

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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	99	Skilled (SNF)	99	36,135	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	99	TOTALS	99	36,135	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				
		2 Medicaid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF			2,631	2,631	8
9	SNF/PED					9
10	ICF	8,128	7,318		15,446	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	8,128	7,318	2,631	18,077	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 50.03%

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

0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.

(E.g., day care, "meals on wheels", outpatient therapy)

None

F. Does the facility maintain a daily midnight census?

Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?

YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES NO

I. On what date did you start providing long term care at this location?

Date started 10/6/1975

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 99 and days of care provided 1,882

Medicare Intermediary Administrator Federal

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/10 Fiscal Year: 12/31/10

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

Facility Name & ID Number

A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	248,569	16,747	13,657	278,973		278,973		278,973		1
2	Food Purchase		130,094		130,094	(22,547)	107,547	(14,062)	93,485		2
3	Housekeeping	81,420	487	8,325	90,232		90,232	(12,605)	77,627		3
4	Laundry	29,411	2,548	3,700	35,659		35,659		35,659		4
5	Heat and Other Utilities			149,549	149,549	(2,430)	147,119	(31,331)	115,788		5
6	Maintenance	82,706	1,903	12,947	97,556	(37)	97,519	(13,975)	83,544		6
7	Other (specify):* ILU Expense			690	690		690	(690)			7
8	TOTAL General Services	442,106	151,779	188,868	782,753	(25,014)	757,739	(72,663)	685,076		8
	B. Health Care and Programs										
9	Medical Director			5,225	5,225		5,225		5,225		9
10	Nursing and Medical Records	1,061,369	74,380	10,043	1,145,792		1,145,792	(13,500)	1,132,292		10
10a	Therapy	16,458		1,848	18,306		18,306		18,306		10a
11	Activities	59,656	9,184	3,940	72,780		72,780	(4,179)	68,601		11
12	Social Services	16,879			16,879		16,879		16,879		12
13	CNA Training										13
14	Program Transportation			1,143	1,143		1,143		1,143		14
15	Other (specify):* Cost of Sundries			4,297	4,297		4,297	(4,297)			15
16	TOTAL Health Care and Programs	1,154,362	83,564	26,496	1,264,422		1,264,422	(21,976)	1,242,446		16
	C. General Administration										
17	Administrative	80,004			80,004	5,804	85,808	(20,804)	65,004		17
18	Directors Fees										18
19	Professional Services			32,076	32,076		32,076		32,076		19
20	Dues, Fees, Subscriptions & Promotions			7,039	7,039		7,039		7,039		20
21	Clerical & General Office Expenses	113,150	6,401	4,769	124,320		124,320		124,320		21
22	Employee Benefits & Payroll Taxes			469,813	469,813	22,547	492,360	(8,597)	483,763		22
23	Inservice Training & Education			770	770		770		770		23
24	Travel and Seminar			245	245		245		245		24
25	Other Admin. Staff Transportation			1,649	1,649		1,649		1,649		25
26	Insurance-Prop.Liab.Malpractice			41,021	41,021	(262)	40,759	(2,760)	37,999		26
27	Other (specify):* Bad Debt			31,783	31,783		31,783	(31,783)			27
28	TOTAL General Administration	193,154	6,401	589,165	788,720	28,089	816,809	(63,944)	752,865		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	1,789,622	241,744	804,529	2,835,895	3,075	2,838,970	(158,583)	2,680,387		29

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

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

Facility Name & ID Number

A Merkle-C Knipprath Nursing Home

#0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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			221,802	221,802	(3,075)	218,727	(84,696)	134,031			30
31	Amortization of Pre-Op. & Org.											31
32	Interest											32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles											35
36	Other (specify):*											36
37	TOTAL Ownership			221,802	221,802	(3,075)	218,727	(84,696)	134,031			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers			383,135	383,135		383,135		383,135			39
40	Barber and Beauty Shops			8,421	8,421		8,421	(8,421)				40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,203	54,203		54,203		54,203			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers			445,759	445,759		445,759	(8,421)	437,338			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	1,789,622	241,744	1,472,090	3,503,456		3,503,456	(251,700)	3,251,756			45

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

Arthur Merkle Clara Knipprath Nursing Home
ID# #21832
Report Period 1/1/10 to 12/31/10
Schedule V Attachment - Reclassification

Food Purchase	Line 2, Col 5	(\$22,547)
Employee Benefits and Payroll Taxes (To reclassify employee meals)	Line 22, Col 5	22,547
Heat & Other Utilities	Line 5, Col 5	(2,430)
Maintenance	Line 6, Col 5	(37)
Insurance, Property and Liability	Line 26, Col 5	(262)
Depreciation	Line 30, Col 5	(3,075)
Administrative (To reclassify administrative costs for Brothers' residence)	Line 17, Col 5	<u>5,804</u>
Total Reclassification	Line 45, Col 5	<u><u>\$0</u></u>

Facility Name & ID Number **A Merkle-C Knipprath Nursing Home**

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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				3
4	Non-Patient Meals	(7,084)	2		4
5	Telephone, TV & Radio in Resident Rooms	(4,179)	11		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				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(31,783)	27		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				28
29	Other-Attach Schedule	(208,654)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (251,700)		\$	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
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)			34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (251,700)		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.			\$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44						44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	TOTAL (C): (sum of lines 38-46)			\$		47

A Merkle-C Knipprath Nursing Home

ID# 0021832

Report Period Beginning: 1/1/2010

Ending: 12/31/2010

Sch. V Line

NON-ALLOWABLE EXPENSES

Amount Reference

	Amount	Reference	Sch. V Line
1 Independent Living Unit - Maintenance Wages	\$ (10,000)	6	1
2 Independent Living Unit Wages	(13,500)	10	2
3 Independent Living Unit Wages - Administration	(15,000)	17	3
4 Independent Living Unit Employee Benefits	(8,597)	22	4
5 Independent Living Unit Wages	(12,605)	3	5
6 Independent Living Unit Insurance	(2,760)	26	6
7 Independent Living Unit Depreciation	(84,696)	30	7
8 Independent Living Unit Utilities	(31,331)	5	8
9 Independent Living Unit Supplies	(235)	6	9
10 Independent Living Unit Maintenance & Other	(3,740)	6	10
11 Independent Living Unit Food Cost	(6,978)	2	11
12 Administration Cost for Brothers' Residence	(5,804)	17	12
13 Adjust Barber & Beauty due to income received	(8,421)	40	13
14 Adj Sundried due to income received	(4,297)	15	14
15 Independent Living Unit - Other	(690)	7	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	(208,654)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number A Merkle-C Knipprath Nursing Home# 0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	(14,062)	0	0	0	0	0	0	0	0	0	0	(14,062)	2
3	Housekeeping	(12,605)	0	0	0	0	0	0	0	0	0	0	(12,605)	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(31,331)	0	0	0	0	0	0	0	0	0	0	(31,331)	5
6	Maintenance	(13,975)	0	0	0	0	0	0	0	0	0	0	(13,975)	6
7	Other (specify):*	(690)	0	0	0	0	0	0	0	0	0	0	(690)	7
8	TOTAL General Services	(72,663)	0	0	0	0	0	0	0	0	0	0	(72,663)	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	(13,500)	0	0	0	0	0	0	0	0	0	0	(13,500)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	(4,179)	0	0	0	0	0	0	0	0	0	0	(4,179)	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):*	(4,297)	0	0	0	0	0	0	0	0	0	0	(4,297)	15
16	TOTAL Health Care and Programs	(21,976)	0	0	0	0	0	0	0	0	0	0	(21,976)	16
	C. General Administration													
17	Administrative	(20,804)	0	0	0	0	0	0	0	0	0	0	(20,804)	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	0	0	0	0	0	0	0	0	0	0	0	0	20
21	Clerical & General Office Expenses	0	0	0	0	0	0	0	0	0	0	0	0	21
22	Employee Benefits & Payroll Taxes	(8,597)	0	0	0	0	0	0	0	0	0	0	(8,597)	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	(2,760)	0	0	0	0	0	0	0	0	0	0	(2,760)	26
27	Other (specify):*	(31,783)	0	0	0	0	0	0	0	0	0	0	(31,783)	27
28	TOTAL General Administration	(63,944)	0	0	0	0	0	0	0	0	0	0	(63,944)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(158,583)	0	0	0	0	0	0	0	0	0	0	(158,583)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number A Merkle-C Knipprath Nursing Home# 0021832

Report Period Beginning:

1/1/2010 Ending:

12/31/2010

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	(84,696)	0	0	0	0	0	0	0	0	0	0	(84,696) 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	(84,696)	0	0	0	0	0	0	0	0	0	0	(84,696) 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	(8,421)	0	0	0	0	0	0	0	0	0	0	(8,421) 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	(8,421)	0	0	0	0	0	0	0	0	0	0	(8,421) 44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(251,700)	0	0	0	0	0	0	0	0	0	0	(251,700) 45

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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
Franciscan Missionary Brothers of the Sacred Heart of Jesus	100%	N/A				

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

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

Facility Name & ID Number

A Merkle-C Knipprath Nursing Home

#

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	Bro Damien Dabraekeleer	Executive Director	Administrator			46	100.00	Stipend to	\$ 80,004	17	1
2	Bro William Farrelly	Director	Nursing			44	100.00	Religious	70,500	10	2
3	Bro Joseph Ruscha	Director	Maintenance			44	100.00	Order	52,992	6	3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 203,496		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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning: 1/1/2010

Ending: 2/31/2010

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

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					\$	\$		\$	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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	None																			
2																				
3																				
4																				
5																				
Working Capital																				
6	None																			
7																				
8																				
9	TOTAL Facility Related																			
B. Non-Facility Related*																				
10	None																			
11																				
12																				
13																				
14	TOTAL Non-Facility Related																			
15	TOTALS (line 9+line14)																			

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.)

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

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

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2009 report.		Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.		\$	Tax Exempt	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.)				\$		2																			
3. Under or (over) accrual (line 2 minus line 1).				\$	#VALUE!	3																			
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)				\$		4																			
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)				\$		5																			
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)				\$		6																			
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	#VALUE!	7																			
Real Estate Tax History:																									
Real Estate Tax Bill for Calendar Year:		2005	8	<table border="1"> <thead> <tr> <th colspan="3">FOR BHF USE ONLY</th> </tr> </thead> <tbody> <tr> <td>13</td> <td>FROM R. E. TAX STATEMENT FOR 2009</td> <td>\$</td> <td>13</td> </tr> <tr> <td>14</td> <td>PLUS APPEAL COST FROM LINE 5</td> <td>\$</td> <td>14</td> </tr> <tr> <td>15</td> <td>LESS REFUND FROM LINE 6</td> <td>\$</td> <td>15</td> </tr> <tr> <td>16</td> <td>AMOUNT TO USE FOR RATE CALCULATION</td> <td>\$</td> <td>16</td> </tr> </tbody> </table>			FOR BHF USE ONLY			13	FROM R. E. TAX STATEMENT FOR 2009	\$	13	14	PLUS APPEAL COST FROM LINE 5	\$	14	15	LESS REFUND FROM LINE 6	\$	15	16	AMOUNT TO USE FOR RATE CALCULATION	\$	16
FOR BHF USE ONLY																									
13	FROM R. E. TAX STATEMENT FOR 2009	\$	13																						
14	PLUS APPEAL COST FROM LINE 5	\$	14																						
15	LESS REFUND FROM LINE 6	\$	15																						
16	AMOUNT TO USE FOR RATE CALCULATION	\$	16																						
	2006	9																							
	2007	10																							
	2008	11																							
	2009	12																							

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.

2009 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME A Merkle-C Knipprath Nursing Home COUNTY Iroquois

FACILITY IDPH LICENSE NUMBER 0021832

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 2009 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 2009.

(A)	(B)	(C)	(D) <u>Tax</u> <u>Applicable to</u> <u>Nursing Home</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</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 and a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2009 tax bills which were listed in Section A to this statement. Be sure to use the 2009 tax bill which is normally paid during 2010.

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 A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 53,919 B. General Construction Type: Exterior Brick Frame Masonry Number of Stories 1

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.)

List entity name, type of business, square footage, and number of beds/units available (where applicable).

Countryside Villas, 15 Independent Living Units - 17,005 Square Feet

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	<u>SNF</u>	<u>1,730,560</u>	<u>1975</u>	<u>\$ 24,225</u>	<u>1</u>
2	<u>Farm/ILU</u>	<u>995,072</u>	<u>1975</u>	<u>32,775</u>	<u>2</u>
3	TOTALS	<u>2,725,632</u>		<u>\$ 57,000</u>	<u>3</u>

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	99		1975	1975	\$ 773,471	\$ 14,056	33	\$ 14,056		\$ 710,219	4
5			1975	1975	432,948	2,802	25	2,802		425,014	5
6											6
7											7
8											8
	Improvement Type**										
9	Fixed Equipment		1981		924					924	9
10			1983		5,462	22	17	22		5,407	10
11			1984		4,868		15			4,868	11
12			1985		6,098	191	15	191		6,098	12
13			1987		6,773		25			6,773	13
14			1988		650					650	14
15			1989		2,032					2,032	15
16			1990		12,971					12,971	16
17			1991		9,327	161		161		8,762	17
18			1992		1,276					1,276	18
19			1993		25,219	1,231		1,231		24,604	19
20			1994		6,594					6,594	20
21			1995		2,825					2,825	21
22			1996		97,366	3,864		3,864		62,344	22
23	Fire Suppression System		1996		2,115	106		106		1,533	23
24	Formica Nuses Station		1996		5,395	360		360		5,215	24
25	PVC Vertical Blinds		1996		350					350	25
26	Heat Pump Compressor		1996		1,890					1,890	26
27	Therapy Room Cubicle		1996		321					321	27
28	Kitchen Heat Pump		1996		1,679					1,679	28
29	2 Water Heaters		1996		4,158	277		277		4,019	29
30	Call Light System		1996		1,348	90		90		1,303	30
31	Room Heaters		1996		3,603					3,603	31
32	Pump Generator Impr		1997		2,540					2,540	32
33	Fire Alarm Impr		1997		1,105					1,105	33
34	Fire Safety Code Impr		1997		5,844	390		390		5,260	34
35	Procure Nurse Call System		1997		36,033	2,402	15	2,402		32,430	35
36	Garbage Disposal		1998		1,142	76	15	76		952	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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending: 12/31/2010

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37 Heat Pump	1998	\$ 2,853	\$	10	\$	\$	\$ 2,853	37
38 Fire Door	1998	200	10	20	10		125	38
39 Room Heat/Cool Unit	1998	3,632		10			3,632	39
40 Generator	1998	141,059	7,053	20	7,053		88,162	40
41 Cubicle Curtains	1998	5,250		10			5,250	41
42 Register Covers	1999	1,056		10			1,054	42
43 Walk-in Freezer/cooler	1999	20,126	805	25	805		9,258	43
44 Water Heater Booster	1999	1,131		10			1,131	44
45 Above Ground Tank	1999	1,495		10			1,495	45
46 Air/Heat Unit	1999	1,057		5			1,057	46
47 Air Return Extension	2000	1,532	102	15	102		1,072	47
48 SS Garbage Disposal	2000	527	26	20	26		277	48
49 (2) Air/Heat Units	2000	1,950		5			1,950	49
50 Resident Security System	2001	4,830	483	10	483		4,589	50
51 Sewage Component Impr	2001	4,549	303	15	303		2,881	51
52 Disposal	2001	549	55	10	55		521	52
53 Dehumidifier	2001	1,050	105	10	105		998	53
54 Chapel Heating/Cooling	2001	19,000	1,900	10	1,900		18,050	54
55 Natural Gas Hot Water Conversion	2002	29,705	1,980	15	1,980		16,833	55
56 Resident Hall Water Coolers	2002	1,657	166	10	166		1,408	56
57 Sewer Lagoon Impr	2002	6,824	682	10	682		5,800	57
58 Time Clock	2002	395	40	10	40		336	58
59 Resident Room Heat/Cool Unit	2003	3,470	231	15	231		1,735	59
60 Satellite	2003	782		5			782	60
61 Front Entrance Door	2003	3,612	361	10	361		2,709	61
62 Exterior Security Locks	2003	612	61	10	61		459	62
63 Closet Doors	2003	2,845	190	15	190		1,423	63
64 DR Rooftop Heating Unit	2003	6,325	422	15	422		3,163	64
65 Staff DR Cooling Unit	2003	2,600	173	15	173		1,300	65
66 Oxygen Room Ventilation	2004	593	59	10	59		386	66
67 Hot Water Supply - Mary Hall	2004	3,578	179	20	179		1,163	67
68 Water Softner System	2005	9,899	990	10	990		5,444	68
69 New Shower Valves, All Halls	2005	3,084	154	20	154		848	69
70 TOTAL (lines 4 thru 69)		\$ 1,744,154	\$ 42,558		\$ 42,558	\$	\$ 1,531,705	70

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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 1,744,154	\$ 42,558		\$ 42,558	\$	\$ 1,531,705	1
2	Oxygen Room Sprinkler	2005	709	35	20	35		195	2
3	Water System Improvement	2005	1,241	124	10	124		683	3
4	Dishwasher Motor	2005	1,825	182	5	182		1,825	4
5	Heater Unit	2005	410	41	10	41		225	5
6	Well Pump Electrical	2005	1,518	101	15	101		557	6
7	Ice Machine	2007	6,265	627	10	627		2,193	7
8	Dishwasher Booster Heater	2007	1,225	245	5	245		858	8
9	Pump for Diesel Tank	2007	401	27	15	27		94	9
10	Chapel Heating & Cooling	2007	16,558	1,656	10	1,656		5,795	10
11	Central Nurse St Rooftop Unit	2007	16,861	1,124	15	1,124		3,934	11
12	Smoke Detector Upgrade	2007	2,820	141	20	141		494	12
13	Hot Water Heater Rebuild	2008	2,685	268	10	268		671	13
14									14
15	Land Improvements	1975	194,467	2,899		2,899		181,420	15
16		1979	8,614		25			8,614	16
17		1982	39,700		20			39,700	17
18		1983	1,999		11			1,999	18
19		1984	3,405		20			3,405	19
20		1985	860		20			860	20
21		1986	6,156		12			6,156	21
22		1992	6,346	317	20	317		5,870	22
23		1993	3,640		5			3,640	23
24		1995	6,753	263	5	263		6,244	24
25	Drive Pavement	1997	8,900	593	15	593		8,010	25
26	Well	1998	7,339	367	15	367		4,587	26
27	Sewer Improvement	1999	13,399		5			13,399	27
28	Drive Sealing	2000	8,945		15			8,945	28
29	Landscaping	2002	4,211	281	5	281		2,386	29
30	Drive Widening	2002	32,150	3,215	5	3,215		27,328	30
31	Sewage System Control Panel	2003	2,635	263	15	263		1,976	31
32	Water Well Improvement	2003	7,449	745	10	745		5,587	32
33	Drive Sealing	2004	3,996		10			3,996	33
34	TOTAL (lines 1 thru 33)		\$ 2,157,636	\$ 56,072		\$ 56,072	\$	\$ 1,883,351	34

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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending: 12/31/2010

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	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 2,157,636	\$ 56,072		\$ 56,072	\$	\$ 1,883,351	1
2	<u>Sidewalk</u>	2005	2,268	151	10	151		832	2
3	<u>Landscaping</u>	2007	2,362	157	15	157		551	3
4	<u>Asphalt Repair/Replacement/Sealcoat</u>	2008	8,665	866	10	866		2,166	4
5	<u>Parking Lot Light System</u>	2008	5,578	372	15	372		930	5
6	<u>Asphalt Repair/Replacement/Sealcoat</u>	2009	9,798	980	10	980		1,470	6
7									7
8	<u>Buildings</u>	1980	4,422		20			4,422	8
9		1981	1,738		10			1,738	9
10		1982	1,106		25			1,106	10
11		1984	130,023		20			130,023	11
12		1985	598		15			598	12
13		1986	640,838	17,604	33	17,604		496,901	13
14	<u>Buildings</u>	1987	37,528		15			37,528	14
15		1988	13,228		15			13,228	15
16		1989	10,488		15			10,488	16
17		1990	2,096		10			2,096	17
18		1991	35,542	1,663	20	1,663		34,710	18
19		1992	(34,187)	(854)	40	(854)		(15,140)	19
20		1993	475		10			475	20
21	<u>Floor Tile Nurse Station</u>	1996	2,050	137	15	137		1,982	21
22	<u>Floor Tile Clara Wing</u>	1996	778	52	15	52		752	22
23	<u>Floor Tile, Main, Kitchen</u>	1997	14,739		7			14,739	23
24	<u>Hallway Impr</u>	1997	3,870		5			3,870	24
25	<u>Roof Improvements</u>	1997	13,828	922	15	922		12,445	25
26	<u>Floor Tile Arthur Wing</u>	1998	6,475		10			6,475	26
27	<u>DR Vinyl Floor</u>	1998	4,420		5			4,420	27
28	<u>Interior Corridor Doors</u>	2000	2,415	161	10	161		1,691	28
29	<u>Chapel Roof (Partial)</u>	2001	3,099	207	15	207		1,963	29
30	<u>Kitchen Doors</u>	2001	1,031	103	20	103		979	30
31	<u>New Roof</u>	2002	32,319	1,616	20	1,616		13,736	31
32	<u>Floor Tile</u>	2002	2,919	195	15	195		1,654	32
33	<u>Maintenance Shed</u>	2002	7,010	280	25	280		2,383	33
34	TOTAL (lines 1 thru 33)		\$ 3,125,155	\$ 80,684		\$ 80,684	\$	\$ 2,674,562	34

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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 3,125,155	\$ 80,684		\$ 80,684	\$	\$ 2,674,562	1
2	North Wing Roof	2003	34,539	1,727	20	1,727		12,952	2
3	Chapel Windows	2003	18,234	912	20	912		6,838	3
4	Resident Room Tiling	2003	1,521	152	10	152		1,141	4
5	Chapel Entry Flooring	2003	2,924	292	10	292		2,193	5
6	Chapel Roof/Glass	2004	3,115	208	15	208		1,350	6
7	Tiling Mary Hall	2004	36,035	3,604	10	3,604		23,423	7
8	Mary Hall Rehab	2004	7,660	511	15	511		3,319	8
9	Mary Hall Wiring	2004	3,050	153	20	153		991	9
10	Dining Area Painting	2005	1,875	188	5	188		1,875	10
11	Water Supply System Impr	2006	1,540	308	5	308		1,386	11
12	Fire Alarm System	2006	29,014	1,934	15	1,934		8,704	12
13	Kitchen Rooftop Unit	2006	10,078	672	15	672		3,023	13
14	Heater Units	2006	5,735	574	10	574		2,581	14
15	Nursing Sanitation Equipment	2006	705	71	10	71		317	15
16	Door Security System Upgrade	2006	3,123	312	10	312		1,405	16
17	Lot Sealing	2006	3,211	642	5	642		2,890	17
18	Life Safety Improvements	2006	4,054	811	5	811		3,648	18
19	Chapel Roof	2006	11,986	799	15	799		3,595	19
20	Chapel Drywall/Paint	2006	6,941	694	10	694		3,123	20
21	Gutters	2006	256	17	15	17		77	21
22	Chapel fire Rated Doors	2007	3,954	158	25	158		554	22
23	Life Safety Electric Upgrade	2007	824	41	20	41		144	23
24	Andrew Hall Electric Upgrade	2007	2,715	136	20	136		475	24
25	Mary Wing Roofing	2007	21,900	1,460	15	1,460		5,110	25
26	Flooring	2008	37,045	3,705	10	3,705		9,261	26
27	Main Building Roofing	2008	66,500	3,325	20	3,325		8,313	27
28	Andrew & Arthur Hall Roofing	2009	10,500	525	20	525		788	28
29	Mary Hall Roofing	2009	28,875	1,444	20	1,444		2,166	29
30	Clara Hall Roofing	2009	34,804	1,740	20	1,740		2,610	30
31	5 - Room Furn & AC Units	2010	5,690	142	10	142		142	31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 3,523,558	\$ 107,941		\$ 107,941	\$	\$ 2,788,956	34

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

Arthur Merkle Clara Knipprath Nursing Home
ID# 21832
Report Period Beginning 1/1/10 to 12/31/10
Attachment to Schedule XI, Page 12C, Line 16

The Nursing Home received an adjustment on building improvements constructed in 1982 due to construction problems relating to leakage in the chapel roof. This amount is reflected as a 1992 line item and adjusted prospectively.

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	\$ 295,506	\$ 25,975	\$ 25,975	\$		\$ 234,293	71
72	Current Year Purchases	6,093	179	179			179	72
73	Fully Depreciated Assets	214,574					214,574	73
74								74
75	TOTALS	\$ 516,173	\$ 26,154	\$ 26,154	\$		\$ 449,046	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	1996 FORD ELDORADO TRANSIT BUS		1996	\$ 38,099	\$	\$	\$	10	\$ 38,099	76
77	1996 MERCURY SABLE		1996	15,878				4	15,878	77
78	1993 MERCURY VILLAGER		1992	18,387				5	18,387	78
79	1997 GMC TRUCK		2002	14,580				7	14,580	79
80	TOTALS			\$ 86,944	\$	\$	\$		\$ 86,944	80

E. Summary of Care-Related Assets

	1	2	
	Reference	Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 4,183,675 81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 134,095 82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 134,095 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)	\$ 3,324,946 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	Brother Residence	\$ 95,606	\$ 2,449	\$ 84,584	86
87	Brother Residence Equipment	22,663	626	19,175	87
88	Apartment Complex Bldg	1,804,851	53,991	983,844	88
89	Apartment Complex Equipment	734,679	28,648	612,541	89
90	Apartment Complex Land Imp	29,283	1,990	24,372	90
91	TOTALS	\$ 2,687,082	\$ 87,704	\$ 1,724,516	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.

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending: 12/31/2010

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: NA

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. _____ /2011 \$ _____

13. _____ /2012 \$ _____

14. _____ /2013 \$ _____

* 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?</p> <p><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>
---	---	--

All new nurses aids are required to have completed the proper certification and training prior to being hired.

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.

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				
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	39-3	hrs				316,735		316,735	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39-3	# of prescripts				30,970		30,970	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify):	39-3					35,430		35,430	12
13	Other (specify):									13
14	TOTAL			\$		\$	\$ 383,135		\$ 383,135	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.

Facility Name & ID Number A Merkle-C Knipprath Nursing Home# 0021832Report Period Beginning: 1/1/2010

Ending:

12/31/2010

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2010

(last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 330,110	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>42,500</u>)	390,692		3
4	Supply Inventory (priced at _____)			4
5	Short-Term Investments	2,854,222		5
6	Prepaid Insurance	76,115		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Accrued Interest</u>	8,444		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 3,659,583	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	800,000		12
13	Land	479,128		13
14	Buildings, at Historical Cost	3,941,298		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	2,450,329		16
17	Accumulated Depreciation (book methods)	(5,049,460)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify): _____			22
23	Other(specify): _____			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 2,621,295	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 6,280,878	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 105,728	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	37,125		30
31	Accrued Taxes Payable (excluding real estate taxes)	12,585		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>Apartment Rental Deposits</u>	9,765		36
37	_____			37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 165,203	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	_____			43
44	_____			44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 165,203	\$	46
47	TOTAL EQUITY (page 18, line 24)	\$ 6,115,675	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 6,280,878	\$	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 6,032,255	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 6,032,255	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	83,420	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)	\$ 83,420	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)	\$ 6,115,675	24 *

* This must agree with page 17, line 47.

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required

classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

		1	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 4,842,422	1
2	Discounts and Allowances for all Levels	(1,626,944)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 3,215,478	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	3,996	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 3,996	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	20,835	14
15	Telephone, Television and Radio	27,384	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		21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 48,219	23
D. Non-Operating Revenue			
24	Contributions	11,722	24
25	Interest and Other Investment Income***	67,346	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 79,068	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Rental & Farm</u>	240,115	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 240,115	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 3,586,876	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	782,753	31
32	Health Care	1,264,422	32
33	General Administration	788,720	33
B. Capital Expense			
34	Ownership	221,802	34
C. Ancillary Expense			
35	Special Cost Centers	391,556	35
36	Provider Participation Fee	54,203	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 3,503,456	40
41	Income before Income Taxes (line 30 minus line 40)**	83,420	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 83,420	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? yes If not, please attach a reconciliation.

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

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

Facility Name & ID Number A Merkle-C Knipprath Nursing Home

0021832

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	1,972	2,148	\$ 64,248	\$ 29.91	1
2	Assistant Director of Nursing					2
3	Registered Nurses	7,527	8,383	269,613	32.16	3
4	Licensed Practical Nurses	12,901	14,205	268,896	18.93	4
5	CNAs & Orderlies	39,296	42,200	448,818	10.64	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	1,690	1,690	16,422	9.72	8
9	Activity Director	2,031	2,287	29,970	13.10	9
10	Activity Assistants	2,443	2,739	29,557	10.79	10
11	Social Service Workers	819	939	16,842	17.94	11
12	Dietician					12
13	Food Service Supervisor	1,522	1,714	28,609	16.69	13
14	Head Cook	1,984	2,224	25,036	11.26	14
15	Cook Helpers/Assistants	16,072	17,803	194,385	10.92	15
16	Dishwashers					16
17	Maintenance Workers	1,613	1,741	82,527	47.40	17
18	Housekeepers	9,472	10,312	85,126	8.26	18
19	Laundry	2,701	2,701	29,347	10.87	19
20	Administrator	2,496	2,496	79,830	31.98	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	8,455	9,295	99,434	10.70	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,920	1,920	20,962	10.92	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	114,914	124,797	\$ 1,789,622 *	\$ 14.34	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	96	\$ 5,869	Ln 1, Col 3	35
36	Medical Director	36	5,225	Ln 9, Col3	36
37	Medical Records Consultant	24	1,380	Ln 10, Col 3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	72	2,513	Ln 10, Col 3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	20	1,584	Ln 11, Col 3	44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	248	\$ 16,571		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

XIX. SUPPORT SCHEDULES

A. Administrative Salaries			D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions			
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount		
Brother Damien	Administrator		\$ 80,004	Workers' Compensation Insurance	\$ 56,765	IDPH License Fee	\$		
				Unemployment Compensation Insurance		Advertising: Employee Recruitment			
				FICA Taxes	129,663	Health Care Worker Background Check			
				Employee Health Insurance	274,788	(Indicate # of checks performed)			
				Employee Meals	22,547	Patient Background Checks	3 48		
				Illinois Municipal Retirement Fund (IMRF)*		Life Services Network	3,940		
						MES/HPSO of IL	175		
						L1 Identity	476		
						IL Dept of Public Health	1,990		
						Other	410		
						Less: Public Relations Expense	()		
						Non-allowable advertising	()		
						Yellow page advertising	()		
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 80,004	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)			
						\$ 7,039			
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**		
Description			Amount	Description	Line #	Amount	Description	Amount	
			\$			\$	Out-of-State Travel	\$	
							In-State Travel	245	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$				Seminar Expense		
C. Professional Services									
Vendor/Payee	Type	Amount					Entertainment Expense	()	
Smith, Koelling, Dykstra & Ohm	Accounting & Audit	\$ 23,100					(agree to Sch. V, line 24, col. 8)		
IVANS	Medical Fees	1,663					TOTAL	\$ 245	
American Appraisals	Fixed Asset Accounting	1,700							
Benefit Services Group	Fees	2,303							
WIPFLI	Fees	1,750							
Keane Care	Accounting Software	1,361							
Other	Fees	199							
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 32,076	TOTAL		\$			

* Attach copy of IMRF notifications

**See instructions.

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

(See instructions.)

1	2	3	4	5	6	7	8	9	10	11	12	13
Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20	TOTALS	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

Facility Name & ID Number A Merkle-C Knipprath Nursing Home# 0021832Report Period Beginning: 1/1/2010Ending: 12/31/2010**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? Yes
If YES, give association name and amount. \$3,940 Life Services Network
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? _____
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 32,634 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 54,203
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? Yes For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 22,547 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 7,084
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 67
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? _____
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? Yes
Firm Name: Smith, Koelling, Dykstra & Ohm, P.C.
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? N/A
Attach invoices and a summary of services for all architect and appraisal fees.

Arthur Merkle Clara Knipprath Nursing Home
ID#21832
Report Period Beginning 1/1/10 Ending 12/31/10
Attachment to Schedule XX, Item 14

The portion of the building which is used for Independent Living Units is a completely separate section of the building with its own meters for utilities. Expenses, including depreciation, which relate to the Independent Living Units, are maintained separately in the accounting records.