

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

III. STATISTICAL DATA

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

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	115	Skilled (SNF)	115	41,975	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	115	TOTALS	115	41,975	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 Patient Days by Level of Care and Primary Source of Payment			5	
		2 Medicaid Recipient	3 Private Pay	4 Other		
8	SNF	22,524	5,996	10,102	38,622	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	22,524	5,996	10,102	38,622	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 92.01%

D. How many bed-hold days during this year were paid by the Department? 23 (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 Non-allowable costs have been eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES NO

I. On what date did you start providing long term care at this location?
Date started 02/01/2003

J. Was the facility purchased or leased after January 1, 1978?
YES Date 02/01/2003 NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 115 and days of care provided 10,020

Medicare Intermediary AdminaStar Federal -Springfield

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/05 Fiscal Year: 12/31/05

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

STATE OF ILLINOIS

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclassification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
A. General Services											
1	Dietary	211,224	25,966	11,210	248,400		248,400	12,719	261,119		1
2	Food Purchase		182,419		182,419		182,419	(7,425)	174,994		2
3	Housekeeping	107,267	20,958	9,788	138,013		138,013	(1,995)	136,018		3
4	Laundry	58,367	19,066		77,433		77,433	(598)	76,835		4
5	Heat and Other Utilities			106,955	106,955		106,955	1,527	108,482		5
6	Maintenance	90,932		102,912	193,844		193,844	7,206	201,050		6
7	Other (specify):*			3,380	3,380		3,380	1,252	4,632		7
8	TOTAL General Services	467,790	248,409	234,245	950,444		950,444	12,686	963,130		8
B. Health Care and Programs											
9	Medical Director			12,000	12,000		12,000		12,000		9
10	Nursing and Medical Records	2,011,273	112,058	183,716	2,307,047		2,307,047	(9,829)	2,297,218		10
10a	Therapy		1,642	563,134	564,776		564,776	275	565,051		10a
11	Activities	82,711	19,520	980	103,211		103,211		103,211		11
12	Social Services	40,048		1,961	42,009		42,009		42,009		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):*			670	670		670	(43)	627		15
16	TOTAL Health Care and Programs	2,134,032	133,220	762,461	3,029,713		3,029,713	(9,597)	3,020,116		16
C. General Administration											
17	Administrative	90,667		227,615	318,282		318,282	(204,270)	114,012		17
18	Directors Fees										18
19	Professional Services			40,872	40,872		40,872	14,024	54,896		19
20	Dues, Fees, Subscriptions & Promotions			12,168	12,168		12,168	3,551	15,719		20
21	Clerical & General Office Expenses	176,137	24,685	32,592	233,414		233,414	127,622	361,036		21
22	Employee Benefits & Payroll Taxes			483,629	483,629		483,629	(99)	483,530		22
23	Inservice Training & Education			954	954		954		954		23
24	Travel and Seminar			564	564		564	3,698	4,262		24
25	Other Admin. Staff Transportation			2,798	2,798		2,798		2,798		25
26	Insurance-Prop.Liab.Malpractice			110,855	110,855		110,855	1,595	112,450		26
27	Other (specify):*							18,744	18,744		27
28	TOTAL General Administration	266,804	24,685	912,047	1,203,536		1,203,536	(35,135)	1,168,401		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,868,626	406,314	1,908,753	5,183,693		5,183,693	(32,046)	5,151,647		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

Applewood Nursing & Rehabilitation Center

#0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			11,579	11,579		11,579	233,270	244,849			30
31	Amortization of Pre-Op. & Org.							34,500	34,500			31
32	Interest			29,208	29,208		29,208	176,280	205,488			32
33	Real Estate Taxes			294,471	294,471		294,471	1,255	295,726			33
34	Rent-Facility & Grounds			374,277	374,277		374,277	(368,332)	5,945			34
35	Rent-Equipment & Vehicles			11,739	11,739		11,739	(2,323)	9,416			35
36	Other (specify):*											36
37	TOTAL Ownership			721,274	721,274		721,274	74,650	795,924			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		429,595	35,207	464,802		464,802	(1,502)	463,300			39
40	Barber and Beauty Shops			6,709	6,709		6,709		6,709			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			62,963	62,963		62,963		62,963			42
43	Other (specify):* Nonallowable Costs			162,457	162,457		162,457	(162,732)	(275)			43
44	TOTAL Special Cost Centers		429,595	267,336	696,931		696,931	(164,234)	532,697			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,868,626	835,909	2,897,363	6,601,898		6,601,898	(121,630)	6,480,268			45

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

**See Schedule of adjustments attached at end of cost report.

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning: 01/01/05

Ending: 12/31/05

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.

In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(94)	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	(867)	30		9
10	Interest and Other Investment Income	(256)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(776)	43		18
19	Entertainment				19
20	Contributions	(1,000)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(134,592)	43		24
25	Fund Raising, Advertising and Promotional	(3,007)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(300)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Sch 5A	(23,262)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (164,154)		\$	30

OHF USE ONLY					
48		49	50	51	52

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	42,524		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ 42,524		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (121,630)		37

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

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

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

Applewood Nursing & Rehabilitation Center

Provider #: 0046151

01/01/05 to 12/31/05

Schedule 5A

VI. Adjustment Detail

Line 29 - Other

<u>Non-allowable expenses</u>	<u>Amount</u>	<u>Reference</u>
To offset Jury Duty Income	(105)	21
To disallow Sales Tax	(2,560)	43
To disallow Collection Expense	(1,532)	43
To disallow Radiology Expense	(14,794)	43
To disallow Laboratory Expense	(4,171)	43
To disallow Bldg. Co. Replacement Tax	(100)	43
Total	(23,262)	

Applewood Nursing & Rehabilitation Center

ID# 0046151

Report Period Beginning: 01/01/05

Ending: 12/31/05

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference
1	Misc. - Part A	\$	1
2	Labs - Part A		2
3	X-Rays - Part A		3
4	Vending Machine Expense		4
5	Disallowed Non-Care Related Real Estate Tax		5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
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25			25
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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	0	49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Applewood Nursing & Rehabilitation Center# 0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05**SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I**

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	3,010	0	0	10,009	0	0	(300)	0	0	12,719	1
2	Food Purchase	(94)	0	0	0	0	(7,262)	0	0	(69)	0	0	(7,425)	2
3	Housekeeping	0	0	0	0	0	0	0	0	(1,995)	0	0	(1,995)	3
4	Laundry	0	0	0	0	0	0	0	0	(598)	0	0	(598)	4
5	Heat and Other Utilities	0	0	1,527	0	0	0	0	0	0	0	0	1,527	5
6	Maintenance	0	0	7,097	0	23	88	0	0	(2)	0	0	7,206	6
7	Other (specify):*	0	0	881	0	(960)	1,331	0	0	0	0	0	1,252	7
8	TOTAL General Services	(94)	0	12,515	0	(937)	4,166	0	0	(2,964)	0	0	12,686	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	0	0	0	0	0	0	0	0	(9,829)	0	0	(9,829)	10
10a	Therapy	0	0	365	0	0	0	0	0	(90)	0	0	275	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):*	0	0	50	0	(93)	0	0	0	0	0	0	(43)	15
16	TOTAL Health Care and Programs	0	0	415	0	(93)	0	0	0	(9,919)	0	0	(9,597)	16
	C. General Administration													
17	Administrative	0	0	(204,914)	0	0	644	0	0	0	0	0	(204,270)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	14,010	0	0	14	0	0	0	0	0	14,024	19
20	Fees, Subscriptions & Promotions	0	250	3,282	0	0	19	0	0	0	0	0	3,551	20
21	Clerical & General Office Expenses	0	3,600	122,644	0	0	1,478	0	0	5	0	0	127,727	21
22	Employee Benefits & Payroll Taxes	0	0	18,744	0	0	0	0	0	(99)	0	0	18,645	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	3,186	0	0	512	0	0	0	0	0	3,698	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	1,138	0	0	457	0	0	0	0	0	1,595	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	TOTAL General Administration	0	3,850	(41,910)	0	0	3,124	0	0	(94)	0	0	(35,030)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(94)	3,850	(28,980)	0	(1,030)	7,290	0	0	(12,977)	0	0	(31,941)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	(867)	216,649	15,904	0	0	246	0	1,338	0	0	0	233,270	30
31	Amortization of Pre-Op. & Org.	0	34,500	0	0	0	0	0	0	0	0	0	34,500	31
32	Interest	(256)	172,585	0	2,655	0	823	0	473	0	0	0	176,280	32
33	Real Estate Taxes	0	0	0	1,255	0	0	0	0	0	0	0	1,255	33
34	Rent-Facility & Grounds	0	(374,277)	0	5,945	0	0	0	0	0	0	0	(368,332)	34
35	Rent-Equipment & Vehicles	0	0	0	1,071	0	46	0	(3,440)	0	0	0	(2,323)	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(1,123)	49,457	15,904	10,926	0	1,115	0	(1,629)	0	0	0	74,650	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	6,622	0	0	(8,124)	0	0	(1,502)	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):*	(139,675)	100	0	0	0	0	0	0	0	0	0	(139,575)	43
44	TOTAL Special Cost Centers	(139,675)	100	0	0	0	6,622	0	0	(8,124)	0	0	(141,077)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(140,892)	53,407	(13,076)	10,926	(1,030)	15,027	0	(1,629)	(21,101)	0	0	(98,368)	45

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Attached List		See Attached List		Applewood Property LLC	Evanston, IL	Building Co.
				See Attached List		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	20 License and Fees	\$	Applewood Property LLC	100.00%	\$ 250	\$ 250	1
2	V	21 Office Expense		Applewood Property LLC	100.00%	3,600	3,600	2
3	V	30 Depreciation		Applewood Property LLC	100.00%	216,649	216,649	3
4	V	31 Amortization		Applewood Property LLC	100.00%	34,500	34,500	4
5	V	32 Interest Expense		Applewood Property LLC	100.00%	330,938	330,938	5
6	V	32 Interest Income		Applewood Property LLC	100.00%	(158,353)	(158,353)	6
7	V	33 Real Estate Tax	294,471	Applewood Property LLC	100.00%	294,471		7
8	V	34 Rent	374,277	Applewood Property LLC	100.00%		(374,277)	8
9	V	43 Illinois Replacement Taax		Applewood Property LLC	100.00%	100	100	9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$ 668,748			\$ 722,155	\$ * 53,407	14

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center# 0046151Report Period Beginning: 01/01/05Ending: 12/31/05

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. YES NO

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	01 Dietary - Salary	\$	Care Centers, Inc.	100.00%	\$ 2,767	\$	2,767	15
16	V	01 Dietary - Other		Care Centers, Inc.	100.00%	243		243	16
17	V	05 Utilities		Care Centers, Inc.	100.00%	1,527		1,527	17
18	V	06 Maintenance Salary		Care Centers, Inc.	100.00%	3,366		3,366	18
19	V	06 Maintenance - Other		Care Centers, Inc.	100.00%	3,731		3,731	19
20	V	07 Employee Benefits - General Serv.		Care Centers, Inc.	100.00%	881		881	20
21	V	10 Nursing - Salary		Care Centers, Inc.	100.00%				21
22	V	10 Nursing - Other		Care Centers, Inc.	100.00%				22
23	V	10a Therapy - Salary		Care Centers, Inc.	100.00%	365		365	23
24	V	10a Therapy Other		Care Centers, Inc.	100.00%				24
25	V	15 Employee Benefits - Healthcare		Care Centers, Inc.	100.00%	50		50	25
26	V	17 Administrative - Salary		Care Centers, Inc.	100.00%	20,199		20,199	26
27	V	17 Administrative - Other	227,615	Care Centers, Inc.	100.00%	2,502		(225,113)	27
28	V	19 Professional Fees		Care Centers, Inc.	100.00%	14,010		14,010	28
29	V	20 Dues and Subscriptions		Care Centers, Inc.	100.00%	3,282		3,282	29
30	V	21 Office & Clerical - Salary		Care Centers, Inc.	100.00%	110,447		110,447	30
31	V	21 Office & Clerical - Other		Care Centers, Inc.	100.00%	12,197		12,197	31
32	V	22 Employee Benefits		Care Centers, Inc.	100.00%	18,744		18,744	32
33	V	23 Inservice & Education		Care Centers, Inc.	100.00%				33
34	V	24 Travel and Seminar		Care Centers, Inc.	100.00%	3,186		3,186	34
35	V	25 Other Admin. Staff Transportation		Care Centers, Inc.	100.00%				35
36	V	26 Insurance		Care Centers, Inc.	100.00%	1,138		1,138	36
37	V	27 Employee Benefits - Admin Serv.		Care Centers, Inc.	100.00%				37
38	V	30 Depreciation		Care Centers, Inc.	100.00%	15,904		15,904	38
39	Total		\$ 227,615			\$ 214,539	\$ *	(13,076)	39

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. YES NO

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

1 Schedule V	2 Line	3 Cost Per General Ledger		4 Amount	5 Cost to Related Organization		6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
		Item			Name of Related Organization					
15	V	32	Interest	\$	Care Centers, Inc.	100.00%	\$ 2,655	\$ 2,655	15	
16	V	33	Real Estate Taxes		Care Centers, Inc.	100.00%	1,255	1,255	16	
17	V	34	Rent-Building		Care Centers, Inc.	100.00%	5,945	5,945	17	
18	V	35	Rent-Equipment & Auto		Care Centers, Inc.	100.00%	1,071	1,071	18	
19	V								19	
20	V								20	
21	V								21	
22	V								22	
23	V								23	
24	V								24	
25	V								25	
26	V								26	
27	V								27	
28	V								28	
29	V								29	
30	V								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			\$			\$ 10,926	\$ * 10,926	39	

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. 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		5 Cost to Related Organization		6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)		
		Item	Amount	Name of Related Organization						
15	V	06	Maintenance Salary	\$ 22,530	Care Centers, Inc.	100.00%	\$ 22,553	\$	23	15
16	V	07	Employee Benefits - Gen Service	3,880	Care Centers, Inc.	100.00%	2,920		(960)	16
17	V	10	Nursing Salary	4,473	Care Centers, Inc.	100.00%	4,473			17
18	V	10a	Therapy Salary		Care Centers, Inc.	100.00%				18
19	V	15	Employee Benefits - Healthcare	670	Care Centers, Inc.	100.00%	577		(93)	19
20	V	17	Administrative Salary		Care Centers, Inc.	100.00%				20
21	V	21	Office Salary		Care Centers, Inc.	100.00%				21
22	V	27	Employee Benefits - Gen. Admin.		Care Centers, Inc.	100.00%				22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									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			\$ 31,553			\$ 30,523	\$ *	(1,030)	39

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. YES NO

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	01 Dietary Salary	\$	Care Center Health System	100.00%	\$ 8,763	\$ 8,763	15
16	V	01 Dietary Other	1,265	Care Center Health System	100.00%	2,511	1,246	16
17	V	02 Food	16,045	Care Center Health System	100.00%	8,783	(7,262)	17
18	V	06 Maintenance		Care Center Health System	100.00%	88	88	18
19	V	07 Employee Benefits - Gen Services		Care Center Health System	100.00%	1,331	1,331	19
20	V	10 Nursing Supplies		Care Center Health System	100.00%			20
21	V	17 Administrative		Care Center Health System	100.00%	644	644	21
22	V	19 Professional Fees		Care Center Health System	100.00%	14	14	22
23	V	20 Dues & Subscriptions		Care Center Health System	100.00%	19	19	23
24	V	21 Office & Clerical Salary		Care Center Health System	100.00%			24
25	V	21 Office & Clerical Other		Care Center Health System	100.00%	1,478	1,478	25
26	V	23 Inservice & Education		Care Center Health System	100.00%			26
27	V	24 Travel & Seminar		Care Center Health System	100.00%	512	512	27
28	V	26 Insurance		Care Center Health System	100.00%	457	457	28
29	V	30 Depreciation		Care Center Health System	100.00%	246	246	29
30	V	32 Interest Expense		Care Center Health System	100.00%	823	823	30
31	V	33 Real Estate Taxes		Care Center Health System	100.00%			31
32	V	34 Rent-Building		Care Center Health System	100.00%			32
33	V	35 Rent-Equipment & Auto		Care Center Health System	100.00%	46	46	33
34	V	39 Ancillary	11,252	Care Center Health System	100.00%	17,874	6,622	34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 28,562			\$ 43,589	\$ * 15,027	39

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. YES NO

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	22	Employee Health Insurance	\$ 181,933	CCS Employee Benefit Group	100.00%	\$ 181,933	\$	15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								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		\$ 181,933			\$ 181,933	\$ *		39

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. YES NO

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	30 Depreciation	\$	Vent Lease LLC	100.00%	\$ 1,338	\$ 1,338	15
16	V	32 Interest Expense		Vent Lease LLC	100.00%	473	473	16
17	V	35 Rent - Equipment	3,440	Vent Lease LLC	100.00%		(3,440)	17
18	V							18
19	V							19
20	V							20
21	V							21
22	V							22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							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		\$ 3,440			\$ 1,811	\$ * (1,629)	39

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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. YES NO

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	01 Dietary	\$ 300	Xcel Medical Supply, LLC		\$	\$ (300)
16	V	02 Food	702	Xcel Medical Supply, LLC		633	(69)
17	V	03 Housekeeping	20,123	Xcel Medical Supply, LLC		18,128	(1,995)
18	V	04 Laundry	6,035	Xcel Medical Supply, LLC		5,437	(598)
19	V	06 Repairs & Maintenance	26	Xcel Medical Supply, LLC		24	(2)
20	V	10 Nursing	99,176	Xcel Medical Supply, LLC		89,347	(9,829)
21	V	10a Therapy	1,583	Xcel Medical Supply, LLC		1,493	(90)
22	V	11 Activities		Xcel Medical Supply, LLC			
23	V	20 Dues, Fee, Subscriptions		Xcel Medical Supply, LLC			
24	V	21 Clerical & General Office	(47)	Xcel Medical Supply, LLC		(42)	5
25	V	22 Employee Benefits	3,715	Xcel Medical Supply, LLC		3,616	(99)
26	V	39 Ancillary	81,286	Xcel Medical Supply, LLC		73,162	(8,124)
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 212,899			\$ 191,798	\$ * (21,101)

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

Applewood Nursing & Rehabilitation Center

Provider #: 0046151
01/01/05 to **12/31/05**

Schedule 6

Partner Name	Ownership %
Nathan & Shirley Rothner Trust	22.00%
Eric Rothner	1.00%
William Rothner Accum. Trust	11.00%
Daniel Rothner Accum. Trust	11.00%
Rachel Rothner Accum. Trust	11.00%
Mellissa Rothner Accum. Trust	11.00%
Adam Vales Accum. Trust	11.00%
Kathryn Vales Accum. Trust	11.00%
Kimberly Richman Accum. Trust	11.00%
	100.00%

Applewood Nursing & Rehabilitation Center

Provider #:
01/01/05

0046151
12/31/05

Schedule 6A

CARE CENTERS, INC.
SUMMARY OF NON-BUILDING RENTAL
RELATED ENTITIES
AS OF
December 31, 2005

	CARE CENTERS, INC.	CARE CENTERS HEALTH SYSTEMS	CCS EMPLOYEE BENEFITS GROUP	ROTHNER VENT LEASE LLC	HARBOR LIGHTS	
ILLINOIS HOMES						
Applewood Nursing & Rehabilitation Center	X	X	X			
Briar Place LTD.	X	X	X			
Chateau Village Nursing & Rehabilitation Center	X	X	X			
Colonial Hall Nursing & Rehabilitation Center	X	X	X			
Concord Extended Care	X	X	X			
Grasmere Place LLC	X		X			
International Village Nursing & Rehabilitation Center	X	X	X			
Lakewood Nursing & Rehabilitation Center	X	X	X			
Lemont Nursing & Rehabilitation Center	X	X	X			
Pavillion of Forest Park LLC	X	X	X			
Plum Grove Nursing & Rehabilitation Center	X	X	X			
Prairie Manor Health Care	X	X	X			
Rainbow Beach Nursing Center	X	X	X			
Ridgeland Nursing & Rehabilitation Center	X	X	X			
Rivershores Nursing & Rehabilitation Center	X	X	X			
Sheridan Shores Nursing & Rehabilitation Center	X	X	X			
Snow Valley Nursing & Rehabilitation Center	X	X	X			
Somerset Place LLC	X		X			
South Shores Nursing & Rehabilitation Center	X	X	X			
Tri-State Nursing & Rehabilitation Center	X	X	X			
Washington Heights Nursing & Rehabilitation Center	X	X	X			
Westshire Nursing & Rehabilitation Center	X	X	X			
Wheaton Care Center, LTD	X	X	X			
INDIANA HOMES						
Clark Nursing & Rehabilitation Center	X	X	X			
Dyer Nursing & Rehabilitation Center	X	X	X			
East Lake Nursing & Rehabilitation Center	X	X	X			
Lake County Nursing & Rehabilitation Center	X	X	X			
Northlake Nursing & Rehabilitation Center	X	X	X			
Sebos, Nursing & Rehabilitation Center	X	X	X			
Sheffield Manor	X		X			
Valparaiso Care & Rehabilitation Center	X	X	X			
OHIO HOMES						
McKinley Health Care Center	X	X	X			

Applewood Nursing & Rehabilitation Center

Provider #: 0046151

01/01/05 12/31/05

Schedule 6B

RELATED NURSING HOMES

December 31, 2005

GROUP NAME	FACILITY NAME	CITY
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CARE CENTERS, INC.**ILLINOIS HOMES**

Applewood Nursing & Rehabilitation Center	MATTESON
Briar Place LTD.	INDIAN HEAD
Chateau Village Nursing & Rehabilitation Center	WILLOWBROOK
Colonial Hall Nursing & Rehabilitation Center	PRINCETON
Concord Extended Care	OAK LAWN
Grasmere Place LLC	CHICAGO
International Village Nursing & Rehabilitation Center	CHICAGO
Lakewood Nursing & Rehabilitation Center	PLAINFIELD
Lemont Nursing & Rehabilitation Center	LEMONT
Pavillion of Forest Park LLC	FOREST PARK
Plum Grove Nursing & Rehabilitation Center	PALATINE
Prairie Manor Health Care	CHICAGO HEIGHTS
Rainbow Beach Nursing Center	CHICAGO
Ridgeland Nursing & Rehabilitation Center	PALOS HEIGHTS
Rivershores Nursing & Rehabilitation Center	MARSEILLES
Sheridan Shores Nursing & Rehabilitation Center	CHICAGO
Snow Valley Nursing & Rehabilitation Center	LISLE
Somerset Place LLC	CHICAGO
South Shores Nursing & Rehabilitation Center	CHICAGO
Tri-State Nursing & Rehabilitation Center	Lansing
Washington Heights Nursing & Rehabilitation Center	CHICAGO
Westshire Nursing & Rehabilitation Center	CICERO
Wheaton Care Center, LTD	WHEATON

INDIANA HOMES

Clark Nursing & Rehabilitation Center	Gary
Dyer Nursing & Rehabilitation Center	Dyer
East Lake Nursing & Rehabilitation Center	Elkhart
Lake County Nursing & Rehabilitation Center	East Chicago
Northlake Nursing & Rehabilitation Center	Merrville
Sebos, Nursing & Rehabilitation Center	Holbart
Sheffield Manor	Dyer
Valparaiso Care & Rehabilitation Center	Valparaiso

OHIO HOMES

McKinley Health Care Center	Canton
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Applewood Nursing & Rehabilitation Center

Provider #: 0046151

01/01/05 12/31/05

Schedule 6C

OTHER RELATED BUSINESS ENTITIES

AS OF

December 31, 2005

NAME		CITY	TYPE OF BUSINESS
CARE CENTERS, INC.		EVANSTON, IL	MANAGEMENT COMPANY
CARE CENTERS HEALTH SYSTEM		EVANSTON, IL	DIETARY & FOOD SUPPLEMENTS
HARBOR LIGHTS	*	GLEN ELLYN	HOSPICE
ROTHNER VENTS LLC		EVANSTON, IL	MEDICAL EQUIP RENTAL
2201 MAIN, LLC		EVANSTON, IL	BUILDING COMPANY

* - Page 6 & 8 Are not required for this entity since there was no payment from the Nursing Homes to the Related Entity

SEE THE ATTACHED SUMMARY FOR THE APPLICABILITY OF EACH RELATED BUSINESS ENTITY TO THE RELATED NURSING HOME

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Eric Rothner	Owner	Administrative	1.0000%	See Attached	0.82	2.05%	CCI -Salary	\$ 1,971	17-7	1
2	Adam Vales	Owner	Clerical	11.0000%	See Attached	1.18	2.95%	CCS -VEBA	1,459	21-7	2
3	Mark Steinberg	Relative	Administrative	0.0000%	See Attached	1.42	3.55%	CCI -Salary	1,898	17-7	3
4	Gale Rothner	Relative	Administrative	0.0000%	See Attached	0.9	2.25%	CCI -Salary	2,012	17-7	4
5	Kim Rudolph	Owner	Administrative	11.0000%	See Attached	1.02	2.55%	CCS -VEBA	882	21-7	5
6	Kim Rudolph	Owner	Administrative	11.0000%	See Attached	1.02	2.55%	CCI -Salary	398	17-7	6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 8,620		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 Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Care Centers, Inc
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-3000
 Fax Number (847) 905-3030

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	1	Dietary Salary	Patient Days	32	\$ 107,276	\$ 107,276	38,622	\$ 2,767	1
2	1	Dietary Other	Patient Days	32	9,406		38,622	243	2
3	5	Utilities	Patient Days	32	59,188		38,622	1,527	3
4	6	Maintenance Salary	Patient Days	32	130,484	130,484	38,622	3,366	4
5	6	Maintenance Other	Patient Days	32	144,661		38,622	3,731	5
6	7	Employee Ben. - Gen. Services	Patient Days	32	34,158		38,622	881	6
7	10	Nursing Salary	Patient Days	32	1,497,287		38,622	0	7
8	10	Nursing Other	Patient Days	32	1,497,287		38,622	0	8
9	10a	Therapy Salary	Patient Days	32	14,139	14,139	38,622	365	9
10	10a	Therapy Other	Patient Days	32	1,497,287		38,622	0	10
11	15	Employee Ben. Healthcare	Patient Days	32	1,933		38,622	50	11
12	17	Administrative Salary	Patient Days	32	783,083	783,083	38,622	20,199	12
13	17	Administrative Other	Patient Days	32	97,000		38,622	2,502	13
14	19	Professional Fees	Patient Days	32	543,148		38,622	14,010	14
15	20	Dues & Subscriptions	Patient Days	32	127,217		38,622	3,282	15
16	21	Office & Clerical Salary	Patient Days	32	4,281,771	4,281,771	38,622	110,447	16
17	21	Office & Clerical Other	Patient Days	32	472,845		38,622	12,197	17
18	23	Inservice & Education	Patient Days	32	1,497,287		38,622	0	18
19	24	Travel & Seminar	Patient Days	32	123,511		38,622	3,186	19
20	25	Other Admin. Staff Transportation	Patient Days	32	1,497,287		38,622	0	20
21	26	Insurance	Patient Days	32	44,126		38,622	1,138	21
22	27	Employee Ben. - Gen. Admin	Patient Days	32	726,674		38,622	18,744	22
23	30	Depreciation	Patient Days	32	616,575		38,622	15,904	23
24	32	Interest	Patient Days	32	102,930		38,622	2,655	24
25	TOTALS				\$ 8,420,125	\$ 5,316,753		\$ 217,194	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Care Centers, Inc
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-3000
 Fax Number (847) 905-3030

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	33	Real Estate Taxes	Patient Days	32	\$ 48,662	\$	38,622	\$ 1,255	1
2	34	Rent- Building	Patient Days	32	230,488		38,622	5,945	2
3	35	Rent - Equipment & Auto	Patient Days	32	41,530		38,622	1,071	3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 320,680	\$		\$ 8,271	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Care Centers, Inc
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-3000
 Fax Number (847) 905-3030

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	6	Maintenance Salary	Direct Cost	22,553	\$ 22,553	\$ 22,553	22,553	\$ 22,553	1
2	7	Emp. Ben. - Gen Services	Direct Cost	2,920	2,920		2,920	2,920	2
3	10	Nursing Salary	Direct Cost	4,473	4,473	4,473	4,473	4,473	3
4	10a	Therapy Salary	Direct Cost						4
5	15	Emp. Ben. - Healthcare	Direct Cost	577	577		577	577	5
6	17	Administrative Salary	Direct Cost						6
7	21	Office Salary	Direct Cost						7
8	22	Employee Benefits	Direct Cost						8
9	27	Emp. Ben. - Gen Admin	Direct Cost						9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 30,523	\$ 27,026		\$ 30,523	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Care Center Health System
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-3000
 Fax Number (847) 905-3030

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	1	Dietary Salary	928,452		\$ 160,568	\$ 160,568	50,671	\$ 8,763	1
2	1	Dietary Other	928,452		46,000		50,671	2,510	2
3	2	Food	928,452		160,931		50,671	8,783	3
4	6	Maintenance	928,452		1,614		50,671	88	4
5	7	Employee Ben. - Gen. Services	928,452		24,382		50,671	1,331	5
6	17	Administrative	928,452		11,797		50,671	644	6
7	19	Professional Fees	928,452		262		50,671	14	7
8	20	Dues & Subscriptions	928,452		342		50,671	19	8
9	21	Office & Clerical Salaries	928,452				50,671		9
10	21	Office & Clerical Other	928,452		27,087		50,671	1,478	10
11	23	Inservices & Education	928,452				50,671		11
12	24	Travel & Seminar	928,452		9,381		50,671	512	12
13	25	Other Admin. Staff Transport.	928,452				50,671		13
14	26	Insurance	928,452		8,379		50,671	457	14
15	27	Employee Ben. - Gen. Admin	928,452				50,671		15
16	30	Depreciation	928,452		4,499		50,671	246	16
17	32	Interest	928,452		15,077		50,671	823	17
18	33	Real Estate Taxes	928,452				50,671		18
19	34	Rent- Building	928,452				50,671		19
20	35	Rent - Equipment & Auto	928,452		843		50,671	46	20
21	39	Ancillary Enteral Supplies	928,452		327,517		50,671	17,874	21
22									22
23									23
24									24
25	TOTALS				\$ 798,679	\$ 160,568		\$ 43,588	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization CCS Employee Benefits Group, Inc.
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-4000
 Fax Number (847) 905-4040

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2	22	Employee Health Insurance	Direct Allocation	181,933	181,933		181,933	181,933	2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 181,933	\$		\$ 181,933	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Vent Lease, LLC
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 905-4000
 Fax Number (847) 905-4040

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

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	30 Depreciation	Direct Billing	593,410	29	\$ 197,493	\$	4,020	\$ 1,338	1
2	32 Interest	Direct Billing	593,410	29	69,863		4,020	473	2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 267,356	\$		\$ 1,811	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES NO

Name of Related Organization Xcel Medical Supply, LLC
 Street Address 2201 West Main Street
 City / State / Zip Code Evanston, Illinois 6020
 Phone Number (847) 328-7600
 Fax Number (847) 3287615

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	1	Dietary							1
2	2	Food						633	2
3	3	Housekeeping						18,128	3
4	4	Laundry						5,437	4
5	6	Repair and Maintenance						24	5
6	10	Nursing						89,347	6
7	10a	Therapy						1,493	7
8	11	Activities							8
9	20	Dues, Fee, Subscriptions							9
10	21	Clerical & General Office						(42)	10
11	22	Employee Benefits						3,616	11
12	39	Ancillary						73,162	12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$	\$		\$ 191,798	25

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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	
						Original	Balance					
	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									
	A. Directly Facility Related											
	Long-Term											
1	LaSalle Bank		X	Mortgage			\$	\$			\$ 8,248	1
2	Business Partners (Net)		x	Mortgage				2,589,862			153,681	2
3												3
4												4
5												5
	Working Capital											
6	LaSalle Bank		X	Line of Credit				349,024		Prim+1	29,208	6
7	Genesis (Old Owners)							177,606			10,656	7
8	See Sch 9A										3,951	8
9	TOTAL Facility Related						\$	\$ 3,116,492			\$ 205,744	9
	B. Non-Facility Related*											
10	Interest Income										(256)	10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ (256)	14
15	TOTALS (line 9+line14)						\$	\$ 3,116,492			\$ 205,488	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ None Line # N/A

* 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 Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

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		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						\$	\$			\$	1									
2											2									
3											3									
4											4									
5											5									
Working Capital																				
6	Allocated from Care Centers										2,655	6								
7	Allocated from Vent Lease										473	7								
8	Allocated from CCHS										823	8								
9	TOTAL Facility Related					\$ 0	\$ 0			\$ 3,951		9								
B. Non-Facility Related*																				
10												10								
11												11								
12												12								
13												13								
14	TOTAL Non-Facility Related					\$ 0	\$ 0			\$ 0		14								
15	TOTALS (line 9+line14)					\$ 0	\$ 0			\$ 3,951		15								

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ None Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

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

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

B. Real Estate Taxes

<div style="border: 1px solid black; padding: 2px; display: inline-block;"> Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report. </div>																											
1. Real Estate Tax accrual used on 2004 report.		\$ 289,260	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.)	2004	\$ 284,731	2																								
3. Under or (over) accrual (line 2 minus line 1).		\$ (4,529)	3																								
4. Real Estate Tax accrual used for 2005 report. (Detail and explain your calculation of this accrual on the lines below.)		\$ 299,000	4																								
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		\$	5																								
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.	Home Office Allocation	1,255																									
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.		\$ 295,726	7																								
Real Estate Tax History:																											
Real Estate Tax Bill for Calendar Year:	<table border="1"> <tr><td>2000</td><td style="text-align: right;">186,574</td><td style="text-align: center;">8</td></tr> <tr><td>2001</td><td style="text-align: right;">198,994</td><td style="text-align: center;">9</td></tr> <tr><td>2002</td><td style="text-align: right;">264,741</td><td style="text-align: center;">10</td></tr> <tr><td>2003</td><td style="text-align: right;">275,486</td><td style="text-align: center;">11</td></tr> <tr><td>2004</td><td style="text-align: right;">284,731</td><td style="text-align: center;">12</td></tr> </table>	2000	186,574	8	2001	198,994	9	2002	264,741	10	2003	275,486	11	2004	284,731	12	<table border="1"> <tr><td colspan="2" style="text-align: center;">FOR OHF USE ONLY</td></tr> <tr><td>13</td><td>FROM R. E. TAX STATEMENT FOR 2004 \$</td></tr> <tr><td>14</td><td>PLUS APPEAL COST FROM LINE 5 \$</td></tr> <tr><td>15</td><td>LESS REFUND FROM LINE 6 \$</td></tr> <tr><td>16</td><td>AMOUNT TO USE FOR RATE CALCULATION \$</td></tr> </table>	FOR OHF USE ONLY		13	FROM R. E. TAX STATEMENT FOR 2004 \$	14	PLUS APPEAL COST FROM LINE 5 \$	15	LESS REFUND FROM LINE 6 \$	16	AMOUNT TO USE FOR RATE CALCULATION \$
2000	186,574	8																									
2001	198,994	9																									
2002	264,741	10																									
2003	275,486	11																									
2004	284,731	12																									
FOR OHF USE ONLY																											
13	FROM R. E. TAX STATEMENT FOR 2004 \$																										
14	PLUS APPEAL COST FROM LINE 5 \$																										
15	LESS REFUND FROM LINE 6 \$																										
16	AMOUNT TO USE FOR RATE CALCULATION \$																										
2005 accrual - 284731 x 1.05 = 299,000																											
Accrual Real Estate Tax Payable 299,000 minus 2005 first Payment made in Dec. 2005 of 142,366 = 156,634																											
Allocated from Home Office -																											

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.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2004 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2004 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2004.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2004 real estate tax bill to the Department of Public Aid, Bureau of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2005 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2004 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Applewood Nursing & Rehabilitation Cente COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0046151

CONTACT PERSON REGARDING THIS REPORT Mike Kaplan

TELEPHONE (847) 905-4042 FAX #: (547) 905-3030

A. Summary of Real Estate Tax Cos

Enter the tax index number and real estate tax assessed for 2004 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 2004

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>31-22-144-023-000</u>	<u>Long Term Care Property</u>	\$ <u>16,378.80</u>	\$ <u>16,378.80</u>
2. <u>31-22-144-024-000</u>	<u>Long Term Care Property</u>	\$ <u>249,197.57</u>	\$ <u>249,197.57</u>
3. <u>31-22-144-025-000</u>	<u>Long Term Care Property</u>	\$ <u>5,076.21</u>	\$ <u>5,076.21</u>
4. <u>31-22-144-026-000</u>	<u>Long Term Care Property</u>	\$ <u>14,078.10</u>	\$ <u>14,078.10</u>
5. <u>See Attached</u>	<u>Home Office Allocation</u>	\$ <u>48,662.44</u>	\$ <u>1,255.23</u>
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>333,393.12</u>	\$ <u>285,985.91</u>

B. Real Estate Tax Cost Allocation:

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? YES NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (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 2004 tax bills which were listed in Section A to this statement. Be sure to use the 200 tax bill which is normally paid during 2005

Facility Name & ID Number Applewood Nursing & Rehabilitation Center# 0046151 Report Period Beginning:01/01/05 Ending: 12/31/05**X. BUILDING AND GENERAL INFORMATION:**A. Square Feet: 34,449 B. General Construction Type: Exterior Brick Frame Steel Stud Number of Stories 1C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.

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

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

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

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground (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)

NoneF. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO
If so, please complete the following:1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: Various3. Current Period Amortization: 34,500 4. Dates Incurred: 2003 & 2005Nature of Costs: Organization Cost, Loan Closing Cost, Settlement Charges, HUD Appraisal

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	<u>Facility</u>	<u>191,664</u>	<u>2003</u>	<u>\$ 223,625</u>	<u>1</u>
2	<u>2201 Main LLC</u>			<u>9,072</u>	<u>2</u>
3	TOTALS			\$ 232,697	3

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9		
Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	115	2003	1967	\$ 2,533,977		Various	\$ 157,136	\$ 157,136	\$ 540,239	4
5										5
6										6
7										7
8										8
Improvement Type**										
9	Land Improvements		2003	350,135		15	30,184	30,184	81,825	9
10										10
11										11
12										12
13	2201 Main LLC Allocation Building		2002	12,502		20	321	321	1,055	13
14	2201 Main LLC Allocation Building Improvement:		2002	10,327		20	516	516	1,808	14
15	2201 Main LLC Allocation Building Improvement:		2003	12,170		20	609	609	1,521	15
16	2201 Main LLC Allocation Building Improvement:		2005	605		20	13	13	13	16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36

*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 Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05

XI. OWNERSHIP COSTS (continued)

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

	1	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37			\$	\$		\$	\$	\$	37
38									38
39									39
40									40
41									41
42									42
43									43
44									44
45									45
46									46
47									47
48									48
49									49
50									50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 2,919,716	\$		\$ 188,779	\$ 188,779	\$ 626,461	70

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

STATE OF ILLINOIS

Page 12B

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1	Totals from Page 12A, Carried Forward	\$ 2,919,716	\$		\$ 188,779	\$ 188,779	\$ 626,461	1	
2	Avary	2003 4,987	499	20	499		1,413	2	
3	Boiler Repairs	2003 734	61	20	61		163	3	
4	Walk In Cooler repair	2003 1,491	99	20	99		265	4	
5	Roof Repair	2003 2,000	200	20	100	(100)	267	5	
6	Condensing Unit Replacement	2003 1,522	127	20	127		328	6	
7	Condenser Repairs	2003 566	47	20	47		122	7	
8	Recirculating Pump	2003 663	55	20	55		143	8	
9	Hot Water Heater Repairs	2003 1,028	86	20	86		221	9	
10	Hot Water Heater Repairs	2003 1,131	94	20	94		243	10	
11	Phone Line Repair	2003 608	61	20	61		152	11	
12	Six Motor Fans (Showers)	2003 1,154	231	20	231		577	12	
13	Alarms	2003 663	95	20	95		221	13	
14	Water Heater Repair	2003 533	44	20	44		104	14	
15	Hot Water Heater Repairs	2003 565	47	20	47		106	15	
16	Roof Top Unit	2004 4,800	480	20	240	(240)	380	16	
17	Chemical Kitchen System	2004 2,996	300	20	150	(150)	212	17	
18	New Main Entrance	2004 2,250	225	20	113	(112)	150	18	
19	Pedestrian Doors	2004 3,200	320	20	160	(160)	200	19	
20	New Sidewalk	2004 3,250	325	20	163	(162)	203	20	
21	Ductless Air Conditioner	2004 4,748	475	20	237	(238)	277	21	
22	Construction Engineer Fees	2004 1,540	154	20	77	(77)	90	22	
23	Roof Repair	2004 2,500		20	250	250	500	23	
24	Backflow Maintenance	2004 710		20	71	71	136	24	
25	Repair Parking Lot Potholes	2004 1,550		20	155	155	207	25	
26	Fire Alarm System Repair	2004 1,516		20	152	152	190	26	
27	Air Conditioner	2004 1,690		20	169	169	211	27	
28	Air Conditioner - Install. & Furnish	2005 12,773	532	20	266	(266)	266	28	
29		2005 3,420	114	20	57	(57)	57	29	
30		2005 7,705	257	20	128	(129)	128	30	
31		2005 14,240	475	20	237	(238)	237	31	
32		2005 4,394	37	20	18	(19)	18	32	
33		2005 8,625	144	20	72	(72)	72	33	
34	TOTAL (lines 1 thru 33)	\$ 3,019,268	\$ 5,584		\$ 193,140	\$ 187,556	\$ 634,320	34	

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

STATE OF ILLINOIS

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning:

01/01/05

Ending:

12/31/05

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1	Totals from Page 12B, Carried Forward	\$ 3,019,268	\$ 5,584		\$ 193,140	\$ 187,556	\$ 634,320		1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 3,019,268	\$ 5,584		\$ 193,140	\$ 187,556	\$ 634,320		34

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

Facility Name & ID Number Applewood Nursing & Rehabilitation Center # 0046151 Report Period Beginning: 01/01/05 Ending: 12/31/05

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 244,695	\$ 4,471	\$ 48,655	\$ 44,184	5-10 yrs	\$ 165,486	71
72	Current Year Purchases	45,484	1,525	1,778	253	5-10 yrs	1,778	72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	\$ 290,179	\$ 5,996	\$ 50,433	\$ 44,437		\$ 167,264	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Allocated from CCI			\$ 17,418	\$	\$ 1,276	\$ 1,276	5	\$ 13,190	76
77										77
78										78
79										79
80	TOTALS			\$ 17,418	\$	\$ 1,276	\$ 1,276		\$ 13,190	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)	\$ 3,559,562	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 11,580	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 244,849	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 233,269	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 814,774	85

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

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

G. Construction-in-Progress

	Description	Cost	
92	Architect Fees	\$ 128,564	92
93			93
94			94
95	TOTALS	\$ 128,564	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.

Applewood Nursing & Rehabilitation Center
Moveable Equipment Schedule
1/1/05-12/31/05
0046151

Company Name	Cost	Current Book Depreciation	Straight Line Depreciation	Adjustments	Accumulated Straight Line Depreciation
Line 28: Prior Years					
Applewood Nursing & Rehab Center	26,244	4,471	4,826	355	12,305
Applewood Property LLC	152,751		29,328	29,328	108,759
2201 Main LLC	2,891		411	411	1,457
Care Centers, Inc	62,809		12,506	12,506	42,965
Vent Lease			1,338	1,338	
Care Centers Health System			246	246	
Total	244,695	4,471	48,655	44,184	165,486

Line 29: Current Year

Applewood Nursing & Rehab Center	36,426	1,525	1,525		1,525
Applewood Property LLC					
2201 Main LLC	584		39	39	39
Care Centers, Inc	8,474		214	214	214
Vent Lease					
Care Centers Health System					
Total	45,484	1,525	1,778	253	1,778

Line 30: Fully Depreciated

Applewood Nursing & Rehab Center					
Applewood Property LLC					
2201 Main LLC					
Care Centers, Inc					
Vent Lease					
Care Centers Health System					
Total					

Total (Should tie to page 13)

Applewood Nursing & Rehab Center	62,670	5,996	6,351	355	13,830
Applewood Property LLC	152,751		29,328	29,328	108,759
2201 Main LLC	3,475		450	450	1,496
Care Centers, Inc	71,283		12,720	12,720	43,179
Vent Lease			1,338	1,338	
Care Centers Health System			246	246	
Total	290,179	5,996	50,433	44,437	167,264

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

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

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5	<u>Allocation from Care Centers, Inc</u>				<u>5,945</u>			5
6								6
7	TOTAL				\$ 5,945			7

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.	<u>/2006</u>	\$ _____
13.	<u>/2007</u>	\$ _____
14.	<u>/2008</u>	\$ _____

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 N/A.

9. Option to Buy: YES NO Terms: N/A *

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: \$ 9,416 Description: \$6,707 Copier, \$690 Postage Meter, \$325 Dish Machine, \$577 Oxygen Concentrator, & CCI \$1,914
 (Attach a schedule detailing the breakdown of movable equipment)

* 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.

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

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p>	<p>2. CLASSROOM PORTION: IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> COMMUNITY COLLEGE <input type="checkbox"/> HOURS PER CNA _____</p>	<p>3. CLINICAL PORTION: IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> HOURS PER CNA _____</p>
--	---	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

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

- (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.

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	

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10a, C2	hrs	\$		\$ 225,536	\$		\$ 225,536	1
2	Licensed Speech and Language Development Therapist	L10a, C 3	hrs			106,203			106,203	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10a, C 3	hrs			231,083			231,083	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescripts				342,275		342,275	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): See Sch 16A					31,933	79,575		111,508	13
14	TOTAL			\$		\$ 594,755	\$ 421,850		\$ 1,016,605	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.

Applewood Nursing & Rehabilitation Center

Provider #: 0046151

01/01/05 to 12/31/05

Schedule 16A

XIV. Special Services

Line 13 Other (specify):

<u>Service</u>	<u>Line Reference</u>	<u>Outside Practioner Units</u>	<u>Cost</u>	<u>Supplies</u>
Therapy And Rehab. Supplies	L 10A C 2			1,552
Ventilation Equipment	L 10A C 3		31,678	
Air Fluidized Beds	L 39 C 2			18,209
Oxygen	L 39 C 2			7,060
Other Services Medicare	L 39 C 3		59	
Ambulance Services	L 39 C 3		196	
Food Pump	L 39 C 2			9,808
Medical Supplies Chargeable				42,946
Total			<u>31,933</u>	<u>79,575</u>

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Applewood Nursing & Rehabilitation Center# 0046151Report Period Beginning: 01/01/05

Ending:

12/31/05

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/05

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ (91,386)	\$ (91,386)	1
2	Cash-Patient Deposits	14,808	14,808	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 155,056)	1,342,560	1,342,560	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	225,599	225,599	6
7	Other Prepaid Expenses	4,953	4,953	7
8	Accounts Receivable (owners or related parties)	534,988	534,988	8
9	Other(specify): <u>Due From Employees</u>	2,631	2,631	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,034,153	\$ 2,034,153	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		232,697	13
14	Buildings, at Historical Cost		2,569,581	14
15	Leasehold Improvements, at Historical Cost	91,585	449,687	15
16	Equipment, at Historical Cost	59,135	307,597	16
17	Accumulated Depreciation (book methods)	(19,445)	(814,774)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (spt <u>CIP</u>)		128,564	22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 131,275	\$ 2,873,352	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,165,428	\$ 4,907,505	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 354,338	\$ 354,338	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	10,986	10,986	28
29	Short-Term Notes Payable	349,024	526,630	29
30	Accrued Salaries Payable	249,098	249,098	30
31	Accrued Taxes Payable (excluding real estate taxes)	12,979	12,979	31
32	Accrued Real Estate Taxes(Sch.IX-B)	156,634	156,634	32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Sch 17A</u>	240,305	240,305	36
37	<u>See Sch 17A</u>	72,760	72,760	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,446,124	\$ 1,623,730	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		2,589,862	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)	\$	\$ 2,589,862	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,446,124	\$ 4,213,592	46
47	TOTAL EQUITY(page 18, line 24)	\$ 719,304	\$ 693,913	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,165,428	\$ 4,907,505	48

*(See instructions.)

Applewood Nursing & Rehabilitation Center
 0046151
 12/31/05

Schedule 17A

XV. BALANCE SHEET - Unrestricted Operating Fund.

A. Current Assets

Other Current Assets (specify):	After	
	Operating	Consolidation
Total Line 9 - Other Current Assets(specify):	<u>0</u>	<u>0</u>

B. Long Term Assets

Other Long Term Assets (specify):	After	
	Operating	Consolidation
Total Line 23 - Other Long Term Assets Assets(spec	<u>0</u>	<u>0</u>

C. Current Liabilities

Other Current Liabilities (specify):	After	
	Operating	Consolidation
Real Estate Escrow Deposit	50,582	50,582
Accrued Expenses	96,218	96,218
Due to Medicaid	88,820	88,820
Payroll Deduction - Uniforms	1,157	1,157
Payroll Deduction - Wage Assignments	(251)	(251)
Payroll Deduction - Life Insurance	(1,490)	(1,490)
Payroll Deduction - 401K	5,269	5,269
Total Line 36 - Other Current Liabilities(specify):	<u>240,305</u>	<u>240,305</u>

Other Current Liabilities (specify):

Other Long Term Assets (specify):	After	
	Operating	Consolidation
Due to Others	41,929	41,929
Due to Other Related Parties		
Due to Prior Owners	30,831	30,831
Total Line 37 - Other Current Liabilities(specify):	<u>72,760</u>	<u>72,760</u>

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 743,979	1
2	Restatements (describe):		2
3			3
4	FR&R review adjustments 2004	40,996	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 784,975	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	217,127	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(282,798)	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)	\$ (65,671)	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)	\$ 719,304	24 *

Operating Entity Only

* This must agree with page 17, line 47.

STATE OF ILLINOIS

Facility Name & ID Number Applewood Nursing & Rehabilitation Center

0046151

Report Period Beginning: 01/01/05

Ending:

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12/31/05

VII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

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

		1	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 6,534,344	1
2	Discounts and Allowances for all Levels	(2,690,101)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 3,844,243	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	2,431,221	6
7	Oxygen	958	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 2,432,179	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	6,394	13
14	Non-Patient Meals	94	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	335,028	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	53,515	19
20	Radiology and X-Ray	9,719	20
21	Other Medical Services	133,956	21
22	Laundry	3,536	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 542,242	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	256	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 256	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See Sch 19A</u>	105	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 105	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 6,819,025	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	950,444	31
32	Health Care	3,029,713	32
33	General Administration	1,203,536	33
B. Capital Expense			
34	Ownership	721,274	34
C. Ancillary Expense			
35	Special Cost Centers	633,968	35
36	Provider Participation Fee	62,963	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 6,601,898	40
41	Income before Income Taxes (line 30 minus line 40)**	217,127	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 217,127	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? Not Complete 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 **Applewood Nursing & Rehabilitation Center**# **0046151**Report Period Beginning: **01/01/05**Ending: **12/31/05**

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

	1	2**	3	4		
	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage		
1	Director of Nursing	1,601	1,768	\$ 57,202	\$ 32.35	1
2	Assistant Director of Nursing	1,809	2,092	59,944	28.65	2
3	Registered Nurses	15,501	17,044	441,923	25.93	3
4	Licensed Practical Nurses	15,487	17,272	364,868	21.12	4
5	CNAs & Orderlies	65,335	70,570	744,752	10.55	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	2,137	2,535	38,069	15.02	9
10	Activity Assistants	6,035	5,963	44,642	7.49	10
11	Social Service Workers	3,082	3,372	40,048	11.88	11
12	Dietician	328	328	4,421	13.48	12
13	Food Service Supervisor	1,898	2,288	37,197	16.26	13
14	Head Cook					14
15	Cook Helpers/Assistants	5,702	6,251	72,933	11.67	15
16	Dishwashers	11,156	12,222	96,673	7.91	16
17	Maintenance Workers	5,454	6,110	90,932	14.88	17
18	Housekeepers	9,755	11,199	107,267	9.58	18
19	Laundry	6,130	6,677	58,367	8.74	19
20	Administrator	1,865	2,118	90,667	42.81	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	10,751	11,428	176,137	15.41	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	1,945	2,164	25,674	11.86	31
32	Other Health Care See Sch 20A	15,436	16,556	316,910	19.14	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	181,407	197,957	\$ 2,868,626 *	\$ 14.49	34

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

** See instructions.

B. CONSULTANT SERVICES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference		
35	Dietary Consultant	259	\$ 11,210	L.1 C. 3	35
36	Medical Director	Monthly	12,000	L.9 C. 3	36
37	Medical Records Consultant	Monthly	4,472	L.10 C. 3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	3,211	L.10 C. 3	39
40	Physical Therapy Consultant		0	L.10a C. 3	40
41	Occupational Therapy Consultant		0	L.10a C. 3	41
42	Respiratory Therapy Consultant		0	L.10a C. 3	42
43	Speech Therapy Consultant		0	L.10a C. 3	43
44	Activity Consultant	20	980	L.11 C. 3	44
45	Social Service Consultant	32	1,961	L.12 C. 3	45
46	Other(specify) See Sch 20B	1,511	27,003		46
47	Therapy Program Consultant	8	312	L.10a C. 3	47
48	Dental Consultant	Monthly	3,810	L.10 C. 3	48
49	TOTAL (lines 35 - 48)	1,830	\$ 64,959		49

C. CONTRACT NURSES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference		
50	Registered Nurses	2,109	\$ 108,097	L. 10 C. 3	50
51	Licensed Practical Nurses	1,772	59,653	L. 10 C. 3	51
52	Certified Nurse Assistants/Aides	0	0	L. 10 C. 3	52
53	TOTAL (lines 50 - 52)	3,881	\$ 167,750		53

Applewood Nursing & Rehabilitation Center
 0046151
 12/31/05

Schedule 20A

XVIII. STAFFING AND SALARY COSTS

LINE 32 - Other (Health Care specify)

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage
Ward Clerk	2,394	2,604	\$ 38,079	14.62
Rehab Nurse	2,223	2,368	\$ 74,191	31.33
Rehab Aide	6,346	6,541	\$ 79,049	12.09
Care Plan Coord.	4,168	4,660	\$ 121,269	26.02
Supply Clerk	305	383	4,322	11.28
Total Line 32 - Other	15,436	16,556	\$ 316,910	\$ 19.14

XVIII. STAFFING AND SALARY COSTS

LINE 33 - Other (specify)

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage
				#DIV/0!
				#DIV/0!
				#DIV/0!
Total Line 33 - Other	0	0	\$ -	#DIV/0!

Applewood Nursing & Rehabilitation Center
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Schedule 20B

XVIII. Consultant Services
LINE 46

	<u># of Hrs.</u>	<u>Reporting Period</u>	<u>Schedule V</u>
	<u>Actually</u>	<u>Total Consultant</u>	<u>Line &</u>
	<u>Worked</u>	<u>Costs</u>	<u>Column</u>
Care Plan Coord - CCI	129	\$ 4,473	L 10 C 3
Maintenance - CCI	1,382	22,530	L 6 C 3
<hr/>			
Total Line 46 - Other	1,511	\$ 27,003	

Facility Name & ID Number **Applewood Nursing & Rehabilitation Center**

0046151

Report Period Beginning: **01/01/05**

Ending: **12/31/05**

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Dianne C O'Connor	Administrator	0	90,667	Workers' Compensation Insurance	101,626	IDPH License Fee	1,161	
				Unemployment Compensation Insurance	68,487	Advertising: Employee Recruitment	5,945	
				FICA Taxes	211,628	Health Care Worker Background Check (Indicate # of checks performed <u>133</u>)	2,927	
				Employee Health Insurance	88,168	Various Dues	157	
				Employee Meals		Various Subscriptions	1,528	
				Illinois Municipal Retirement Fund (IMRF)*		Various License	450	
				Employee Physicals	6,997	License from BLDG CO.	250	
				Other Misc. Employee Benefits	6,624	Allocated From Care Centers	3,282	
						Allocated From Care Center Health Sys	19	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 90,667	TOTAL (agree to Schedule V, line 22, col.8)		\$ 483,530	TOTAL (agree to Sch. V, line 20, col. 8)	
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description			Amount	Description	Line #	Amount	Description	Amount
Home Office Services			\$ 82,800				Out-of-State Travel	\$
Home Office Bookkeeping Services			23,460					
Mamagement Fees			121,355				In-State Travel	
These Expenses were Elimanated in Col 7				N/A				
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 227,615				Seminar Expense	564
C. Professional Services				TOTAL			Allocation From Care Centers	
Vendor/Payee	Type		Amount				Allocated From Care Center Health Sys	
Neal, Gerber & Eisenberg LLP	Legal		9,700				Entertainment Expense	
FR&R	Accounting		10,000				(agree to Sch. V, line 24, col. 8)	
TBT Enterprises	Unemployment Consult		1,876				\$ 4,262	
Talx UMC Services	Unemployment Consult		218					
Prospect Resource	Natural Gas Procurement		300					
American Arbitration Assoc.	Arbitration Services		20					
Healthcare Finance Group	Financing Services		229					
Optimizer System	Medicare Software		125					
Achieve Health Care	Software Support		10,563					
IIT/ Sourceteq	Computer Support		780					
ADP, Inc.	Payroll Services		5,291					
Ehealth Data Solutions	Billing Program System		1,770					
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$2500 attach copy of invoices.)			\$ 40,872					

* Attach copy of IMRF notifications

**See instructions.

Applewood Nursing & Rehabilitation Center

Provider #: 0046151

01/01/05 to 12/31/05

Schedule 21A

XIX. SUPPORT SCHEDULE

C. Professional Services

Total (agree to Schedule V, line 19, column 3) 40,872

Allocated from Management Company 14,024

Total (agree to Schedule V, line 19, column 8) 54,896

Facility Name & ID Number Applewood Nursing & Rehabilitation Center# 0046151Report Period Beginning: 01/01/05Ending: 12/31/05

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. _____
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 51,248 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 62,963
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 94
- (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. \$ 0
c. What percent of all travel expense relates to transportation of nurses and patients? None
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ 0
- (17) Has an audit been performed by an independent certified public accounting firm? NO
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. _____
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

	Salaries	Supplies	Other	Total	Reclass- ifications	Reclassified Total	Adjusted Adjustments	Adjusted Total
1. Dietary	211,224	25,966	11,210	248,400	0	248,400	12,719	261,119
2. Food Purchase	0	182,419	0	182,419	0	182,419	(7,425)	174,994
3. Housekeeping	107,267	20,958	9,788	138,013	0	138,013	(1,995)	136,018
4. Laundry	58,367	19,066	0	77,433	0	77,433	(598)	76,835
5. Heat and Other Utilities	0	0	106,955	106,955	0	106,955	1,527	108,482
6. Maintenance	90,932	0	102,912	193,844	0	193,844	7,206	201,050
7. Other (specify)*	0	0	3,380	3,380	0	3,380	1,252	4,632
8. Total General Services	467,790	248,409	234,245	950,444	0	950,444	12,686	963,130
9. Medical Director	0	0	12,000	12,000	0	12,000	0	12,000
10. Nursing & Medical Records	2,011,273	112,058	183,716	2,307,047	0	2,307,047	(9,829)	2,297,218
10a. Therapy	0	1,642	563,134	564,776	0	564,776	275	565,051
11. Activities	82,711	19,520	980	103,211	0	103,211	0	103,211
12. Social Services	40,048	0	1,961	42,009	0	42,009	0	42,009
13. Nurse Aide Training	0	0	0	0	0	0	0	0
14. Program Transportation	0	0	0	0	0	0	0	0
15. Other (specify)*	0	0	670	670	0	670	(43)	627
16. Total Health Care & Programs	2,134,032	133,220	762,461	3,029,713	0	3,029,713	(9,597)	3,020,116
17. Administrative	90,667	0	227,615	318,282	0	318,282	(204,270)	114,012
18. Directors Fees	0	0	0	0	0	0	0	0
19. Professional Services	0	0	40,872	40,872	0	40,872	14,024	54,896
20. Fees, Subscriptions & Promotion	0	0	12,168	12,168	0	12,168	3,551	15,719
21. Clerical & General Office	176,137	24,685	32,592	233,414	0	233,414	127,622	361,036
22. Employee Benefits & Payroll	0	0	483,629	483,629	0	483,629	(99)	483,530
23. Inservice Training & Education	0	0	954	954	0	954	0	954
24. Travel and Seminar	0	0	564	564	0	564	3,698	4,262
25. Other Admin. Staff Trans	0	0	2,798	2,798	0	2,798	0	2,798
26. Insurance-Prop.Liab.Malpractice	0	0	110,855	110,855	0	110,855	1,595	112,450
27. Other (specify)*	0	0	0	0	0	0	18,744	18,744
28. Total General Adminis	266,804	24,685	912,047	1,203,536	0	1,203,536	(35,135)	1,168,401
29. Total General Administrative	2,868,626	406,314	1,908,753	5,183,693	0	5,183,693	(32,046)	5,151,647
30. Depreciation	0	0	11,579	11,579	0	11,579	233,270	244,849
31. Amortization of Pre-Op. & Org.	0	0	0	0	0	0	34,500	34,500
32. Interest	0	0	29,208	29,208	0	29,208	176,280	205,488
33. Real Estate	0	0	294,471	294,471	0	294,471	1,255	295,726
34. Rent - Facility & Grounds	0	0	374,277	374,277	0	374,277	(368,332)	5,945
35. Rent - Equipment & Vehicles	0	0	11,739	11,739	0	11,739	(2,323)	9,416
36. Other (specify):*	0	0	0	0	0	0	0	0
37. Total Ownership	0	0	721,274	721,274	0	721,274	74,650	795,924
38. Medically Necessary T	0	0	0	0	0	0	0	0
39. Ancillary Service Cent	0	429,595	35,207	464,802	0	464,802	(1,502)	463,300
40. Barber and Beauty Shop	0	0	6,709	6,709	0	6,709	0	6,709
41. Coffee and Gift Shops	0	0	0	0	0	0	0	0
42	0	0	62,963	62,963	0	62,963	0	62,963
43. Other (specify):*	0	0	162,457	162,457	0	162,457	(162,732)	(275)
44. Total Special Cost Ce	0	429,595	267,336	696,931	0	696,931	(164,234)	532,697
45. Grand Total	2,868,626	835,909	2,897,363	6,601,898	0	6,601,898	(121,630)	6,480,268

	After	
	Operating	Consolidation
General Service Cost Center		
1. Cash on hand and in banks	-91,386	-91,386
2. Cash - Patient Deposits	14,808	14,808
3. Accounts & Notes Receivable	1,342,560	1,342,560
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	225,599	225,599
7. Other Prepaid Expenses	4,953	4,953
8. Accounts Receivable-Owner/Related Party	534,988	534,988
9. Other (specify):	2,631	2,631
10. Total current assets	2,034,153	2,034,153
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	0	0
13. Land	0	232,697
14. Buildings, at Historical Cost	0	2,569,581
15. Leasehold Improvements, Historical Cost	91,585	449,687
16. Equipment, at Historical Cost	59,135	307,597
17. Accumulated Depreciation (book methods)	-19,445	-814,774
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	0	128,564
23. other (specify):	0	0
24. Total Long-Term Assets	131,275	2,873,352
25. Total Assets	2,165,428	4,907,505
CURRENT LIABILITIES		
26. Accounts Payable	354,338	354,338
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	10,986	10,986
29. Short-Term Notes Payable	349,024	526,630
30. Accrued Salaries Payable	249,098	249,098
31. Accrued Taxes Payable	12,979	12,979
32. Accrued Real Estate Taxes	156,634	156,634
33. Accrued Interest Payable	0	0
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	240,305	240,305
37. Other Current Liabilities (specify):	72,760	72,760
38. Total Current Liabilities	1,446,124	1,623,730
LONG TERM LIABILITES		
39. Long-Term Notes Payable	0	0
40. Mortgage Payable	0	2,589,862
41. Bonds Payable	0	0
42. Deferred Compensation	0	0
43. Other Long-Term Liabilities (specify):	0	0
44. Other Long-Term Liabilities (specify):	0	0
45. Total Long-Term Liabilities	0	2,589,862
46. Total Liabilities	1,446,124	4,213,592
47. Total Equity	719,304	693,913
48. Total Liabilities and Equity	2,165,428	4,907,505

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	6,534,344
2. Discounts and Allowances for all Levels	-2,690,101
Subtotal - Inpatient Care	3,844,243
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	2,431,221
7. Oxygen	958
Subtotal - Ancillary Revenue	2,432,179
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	0
13. Barber and Beauty Care	6,394
14. Non-Patient Meals	94
15. Telephone, Television, and Radio	0
16. Rental of Facility Space	0
17. Sale of Drugs	335,028
18. Sale of Supplies to Non-Patients	0
19. Laboratory	53,515
20. Radiology and X-Ray	9,719
21. Other Medical Services	133,956
22. Laundry	3,536
Subtotal - Other Operating Revenue	542,242
24. Contributions	0
25. Interest and Other Investments Income	256
Subtotal - Non-Operating Revenue	256
27. Other Revenue (specify):	105
28. Other Revenue (specify):	0
Subtotal - Other Revenue	105
30. Total Revenue	6,819,025
31. General Services	809,065
32. Health Care	2,991,229
33. General Administration	1,042,837
34. Ownership	661,768
35. Special Cost Centers	414,853
35. Provider Participation Fee	63,136
37. Other	0
40. Total Expenses	5,982,888
41. Income Before Income Taxes	836,137
42. Income Taxes	0
43. Net Income or Loss for the Year	836,137

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