FOR BHF USE

LL1

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.

2014
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2014)

I. IDPH License ID Number: 0046870

Facility Name: Stearns Nsg & Rehab Center

Address: 3900 Stearns Avenue (Number) Granite City (City) 62040 (Zip Code)

County: Madison

Telephone Number: (618) 931-3900 **Fax #** (618) 931-0766

HFS ID Number:

Date of Initial License for Current Owners: January 1, 2005

Type of Ownership:

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

In the event there are further questions about this report, please contact:
Name: Gary F. Eye **Telephone Number:** (716) 972-2392
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 1/1/14 to 12/31/14 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) 04/30/2015 (Date)
(Type or Print Name) Gary F. Eye
(Title) Senior VP of Finance of Tara Cares

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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds _____

	1 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	109	Skilled (SNF)	109	39,785	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	109	TOTALS	109	39,785	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	21,350	5,229	5,662	32,241	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	21,350	5,229	5,662	32,241	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 81.04%

D. How many bed-hold days during this year were paid by the Department?
0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? YES

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [ ] NO [X]

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 01/01/2005

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date January 1, 2005 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 109 and days of care provided 2,627

Medicare Intermediary Wisconsin Physicians Insurance Corp. (WPS)

IV. ACCOUNTING BASIS

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

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

Tax Year: 1/1 to 12/31/14 Fiscal Year: 1/1 to 12/31/14

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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	230,566	15,391	3,165	249,122		249,122	(28,054)	221,068			1
2	Food Purchase		210,337		210,337		210,337	(1,195)	209,142			2
3	Housekeeping	127,842	33,349		161,191		161,191		161,191			3
4	Laundry	38,940	8,454		47,394		47,394		47,394			4
5	Heat and Other Utilities			86,739	86,739		86,739		86,739			5
6	Maintenance	55,311	50,563	39,172	145,046		145,046	(3,740)	141,306			6
7	Other (specify):* see trial balance			29,945	29,945		29,945		29,945			7
8	**TOTAL General Services**	452,659	318,094	159,021	929,774		929,774	(32,989)	896,785			8
	B. Health Care and Programs											
9	Medical Director			20,400	20,400		20,400		20,400			9
10	Nursing and Medical Records	1,898,477	136,917	146,249	2,181,643		2,181,643	(7,525)	2,174,118			10
10a	Therapy		4,272	369,191	373,463		373,463	122,580	496,043			10a
11	Activities	53,286	4,178	3,315	60,779		60,779		60,779			11
12	Social Services	77,962	1,035	1,735	80,732		80,732		80,732			12
13	CNA Training											13
14	Program Transportation			12,064	12,064		12,064		12,064			14
15	Other (specify):* see trial balance			39,118	39,118		39,118	(27,460)	11,658			15
16	**TOTAL Health Care and Programs**	2,029,725	146,402	592,072	2,768,199		2,768,199	87,595	2,855,794			16
	C. General Administration											
17	Administrative	248,141		341,076	589,217		589,217	(145,949)	443,268			17
18	Directors Fees											18
19	Professional Services			68,922	68,922		68,922	(2,432)	66,490			19
20	Dues, Fees, Subscriptions & Promotions			44,625	44,625		44,625	(24,522)	20,103			20
21	Clerical & General Office Expenses		50,978	39,064	90,042		90,042	(13,436)	76,606			21
22	Employee Benefits & Payroll Taxes			453,433	453,433		453,433	(6,755)	446,678			22
23	Inservice Training & Education											23
24	Travel and Seminar			12,873	12,873		12,873	(6)	12,867			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			(296,509)	(296,509)		(296,509)	(2,600)	(299,109)			26
27	Other (specify):* see trial balance			148,605	148,605		148,605	(119,281)	29,324			27
28	**TOTAL General Administration**	248,141	50,978	812,089	1,111,208		1,111,208	(314,981)	796,227			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	2,730,525	515,474	1,563,182	4,809,181		4,809,181	(260,375)	4,548,806			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 Stearns Nsg & Rehab Center #0046870 **Report Period Beginning:** 1/1/14 **Ending:** 12/31/14

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			29,078	29,078		29,078	335,546	364,624			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			885	885		885	120,387	121,272			32
33	Real Estate Taxes			90,835	90,835		90,835		90,835			33
34	Rent-Facility & Grounds			212,798	212,798		212,798	(213,471)	(673)			34
35	Rent-Equipment & Vehicles			39,444	39,444		39,444		39,444			35
36	Other (specify):* **Off Site Storage**			2,034	2,034		2,034		2,034			36
37	**TOTAL Ownership**			375,074	375,074		375,074	242,462	617,536			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops		108	883	991		991		991			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			239,537	239,537		239,537		239,537			42
43	Other (specify):* **see trial balance**			260,621	260,621		260,621	(97,798)	162,823			43
44	**TOTAL Special Cost Centers**		108	501,041	501,149		501,149	(97,798)	403,351			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	2,730,525	515,582	2,439,297	5,685,404		5,685,404	(115,711)	5,569,693			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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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 Refer-ence	3 BHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,036)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(885)	32		10
11	Discounts, Allowances, Rebates & Refunds	(795)	21		11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(159)	2		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	(523)	27		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(123,798)	27		24
25	Fund Raising, Advertising and Promotional	(24,487)	20		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	(106,144)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (257,827)		$	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)	142,116		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ 142,116		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (115,711)		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.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44						44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

Stearns Nsg & Rehab Center

ID# 0046870

Report Period Beginning: 1/1/14

Ending: 12/31/14

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Remove non-allowable Admiss -Other Supplies	$ (12,637)	21	1
2	Remove non-allowable Admin Other Purchased Serv	(184)	27	2
3	Remove non-allowable Visa Cost	(6)	24	3
4	Remove non-allowable Insurance Cost	(2,600)	26	4
5	Remove non-allowable Nrs Admin Purch Svcs	(24,164)	15	5
6	Remove non-allowable Tax Prep Fees	(2,432)	19	6
7	Remove non-allowable Dietary dues	(35)	20	7
8	Remove non-allowable IV Prescription Drug costs	(40,272)	43	8
9	Remove non-allowable Prior Year costs	(2,196)	43	9
10	Offset Misc. Revenue Sch. XVII line 28a	(1,418)	10	10
11	Offset Misc. Revenue Sch. XVII line 28a	(84)	10	11
12	Offset Misc. Revenue Sch. XVII line 28a	(110)	6	12
13	Offset Misc. Revenue Sch. XVII line 28a	(684)	10	13
14	Offset Misc. Revenue Sch. XVII line 28a	(91)	10	14
15	Offset Misc. Revenue Sch. XVII line 28a	(4)	21	15
16	Offset Interco Sold Service Rev Sch XVII ln 28a	(730)	6	16
17	Offset Interco Sold Service Rev Sch XVII ln 28a	(1,292)	1	17
18	Offset Interco Sold Service Rev Sch XVII ln 28a	(26,762)	1	18
19	Offset Interco Sold Service Rev Sch XVII ln 28a	(6,027)	22	19
20	Capitalize repairs & maintenance for Medicaid	(2,907)	10	20
21	Capitalize repairs & maintenance for Medicaid	(2,900)	6	21
22	Amort/Depreciate Repair Maint Captl for Medicaid	21,630	30	22
23	Amort/Depreciate Repair Maint Captl for Medicaid	485	30	23
24	Current Year Depreciation for Audit LHI Adj	(724)	30	24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(106,144)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 **Report Period Beginning:** 1/1/14 **Ending:** 12/31/14

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

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	(28,054)	0	0	0	0	0	0	0	0	0	0	(28,054)	1
2	Food Purchase	(1,195)	0	0	0	0	0	0	0	0	0	0	(1,195)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	0	0	0	0	0	0	0	0	0	0	5
6	Maintenance	(3,740)	0	0	0	0	0	0	0	0	0	0	(3,740)	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	(32,989)	0	0	0	0	0	0	0	0	0	0	(32,989)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	(5,184)	(2,341)	0	0	0	0	0	0	0	0	0	(7,525)	10
10a	Therapy	0	122,580	0	0	0	0	0	0	0	0	0	122,580	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	(24,164)	(3,296)	0	0	0	0	0	0	0	0	0	(27,460)	15
16	**TOTAL Health Care and Programs**	(29,348)	116,943	0	0	0	0	0	0	0	0	0	87,595	16
	C. General Administration													
17	Administrative	0	(145,949)	0	0	0	0	0	0	0	0	0	(145,949)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(2,432)	0	0	0	0	0	0	0	0	0	0	(2,432)	19
20	Fees, Subscriptions & Promotions	(24,522)	0	0	0	0	0	0	0	0	0	0	(24,522)	20
21	Clerical & General Office Expenses	(13,436)	0	0	0	0	0	0	0	0	0	0	(13,436)	21
22	Employee Benefits & Payroll Taxes	(6,027)	(728)	0	0	0	0	0	0	0	0	0	(6,755)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(6)	0	0	0	0	0	0	0	0	0	0	(6)	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	(2,600)	0	0	0	0	0	0	0	0	0	0	(2,600)	26
27	Other (specify):*	(124,505)	0	5,224	0	0	0	0	0	0	0	0	(119,281)	27
28	**TOTAL General Administration**	(173,528)	(146,677)	5,224	0	0	0	0	0	0	0	0	(314,981)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(235,865)	(29,734)	5,224	0	0	0	0	0	0	0	0	(260,375)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 **Report Period Beginning:** 1/1/14 **Ending:** 12/31/14

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

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	21,391	0	314,155	0	0	0	0	0	0	0	0	335,546	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(885)	0	121,272	0	0	0	0	0	0	0	0	120,387	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	(213,471)	0	0	0	0	0	0	0	0	(213,471)	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	20,506	0	221,956	0	0	0	0	0	0	0	0	242,462	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(42,468)	(77,372)	22,042	0	0	0	0	0	0	0	0	(97,798)	43
44	**TOTAL Special Cost Centers**	(42,468)	(77,372)	22,042	0	0	0	0	0	0	0	0	(97,798)	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(257,827)	(107,106)	249,222	0	0	0	0	0	0	0	0	(115,711)	45

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Use Page 6-Supplemental as necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
DTD HC, LLC	50%	Granite Nursing and Rehabilitation Center, LLC	Granite City	Tara Pharmacy SE, LI	Birmingham	Pharmacy
D & N, LLC	50%	White Hall Nursing and Rehabilitation Center, LLC	White Hall	Tara Therapy, LLC	Orchard Park	Therapy
		Calhoun Nursing and Rehabilitation Center, LLC	Hardin	Raimax Healthcare So	Orchard Park	Software
		Scenic Nursing and Rehabilitation Center, LLC	Herculaneum	Stearns Property Com	Granite City	Property Company
		Jefferson City Nursing & Rehabilitation Center, LLC	Jefferson City	3690 Associates, LLC	Orchard Park	Clearing Account
		Riverside Nursing and Rehabilitation Center, LLC	Kansas City	Health Care Risk Grou	Orchard Park	Insurance
		Douglasville Nursing & Rehabilitation Center, LLC	Douglasville	Aurora Cares, LLC d/l	Orchard Park	Support Office

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	17	Administrative Services Costs	$ 341,076	Aurora Cares, LLC d/b/a Tara Cares	0.00%	$ 195,127	$ (145,949)	1
2	V	15	Patient Care Software	3,600	Raimax Healthcare Solutions Group, LLC	0.00%	176	(3,424)	2
3	V	15	Wireless Access Points License Fee	550	Raimax Healthcare Solutions Group, LLC	0.00%	678	128	3
4	V	10	Pharmacy Consulting Services	23,544	Tara Pharmacy SE, LLC	0.00%	21,203	(2,341)	4
5	V	43	Flu Vac/Prescription Drugs-Residents	201,583	Tara Pharmacy SE, LLC	0.00%	124,211	(77,372)	5
6	V	22	Flu/TB/HepB Vaccine for Employees	1,295	Tara Pharmacy SE, LLC	0.00%	567	(728)	6
7	V	10a	Physical Therapy Fees	116,094	Tara Therapy, LLC	0.00%	170,172	54,078	7
8	V	10a	Occupational Therapy Fees	123,229	Tara Therapy, LLC	0.00%	133,629	10,400	8
9	V	10a	Speech Therapy Fees	128,854	Tara Therapy, LLC	0.00%	186,956	58,102	9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 939,825			$ 832,719	$ * (107,106)	14

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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	34	Rent	$ 213,471	Stearns Property Company, LLC	0.00%	$	$ (213,471)	15
16	V	30	Depreciation Leasehold Imp		Stearns Property Company, LLC	0.00%	170,685	170,685	16
17	V	30	Depreciation Major Moveable		Stearns Property Company, LLC	0.00%	36,292	36,292	17
18	V	30	Depreciation Bldg & Improve		Stearns Property Company, LLC	0.00%	107,178	107,178	18
19	V	27	Amort Loan Acquisition Costs		Stearns Property Company, LLC	0.00%	5,224	5,224	19
20	V	32	Interest-Capital/Long-Term Debt		Stearns Property Company, LLC	0.00%	121,272	121,272	20
21	V	43	Interest Expense - M.I.P.		Stearns Property Company, LLC	0.00%	22,042	22,042	21
22	V					0.00%			22
23	V					0.00%			23
24	V	15	Nursing Services	455	Scenic Nursing and Rehabilitation Center, LLC	0.00%	455		24
25	V	15	Nursing Services	162	WhiteHall Nursing and Rehabilitation Center, LLC	0.00%	162		25
26	V	27	HR Services	1,112	Granite Nursing and Rehabilitation Center, LLC	0.00%	1,112		26
27	V	27	Business Office Services	431	Granite Nursing and Rehabilitation Center, LLC	0.00%	431		27
28	V	15	Nursing Services	2,277	Granite Nursing and Rehabilitation Center, LLC	0.00%	2,277		28
29	V	15	Nursing Services	2,974	Granite Nursing and Rehabilitation Center, LLC	0.00%	2,974		29
30	V	15	Nursing Services	629	Calhoun Nursing and Rehabilitation Center, LLC	0.00%	629		30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 221,511			$ 470,733	$ * 249,222	39

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

VII. RELATED PARTIES

A. (Continued) Enter below the names of ALL owners and related organizations (parties) as defined in the instructions

	1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES			
	Name	Ownership %	Name	City	Name	City	Type of Business	
1			Jonesboro Nursing and Rehabilitation Center, LLC					1
2			Lake City Nursing and Rehabilitation Center, LLC					2
3			Mobile Nursing and Rehabilitation Center, LLC					3
4			Florence Nursing and Rehabilitation Center, LLC					4
5			Birmingham Nrs&Rehab Center East, LLC					5
6			Birmingham Nursing and Rehabilitation Center, LLC					6
7			Eight Mile Nursing and Rehabilitation Center, LLC					7
8			North Hill Nursing and Rehabilitation Center, LLC					8
9			Elba Nursing and Rehabilitation Center, LLC					9
10			Quince Nursing and Rehabilitation Center, LLC					10
11			Allenbrooke Nursing and Rehabilitation Center, LLC					11
12			Tupelo Nursing and Rehabilitation Center, LLC					12
13			Brandon Nursing and Rehabilitation Center, LLC					13
14			Lakeland Nursing and Rehabilitation Center, LLC					14
15			McComb Nursing and Rehabilitation Center, LLC					15
16			Cleveland Nursing and Rehabilitation Center, LLC					16
17			Chadwick Nursing and Rehabilitation Center, LLC					17
18			Manhattan Nursing and Rehabilitation Center, LLC					18
19			Ruleville Nursing and Rehabilitation Center, LLC					19
20			Farmerville Nursing and Rehabilitation Center, LLC					20
21			Bernice Nursing and Rehabilitation Center, LLC					21
22			Ruston Nursing and Rehabilitation Center, LLC					22
23			Natchitoches Nursing and Rehabilitation Center, LLC					23
24			Winnfield Nursing and Rehabilitation Center, LLC					24
25			Ringgold Nursing and Rehabilitation Center, LLC					25
26			Arcadia Nursing and Rehabilitation Center, LLC					26
27			Jena Nursing and Rehabilitation Center, LLC					27
28								28
29			** The above listed facilites are related by					29
30			common ownership					30

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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	DTD HC, LLC	Owner		50.00	0	0	0.00	0	$ 0	17	1
2	D & N, LLC	Owner		50.00	0	0	0.00	0	0	17	2
3	Donald T. Denz	CFO & CoCEO	Finance/ Admin	0.00	***	0.7	1.75	Fin/ Adm. of TC	5,084	17	3
4		for Tara Cares	of Tara Cares								4
5	Norbert A. Bennett	CEO for Tara Cares	Finance/ Admin	0.00	***	0.7	1.75	Fin/ Adm. of TC	5,084	17	5
6			of Tara Cares								6
7	Suzette Wilson	Vice President	Admin of	0.00	***	0.7	1.75	VP of TC	4,200	17	7
8			Tara Cares								8
9	*** Compensation paid only through Support Office and allocated share reported in column 7.										9
10											10
11											11
12											12
13								TOTAL	$ 14,368		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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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 [X] NO [ ]

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

Name of Related Organization: Aurora Cares, LLC d/b/a Tara Cares
Street Address: PO Box 428
City / State / Zip Code: Orchard Park, NY 14127
Phone Number: (716)662-4955
Fax Number: (716)662-2529

	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	Administrative Services Costs	Total Costs	360,694,046	40	$ 331,164	$ 254,762	5,340,113	$ 4,902	1
2	5	Administrative Services Costs	Days	1,499,044	36	49,619	0	32,216	1,067	2
3	6	Administrative Services Costs	Days	1,499,044	36	84,495	0	32,216	1,817	3
4	10	Administrative Services Costs	Total Costs	360,694,046	40	2,830,772	2,278,309	5,340,113	41,905	4
5	17	Administrative Services Costs	Days	1,499,044	36	5,324,729	5,324,729	32,216	114,433	5
6	19	Administrative Services Costs	Days	1,499,044	36	28,376	0	32,216	610	6
7	20	Administrative Services Costs	Days	1,499,044	36	12,955	0	32,216	278	7
8	21	Administrative Services Costs	Days	1,499,044	36	255,791	0	32,216	5,495	8
9	22	Administrative Services Costs	Days	1,499,044	36	710,699	0	32,216	15,274	9
10	24	Administrative Services Costs	Days	1,499,044	36	126,163	0	32,216	2,711	10
11	26	Administrative Services Costs	Days	1,499,044	36	6,945	0	32,216	150	11
12	27	Administrative Services Costs	Days	1,499,044	36	64,681	0	32,216	1,390	12
13	30	Administrative Services Costs	Days	1,499,044	36	134,876	0	32,216	2,898	13
14	31	Administrative Services Costs	Days	1,499,044	36	15,039	0	32,216	323	14
15	33	Administrative Services Costs	Days	1,499,044	36	29,482	0	32,216	634	15
16	34	Administrative Services Costs	Days	1,499,044	36	55,902	0	32,216	1,202	16
17	35	Administrative Services Costs	Days	1,499,044	36	1,765	0	32,216	38	17
18										18
19										19
20		NOTE: Aurora Cares, LLC d/b/a Tara Cares provides administrative support services under contract to the reporting facility.								20
21		Aurora Cares, LLC has no ownership interest and does not manage the reporting facility. Therefore, Aurora Cares, LLC is not								21
22		considered a Home Office by CMS and as defined in 42 CRF 421.404.								22
23										23
24										24
25	TOTALS					$ 10,063,453	$ 7,857,800		$ 195,127	25

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1	Lancaster Pollard Mortgage Company		X	Refinance purchase of plant	$16,926.74	6/20/12	$ 4,566,200	$ 4,372,185	7/1/47	0.0275	$ 121,272	1
2												2
3												3
4												4
5												5
	Working Capital											
6	M&T BANK		X	Working capital - floating balance		09/21/12	93,000	Zero	demand not	0.0450		6
7												7
8												8
9	TOTAL Facility Related				$16,926.74		$ 4,659,200	$ 4,372,185			$ 121,272	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 4,659,200	$ 4,372,185			$ 121,272	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ 22,714 Line # 34

*** 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 Stearns Nsg & Rehab Center **#** 0046870 **Report Period Beginning:** 1/1/14 **Ending:** 12/31/14

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

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2013 report. **Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.**	$	94,600	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.)	$	90,466	2
3. Under or (over) accrual (line 2 minus line 1).	$	(4,134)	3
4. Real Estate Tax accrual used for 2014 report. (Detail and explain your calculation of this accrual on the lines below.)	$	94,969	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.	$	90,836	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
2009	78,257	8
2010	80,241	9
2011	82,717	10
2012	90,101	11
2013	90,466	12

FOR BHF USE ONLY

13	FROM R. E. TAX STATEMENT FOR 2013	$	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.**

2013 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Stearns Nsg & Rehab Center COUNTY Madison

FACILITY IDPH LICENSE NUMBER 0046870

CONTACT PERSON REGARDING THIS REPORT Gary F. Eye

TELEPHONE (716) 622-4955, ext.392 FAX #: (716) 662-4468

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2013 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 2013.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	22-1-20-09-07-201-013	3900 Stearns Avenue	$ 90,466.44	$ 90,466.44
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 90,466.44	$ 90,466.44

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 2013 tax bills which were listed in Section A to this statement. Be sure to use the 2013 tax bill which is normally paid during 2014.

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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 32,526 B. General Construction Type: Exterior Masonry Frame Steel Reinforcement Number of Stories One

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (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 [X] (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? [X] YES [ ] NO
If so, please complete the following:

1. Total Amount Incurred: 136,427
2. Number of Years Over Which it is Being Amortized: 5 Years (60 Months)
3. Current Period Amortization: Included in Schedule VII N ln 1-8
4. Dates Incurred: Various and on the books of related entities

Nature of Costs: Inc.CapitalizedPre-openingSalaries,Benefits&OtherCostsIncurred2007,2009&2010.AllocatedViaRelatedOrgCost&ReportedSchVII B
(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	Long Term Care	195,584	2011	$ 191,114	1
2					2
3	TOTALS	195,584		$ 191,114	3

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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	109		2011	1972	$ 4,287,120	$ 107,178	40	$ 107,178	$	$ 375,123	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Alumalite Front Sign			2005	515	52	10	52		490	9
10	Sign			2005	800	80	10	80		760	10
11	**Electrical and Mechanical Repairs capitalized for Medicaid**			2005	11,308					11,308	11
12	Cabinetry Install for Therapy Room			2006	10,980	915	12	915		7,778	12
13	Emergency Lights (outside)			2006	1,621	135	12	135		1,148	13
14	Painting - Back Railings			2006	3,780		5			3,780	14
15	Outside Lights			2006	1,419	118	12	118		1,005	15
16	Walkway			2006	2,100	175	12	175		1,488	16
17	Roof			2006	152,600	12,717	12	12,717		108,092	17
18	Cabinetry - Therapy Room			2006	2,433	203	12	203		1,723	18
19	**Plumbing and Mechanical Repairs capitalized for Medicaid**			2006	3,808					3,808	19
20	**Plumbing and Mechanical Repairs capitalized for Medicaid**			2007	9,163					9,163	20
21	Air Conditioners (10)			2007	10,033					10,033	21
22	Closet Doors			2007	7,675	698	11	698		5,233	22
23	Kitchen Hoods and Sprinklers			2007	11,130	1,012	11	1,012		7,589	23
24	Resident Restrooms- tile, mirrors, drains, fixtures, shut offs, handrails, paint			2007	85,475	8,548	10	8,548		64,106	24
25	1 Resident Shower Room- tile, mirrors, drains, fixtures, shut offs			2007	50,679	4,607	11	4,607		34,554	25
26	Guest Bathroom - tile, sinks, faucets, toilet, drains, shut offs, paint, ceiling			2008	7,820	782	10	782		5,083	26
27	3 Shower Rooms - tile, drains, shut offs, paint, faucets			2008	61,673	6,167	10	6,167		40,087	27
28	Res bathrooms- tile, lighting, mirrors, hand rails, toilets, faucets, shut offs			2008	54,775	5,478	10	5,478		35,604	28
29	**Electrical & Floor Repair capitalized for Medicaid**			2008	4,710					4,710	29
30	A/C Unites (5)			2008	2,150		5			2,150	30
31	Fire Alarm Motherboard			2008	3,165	317	10	317		2,057	31
32	Nurses Stations (North & South)			2008	34,900	3,490	10	3,490		22,685	32
33	Kitchen Upgrade-waste/water line, metal studs, interior partition, new electrical			2008	44,605	4,461	10	4,461		28,993	33
34	Facility Sign			2008	11,365	1,136	10	1,136		7,387	34
35	**Dish Machine**			2008	14,180	1,418	10	1,418		9,217	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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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	Hot Water Heater Pump	2009	$ 527	$ 59	9	$ 59	$	$ 322	37
38	Floor Installation	2009	40,021	4,447	9	4,447		24,457	38
39	Office Countertops	2009	1,259	140	9	140		769	39
40	Water Heater 100 Gallon & Pump	2009	8,225	914	9	914		5,026	40
41	Direct TV Systems	2009	15,858	1,762	9	1,762		9,691	41
42	Water Heater	2010	6,800	850	8	850		3,825	42
43	Water Heater (100 gallon)	2010	8,200	1,025	8	1,025		4,613	43
44	Phone System Upgrade (Nurse Station)	2010	1,061	133	8	133		597	44
45	Back Door / frame replacement	2010	3,409	426	8	426		1,918	45
46	Lighting & Room Signage capitalized for Medicaid	2010	13,829					13,829	46
47	TCU Wing Renovation	2011	630,780	90,111	7	90,111		315,389	47
48	Ceiling & Door Replacement	2011	80,229	11,461	7	11,461		40,114	48
49	Locks (6 coded/keyed)	2011	3,352	335	10	335		1,103	49
50	Electrical (Dining/NRS)	2011	4,466	298	15	298		980	50
51	A/C Unit	2011	1,104	221	5	221		727	51
52	Utility Room Renovation Drywall/plumbing/electric/cabinets	2011	16,150	1,077	15	1,077		3,544	52
53	Landscaping	2011	7,890	526	15	526		1,731	53
54	Water Softener	2011	2,074	207	10	207		683	54
55	Installation of 61 overbed lights-Capitalized for Medicaid	2011	12,272	2,454	5	2,454		8,589	55
56	Addtl TCU Wing Renovation - generator/flooring	2011	23,658	3,380	7	3,380		11,830	56
57	Ceiling, Smoke Door & Door Replacement	2011	19,522	2,789	7	2,789		9,761	57
58	Replace 41 Windowns - Capitalized for Medicaid	2011	6,070	1,214	5	1,214		4,249	58
59	Dining Room Wall Repair - Capitalized for Medicaid	2011	3,220	644	5	644		2,255	59
60	Laundry Room Ceiling/Lighting/Drywall/Painting-Cap for MCD	2011	5,769	1,154	5	1,154		4,039	60
61	Apoxy Coating Front Porch Floor	2011	5,005	1,001	5	1,001		3,295	61
62					7				62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 5,812,732	$ 286,312		$ 286,312	$	$ 1,278,490	70

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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	
1	Totals from Page 12A, Carried Forward		$ 5,812,732	$ 286,312		$ 286,312	$	$ 1,278,490	1
2	Kitchen Sewer Line	2012	28,671	1,434	20	1,434		3,584	2
3	Additional new drains for sinks	2012	725	36	20	36		91	3
4	MagLock System Courtyard Gate	2012	4,800	480	10	480		1,047	4
5	Dietary Mixer Repair Capitalized for Medicaid	2012	2,873	958	3	958		2,392	5
6	Lobby/Lounge Door Hardware Capitalized for Medicaid	2012	4,360	1,453	3	1,453		3,635	6
7	Burnisher Repair Capitalized for Medicaid	2012	2,628	876	3	876		2,190	7
8	Sewer&DrainCleaning/Cableing,WaterLines-Cap for Medicaid	2012	4,698	1,566	3	1,566		3,915	8
9	RAC PTAC Unit	2013	672	134	5	134		201	9
10	81 gal Water Heater	2013	6,577	658	10	658		986	10
11	Cabling Installation for Wireless Access Point	2013	2,589	129	20	129		194	11
12	Asphalt parking lot	2013	49,183	6,148	8	6,148		9,222	12
13	Plumbing,Sprinkler,Wall&Burnisher Repairs - Cap for MCD	2013	31,755	10,585	3	10,585		15,877	13
14	Remove/Replace sidewalks to tie to existing 2 exit doors	2014	7,500	250	15	250		250	14
15	Seal Parking Lot	2014	2,900	725	2	725		725	15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24	Note: See additional building improvements made by former		533,613	30,549		30,549		446,437	24
25	property owner Healthcare REIT, Inc. on supplemental								25
26	schedule included as page 24 of the cost report.								26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 6,496,276	$ 342,293		$ 342,293	$	$ 1,769,237	34

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XI. OWNERSHIP COSTS (continued)

C. Equipment Costs-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	$ 322,853	$ 41,676	$ 41,676	$	various	$ 185,247	71
72	Current Year Purchases	14,750	1,077	1,077		various	1,077	72
73	Fully Depreciated Assets	131,225	3,303	3,303		various	130,881	73
74								74
75	TOTALS	$ 468,827	$ 46,055	$ 46,055	$		$ 317,205	75

D. Vehicle Costs. (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	Residents to/from Doctors	2013 Champion Bus	2014	$ 54,596	$ 6,824	$ 6,824	$	4	$ 6,824	76
77										77
78										78
79										79
80	TOTALS			$ 54,596	$ 6,824	$ 6,824	$		$ 6,824	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)	$ 7,210,814	81	
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 395,173	82	
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 395,173	83	**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$	84	
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 2,093,266	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	None	$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	None	$	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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease:
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
   If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34. This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: ☐ YES ☐ NO Terms: *

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.	/2015	$
13.	/2016	$
14.	/2017	$

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: $ 39,819 Description: see separate schedule
    (Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			$	$	17
18					18
19					19
20					20
21	TOTAL		$	$	21

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

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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

   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 Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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

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

Facility Name & ID Number Stearns Nsg & Rehab Center **#** 0046870 **Report Period Beginning:** 1/1/14 **Ending:** 12/31/14

XV. BALANCE SHEET - Unrestricted Operating Fund. **As of** 12/31/14 **(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	$ 13,310	$	1
2	Cash-Patient Deposits	18,546		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	893,926		3
4	Supply Inventory (priced at cost)	9,667		4
5	Short-Term Investments			5
6	Prepaid Insurance	1,947		6
7	Other Prepaid Expenses	5,214		7
8	Accounts Receivable (owners or related parties)	94,099		8
9	Other(specify): Non resident A/R (see TB)	4,836		9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 1,041,545	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	141,599		15
16	Equipment, at Historical Cost	122,898		16
17	Accumulated Depreciation (book methods)	(54,036)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	(654)		21
22	Other Long-Term Assets (spe Deposits-Long Term	2,200		22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 212,007	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,253,552	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 150,804	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	18,987		28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	217,779		30
31	Accrued Taxes Payable (excluding real estate taxes)	44,621		31
32	Accrued Real Estate Taxes(Sch.IX-B)	(9,511)		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Employee Benefits Payable	13,537		36
37	Accrued Expenses	301,802		37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 738,019	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 738,019	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 515,533	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,253,552	$	48

***(See instructions.)**

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ (935,263)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ (935,263)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	20,113	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants	1,918,432	11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(487,749)	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)**	$ 1,450,796	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)**	$ 515,533	24 *

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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

	I. Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 4,743,526	1
2	Discounts and Allowances for all Levels	708,109	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 5,451,635	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	218,594	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 218,594	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	1,036	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	2,271	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	444	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 3,751	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	4,148	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 4,148	26
	E. Other Revenue (specify):**		
27	**Settlement Income (Insurance, Legal, Etc.)**		27
28	**Prior Year Net Revenue**	(10,608)	28
28a	**Purchase Discounts & Misc Revenue**	37,997	28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 27,389	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 5,705,517	30

	II. Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	929,774	31
32	Health Care	2,768,199	32
33	General Administration	1,111,208	33
	B. Capital Expense		
34	Ownership	375,074	34
	C. Ancillary Expense		
35	Special Cost Centers	261,612	35
36	Provider Participation Fee	239,537	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 5,685,404	40
41	**Income before Income Taxes (line 30 minus line 40)****	20,113	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 20,113	43

	III. Net Inpatient Revenue detailed by Payer Source		
44	Medicaid - Net Inpatient Revenue	$ 2,890,033	44
45	Private Pay - Net Inpatient Revenue	771,737	45
46	Medicare - Net Inpatient Revenue	1,500,675	46
47	Other-(specify)	289,190	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	$ 5,451,635	49

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

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

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

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

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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	1,920	2,080	$ 81,298	$ 39.09	1
2	Assistant Director of Nursing	1,896	2,080	66,975	32.20	2
3	Registered Nurses	5,558	5,886	175,139	29.76	3
4	Licensed Practical Nurses	27,811	30,040	655,978	21.84	4
5	CNAs & Orderlies	69,619	74,463	762,385	10.24	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,814	1,921	23,271	12.11	9
10	Activity Assistants	2,998	3,210	30,015	9.35	10
11	Social Service Workers	3,217	3,648	77,962	21.37	11
12	Dietician	1,356	1,412	41,436	29.35	12
13	Food Service Supervisor	2,143	2,419	31,808	13.15	13
14	Head Cook					14
15	Cook Helpers/Assistants	4,040	4,325	55,290	12.78	15
16	Dishwashers	10,961	11,757	102,032	8.68	16
17	Maintenance Workers	3,448	3,736	55,311	14.80	17
18	Housekeepers	12,386	13,460	127,842	9.50	18
19	Laundry	3,642	4,130	38,940	9.43	19
20	Administrator	1,880	2,080	104,864	50.42	20
21	Assistant Administrator					21
22	Other Administrative	3,528	3,809	82,405	21.63	22
23	Office Manager	1,950	2,110	33,137	15.70	23
24	Clerical	1,862	2,035	27,735	13.63	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,668	1,879	25,200	13.41	31
32	Other Health C: MDS Coordinator	3,880	4,225	108,400	25.66	32
33	Other(specify) Central Supply	1,959	2,100	23,102	11.00	33
34	TOTAL (lines 1 - 33)	169,536	182,805	$ 2,730,525 *	$ 14.94	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	314	20,400	9-3	36
37	Medical Records Consultant	48	3,270	10-3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	$18 Perbed/mo	23,544	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	29	1,735	11-3	44
45	Social Service Consultant	29	1,735	12-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	420	$ 50,683		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses	1,499	$ 114,942	10-3	50
51	Licensed Practical Nurses	18	718		51
52	Certified Nurse Assistants/Aides	76	1,559		52
53	TOTAL (lines 50 - 52)	1,593	$ 117,219		53

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Brett Hoffman	Administrator	0	$ 104,864
Kyle Baalman	Bus. Office Mgr	0	33,137
Angela Archer	Payroll	0	27,735
Areal Mitchell	HR	0	28,074
Cynthia Krum	Admis Coordinator	0	53,748
Cheryl Kelley	Admis Asst	0	89
		0	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			$ 247,647

B. Administrative - Other

Description	Amount
Tara Cares Administrative Services Fee	$ 341,076
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	$ 341,076

C. Professional Services

Vendor/Payee	Type	Amount
Freed, Maxick & Battaglia	Accounting Fees	$ 2,462
Freed, Maxick & Battaglia	Tax Fees	2,432
Various Legal Fees - See attached listings		64,028
TOTAL (agree to Schedule V, line 19, column 3) (For legal fee disclosure, see page 39 of instructions)		$ 68,922

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 118,795
Unemployment Compensation Insurance	89,752
FICA Taxes	209,909
Employee Health Insurance	5,121
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
Worker Compensation Safety Rec. Program	1,153
Employee Benefits - Other	10,641
Employee Benefits - Short Term Disability	540
Employee Benefits - Hepatitis B Vaccination	
Employee Benefits - Gifts/Exchange/Dental	9,491
H.S.A. ER Contibution	480
Employee Benefit Life Insurance	796
TOTAL (agree to Schedule V, line 22, col.8)	$ 446,678

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

Description	Line #	Amount
None in allowable cost (Column 8) of Schedule V		$
TOTAL		$

* Attach copy of IMRF notifications

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 2,487
Advertising: Employee Recruitment	10,947
Health Care Worker Background Check	3,433
(Indicate # of checks performed 42)	
Patient Background Checks 92	1,010
Facility Advertising	17,742
IL Health Care Assn/Chamber of Comm	8,452
Non-AllowCOCMA/IHCA/ChambComm	(6,780)
City Business License/Sams Club/Admin	214
COCMA DUES/Academy of Nutrition	340
Less: Public Relations Expense	( )
Non-allowable advertising	(17,742)
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 20,103

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	12,127
Seminar Expense	740
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 12,867

**See instructions.

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

Facility Name & ID Number Stearns Nsg & Rehab Center # 0046870 Report Period Beginning: 1/1/14 Ending: 12/31/14

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. **IHCA $1,721 net of non-allowables**

(3) Did the nursing home make political contributions or payments to a political action organization? **Yes** If YES, have these costs been properly adjusted out of the cost report? **Yes**

(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**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **26,550** 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. $ **239,537**
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. $ **None** Has any meal income been offset against related costs? **Yes** Indicate the amount. $ **1,036**

(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? **N/A**
d. Have vehicle usage logs been maintained? **Yes**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **Yes**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **No Personal Use**
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? **No**
Firm Name: **N/A**

(18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? **Yes**

(19) Has a schedule for the legal fees reported on the cost report been provided by the facility? See page 39 of the instructions for details. **Yes**
Attach invoices and a summary of services for all architect and appraisal fees

Facility Name & ID Number Stearns Nursing & Rehabilitation Center, LLC # 0046870 Report Period Beginning: 1/1/2014 Ending: 12/31/2014

XI. OWNERSHIP COSTS (continued)

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

1	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	
1			$	$		$	$	$	1
2	Improvements Made by Healthcare REIT (covered by rent at outset								2
3	of Change of Ownership):								3
4	Cove Base	2006	16,775	1,398	12	1,398		11,882	4
5	Sprinkler System Cost @ 6/30/06	2006	120,650	10,450	12	10,450		88,825	5
6	Sprinkler System Addl Cost Post 6/30/06	2006	4,750						6
7	Painting of Facility Cost @ 6/30/06	2006	117,665		5			118,415	7
8	Painting of Facility Addl Cost Post 6/30/06	2006	750						8
9	Exterior Siding Cost @ 6/30/06	2006	54,360	3,993	12	3,993		33,943	9
10	Exterior Siding Addl Cost Post 6/30/06	2006	(6,440)						10
11	Handrails and Chairrails	2006	12,705	1,059	12	1,059		8,999	11
12	Ducts & Fire Dampers for Fire Alarm System	2006	1,445	145	10	145		1,228	12
13	A/C Units (10)	2006	9,284		5			9,284	13
14	Carpeting	2006	3,894		5			3,894	14
15	Grease Trap	2005	8,421	648	13	648		6,154	15
16	Air Conditioning Units (6)	2005	3,818		5			3,818	16
17	Air Conditioning Units (5)	2005	2,600	200	13	200		1,900	17
18	Doors (2) Beauty Shop, Office	2005	2,044	157	13	157		1,494	18
19	Doors (2)	2005	3,997	307	13	307		2,921	19
20	Replacement Windows	2005	6,555	655	10	655		6,227	20
21	Sprinkler System	2005	56,150	4,319	13	4,319		41,033	21
22	Fire Alarm System	2005	22,294	2,229	10	2,229		21,179	22
23	Closet Doors	2005	2,400	185	13	185		1,754	23
24	Smoke Damper	2005	700	70	10	70		665	24
25	Roof Repairs - Replace Shingles, Patch, Seal	2005	13,500	1,350	10	1,350		12,825	25
26	Replacement Doors	2005	1,697	131	13	131		1,240	26
27	Replacement Doors	2005	2,186	168	13	168		1,597	27
28	Compressor for Walk-in Freezer	2005	1,525	153	10	153		1,449	28
29	Air Conditioning Units (strip) (23)	2005	22,573		5			22,573	29
30	Doors	2005	3,092	238	13	238		2,260	30
31	Aspire Telephone System	2005	10,992	1,099	10	1,099		10,442	31
32	Fire Damper	2005	1,420	109	13	109		1,038	32
33	Air Conditioning Units (2) - 4 ton & 5 ton	2005	11,617		5			11,617	33
34	Pave Walkway, Roadway, Turnaround	2005	5,150		8			5,150	34
35	Exterior Siding	2006	6,440	644	10	644		5,474	35
36	Double Bowl Sinks (2)	2006	1,104	92	12	92		782	36
37	5-ton Rooftop A/C Unit	2006	7,500	750	12	750		6,375	37
38	**TOTAL (lines 1 thru 37)**		**$ 533,613**	**$ 30,549**		**$ 30,549**	**$**	**$ 446,437**	38

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