

Facility Name & ID Number Hearthstone Manor

0027664 Report Period Beginning: 7/1/09 Ending: 6/30/10

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 N/A

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

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment				5 Total	
		3 Medicaid Recipient	4 Private Pay	Other	Total		
8	SNF			2,814	2,814		8
9	SNF/PED						9
10	ICF	7,512	10,389		17,901		10
11	ICF/DD						11
12	SC						12
13	DD 16 OR LESS						13
14	TOTALS	7,512	10,389	2,814	20,715		14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 41.13%

D. How many bed-hold days during this year were paid by the Department? None (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 Note : Non-allowable costs have been eliminated in Schedule V, Column 7.

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 1/1/1903

J. Was the facility purchased or leased after January 1, 1978?
YES Date N/A NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 29 and days of care provided 2,814

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 6/30/10 Fiscal Year: 6/30/10

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

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 7/1/09 Ending: 6/30/10

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	322,482	34,171	8,732	365,385		365,385	33,424	398,809		1
2	Food Purchase		238,199		238,199		238,199	(3,277)	234,922		2
3	Housekeeping	148,114	28,494		176,608		176,608	(13,410)	163,198		3
4	Laundry	60,671	13,231		73,902		73,902	(9,011)	64,891		4
5	Heat and Other Utilities			110,607	110,607		110,607	5,755	116,362		5
6	Maintenance			150,912	150,912		150,912	106,465	257,377		6
7	Other (specify):*										7
8	TOTAL General Services	531,267	314,095	270,251	1,115,613		1,115,613	119,946	1,235,559		8
	B. Health Care and Programs										
9	Medical Director							3,000	3,000		9
10	Nursing and Medical Records	2,364,434	133,193	64,999	2,562,626		2,562,626	132,354	2,694,980		10
10a	Therapy			393,008	393,008		393,008	(3,000)	390,008		10a
11	Activities	155,231	7,220	1,796	164,247		164,247	(34,123)	130,124		11
12	Social Services	112,608	12,933	1,346	126,887		126,887	(67,608)	59,279		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	2,632,273	153,346	461,149	3,246,768		3,246,768	30,623	3,277,391		16
	C. General Administration										
17	Administrative	129,679		882,321	1,012,000		1,012,000	(882,705)	129,295		17
18	Directors Fees										18
19	Professional Services			25,379	25,379		25,379	83,581	108,960		19
20	Dues, Fees, Subscriptions & Promotions			13,011	13,011		13,011	2,417	15,428		20
21	Clerical & General Office Expenses	135,211	16,795	14,954	166,960		166,960	472,852	639,812		21
22	Employee Benefits & Payroll Taxes			840,797	840,797		840,797	147,224	988,021		22
23	Inservice Training & Education			547	547		547		547		23
24	Travel and Seminar			4,963	4,963		4,963	9,924	14,887		24
25	Other Admin. Staff Transportation			4,483	4,483		4,483	9,523	14,006		25
26	Insurance-Prop.Liab.Malpractice			65,507	65,507		65,507	8,692	74,199		26
27	Other (specify):*										27
28	TOTAL General Administration	264,890	16,795	1,851,962	2,133,647		2,133,647	(148,492)	1,985,155		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,428,430	484,236	2,583,362	6,496,028		6,496,028	2,077	6,498,105		29

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number

Hearthstone Manor

#0027664

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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			264,905	264,905		264,905	33,020	297,925			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			8,862	8,862		8,862	(2,698)	6,164			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds							7,581	7,581			34
35	Rent-Equipment & Vehicles			8,703	8,703		8,703		8,703			35
36	Other (specify):*											36
37	TOTAL Ownership			282,470	282,470		282,470	37,903	320,373			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		93,845		93,845		93,845		93,845			39
40	Barber and Beauty Shops	30,436	876		31,312		31,312	(519)	30,793			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			41,063	41,063		41,063		41,063			42
43	Other (specify):* Non-Allowable Cos			207,299	207,299		207,299	(207,299)				43
44	TOTAL Special Cost Centers	30,436	94,721	248,362	373,519		373,519	(207,818)	165,701			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,458,866	578,957	3,114,194	7,152,017		7,152,017	(167,838)	6,984,179			45

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Hearthstone Manor**

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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				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	(1,310)	30		9
10	Interest and Other Investment Income	(2,698)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(24,024)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(1,341)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(160,700)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(9,723)	43		28
29	Other-Attach Schedule See Pg 5A	31,958			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (167,838)		\$	30

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		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))	\$ (167,838)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1	2	3	4	
		Yes	No	Amount	Reference	
38	Medically Necessary Transport.		X	\$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44						44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

BHF USE ONLY							
48		49		50		51	52

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor

ID# 0027664
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NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Non-allowable marketing costs	\$ (4,717)	43	1
2	Offset meal revenue against food cost	(1,919)	2	2
3	Offset gift shop revenue against activity cost	(1,358)	2	3
4	Value of non-paid volunteers	48,087	10	4
5	Non-allowable grant expenditures	(8,135)	43	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
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31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	31,958		49

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
N/A		N/A		Woodstock Christian Life Services	Woodstock	Corporate Office
				Hearthstone Village	Woodstock	Independent Living
				Woodstock Early Learning Center	Woodstock	Daycare

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. YES NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: 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	5 Utilities	\$	Woodstock Christian Life Services	100.00%	\$ 5,755	\$ 5,755	1
2	V	6 Maintenance		Woodstock Christian Life Services	100.00%	106,465	106,465	2
3	V	19 Professional Fees		Woodstock Christian Life Services	100.00%	84,922	84,922	3
4	V	20 Dues, Subscriptions, Promo		Woodstock Christian Life Services	100.00%	2,417	2,417	4
5	V	21 Clerical/General Office		Woodstock Christian Life Services	100.00%	465,488	465,488	5
6	V	22 Employee Benefits		Woodstock Christian Life Services	100.00%	147,224	147,224	6
7	V	24 Travel & Seminar		Woodstock Christian Life Services	100.00%	9,924	9,924	7
8	V	25 Admin. Staff Transportation		Woodstock Christian Life Services	100.00%	9,523	9,523	8
9	V	26 Insurance		Woodstock Christian Life Services	100.00%	8,692	8,692	9
10	V	30 Depreciation		Woodstock Christian Life Services	100.00%	34,330	34,330	10
11	V	34 Rent-Facility		Woodstock Christian Life Services	100.00%	7,581	7,581	11
12	V	17 Management Fees	882,321	Woodstock Christian Life Services	100.00%		(882,321)	12
13	V							13
14	Total		\$ 882,321			\$ 882,321	\$ *	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor # 0027664 Report Period Beginning: 7/1/09 Ending: 6/30/10

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference
						Hours	Percent	Description	Amount	
1	See Attached Schedule 7A								\$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13								TOTAL	\$	13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	5	Utilities	Direct Costs	1	\$ 5,755	\$	1	\$ 5,755	1
2	6	Maintenance	Direct Costs	1	106,465		1	106,465	2
3	19	Professional Fees	Direct Costs	1	84,922		1	84,922	3
4	20	Dues, Subscriptions, Promo	Direct Costs	1	2,417		1	2,417	4
5	21	Clerical/General Office	Direct Costs	1	465,488		1	465,488	5
6	22	Employee Benefits	Direct Costs	1	147,224		1	147,224	6
7	24	Travel & Seminar	Direct Costs	1	9,924		1	9,924	7
8	25	Admin. Staff Transportation	Direct Costs	1	9,523		1	9,523	8
9	26	Insurance	Direct Costs	1	8,692		1	8,692	9
10	30	Depreciation	Direct Costs	1	34,330		1	34,330	10
11	34	Rent-Facility	Direct Costs	1	7,581		1	7,581	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				\$ 882,321	\$		\$ 882,321	25

SEE ACCOUNTANTS' COMPILATION REPORT

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

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2009 report.		\$	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2009	\$	N/A
3. Under or (over) accrual (line 2 minus line 1).		\$	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.		\$	7

Real Estate Tax History:			
Real Estate Tax Bill for Calendar Year:	2005	_____	8
	2006	_____	9
	2007	_____	10
	2008	_____	11
	2009	N/A	12

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

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

2009 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Hearthstone Manor COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0027664

CONTACT PERSON REGARDING THIS REPORT John Delavan, Interim CFO

TELEPHONE (815) 321-4021 FAX #: (815) 338-8846

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 Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1.	<u>Facility is a not-for-profit entity and is exempt from real estate taxes.</u>	<u>is exempt from real estate taxes.</u>	\$ _____	\$ _____
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 X 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 Hearthstone Manor

0027664 Report Period Beginning:

7/1/09 Ending:

6/30/10

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 60,000 B. General Construction Type: Exterior Masonry Frame _____ Number of Stories Three

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.)
 List entity name, type of business, square footage, and number of beds/units available (where applicable).

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO
 If so, please complete the following:

1. Total Amount Incurred: _____ 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:

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Report Period Beginning:

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Ending:

6/30/10**XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1	2	3	4	5	6	7	8	9		
	Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	10		1950	1950	\$ 150,823	\$	40	\$	\$	\$ 150,823	4
5	90		1973	1973	796,110	19,903	40	19,903		756,309	5
6	38		1976	1976	751,053	18,776	40	18,776		657,166	6
7											7
8											8
	Improvement Type**										
9		Sprinkler System		1977	2,935		25			2,935	9
10		Air conditioning		1977	10,374		10			10,374	10
11		Roof		1978	4,656		20			4,656	11
12		Roof		1978	7,536		20			7,536	12
13		Boiler		1978	8,498		20			8,498	13
14		Sprinkler System		1980	10,353		25			10,353	14
15		Office Remodeling		1980	5,218	130	40	130		4,035	15
16		Roof		1981	5,100		10			5,100	16
17		Parking Lot		1982	3,549	89	40	89		2,739	17
18		Roof Additions		1983	6,560	164	40	164		4,346	18
19		Roof		1984	4,690		10			4,690	19
20		Kitchen		1984	187		20			187	20
21		Kitchen		1985	1,415	35	40	35		923	21
22		Sign		1985	855		5			855	22
23		Remodeling Second Floor		1985	10,026		10			10,026	23
24		Activity Room		1985	1,044		15			1,044	24
25		Remodeling Second Floor		1985	1,735		20			1,735	25
26		Dining Room Remodel		1986	27,607		10			27,607	26
27		Solarium		1986	15,216		10			15,216	27
28		Kitchen		1986	5,749		20			5,749	28
29		Solarium		1987	45,713	1,143	40	1,143		27,430	29
30		HVAC		1987	3,931		20			3,931	30
31		Water Heater		1987	1,258		15			1,258	31
32		Roof		1987	11,828		10			11,828	32
33		Re-Key Locks		1987	1,004		10			1,004	33
34		Renovations Room 241		1987	629		15			629	34
35		Parking Lot		1987	3,291		15			3,291	35
36											36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10**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	Roof	1988	\$ 12,550	\$	10	\$	\$ 12,550	37
38	Remodel Employee Lounge	1988	890		10		890	38
39	Water Meters	1989	2,820		10		2,820	39
40	Roof Repair	1990	1,255		10		1,255	40
41	Thermostats	1991	1,264		10		1,264	41
42	Roof Repair	1992	980		10		980	42
43	Thermostats	1992	1,481		10		1,481	43
44	Drop Ceiling	1992	370		10		370	44
45	Windows	1992	607		10		607	45
46	Roof Repair	1992	608		10		608	46
47								47
48	Nurse Station	1992	359		10		359	48
49	Roof Repair	1992	720		10		720	49
50								50
51								51
52	Parking Lot Expansion	1992	577		15		577	52
53	Roof Repair	1993	800		10		800	53
54	Windows	1993	317		10		317	54
55	Roof Repair	1993	1,715		10		1,715	55
56	Generator Repair	1993	1,049		10		1,049	56
57	Water Heater	1994	3,240		10		3,240	57
58	Courtyard	1994	819		10		819	58
59	Alarm System	1994	1,391		10		1,391	59
60	Fire Doors	1994	437		10		437	60
61	Roof Repair	1994	1,259		10		1,259	61
62	Plumbing	1995	10,741		5		10,741	62
63	Roof Repair	1995	1,170		10		1,170	63
64	Roof Repair	1995	11,299		10		11,299	64
65	Roof Repair	1995	12,340		10		12,340	65
66	Roof Repair	1995	861		10		861	66
67	Electrical Repair	1995	15,122		10		15,122	67
68	Roof Repair	1996	3,500		10		3,500	68
69	Doors	1996	2,685		15		2,685	69
70	TOTAL (lines 4 thru 69)		\$ 1,992,169	\$ 40,240		\$ 40,240	\$ 1,835,499	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10**XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 1,992,169	\$ 40,240		\$ 40,240	\$	\$ 1,835,499	1
2	Fire Doors	1996	457		20			457	2
3	Doors	1996	1,649		10			1,649	3
4	Architect Service	1996	13,331	667	20	667		9,527	4
5	Roof Repair	1996	5,380	203	20	203		5,583	5
6	Roof Replacement	1996	27,341	1,367	20	1,367		19,025	6
7	Plumbing	1996	10,960	548	20	548		11,413	7
8	Architect Service	1996	1,332	67	20	67		928	8
9	Roof Repair	1996	1,758	88	20	88		1,821	9
10	Alum. Gutter-downspout	1996	1,650	83	20	83		1,695	10
11	Architect Service	1996	1,122	56	20	56		774	11
12	Roof Repair	1996	540	27	20	27		558	12
13	Rooftop HVAC Replacement	1996	52,688	2,634	20	2,634		30,438	13
14	New Door	1996	3,042	152	20	152		3,114	14
15	Roof Replacement	1996	25,941	1,297	20	1,297		17,726	15
16	Firestops Replacement	1996	3,553		10			3,553	16
17	Architect Service	1996	475	24	20	24		326	17
18	Exit Lights	1996	2,737		10			2,737	18
19	Architect Service	1996	750	38	20	38		511	19
20	HVAC	1996	77,291	3,865	20	3,865		52,495	20
21	New Sidewalk	1996	986	66	15	66		901	21
22	Parking lot repair	1996	1,623		10			1,623	22
23	S.M. Sign Maintenance	1996	308		5			308	23
24	Labor-Roof Replacement	1997	12,255	613	20	613		12,254	24
25	Architect Service	1997	1,775	89	20	89		1,842	25
26	Sunroom painting	1997	2,145	107	20	107		2,110	26
27	Asbestos repair	1997	715	36	20	36		705	27
28	Heating	1998	5,787	289	20	289		4,114	28
29	Ductwork and Electric	1998	3,370	169	20	169		3,063	29
30	Rebuild roof unit	1998	2,235	112	20	112		2,031	30
31	3rd floor project	1998	10,019	501	20	501		6,304	31
32	IDPH-Building Project Fees	1998	2,712	136	20	136		1,708	32
33	Shayman-Contractors	1998	10,000	500	20	500		6,292	33
34	TOTAL (lines 1 thru 33)		\$ 2,278,096	\$ 53,974		\$ 53,974	\$	\$ 2,043,084	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10**XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 2,278,096	\$ 53,974		\$ 53,974	\$	\$ 2,043,084	1
2	<u>Century Tile</u>	1998	461	23	20	23		415	2
3									3
4	<u>Signage</u>	1998	412		5			412	4
5	<u>Phone/Data Lines</u>	1998	7,869		10			7,869	5
6	<u>ADA Sidewalk</u>	1999	2,016	101	20	101		1,210	6
7	<u>Phone/Data Lines</u>	1999	1,450		10			1,450	7
8	<u>Air Conditioning</u>	1999	10,866		10			10,866	8
9	<u>Aluminum Gutters/Downspouts</u>	1999	540		10			540	9
10	<u>Exit Lights</u>	1999	322		10			322	10
11	<u>Exit Lights</u>	1999	400		10			400	11
12									12
13	<u>Third Floor Renovation-Building</u>	1999	240,021	12,001	20	12,001		138,012	13
14	<u>Fire Protection</u>	1999	2,750		10			2,750	14
15	<u>Architect Fees</u>	1999	1,080		3			1,080	15
16	<u>Maintenance Labor-Painting</u>	1999	1,740		5			1,740	16
17	<u>Paint Stairwells & Halls</u>	1999	1,624		5			1,624	17
18	<u>Third Floor Renovation-Bldg-Final PMT</u>	1999	32,418	1,621	20	1,621		18,641	18
19	<u>Carpeting-Main Floor</u>	1999	10,300		5			10,300	19
20	<u>Signage</u>	2000	987		5			987	20
21	<u>Storm Windows</u>	2000	941		5			941	21
22	<u>New Park Street Door</u>	2000	2,872	191	15	191		1,850	22
23	<u>Replace Warped Doors</u>	2000	3,960		5			3,960	23
24	<u>Reception Area</u>	2000	25,839	2,584	10	2,584		23,172	24
25	<u>Property Banners</u>	2000	968		5			968	25
26	<u>Sidewalk Replacements</u>	2001	5,100	340	15	340		3,060	26
27	<u>ADT Security System - Manor</u>	2001	21,653	2,165	10	2,165		18,946	27
28	<u>Remodel RM 203 Admissions Office</u>	2001	2,155	215	10	215		1,866	28
29	<u>3rd Floor Office Space Conversion</u>	2001	3,965	396	10	396		3,401	29
30	<u>Convert RM 203 to Office, Copy and Storage</u>	2001	3,765	376	10	376		3,230	30
31	<u>Convert Sun Room to New Chapel</u>	2001	39,890	3,989	10	3,989		34,183	31
32	<u>SC Activity Dining Room Conversion</u>	2002	7,422	742	10	742		6,308	32
33	<u>General Store Conversion</u>	2002	2,131	213	10	213		1,801	33
34	TOTAL (lines 1 thru 33)		\$ 2,714,011	\$ 78,931		\$ 78,931	\$	\$ 2,345,388	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10**XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 2,714,011	\$ 78,931		\$ 78,931	\$	\$ 2,345,388	1
2	Replace Defective Water Piping	2002	10,213	1,021	10	1,021		8,255	2
3	Nursing Floor Showers	2003	2,943	294	10	294		2,353	3
4	Asbestos Inspection	2003	4,374	437	10	437		3,463	4
5	Chapel Conversion	2003	856		5			856	5
6	Tuckpoint Boiler Smoke Stack	2003	3,630	363	10	363		2,753	6
7	Traditions Alzheimer Dementia Units	2003	517,689	25,766	20	25,766		191,099	7
8	Traditions Blueprints and Design Drawings	2003	8,250	413	20	413		3,061	8
9	Traditions Arch Design, IDPH & Other fees/permits, other soft co	2003	46,691	2,335	20	2,335		17,316	9
10	New Chapel Landscaping	2003	6,553		5			6,553	10
11	Replace flat roof	2003	4,680	234	20	234		1,736	11
12	Replace floor tile in dining room	2003	6,360		5			6,360	12
13	Signage Engraver - Manor	2003	544		5			544	13
14	Carpet Extractor	2003	2,035		5			2,035	14
15	Washer Drum	2003	1,738		5			1,738	15
16	Satellite TV System	2003	10,485					10,485	16
17	Elevator Code Updates	2003	2,227		5			2,227	17
18	Foor Processor	2003	1,147		5			1,147	18
19	Carpet repairs	2004	2,662		5			2,662	19
20	Motorola Furniture	2004	10,650		4			10,650	20
21	A/C Heating units (5)	2004	7,200	480	5	480		7,200	21
22	Furniture for Infant/Toddler room	2004	12,525	835	5	835		12,525	22
23	Maint Labor on Infant/Toddler room	2004	1,684	112	5	112		1,684	23
24	Furniture for Model Apartment	2004	5,832	778	5	778		5,832	24
25	Repair washer shaft & basket	2004	2,223	370	5	370		2,223	25
26	Remodel 831 Northampton	2004	5,108	1,022	5	1,022		4,939	26
27	Commercial garbage disposal	2004	1,404	281	5	281		1,358	27
28	Digital Copier	2004	6,122	1,224	5	1,224		5,917	28
29	Hot Pack Warming Device	2004	1,295	259	5	259		1,122	29
30	Signage	2004	1,430	286	5	286		1,239	30
31	Food Processor	2004	1,629	326	5	326		1,358	31
32	Two whirlpool baths and walk in shower	2004	30,215	3,021	10	3,021		16,621	32
33	Tab cut outs	2004	1,250	125	10	125		667	33
34	TOTAL (lines 1 thru 33)		\$ 3,435,653	\$ 118,913		\$ 118,913	\$	\$ 2,683,365	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10**XI. OWNERSHIP COSTS (continued)****B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12D, Carried Forward		\$ 3,435,653	\$ 118,913		\$ 118,913	\$	\$ 2,683,365	1
2	Remodel entry way and lobby	2004	1,647	165	10	165		880	2
3	Repair water main to building	2004	1,066	107	10	107		552	3
4	New Furnace	2004	1,865	187	10	187		903	4
5	Replace fire panel	2004	2,525	253	10	253		1,138	5
6	Repair 2 broken pipes	2004	1,734	173	10	173		750	6
7	BLACK TOP COURT ROAD	2004	12,820	855	15	855		5,984	7
8	BEAUTY SHOP RELOCATION	2005	3,701	370	10	370		1,758	8
9	Rehab Remodel - Wall Removal, Painting, & Carpeting	2005	3,566	357	10	357		1,606	9
10	WANDER GUARD DOORS	2005	8,898	890	10	890		3,931	10
11	FIRE SYSTEM HORNS & STROBES	2005	3,680	736	5	736		3,128	11
12	NURSING CARE FLOOR RENOVATION - Nurses Stations	2005	121,584	12,158	10	12,158		50,902	12
13	installed, Chair Rails added, Painting, and Flooring								13
14	WATER METER AT STATION 2 DOOR	2005	2,930	293	10	293		1,196	14
15	Sumner Street Awning	2006	4,327	288	10	433	145	1,587	15
16	Courtyard Renovation	2006	24,035	1,499	15	2,404	905	8,711	16
17	Remodel SC Room 233	2007	736	147	5	147		478	17
18	New Rooftop HVAC Unit	2007	10,922	1,092	10	1,092		3,367	18
19	Repair Roof over TLC Dining Room	2007	1,639	164	10	164		506	19
20									20
21	Replace Manor Room	2007	5,970	597	10	597		1,493	21
22	Laundry Drain Repair and Manhole	2007	4,015	402	10	402		1,005	22
23	Transitions Expansion (Add 6 rooms & 11 Beds)	2008	58,560	5,856	10	5,856		14,640	23
24	Pro Com Integrated Security Systems	2008	184,814	18,481	10	18,481		46,209	24
25	Paint 38 Rooms in NC	2008	10,099	1,010	10	1,010		2,525	25
26									26
27	Air Conditioners	2008	8,790	879	10	879		1,319	27
28	Fire System	2008	3,700	370	10	370		555	28
29	Doors	2008	6,431	643	10	643		675	29
30	Entrance Canopy	2008	6,200	620	10	620		930	30
31	Vertical Rod Exit Devices	2008	5,488	549	10	549		823	31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 3,937,395	\$ 168,054		\$ 169,104	\$ 1,050	\$ 2,840,916	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number **Hearthstone Manor**

0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12E, Carried Forward		\$ 3,937,395	\$ 168,054		\$ 169,104	\$ 1,050	\$ 2,840,916	1
2	Water Heater	2008	4,636	464	10	464		696	2
3	Doors	2009	2,550	255	10	255		383	3
4	Tile Flooring	2009	4,840	484	10	484		726	4
5	Roof	2009	14,646	1,465	10	1,465		2,197	5
6									6
7	Upgrade therapy room	2009	2,823	282	5	282		282	7
8	Remodel reception area-cabinets	2009	9,209	460	10	460		460	8
9	Conference Room Conversion	2009	5,981	299	10	299		299	9
10	Sprinkler System	2010	15,250	508	15	508		508	10
11	Re-Carpet New Traditions area	2010	7,256	726	5	726		726	11
12	Replace floor and lights in Terrace	2010	11,921	1,192	5	1,192		1,192	12
13	Re-carpet halls and dining room	2010	11,997	1,200	5	1,200		1,200	13
14									14
15									15
16									16
17	Hearthstone Manor Allocated Depreciation from WCLS					34,330	34,330		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	TOTAL (lines 1 thru 33)		\$ 4,028,504	\$ 175,389		\$ 210,769	\$ 35,380	\$ 2,849,585	34

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	\$ 870,047	\$ 49,362	\$ 47,002	\$ (2,360)	3-10	\$ 766,142	71
72	Current Year Purchases	52,105	5,211	5,211			5,211	72
73	Fully Depreciated Assets							73
74	Capital Lease		20,224	20,224				74
75	TOTALS	\$ 922,152	\$ 74,797	\$ 72,437	\$ (2,360)		\$ 771,353	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Van with Lift	Ford	1998	\$ 14,000	\$	\$	\$	5	\$ 14,000	76
77	Chevrolet	Chevrolet 2005	2008	11,000	2,200	2,200		5	3,666	77
78	El Dorado Bus	Ford E350 1994	2008	2,500	500	500		5	834	78
79	See Schedule 13A			120,191	12,019	12,019		3-5	12,019	79
80	TOTALS			\$ 147,691	\$ 14,719	\$ 14,719	\$		\$ 30,519	80

E. Summary of Care-Related Assets

	1 Reference	2 Amount		
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 5,103,719	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 264,905	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 297,925	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 33,020	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 3,651,457	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	N/A	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	Construction in Progress	\$ 53,537	92
93			93
94			94
95		\$ 53,537	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.

Hearthstone Manor
Facility ID 0027664
Period: 7/01/09 - 6/30/10

Page 13 Section D. Vehicle Depreciation

<u>Vehicle</u>	<u>Model, Make & Yr</u>	<u>Year Acquired</u>	<u>Cost</u>	<u>Current Bk Depr</u>	<u>SL Depr</u>	<u>Adjustment</u>	<u>Life in Years</u>	<u>Accum Depr</u>
Eldorado Bus	Chevrolet 2009	2009	92,191	9,219	9,219	-	5	9,219
Bus	International 2003	2010	28,000	2,800	2,800	-	3	2,800
			<u>120,191</u>	<u>12,019</u>	<u>12,019</u>	<u>-</u>		<u>12,019</u>

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Woodstock Christian Life Services

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions. YES NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$ <u>7,581</u>			3
4	Additions							4
5								5
6								6
7	TOTAL				\$ <u>7,581</u>			7

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized by the length of the lease _____.

9. Option to Buy: YES NO Terms: _____ *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 8,703 Description: Satellite Equipment - 6,349; Dishwasher - 1,439; Water Conditioner - 239 - Office Eqpt- 676

(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			<u>N/A</u>		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>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</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		3	4
		1	2		
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training CNAs from other facilities.

\$

D. NUMBER OF CNAs TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
- (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
- (c) For in-house training programs only. Do not include fringe benefits.
- (d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.

- (e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
 - (f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.
- SEE ACCOUNTANTS' COMPILATION REPORT**

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10A, C3	hrs	\$	890	\$ 64,060	\$	890	\$ 64,060	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		2,478	178,426		2,478	178,426	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		2,091	150,522		2,091	150,522	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescripts				93,845		93,845	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			\$	5,459	\$ 393,008	\$ 93,845	5,459	\$ 486,853	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Hearthstone Manor**

0027664

Report Period Beginning: **7/1/09**

Ending: **6/30/10**

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of **6/30/10** (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	\$ 955	\$ 955	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (260,729))	536,105	536,105	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	11,892	11,892	6
7	Other Prepaid Expenses	17,171	17,171	7
8	Accounts Receivable (owners or related parties)	2,704,427	2,704,427	8
9	Other(specify): Other Current Assets	27,989	27,989	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 3,298,539	\$ 3,298,539	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	5,372	5,372	13
14	Buildings, at Historical Cost	3,922,313	4,028,504	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	1,309,892	1,069,843	16
17	Accumulated Depreciation (book methods)	(3,764,376)	(3,651,457)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	117,721	117,721	21
22	Other Long-Term Assets (spe Const. in Progress)	53,537	53,537	22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,644,459	\$ 1,623,520	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,942,998	\$ 4,922,059	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	84,093	84,093	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	169,276	169,276	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	Other Current Liabilities	270,855	270,855	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 524,224	\$ 524,224	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable	98,553	98,553	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)	\$ 98,553	\$ 98,553	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 622,777	\$ 622,777	46
47	TOTAL EQUITY(page 18, line 24)	\$ 4,320,221	\$ 4,299,282	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,942,998	\$ 4,922,059	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Hearthstone Manor
Schedule XV - Balance Sheet
Facility ID 0027664
Period: 7/01/09 - 6/30/10

Schedule 17A

XV. BALANCE SHEET - Unrestricted Operating Fund.

	<u>Operating</u>	<u>After Consolidation</u>
Other Current Liabilities		
Miscellaneous Accruals	110,531	110,531
Security Deposits	-	-
Employees Contributions	-	-
Accrued Paid Time Off	154,337	154,337
Deferred Revenue	-	-
Division or Acct Transfers	5,987	5,987
	<u>270,855</u>	<u>270,855</u>

SEE ACCOUNTANTS' COMPILATION REPORT

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 4,467,117	1
2	Restatements (describe):		2
3	Prior Year Adjustment	(82,891)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 4,384,226	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(64,005)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe) Rounding		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (64,005)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ 4,320,221	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor# 0027664Report Period Beginning: 7/1/09Ending: 6/30/10

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	\$ 5,660,287	1
2	Discounts and Allowances for all Levels	36,216	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 5,696,503	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,147,078	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,147,078	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop	1,358	12
13	Barber and Beauty Care	29,892	13
14	Non-Patient Meals	1,919	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	621	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 33,790	23
D. Non-Operating Revenue			
24	Contributions	152,868	24
25	Interest and Other Investment Income***	2,698	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 155,566	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a	<u>See Schedule 19A</u>	55,075	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 55,075	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 7,088,012	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,115,613	31
32	Health Care	3,246,768	32
33	General Administration	2,133,647	33
B. Capital Expense			
34	Ownership	282,470	34
C. Ancillary Expense			
35	Special Cost Centers	332,456	35
36	Provider Participation Fee	41,063	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 7,152,017	40
41	Income before Income Taxes (line 30 minus line 40)**	(64,005)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (64,005)	43

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

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

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

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

Hearthstone Manor
Schedule XVII - Income Statement
ID#: 0027664
070/01/09 - 06/30/10

Schedule 19A

Schedule XVII - Revenue - Line 29

Application Fees	8,300
Linen Service	11,176
Miscellaneous Resident Service	4,741
Miscellaneous Revenues	<u>30,858</u>
Total	<u><u>55,075</u></u>

See Accountants' Compilation Report

Facility Name & ID Number **Hearthstone Manor**

0027664

Report Period Beginning:

7/1/09

Ending:

6/30/10

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	1,392	1,518	\$ 56,270	\$ 37.07	1
2	Assistant Director of Nursing					2
3	Registered Nurses	12,616	15,002	388,844	25.92	3
4	Licensed Practical Nurses	12,715	13,701	314,151	22.93	4
5	CNAs & Orderlies	66,667	69,764	1,087,356	15.59	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	925	1,040	29,770	28.63	9
10	Activity Assistants	6,828	7,583	91,338	12.05	10
11	Social Service Workers	1,976	2,080	45,000	21.63	11
12	Dietician					12
13	Food Service Supervisor	1,792	2,080	46,281	22.25	13
14	Head Cook					14
15	Cook Helpers/Assistants	30,955	32,788	309,625	9.44	15
16	Dishwashers					16
17	Maintenance Workers					17
18	Housekeepers	12,343	13,223	134,704	10.19	18
19	Laundry	5,425	5,584	51,660	9.25	19
20	Administrator	1,632	1,821	81,591	44.81	20
21	Assistant Administrator	1,840	2,080	47,704	22.93	21
22	Other Administrative					22
23	Office Manager	1,747	1,808	25,276	13.98	23
24	Clerical	9,065	10,065	117,299	11.65	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	926	1,040	29,771	28.63	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,832	1,992	29,771	14.95	31
32	Other Health C: See Sch 20A	37,540	39,934	542,538	13.59	32
33	Other(specify) Barber/Beauty	1,912	2,104	29,917	14.22	33
34	TOTAL (lines 1 - 33)	210,128	225,207	\$ 3,458,866 *	\$ 15.36	34

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

** See instructions.

B. CONSULTANT SERVICES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference		
35	Dietary Consultant	Monthly	\$ 8,732	L1, C3	35
36	Medical Director	Monthly	3,000	L9, C7	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	545	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Quarterly	1,346	L11, C3	44
45	Social Service Consultant	Quarterly	1,346	L12, C3	45
46	Other(specify) <u>AccuMed</u>				46
47					47
48					48
49	TOTAL (lines 35 - 48)		\$ 14,969		49

C. CONTRACT NURSES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference		
50	Registered Nurses	172	\$ 6,567	L10, C3	50
51	Licensed Practical Nurses	1,012	38,470	L10, C3	51
52	Certified Nurse Assistants/Aides	960	19,417	L10, C3	52
53	TOTAL (lines 50 - 52)	2,144	\$ 64,454		53

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor
Provider # 0027664
07/01/2009 - 06/30/10
Staffing & Salary Costs

Schedule 20A

Other Health Care (specify) - Line 32:

	<u>Hours Worked</u>	<u>Hours Paid</u>	<u>Salary or Wages</u>	<u>Ave. Hrly. Wages</u>
Care Plan Coordinator	1,872	2,080	56,238	27.04
Resident Services	35,668	37,854	486,300	12.85
TOTAL	37,540	39,934	542,538	13.59

SEE ACCOUNTANTS' COMPILATION REPORT

Hearthstone Manor
Schedule XIX - Support Schedules
ID#: 0027664
070/01/09 - 06/30/10

Schedule 21A

Schedule XIX (C) - Professional Services

From Schedule XIX (c) - agreeing to Sch. V, L19, C3	25,379
Allocated from Woodstock Christian Life Services	84,922
Less : Out of Period Legal Fees	(1,341)
To Sch. V, L19, C8	<u>108,960</u>

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Hearthstone Manor# 0027664

Report Period Beginning:

7/1/09Ending: 6/30/10**XX. GENERAL INFORMATION:**

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 Yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 47,468 Line 10(2)
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 41,063
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 3,277
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? Yes
Firm Name: McGladrey & Pullen, LLP
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

SEE ACCOUNTANTS' COMPILATION REPORT