Other Administrative	1,000	1,040	75,704	72.79
23	Office Manager				23
24	Clerical	280	280	2,807	10.03
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)	9,875	10,266	95,823	9.33
31	Medical Records				31
32	Other Health Care(specify)				32
33	Other(specify)				33
34	TOTAL (lines 1 - 33)	23,657	24,584	\$ 320,478 *	\$ 13.04

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	83	\$ 2,313	1, 3
36	Medical Director	105/mo	1,325	9, 3
37	Medical Records Consultant			
38	Nurse Consultant	31	868	10, 3
39	Pharmacist Consultant			
40	Physical Therapy Consultant	8	391	10a, 3
41	Occupational Therapy Consultant	3	137	10a, 3
42	Respiratory Therapy Consultant			
43	Speech Therapy Consultant	3	150	10a, 3
44	Activity Consultant			
45	Social Service Consultant	65	3,624	12, 3
46	Other(specify) Psychiatrist	9	875	10a, 3
47	Psychologist	9	562	10a, 3
48				
49	TOTAL (lines 35 - 48)	211	\$ 10,245	

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.

Facility Name & ID Number Carlinville Estates

Report Period Beginning: 10/1/07 Ending: 9/30/08

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	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
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

Facility Name & ID Number Carlinville Estates# 0039362Report Period Beginning: 10/1/07Ending: 9/30/08**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 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? 5 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 0 Line _____
- (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 _____ NO X
- (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. \$ 28,788
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 benefit on Schedule V. \$ 251 Has any meal income been offset against related costs? No Indicate the amount. \$ _____
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? Yes If YES, please indicate the amount of income earned from such a program during this reporting period. \$ 9,387
c. What percent of all travel expense relates to transportation of nurses and patients? N/A
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? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: _____ The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? _____ If no, please explain. _____
- (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

Patterson House, Inc.
Carlinville Estates
Emerald Estates
Marigold Estates

Page 6, Part VII, B

The facility buildings and land are owned by a related corporation, Two-Can, Inc.
Two-Can, Inc. has the same shareholders as Patterson House, Inc.

Two-Can, Inc. has the following basis in the building and land:

	<u>Land</u>	<u>Building</u>
Carlinville Estates	18,747	269,911
Emerald Estates	18,934	273,944
Marigold Estates	18,622	273,263

Interest accrued by Two-Can, Inc. on its mortgage was as follows:

Regions Bank	17,940
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The interest is allocated as follows:

Carlinville Estates	5,980
Emerald Estates	5,980
Marigold Estates	5,980

SEE ACCOUNTANTS' COMPILATION REPORT.

Patterson House, Inc.
Carlinville Estates
Emerald Estates
Marigold Estates
Patterson House

Page 9, Part IX

Mortgage

The mortgage dated 7/1/08 at Regions Bank is allocated as follows:

Regions Bank - balance @ 9/30/08	<u>2,084,254</u>
Carlinville Estates	521,064
Emerald Estates	521,064
Marigold Estates	521,063
Patterson House	521,063

Patterson House, Inc.
Carlinsville Estates
Emerald Estates
Marigold Estates
Patterson House

Owners' Compensation
10/1/07 - 9/30/08

	<u>Total Compensation</u>	<u>Carlinsville Estates</u>	<u>Emerald Estates</u>	<u>Marigold Estates</u>	<u>Patterson House</u>
Richard L. Grader	151,408	37,852	37,852	37,852	37,852
Daniel P. Caulkins	<u>151,408</u>	<u>37,852</u>	<u>37,852</u>	<u>37,852</u>	<u>37,852</u>
	<u><u>302,816</u></u>	<u><u>75,704</u></u>	<u><u>75,704</u></u>	<u><u>75,704</u></u>	<u><u>75,704</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT.

Patterson House, Inc.
Carlville Estates
Emerald Estates
Marigold Estates
Patterson House

Owners' Compensation
10/1/07 - 9/30/08

The owners' compensation included in the cost report is compensation for the following duties:

Richard L. Grader:

- Purchasing
- Approving vendors
- Reviewing accounts receivable
- Following up on billing discrepancies
- Managing cash flow
- Negotiating with the bank
- Bookkeeping
- All financial management functions

Daniel P. Caulkins:

- Operations of the facilities
- Supervising employees
- Dealing with consultants
- Buying supplies
- Inspecting the facilities
- Locating residents
- Dealing with residents' families
- Dealing with government agencies

Both owners:

- Reviewing vendor invoices
- Paying invoices
- Dealing with local day program agency
- Attending employee meetings
- Recruiting employees
- Dealing with employee complaints

The above duties are not all encompassing.

SEE ACCOUNTANTS' COMPILATION REPORT.

Patterson House, Inc.
 Carlenville Estates
 Emerald Estates
 Marigold Estates
 Patterson House

Allocation of Central Office Costs - Fiscal Year Ended September 30, 2008

The group consists of four DD homes - All with 16 beds.

All costs of the central office and common costs are allocated 25% to each facility.

Costs for this schedule were determined by finding the sum of those costs in the general ledger which were evenly allocated among the four facilities.

	Total	Carlenville	Emerald	Marigold	Patterson House	Line
	Expense	25%	25%	25%	25%	Ref
Housekeeping Supplies	186	47	47	46	46	3
Utilities	2,532	633	633	633	633	5
Maintenance	2,255	564	563	564	564	6
Administrative Salaries	377,595	94,398	94,399	94,399	94,399	17
Professional Services	46,155	11,538	11,539	11,539	11,539	19
Dues, Fees and Subscriptions	4,166	1,042	1,041	1,041	1,042	20
Contributions	535	134	134	134	133	20
Office Supplies	4,556	1,139	1,139	1,139	1,139	21
Other Office Expense	10,124	2,531	2,531	2,531	2,531	21
Postage	2,579	644	645	645	645	21
Telephone	12,997	3,250	3,249	3,249	3,249	21
Payroll Taxes	21,670	5,417	5,417	5,418	5,418	22
Group Health Insurance	48,044	12,011	12,011	12,011	12,011	22
Long-Term Care Insurance	5,278	1,320	1,320	1,319	1,319	22
Workers Comp Insurance	36,842	9,210	9,210	9,211	9,211	22
Business Meals	1,404	351	351	351	351	22
Entertainment	400	100	100	100	100	22
Other Employee Benefits	602	151	151	150	150	22
Inservice Training & Education	2,103	525	526	526	526	23
Other Admin/Staff Transportation	21,253	5,314	5,313	5,313	5,313	25
Insurance	33,301	8,325	8,325	8,326	8,325	26
Depreciation	1,289	323	322	322	322	30
Interest Expense	48,599	12,150	12,150	12,149	12,150	32
Real Estate Taxes	17,503	4,376	4,376	4,376	4,375	33
Lease - Central Office	8,600	2,150	2,150	2,150	2,150	34
IL Replacement Tax	1,227	306	307	307	307	36
	<u>711,795</u>	<u>177,949</u>	<u>177,949</u>	<u>177,949</u>	<u>177,948</u>	

Carlinville Estates

Pg 19, Part XVII

Line 21 Other Medical Services

HAB Aid training reimbursement	<u><u>10,782</u></u>
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Line 28 Other Revenue

Earning credits	1,817
Reimburse residents' travel	9,387
Workshop	158,421
Miscellaneous income	11,300
Gain on sale of assets	<u>2,151</u>
	<u><u>183,076</u></u>

Facility fiscal year end is 9/30/08, tax year end is 12/31/08. Taxable income will not agree.

SEE ACCOUNTANTS' COMPILATION REPORT.