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October 13, 2011

Board of Directors  
Corvilla, Inc.  
3231 Sugar Maple Bus Ct.  
South Bend, IN 46628

We have reviewed the audit report prepared by Crowe Horwath, LLP, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Corvilla, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**CORVILLA, INC.**

**FINANCIAL STATEMENTS**

December 31, 2009 and 2008

CORVILLA, INC.  
South Bend, Indiana

FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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Crowe Horwath LLP  
Independent Member Crowe Horwath International

## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
Corvilla, Inc.  
South Bend, Indiana

We have audited the accompanying balance sheets of Corvilla, Inc. as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Corvilla, Inc. as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of unrestricted revenues and program costs, and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Crowe Horwath LLP*  
Crowe Horwath LLP

South Bend, Indiana  
February 17, 2010

CORVILLA, INC.  
 STATEMENTS OF ACTIVITIES  
 Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Unrestricted net assets</b>		
Resident services revenue	\$ 2,306,515	\$ 2,265,568
<b>Program costs</b>		
Nursing and direct service	1,022,930	1,037,246
Dietary	62,902	66,583
Laundry and housekeeping	14,203	13,942
Maintenance and occupancy	237,845	218,979
Recreation and social service supplies	16,247	6,650
Ancillary	2,108	1,444
Day service expense	332,817	324,078
Provider assessment expense	<u>124,588</u>	<u>116,640</u>
	1,813,640	1,785,562
<b>General and administrative expenses</b>	<u>520,793</u>	<u>492,598</u>
<b>Total expenses</b>	<u>2,334,433</u>	<u>2,278,160</u>
<b>Operating loss</b>	(27,918)	(12,592)
<b>Other income</b>		
Fund raising, net	9,650	8,748
Donations	193,116	72,601
Investment income	505,219	(619,169)
Gain on disposal of equipment	4,618	-
Other	5,171	7,915
Net assets released from restriction	<u>2,337</u>	<u>-</u>
	<u>720,111</u>	<u>(529,905)</u>
<b>Change in unrestricted net assets</b>	692,193	(542,497)
<b>Temporarily restricted net assets</b>		
Temporarily restricted donations	-	1,000
Net assets released from restriction	<u>(2,337)</u>	<u>-</u>
<b>Change in temporarily restricted net assets</b>	<u>(2,337)</u>	<u>1,000</u>
<b>Change in net assets</b>	689,856	(541,497)
Net assets at beginning of year	<u>2,923,981</u>	<u>3,465,478</u>
<b>Net assets at end of year</b>	<u>\$ 3,613,837</u>	<u>\$ 2,923,981</u>

See accompanying notes to financial statements.

CORVILLA, INC.  
BALANCE SHEETS  
December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,305,765	\$ 468,983
Short-term investments	-	589,000
Accounts receivable	173,187	174,292
Bequests receivable	4,701	60,056
Other current assets	<u>36,697</u>	<u>37,061</u>
Total current assets	1,520,350	1,329,392
Land, buildings, equipment and vehicles		
Land, buildings and improvements	994,407	1,012,274
Movable equipment	59,069	49,313
Vehicles and equipment	<u>-</u>	<u>14,619</u>
	1,053,476	1,076,206
Accumulated depreciation	<u>601,675</u>	<u>601,980</u>
	451,801	474,226
Investments		
	<u>2,008,284</u>	<u>1,479,570</u>
	<u>\$ 3,980,435</u>	<u>\$ 3,283,188</u>
<b>LIABILITIES AND UNRESTRICTED NET ASSETS</b>		
Current liabilities		
Current portion of long-term debt	\$ 11,715	\$ 11,062
Accounts payable	87,129	73,769
Accrued salaries and wages	54,588	49,496
Accrued reimbursement liability	<u>1,527</u>	<u>1,527</u>
Total current liabilities	154,959	135,854
Long-term debt		
	211,639	223,353
Unrestricted net assets		
Designated for use in future years	2,008,284	1,479,570
Undesignated	<u>1,605,553</u>	<u>1,442,074</u>
Total unrestricted net assets	3,613,837	2,921,644
Temporarily restricted		
	<u>-</u>	<u>2,337</u>
Total net assets	<u>3,613,837</u>	<u>2,923,981</u>
	<u>\$ 3,980,435</u>	<u>\$ 3,283,188</u>

See accompanying notes to financial statements.

CORVILLA, INC.  
STATEMENTS OF CASH FLOWS  
Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 689,856	\$ (541,497)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	45,644	43,772
Net unrealized (gain) loss on investments	(562,207)	612,720
Net realized loss on investments	115,473	82,019
Gain on sale of fixed assets	(4,618)	-
Change in assets and liabilities		
Accounts receivable	1,105	(13,029)
Bequests receivable	55,355	89,944
Other current assets	364	(1,821)
Accounts payable	13,360	(11,602)
Other current liabilities	<u>5,092</u>	<u>6,229</u>
Net cash from operating activities	359,424	266,735
 <b>Cash flows from investing activities</b>		
Proceeds from sale of fixed assets	9,500	-
Capital expenditures	(28,101)	(11,785)
Proceeds from sales of investments	1,040,281	358,387
Purchase of investments	<u>(533,261)</u>	<u>(996,045)</u>
Net cash from investing activities	488,419	(649,443)
 <b>Cash flows from financing activities</b>		
Principal payments on long-term debt	<u>(11,061)</u>	<u>(10,446)</u>
Net cash from financing activities	<u>(11,061)</u>	<u>(10,446)</u>
 Net change in cash and cash equivalents	836,782	(393,154)
 Cash and cash equivalents at beginning of year	<u>468,983</u>	<u>862,137</u>
 <b>Cash and cash equivalents at end of year</b>	<u>\$ 1,305,765</u>	<u>\$ 468,983</u>
 <b>Supplemental disclosure of cash flow information</b>		
Cash paid during the year for interest	<u>\$ 13,189</u>	<u>\$ 13,806</u>
 <b>Schedule of non-cash investing and financing activities</b>		
Disposed of fully depreciated equipment	<u>\$ 35,513</u>	<u>\$ -</u>

See accompanying notes to financial statements.

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities: The Organization operates four community residential facilities for developmentally disabled individuals in St. Joseph County, Indiana. The Organization is reimbursed by the Indiana Family and Social Services Administration and individual residents for occupancy according to per resident day reimbursement rates based on allowable costs as prescribed by the State of Indiana. Amounts due for payment of services provided are shown as accounts receivable. Estimated repayments to third party payors for reimbursements received for such services are shown as a liability on the balance sheet. At December 31, 2009 and 2008, all of the accounts receivable are due from the Indiana Family and Social Services Administration.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation: The financial statements report the changes in and totals of each net asset class based on the existence of donor restrictions, as applicable. Net assets are classified as unrestricted, temporarily restricted, or permanently restricted and are detailed as follows:

Unrestricted net assets represent the part of the net assets of the Organization that is neither permanently restricted nor temporarily restricted by donor-imposed stipulations. At December 31, 2009 and 2008 the Organization had \$2,008,284 and \$1,479,570, respectively, designated by the Board of Directors for future capital and operational purposes.

Temporarily restricted net assets represent the part of the net assets of the Organization resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or by actions of the Organization. For the years end December 31, 2009 and 2008 amounts restricted for use within the Myrtle and Bulla homes were \$0 and \$2,337, respectively.

Permanently restricted net assets represent the part of the net assets of the Organization resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization does not possess any permanently restricted net assets.

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates associated with the allowance for uncollectible accounts, estimated depreciable lives of property and equipment and accrued reimbursement liability are particularly susceptible to material changes in the near term. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are either interest-bearing and federally insured up to \$250,000 or non-interest bearing and fully guaranteed by the federal government. Additionally, for purposes of the statements of cash flows, the Organization considers all highly liquid investments purchased with operating cash and with an original maturity of three months or less to be cash equivalents.

Resident Services Revenue: Resident services revenue is reported at the estimated net realizable amounts due from residents, third-party payors, and others for residential services provided. Resident services revenue is also adjusted for estimated retroactive adjustments under reimbursement agreements with third-party payors.

Contributions: Contributions received and unconditional promises to give are recorded as unrestricted, temporarily restricted, or permanently restricted revenue depending on the existence of donor restrictions and the nature of such restrictions, if they exist.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

If a restriction is fulfilled in the same accounting period in which the contribution is received, the contribution is reported as unrestricted.

Accounts Receivable: The accounts receivable balance represents the unpaid amounts billed to residents and third-party payors. An allowance for doubtful accounts is recorded to report receivables for resident services at net realizable value. The Organization does not accrue interest on any of its past due accounts receivable.

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Allowance for Doubtful Accounts: The allowance for doubtful accounts is determined by management based on the Organization's historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on current circumstances and charges off uncollectible receivables when all attempts to collect have failed. Management believes all receivables at December 31, 2009 and 2008 are fully collectible, and therefore no provision for doubtful accounts has been provided.

Land, Buildings, Equipment, Vehicles and Depreciation: Land, buildings, equipment, and vehicles are stated at cost or, if donated to the Organization, at fair market value on the date of acquisition. Additions and improvements are capitalized; expenditures for routine maintenance are charged to operations. Depreciation is provided over the estimated useful lives of the various classes of assets on the straight-line method. The estimated useful lives are as follows:

Buildings and improvements	10 - 30 years
Movable equipment	3 - 5 years
Vehicles and equipment	3 - 5 years

The Organization has a capitalization policy that states all property and equipment in excess of \$500 are to be capitalized and depreciated.

Investments and Board Designated Assets: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair value based on quoted market prices or dealer quotes in the balance sheets. These investments are initially recorded at cost if they were purchased or at their fair market value on the date of the gift if they were received as a donation. Unrealized gains and losses resulting from year-end adjustments are included in the statement of activities. Certain investments have been internally designated by the Board of Directors for use in future years. These investments are managed by an investment broker and totaled \$2,008,284 and \$1,479,570 at December 31, 2009 and 2008, respectively.

Fund Raising: The Organization holds various fund raising events throughout the year to assist in the funding of various resident care expenses. Monies received from the participants of these events totaled \$20,244 and \$23,740 for the years ended December 31, 2009 and 2008, respectively. In addition, the Organization received in-kind donations valued at \$6,390 and \$10,343 to assist in holding the various events, which are recorded as donation income in the statement of activities. The costs associated with these events totaled \$10,594 and \$14,992 for the years ended December 31, 2009 and 2008, respectively; which also include the value of the in-kind donations. The Organization utilizes a significant number of volunteer hours to host these events. Pursuant to current accounting standards, the value of these volunteer hours is not reflected within the statements of activities.

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CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes: The Organization is exempt from income taxes on income from related activities under Section 501(c)(3) of the U.S. Internal Revenue Code and corresponding state tax law. In addition, the Organization may participate in certain activities not directly related to the Organization's exempt purpose and as such, would be subject to unrelated business income tax.

Tax Position Uncertainties: Current accounting standards require the Organization to disclose the amount of potential benefit or obligation to be realized as a result of an examination performed by a taxing authority. For the years ended December 31, 2009 and 2008, management has determined that the Organization does not have any tax positions that result in any uncertainties regarding the possible impact on the Organization's financial statements. As previously mentioned, the Organization does engage in certain activities that have been determined to fall outside of its mission, and therefore have identified the revenues and related costs as being subject to unrelated business income tax. The amount of unrelated business activity has been determined by management to be immaterial. The Organization's Form 990 T, nor its Form 990, for the last three years have been subject to examination by the Internal Revenue Service. The Organization has timely filed the aforementioned forms for all years required, and therefore has not been subject to any interest or penalties.

Functional Allocation of Expenses: The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2009 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2009. Management has performed their analysis through the date of this report, the date the financial statements were available to be issued.

**NOTE 2 - BEQUEST RECEIVABLE**

During 2009 and 2008 the Organization received payments totaling \$155,780 and \$89,944, respectively, related to a bequest in which the Organization had been named a beneficiary in 2007. The original estimate of the bequest in the amount of \$150,000 was recorded as a receivable at December 31, 2007. The excess payments received in 2009 were recorded as donations. Additionally, at December 31, 2009 a receivable in the amount of \$4,701 was recognized for the remaining distribution from the estate that is expected to be received during 2010.

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 3 - INVESTMENTS**

Investments are reflected at fair market value and consist of the following:

	<u>2009</u>	<u>2008</u>
Money market funds	\$ 39,707	\$ 28,804
Mutual funds	<u>1,968,577</u>	<u>1,450,766</u>
	<u>\$ 2,008,284</u>	<u>\$ 1,479,570</u>

Investment income is comprised of the following for the year ending December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Interest and dividends	\$ 58,485	\$ 75,570
Realized loss on sale of investments	(115,473)	(82,019)
Unrealized gain (loss) on investments	<u>562,207</u>	<u>(612,720)</u>
	<u>\$ 505,219</u>	<u>\$ (619,169)</u>

**NOTE 4 - LONG-TERM DEBT**

Long-term debt at December 31, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Mortgage payable in 360 monthly installments of \$917 including interest at 5.75%, commencing August 2003; secured by facility real estate.	\$ 101,213	\$ 106,235
Mortgage payable in 360 monthly installments of \$625 including interest at 5.75%, commencing August 2003; secured by facility real estate.	68,413	71,871
Mortgage payable in 360 monthly installments of \$479 including interest at 5.75%, commencing August 2003; secured by facility real estate.	<u>53,728</u>	<u>56,309</u>
	223,354	234,415
Current portion	<u>11,715</u>	<u>11,062</u>
	<u>\$ 211,639</u>	<u>\$ 223,353</u>

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CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 4 - LONG-TERM DEBT (Continued)**

Principal payments for the next five years are due as follows:

2010	\$ 11,715
2011	12,407
2012	13,140
2013	13,916
2014	14,737

Interest expense for 2009 and 2008 totaled \$13,189 and \$13,806, respectively.

**NOTE 5 - LEASE COMMITMENTS**

At December 31, 2009, the Organization has entered into various operating leases for vehicles and other small office equipment. Total lease expense for 2009 and 2008 was \$69,451 and \$54,063, respectively.

The following schedule presents, by year, the future minimum lease payments under the above noncancellable leases as of December 31, 2009:

2010	\$ 75,503
2011	64,796
2012	12,647
2013	<u>1,090</u>
	<u>\$ 154,036</u>

**NOTE 6 - EMPLOYEE BENEFIT RETIREMENT PLAN**

The Organization has a tax sheltered annuity plan, provided for in Internal Revenue Code Section 403(b), for all eligible employees. The amount of the contribution to the plan represents a matching of employee contributions of up to 5% of the employee's salary. The Organization contributed \$24,096 and \$24,165 to the plan for the years ended December 31, 2009 and 2008.

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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**NOTE 7 - FAIR VALUE MEASUREMENTS**

The Organization is subject to current accounting guidance related to fair value measurements. This guidance defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the Organization's principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

This guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date. The fair values of equity investments that are readily marketable are determined by obtaining quoted prices on nationally recognized securities exchanges.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

In many cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The Organization's assets and liabilities measured at fair value on a recurring basis are summarized below:

	<u>Fair Value Measurements at 12/31/09</u>			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Assets:				
Mutual funds	\$ 1,968,577	\$ -	\$ -	\$ 1,968,577
Money market funds	<u>39,707</u>	<u>-</u>	<u>-</u>	<u>39,707</u>
Total assets	<u>\$ 2,008,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,008,284</u>

CORVILLA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009 and 2008

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NOTE 7 - FAIR VALUE MEASUREMENTS (Continued)

	<u>Fair Value Measurements at 12/31/08</u>			<u>Total</u>
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	
Assets:				
Mutual funds	\$ 1,450,766	\$ -	\$ -	\$ 1,450,766
Money market funds	28,804	-	-	28,804
Certificates of deposit	-	589,000	-	589,000
Total assets	<u>\$ 1,479,570</u>	<u>\$ 589,000</u>	<u>\$ -</u>	<u>\$ 2,068,570</u>

**SUPPLEMENTARY INFORMATION**

CORVILLA, INC.  
SCHEDULES OF UNRESTRICTED REVENUES AND PROGRAM COSTS  
Years ended December 31, 2009 and 2008

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	Per Resident <u>Day</u>	<u>Amount</u>	Per Resident <u>Day</u>
<b>Resident Services Revenue</b>	<u>\$ 2,306,515</u>	<u>\$ 232.65</u>	<u>\$ 2,265,568</u>	<u>\$ 225.79</u>
<b>Program Costs</b>				
Nursing and direct service				
Nursing wages	\$ 48,083	\$ 4.85	\$ 46,370	\$ 4.62
House manager and residential instructors	786,376	79.32	805,485	80.28
Employee benefits	166,407	16.79	164,332	16.38
Medical director	4,800	0.48	4,800	0.48
Routine nursing supplies and other	<u>17,264</u>	<u>1.74</u>	<u>16,259</u>	<u>1.62</u>
	1,022,930	103.18	1,037,246	103.38
Dietary				
Dietitian	1,240	0.13	790	0.08
Food	<u>61,662</u>	<u>6.22</u>	<u>65,793</u>	<u>6.56</u>
	62,902	6.35	66,583	6.64
Laundry and housekeeping				
Laundry supplies	1,891	0.19	1,947	0.19
Housekeeping supplies	<u>12,312</u>	<u>1.24</u>	<u>11,995</u>	<u>1.20</u>
	14,203	1.43	13,942	1.39
Maintenance and occupancy				
Maintenance wages	36,666	3.70	35,539	3.54
Employee benefits	7,417	0.75	6,941	0.69
Utilities	25,815	2.60	29,082	2.90
Depreciation	34,700	3.50	32,257	3.21
Interest	13,189	1.33	13,806	1.38
Leases	58,465	5.90	37,436	3.73
Insurance	24,376	2.46	22,850	2.28
Repairs and maintenance	27,714	2.80	29,790	2.97
Other plant operations	<u>9,503</u>	<u>0.96</u>	<u>11,278</u>	<u>1.12</u>
	237,845	24.00	218,979	21.82
Recreation and social service supplies	16,247	1.64	6,650	0.66
Ancillary	2,108	0.21	1,444	0.14
Day service	332,817	33.57	324,078	32.30
Provider assessment	<u>124,588</u>	<u>12.57</u>	<u>116,640</u>	<u>11.62</u>
Total program costs	<u>\$ 1,813,640</u>	<u>\$ 182.95</u>	<u>\$ 1,785,562</u>	<u>\$ 177.95</u>

CORVILLA, INC.  
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES  
Years ended December 31, 2009 and 2008

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	Per Resident <u>Day</u>	<u>Amount</u>	Per Resident <u>Day</u>
Administrative wages	\$ 234,330	\$ 23.64	\$ 238,694	\$ 23.79
Qualified mental retardation wages	58,071	5.86	56,686	5.65
Employee benefits	59,152	5.97	57,686	5.75
Retirement benefits	24,096	2.43	24,165	2.41
Training	167	0.02	569	0.06
Professional services	39,295	3.96	25,306	2.52
Depreciation	10,944	1.10	11,515	1.15
Leases	10,986	1.11	16,627	1.66
Advertising	428	0.04	1,065	0.11
Travel	19,839	2.00	25,775	2.57
Telephone	7,779	0.78	7,567	0.75
Licenses, dues and subscriptions	9,512	0.96	8,615	0.86
Office supplies and postage	19,334	1.95	8,572	0.85
Other administrative	<u>26,860</u>	<u>2.71</u>	<u>9,756</u>	<u>0.97</u>
	<u>\$ 520,793</u>	<u>\$ 52.53</u>	<u>\$ 492,598</u>	<u>\$ 49.10</u>