FOR BHF USE

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2010
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2010)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH License ID Number: 0042440

Facility Name: Heritage Nursing Center

Address: 1315 Curt Drive, P O Box 6179 (Number) Champaign (City) 61820 (Zip Code)

County: Champaign

Telephone Number: (217) 352-5707 **Fax #** (217)352-2607

HFS ID Number:

Date of Initial License for Current Owners: 12/01/1996

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Larry Templin **Telephone Number:** (309) 689-5869
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/2010 to 12/31/2010 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) _____ (Date)
(Type or Print Name) Mark B. Petersen
(Title) Chief Executive Officer

Paid Preparer

(Signed) _____ (Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
201 S. Grand Avenue East
Springfield, IL 62763-0001 **Phone # (217) 782-1630**

Facility Name & ID Number Heritage Nursing Center # 0042440 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 N/A

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	60	Skilled (SNF)	60	21,900	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	60	TOTALS	60	21,900	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Medicaid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	11,103	4,417	1,611	17,131	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	11,103	4,417	1,611	17,131	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 78.22%

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 [X] NO [ ] 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 [X]

I. On what date did you start providing long term care at this location?
Date started 12/1/1996

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 12/1/1996 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 60 and days of care provided 1,253

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/2010 Fiscal Year: 12/31/2010

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

Facility Name & ID Number Heritage Nursing Center # 0042440 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	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	A. General Services	1	2	3	4	5	6	7	8	9	10	
1	Dietary	131,215	10,997		142,212		142,212	3,191	145,403			1
2	Food Purchase		88,670		88,670		88,670		88,670			2
3	Housekeeping	107,121	22,708		129,829		129,829	38	129,867			3
4	Laundry	22,579	13,630		36,209		36,209		36,209			4
5	Heat and Other Utilities			81,308	81,308		81,308	317	81,625			5
6	Maintenance	37,186	8,941	18,005	64,132		64,132	1,857	65,989			6
7	Other (specify):* Home Off. Ben. All.							748	748			7
8	TOTAL General Services	298,101	144,946	99,313	542,360		542,360	6,151	548,511			8
	B. Health Care and Programs											
9	Medical Director			24,000	24,000		24,000		24,000			9
10	Nursing and Medical Records	823,442	54,526	98,011	975,979		975,979	(638)	975,341			10
10a	Therapy			232,591	232,591		232,591		232,591			10a
11	Activities	22,037	714	718	23,469		23,469		23,469			11
12	Social Services	24,673	23		24,696		24,696		24,696			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):* Home Off. Ben. All.											15
16	TOTAL Health Care and Programs	870,152	55,263	355,320	1,280,735		1,280,735	(638)	1,280,097			16
	C. General Administration											
17	Administrative			415,000	415,000		415,000	(368,080)	46,920			17
18	Directors Fees											18
19	Professional Services			10,487	10,487		10,487	3,536	14,023			19
20	Dues, Fees, Subscriptions & Promotions			10,617	10,617		10,617	876	11,493			20
21	Clerical & General Office Expenses	38,687	4,923	30,702	74,312		74,312	31,217	105,529			21
22	Employee Benefits & Payroll Taxes			182,606	182,606		182,606		182,606			22
23	Inservice Training & Education			350	350		350	228	578			23
24	Travel and Seminar							26	26			24
25	Other Admin. Staff Transportation			3,361	3,361		3,361	2,858	6,219			25
26	Insurance-Prop.Liab.Malpractice			23,138	23,138		23,138	18,704	41,842			26
27	Other (specify):* Home Off. Ben. All.							12,960	12,960			27
28	TOTAL General Administration	38,687	4,923	676,261	719,871		719,871	(297,675)	422,196			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	1,206,940	205,132	1,130,894	2,542,966		2,542,966	(292,162)	2,250,804			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 Heritage Nursing Center #0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			11,749	11,749		11,749	47,196	58,945			30
31	Amortization of Pre-Op. & Org.											31
32	Interest							100,234	100,234			32
33	Real Estate Taxes							26,985	26,985			33
34	Rent-Facility & Grounds			202,623	202,623		202,623	(202,623)				34
35	Rent-Equipment & Vehicles			11,042	11,042		11,042	438	11,480			35
36	Other (specify):*											36
37	**TOTAL Ownership**			225,414	225,414		225,414	(27,770)	197,644			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		47,819		47,819		47,819		47,819			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			32,850	32,850		32,850		32,850			42
43	Other (specify):* Non-allowable Cost		333	27,263	27,596		27,596	(27,596)				43
44	**TOTAL Special Cost Centers**		48,152	60,113	108,265		108,265	(27,596)	80,669			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	1,206,940	253,284	1,416,421	2,876,645		2,876,645	(347,528)	2,529,117			45

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

Facility Name & ID Number Heritage Nursing Center # 0042440 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.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 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	(6,024)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(880)	30		9
10	Interest and Other Investment Income	(1,728)	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	(9,979)	43		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	(3,168)	43		24
25	Fund Raising, Advertising and Promotional	(3,655)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Page 5A	(5,999)	Various		29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (31,433)		$	30

BHF USE ONLY								
48		49		50		51		52	

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

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(316,095)	Various	34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (316,095)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (347,528)		37

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

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

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.		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

Heritage Nursing Center

ID# 0042440

Report Period Beginning: 1/1/2010

Ending: 12/31/2010

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Labs-Part A	$ (2,463)	43	1
2	X-Rays-Part A	(706)	43	2
3	Miscellaneous Revenue Offset of Office Supplies	(542)	21	3
4	Miscellaneous Revenue Offset of Nursing Supplies	(687)	10	4
5	Resident Flowers	(1,051)	43	5
6	Pet Expense	(550)	43	6
7				7
8				8
9				9
10				10
11				11
12				12
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41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(5,999)		49

Facility Name & ID Number Heritage Nursing Center # 0042440 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
Avigdor Horowitz	100	Jackson Heights Nursing Home	Farmer City	Heritage Nursing Center, LLC	Champaign	Lessor

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. [X] YES [ ] NO

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

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	26	Property Insurance	$	Heritage Nursing Center, LLC	100.00%	$ 10,793	$ 10,793	1
2	V	26	Mortgage Insurance		Heritage Nursing Center, LLC	100.00%	7,437	7,437	2
3	V	30	Depreciation		Heritage Nursing Center, LLC	100.00%	44,400	44,400	3
4	V	32	Amortization		Heritage Nursing Center, LLC	100.00%	5,268	5,268	4
5	V	32	Interest	268	Heritage Nursing Center, LLC	100.00%	92,726	92,458	5
6	V	33	Real Estate Taxes		Heritage Nursing Center, LLC	100.00%	26,532	26,532	6
7	V	34	Rent-Facility & Grounds	202,623	Heritage Nursing Center, LLC	100.00%		(202,623)	7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 202,891			$ 187,156	$ * (15,735)	14

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

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

VII. RELATED PARTIES (continued)

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. [X] YES [ ] NO

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

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	1	Dietary	$	Petersen Health Care, Inc.	100.00%	$ 3,191	$ 3,191	15
16	V	2	Food		Petersen Health Care, Inc.	100.00%	0		16
17	V	3	Housekeeping		Petersen Health Care, Inc.	100.00%	38	38	17
18	V	4	Laundry		Petersen Health Care, Inc.	100.00%	0		18
19	V	5	Utilities		Petersen Health Care, Inc.	100.00%	317	317	19
20	V	6	Maintenance		Petersen Health Care, Inc.	100.00%	1,857	1,857	20
21	V	7	Mgmt. Allocation of Benefits		Petersen Health Care, Inc.	100.00%	748	748	21
22	V	10	Nursing and Medical Records		Petersen Health Care, Inc.	100.00%	49	49	22
23	V	10A	Therapy		Petersen Health Care, Inc.	100.00%	0		23
24	V	15	Mgmt. Allocation of Benefits		Petersen Health Care, Inc.	100.00%	0		24
25	V	17	Administrative	415,000	Petersen Health Care, Inc.	100.00%	46,920	(368,080)	25
26	V	19	Professional Services		Petersen Health Care, Inc.	100.00%	3,536	3,536	26
27	V	20	Dues, Fees, Subs & Promotions		Petersen Health Care, Inc.	100.00%	876	876	27
28	V	21	Clerical and General Office		Petersen Health Care, Inc.	100.00%	31,759	31,759	28
29	V	23	Inservice Training & Education		Petersen Health Care, Inc.	100.00%	228	228	29
30	V	24	Travel and Seminar		Petersen Health Care, Inc.	100.00%	26	26	30
31	V	25	Other Admin. Staff Transport.		Petersen Health Care, Inc.	100.00%	2,858	2,858	31
32	V	26	Insurance-Prop./Liab./Malprac.		Petersen Health Care, Inc.	100.00%	474	474	32
33	V	27	Mgmt. Allocation of Benefits		Petersen Health Care, Inc.	100.00%	12,960	12,960	33
34	V	30	Depreciation		Petersen Health Care, Inc.	100.00%	3,676	3,676	34
35	V	32	Interest		Petersen Health Care, Inc.	100.00%	4,236	4,236	35
36	V	33	Real Estate Taxes		Petersen Health Care, Inc.	100.00%	453	453	36
37	V	34	Rent-Facility and Grounds		Petersen Health Care, Inc.	100.00%	0		37
38	V	35	Rent-Equipment & Vehicles		Petersen Health Care, Inc.	100.00%	438	438	38
39	Total			$ 415,000			$ 114,640	$ * (300,360)	39

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

Facility Name & ID Number Heritage Nursing Center # 0042440 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	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	N/A										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

Facility Name & ID Number Heritage Nursing Center # 0042440 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 [X]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Petersen Health Care, Inc.
Street Address: 830 W. Trailcreek Drive
City / State / Zip Code: Peoria, IL 61614
Phone Number: ((309)691-8113
Fax Number: ((309)691-8622

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	1	Dietary	Resident Days	1,527,029	77	$ 284,427	$ 283,010	0	$ 3,191	1
2	2	Food	Resident Days	1,527,029	77	0	0	0	0	2
3	3	Housekeeping	Resident Days	1,527,029	77	3,369	0	0	38	3
4	4	Laundry	Resident Days	1,527,029	77	0	0	0	0	4
5	5	Utilities	Resident Days	1,527,029	77	28,267	0	0	317	5
6	6	Maintenance	Resident Days	1,527,029	77	165,545	121,901	0	1,857	6
7	7	Mgmt. Allocation of Benefits	Resident Days	1,527,029	77	66,650	0	0	748	7
8	10	Nursing and Medical Records	Resident Days	1,527,029	77	4,339	0	0	49	8
9	10A	Therapy	Resident Days	1,527,029	77	0	0	0	0	9
10	15	Mgmt. Allocation of Benefits	Resident Days	1,527,029	77	0	0	0	0	10
11	17	Administrative	Resident Days	1,527,029	77	5,157,152	5,157,152	0	46,920	11
12	19	Professional Services	Resident Days	1,527,029	77	315,156	0	0	3,536	12
13	20	Dues, Fees, Subs & Promotions	Resident Days	1,527,029	77	78,050	0	0	876	13
14	21	Clerical and General Office	Resident Days	1,527,029	77	2,830,968	2,420,380	0	31,759	14
15	23	Inservice Training & Education	Resident Days	1,527,029	77	20,336	0	0	228	15
16	24	Travel and Seminar	Resident Days	1,527,029	77	2,344	0	0	26	16
17	25	Other Admin. Staff Transport.	Resident Days	1,527,029	77	254,752	0	0	2,858	17
18	26	Insurance-Prop./Liab./Malprac.	Resident Days	1,527,029	77	42,233	0	0	474	18
19	27	Mgmt. Allocation of Benefits	Resident Days	1,527,029	77	1,155,252	0	0	12,960	19
20	30	Depreciation	Resident Days	1,527,029	77	327,648	0	0	3,676	20
21	32	Interest	Resident Days	1,527,029	77	377,597	0	0	4,236	21
22	33	Real Estate Taxes	Resident Days	1,527,029	77	40,405	0	0	453	22
23	34	Rent-Facility and Grounds	Resident Days	1,527,029	77	0	0	0	0	23
24	35	Rent-Equipment & Vehicles	Resident Days	1,527,029	77	39,061	0	0	438	24
25	TOTALS					$ 11,193,551	$ 7,982,443		$ 114,640	25

Facility Name & ID Number Heritage Nursing Center # 0042440 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** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	Capmark		X	Mortgage	$9,536.20	08/01/02	$ 1,615,000	$ 1,478,172	9/1/37	0.0630	$ 92,726	1
2												2
3							Interest Income Offset				(1,996)	3
4							Home Office Allocation-PHC				4,236	4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related				$9,536.20		$ 1,615,000	$ 1,478,172			$ 94,966	9
	B. Non-Facility Related*											
10								Amortization of Mortgage Costs			5,268	10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$ 5,268	14
15	TOTALS (line 9+line14)						$ 1,615,000	$ 1,478,172			$ 100,234	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. **$** 7,437 **Line #** 26

*** 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.)**

Facility Name & ID Number Heritage Nursing Center # 0042440 **Report Period Beginning:** 1/1/2010 **Ending:** 12/31/2010

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.**		$ 28,000	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	$ 26,532	2
3. Under or (over) accrual (line 2 minus line 1).		$ (1,468)	3
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 28,000	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. **Home Office Allocation**		453	
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.		$ 26,985	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
2005	26,752	8
2006	24,051	9
2007	24,465	10
2008	26,445	11
2009	26,532	12

Accrual based on prior year tax bill.

	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.

2009 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Heritage Nursing Center COUNTY Champaign

FACILITY IDPH LICENSE NUMBER 0042440

CONTACT PERSON REGARDING THIS REPORT Mark Petersen

TELEPHONE (309)691-8113 FAX #: (309) 691-8622

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) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	41-20-02-132-008	Long-Term Care Facility	$ 26,532.06	$ 26,532.06
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 26,532.06	$ 26,532.06

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 Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 21,312 B. General Construction Type: Exterior Brick Frame Block Number of Stories 1

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

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

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

N/A

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] 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 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Facility		1996	$ 41,400	1
2					2
3	TOTALS			$ 41,400	3

Facility Name & ID Number Heritage Nursing Center # 0042440 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 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	60		1996	1974	$ 979,800	$	27.5	$ 35,629	$ 35,629	$ 498,806	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Parking Lot Paving			1997	16,431		39	421	421	5,631	9
10	Water Heater			1997	4,300		39	110	110	1,526	10
11	Laundry Repair			1997	1,633		39	42	42	572	11
12	Remodeling			1997	33,803		39	867	867	11,740	12
13	Remodeling			1997	22,305		27.5	811	811	10,915	13
14	Paving			1998	2,900		39	74	74	934	14
15	Tiling			1999	38,000		27.5	1,382	1,382	15,950	15
16	Garden			1999	35,912		27.5	1,306	1,306	15,073	16
17	Birdhouse			1999	4,043		27.5	147	147	1,635	17
18	Tuckpointing			1999	36,200		27.5	1,316	1,316	15,079	18
19	Windows			1999	49,227		27.5	1,790	1,790	20,063	19
20	Parking Lot Paving			1999	5,900		27.5	215	215	2,409	20
21	Shed			1999	12,000		27.5	436	436	4,996	21
22	Steam Table			1999	3,000		27.5	109	109	1,249	22
23	Windows			2000	30,922		27.5	1,124	1,124	12,318	23
24	Roof Repair			2003	4,160		39	107	107	798	24
25	Blinds			2007	4,571		10	457	457	1,600	25
26	Water Heaters			2007	11,705		15	780	780	2,730	26
27	New Roof			2007	30,000		20	1,500	1,500	5,250	27
28	Windows			2008	16,695		20	834	834	2,085	28
29	2nd Installment of 2007 Roof			2008	57,945		20	2,898	2,898	7,245	29
30	Door			2008	2,793		15	186	186	465	30
31	Blinds			2008	3,481		10	348	348	870	31
32											32
33											33
34	Building Improvement Booked					8,155			(8,155)		34
35											35
36											36

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

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

See Page 12A, Line 70 for total

Facility Name & ID Number Heritage Nursing Center # 0042440 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 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37			$	$		$	$	$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 1,407,726	$ 8,155		$ 52,889	$ 44,734	$ 639,939	70

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

Facility Name & ID Number Heritage Nursing Center # 0042440 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	$ 23,802	$ 3,594	$ 2,380	$ (1,214)	10 yrs.	$ 5,978	71
72	Current Year Purchases							72
73	Fully Depreciated Assets	404,926					404,926	73
74	Home Office Allocation			3,676	3,676			74
75	TOTALS	$ 428,728	$ 3,594	$ 6,056	$ 2,462		$ 410,904	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				$	$	$	$		$	76
77										77
78										78
79										79
80	TOTALS			$	$	$	$		$	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount		
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 1,877,854	81	
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 11,749	82	
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 58,945	83	**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 47,196	84	
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 1,050,843	85	

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88	N/A				88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	N/A	$	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 Heritage Nursing Center # 0042440 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: N/A
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: *

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	$

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

15. Is Movable equipment rental included in building rental? ☐ YES ☒ X NO
16. Rental Amount for movable equipment: $ 11,480 Description: See Attached Schedule 14A
(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			N/A		18
19					19
20					20
21	TOTAL		$	$	21

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

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

Heritage Nursing Center
0042440
Period Beginning 1/1/2010
Period End 12/31/2010

Schedule 14A

XII. Rental Costs
B. Equipment
16. Description of rental amount for movable equipment

Medical Equipment	$	7,284
Dishwasher		708
Copier		3,050
Home Office Allocation		438
		11,480

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?
   [ ] YES
   [X] NO

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.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER CNA ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER CNA ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	$	$	$	$
10	SUM OF line 9, col. 1 and 2 (e)	$			

C. CONTRACTUAL INCOME

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

$

D. NUMBER OF CNAs TRAINED

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

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.
(e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.

Facility Name & ID Number Heritage Nursing Center | STATE OF ILLINOIS # 0042440 | Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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

	1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	10A(3)	hrs	$	7,139	$ 107,083	$	7,139	$ 107,083	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		297	4,456		297	4,456	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		8,063	120,942		8,063	120,942	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39(2)	# of prescrpts				47,819		47,819	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): Respiratory Therapy	10(3)			7	110		7	110	12
13	Other (specify):									13
14	TOTAL			$	15,506	$ 232,591	$ 47,819	15,506	$ 280,410	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.

STATE OF ILLINOIS

Facility Name & ID Number Heritage Nursing Center # 0042440 **Report 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	$ 700	$ 700	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance N/A)	410,821	410,821	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	15,663	31,509	6
7	Other Prepaid Expenses	9,085	9,085	7
8	Accounts Receiva A/R Prior Owner	174,284	174,284	8
9	Other(specify): Employee Education Loans	350	350	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 610,903	$ 626,749	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		41,400	13
14	Buildings, at Historical Cost		979,800	14
15	Leasehold Improvements, at Historical Cost	127,190	427,926	15
16	Equipment, at Historical Cost	23,802	428,728	16
17	Accumulated Depreciation (book methods)	(33,847)	(1,050,843)	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 (spe Loan Costs		140,307	22
23	Other(specify): Security Deposit	50,000	356,049	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 167,145	$ 1,323,367	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 778,048	$ 1,950,116	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 714,640	$ 714,440	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	75,637	75,637	30
31	Accrued Taxes Payable (excluding real estate taxes)	28,692	28,692	31
32	Accrued Real Estate Taxes(Sch.IX-B)		28,000	32
33	Accrued Interest Payable		7,760	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Payroll Withholdings	19,825	19,825	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 838,794	$ 874,354	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		1,478,172	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	Intercompany Loans	967,753	1,076,298	43
44	Deferred Rent		332,886	44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 967,753	$ 2,887,356	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 1,806,547	$ 3,761,710	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (1,028,499)	$ (1,811,594)	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 778,048	$ 1,950,116	48

***(See instructions.)**

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ (486,199)	1
2	Restatements (describe):		2
3	Rounding		3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (486,199)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(468,415)	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	(73,885)	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)**	$ (542,300)	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)**	$ (1,028,499)	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 2,063,427	1
2	Discounts and Allowances for all Levels	(65,486)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 1,997,941	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	328,936	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 328,936	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	70,678	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray	4,503	20
21	Other Medical Services	3,215	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 78,396	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	1,728	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 1,728	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Miscellaneous Revenue	1,229	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 1,229	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 2,408,230	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	542,360	31
32	Health Care	1,280,735	32
33	General Administration	719,871	33
	B. Capital Expense		
34	Ownership	225,414	34
	C. Ancillary Expense		
35	Special Cost Centers	75,415	35
36	Provider Participation Fee	32,850	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 2,876,645	40
41	**Income before Income Taxes (line 30 minus line 40)****	(468,415)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (468,415)	43

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

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

*** **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 Heritage Nursing Center # 0042440 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 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	2,080	2,080	$ 66,000	$ 31.73	1
2	Assistant Director of Nursing	2,080	2,080	53,042	25.50	2
3	Registered Nurses	2,627	2,627	67,500	25.69	3
4	Licensed Practical Nurses	11,899	12,144	262,518	21.62	4
5	CNAs & Orderlies	36,139	36,139	374,382	10.36	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	2,040	2,040	21,421	10.50	9
10	Activity Assistants					10
11	Social Service Workers	2,056	2,056	24,673	12.00	11
12	Dietician					12
13	Food Service Supervisor	2,080	2,080	35,828	17.23	13
14	Head Cook					14
15	Cook Helpers/Assistants	10,228	10,623	95,387	8.98	15
16	Dishwashers					16
17	Maintenance Workers	2,080	2,160	37,186	17.22	17
18	Housekeepers	11,999	12,149	107,121	8.82	18
19	Laundry	2,364	2,383	22,579	9.48	19
20	Administrator	1,876	1,876	44,744	23.85	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	3,507	3,507	38,687	11.03	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					31
32	Other Health Care(specify)					32
33	Other(specify) Transportation	62	62	616	9.94	33
34	TOTAL (lines 1 - 33)	93,117	94,006	$ 1,251,684 *	$ 13.31	34

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

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant		$		35
36	Medical Director	Monthly	24,000	9(3)	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	2,734	10(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				44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)		$ 26,734		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses	1,379	$ 59,253	10(3)	50
51	Licensed Practical Nurses	919	34,166	10(3)	51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)	2,299	$ 93,419		53

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Ed Fransiscovich	Administrator	0	$ 593
Deryk Gaffney	Administrator	0	30,333
Pamela Jacobsen	Administrator	0	13,818
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 44,744

B. Administrative - Other

Description	Amount
Management Fees-See Page 6, Eliminated on P 3, C 7	$ 415,000
TOTAL (agree to Schedule V, line 17, col. 3)	$ 415,000
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Comcast Cable	Computer Services	$ 2,350
E-Health Data Solutions	Computer Services	3,420
Heyl, Royster, Voelker, Allen	Legal Services	4,717
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $5,000, attach copy of invoices.)		$ 10,487

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 26,251
Unemployment Compensation Insurance	55,606
FICA Taxes	91,215
Employee Health Insurance	6,688
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
Employee Relations	1,625
Life Insurance	1,221
TOTAL (agree to Schedule V, line 22, col.8)	$ 182,606

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
N/A		
TOTAL		$

* Attach copy of IMRF notifications

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 995
Advertising: Employee Recruitment	1,889
Health Care Worker Background Check	
(Indicate # of checks performed)	
Patient Background Checks 131	1,310
Miscellaneous Licenses & Permits	478
Miscellaneous Dues & Subscriptions	145
IHCA Dues	5,800
Home Office Allocation	876
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 11,493

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	
Home Office Allocation	26
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 26

**See instructions.

Heritage Nursing Center
0042440
Period Beginning 1/1/2010
Period End 12/31/2010

Schedule 21A

XIX. SUPPORT SCHEDULE
C. Professional Services

Vendor/Payee	**Type**	**Amount**
Total (agree to Schedule V, line 19, column 3)		10,487
Home Office Allocation		
Heyl, Royster, Voelker & Allen	Legal	3
Healthcare Resources International	Legal	44
Ginoli & Company	Accountants	625
Bank of America	Accountants	138
Miscellaneous Vendors	Computer Services	20
VisionShare	Computer Services	188
Advanced Answers on Demand	Computer Services	1,182
Access 2 Go	Computer Services	192
Kemper Technology	Computer Services	163
MediFax	Computer Services	67
Logmeln	Computer Services	48
Simple LTC	Computer Services	754
Optimizer Systems	Other Professional Fees	27
Clifton Gunderson	Other Professional Fees	85
Total (agree to Schedule V, line 19, column 8)		14,023

Facility Name & ID Number Heritage Nursing Center # 0042440 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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

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

Facility Name & ID Number Heritage Nursing Center **#** 0042440 **Report Period Beginning:** 1/1/2010 **Ending:** 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. **5,800 IHCA**

(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. $ **21,732** 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. **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. $ **32,850**
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? **N/A** 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? **N/A** Indicate the amount. $

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **Yes** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **0**
c. What percent of all travel expense relates to transportation of nurses and patients? **N/A**
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? **N/A**
g. Does the facility transport residents to and from day training? **N/A**
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: **Ginoli & Company**

(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.