

Facility Name & ID Number Glencrest Healthcare & Rehab Centre

0028753 Report Period Beginning: 1/01/2005 Ending: 12/31/2005

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 | 154 | Skilled (SNF) | 154 | 56,210 | 1 |
| 2 | | Skilled Pediatric (SNF/PED) | | | 2 |
| 3 | 158 | Intermediate (ICF) | 158 | 57,670 | 3 |
| 4 | | Intermediate/DD | | | 4 |
| 5 | | Sheltered Care (SC) | | | 5 |
| 6 | | ICF/DD 16 or Less | | | 6 |
| 7 | 312 | TOTALS | 312 | 113,880 | 7 |

B. Census-For the entire report period.

| | 1 Level of Care | 2 Patient Days by Level of Care and Primary Source of Payment | | | | 5 |
|----|--------------------|--|------------------|--------|--------|----|
| | | 3 Medicaid Recipient | 4 Private Pay | Other | Total | |
| 8 | SNF | 41,152 | 2,616 | 11,020 | 54,788 | 8 |
| 9 | SNF/PED | | | | | 9 |
| 10 | ICF | 35,747 | 1,477 | 0 | 37,224 | 10 |
| 11 | ICF/DD | | | | | 11 |
| 12 | SC | | | | | 12 |
| 13 | DD 16 OR LESS | | | | | 13 |
| 14 | TOTALS | 76,899 | 4,093 | 11,020 | 92,012 | 14 |

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 80.80%

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

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

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

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

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 6/01/84

J. Was the facility purchased or leased after January 1, 1978?
YES Date 2/14/94 NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 110 and days of care provided 9,803

Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 10/31/05 Fiscal Year: 12/31/05

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

Facility Name & ID Number Glencrest Healthcare & Rehab Centre # 0028753 Report Period Beginning: 1/01/2005 Ending: 12/31/2005

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

| | Operating Expenses | Costs Per General Ledger | | | | Reclass-ification 5 | Reclassified Total 6 | Adjust-ments 7 | Adjusted Total 8 | FOR OHF USE ONLY | |
|-----|--|--------------------------|---------------|------------|------------|------------------------|----------------------------|-------------------|------------------------|------------------|-----|
| | | Salary/Wage 1 | Supplies 2 | Other 3 | Total 4 | | | | | 9 | 10 |
| | A. General Services | | | | | | | | | | |
| 1 | Dietary | 406,463 | 103,721 | 43,932 | 554,116 | | 554,116 | | 554,116 | | 1 |
| 2 | Food Purchase | | 760,086 | | 760,086 | (34,904) | 725,182 | (67,452) | 657,730 | | 2 |
| 3 | Housekeeping | 244,853 | 98,596 | | 343,449 | | 343,449 | | 343,449 | | 3 |
| 4 | Laundry | 108,252 | 50,768 | | 159,020 | | 159,020 | | 159,020 | | 4 |
| 5 | Heat and Other Utilities | | | 206,443 | 206,443 | | 206,443 | 5,925 | 212,368 | | 5 |
| 6 | Maintenance | 99,670 | 35,748 | 88,512 | 223,930 | | 223,930 | 9,624 | 233,554 | | 6 |
| 7 | Other (specify):* Allocated Employee Benefits | | | | | | | 803 | 803 | | 7 |
| 8 | TOTAL General Services | 859,238 | 1,048,919 | 338,887 | 2,247,044 | (34,904) | 2,212,140 | (51,100) | 2,161,040 | | 8 |
| | B. Health Care and Programs | | | | | | | | | | |
| 9 | Medical Director | | | 38,000 | 38,000 | | 38,000 | | 38,000 | | 9 |
| 10 | Nursing and Medical Records | 3,536,124 | 821,161 | 3,120 | 4,360,405 | | 4,360,405 | (346,688) | 4,013,717 | | 10 |
| 10a | Therapy | | 2,519 | 496,014 | 498,533 | | 498,533 | (123,816) | 374,717 | | 10a |
| 11 | Activities | 161,108 | 4,518 | 2,280 | 167,906 | | 167,906 | | 167,906 | | 11 |
| 12 | Social Services | 102,401 | | 4,690 | 107,091 | | 107,091 | | 107,091 | | 12 |
| 13 | CNA Training | | | | | 900 | 900 | | 900 | | 13 |
| 14 | Program Transportation | | | 930 | 930 | | 930 | | 930 | | 14 |
| 15 | Other (specify):* Allocated Employee Benefits | | | | | | | 37,796 | 37,796 | | 15 |
| 16 | TOTAL Health Care and Programs | 3,799,633 | 828,198 | 545,034 | 5,172,865 | 900 | 5,173,765 | (432,708) | 4,741,057 | | 16 |
| | C. General Administration | | | | | | | | | | |
| 17 | Administrative | 41,471 | | 1,842,480 | 1,883,951 | | 1,883,951 | (1,703,495) | 180,456 | | 17 |
| 18 | Directors Fees | | | | | | | | | | 18 |
| 19 | Professional Services | | | 68,600 | 68,600 | | 68,600 | (10,046) | 58,554 | | 19 |
| 20 | Dues, Fees, Subscriptions & Promotions | | | 61,219 | 61,219 | 1,170 | 62,389 | 32,709 | 95,098 | | 20 |
| 21 | Clerical & General Office Expenses | 179,404 | 86,222 | 68,193 | 333,819 | (1,170) | 332,649 | 324,823 | 657,472 | | 21 |
| 22 | Employee Benefits & Payroll Taxes | | | 811,138 | 811,138 | 34,904 | 846,042 | | 846,042 | | 22 |
| 23 | Inservice Training & Education | | | 4,806 | 4,806 | (900) | 3,906 | 2,095 | 6,001 | | 23 |
| 24 | Travel and Seminar | | | | | | | | | | 24 |
| 25 | Other Admin. Staff Transportation | | | 41,562 | 41,562 | (14,821) | 26,741 | 4,995 | 31,736 | | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | | | 360,466 | 360,466 | | 360,466 | 3,339 | 363,805 | | 26 |
| 27 | Other (specify):* Allocated Employee Benefits | | | | | | | 75,858 | 75,858 | | 27 |
| 28 | TOTAL General Administration | 220,875 | 86,222 | 3,258,464 | 3,565,561 | 19,183 | 3,584,744 | (1,269,722) | 2,315,022 | | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8, 16 & 28) | 4,879,746 | 1,963,339 | 4,142,385 | 10,985,470 | (14,821) | 10,970,649 | (1,753,530) | 9,217,119 | | 29 |

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

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 | | | 158,116 | 158,116 | | 158,116 | 161,601 | 319,717 | | | 30 |
| 31 | Amortization of Pre-Op. & Org. | | | | | | | | | | | 31 |
| 32 | Interest | | | 60,218 | 60,218 | | 60,218 | 355,815 | 416,033 | | | 32 |
| 33 | Real Estate Taxes | | | | | | | 355,044 | 355,044 | | | 33 |
| 34 | Rent-Facility & Grounds | | | 2,396,479 | 2,396,479 | | 2,396,479 | (2,393,479) | 3,000 | | | 34 |
| 35 | Rent-Equipment & Vehicles | | | 100,784 | 100,784 | 14,821 | 115,605 | 6,691 | 122,296 | | | 35 |
| 36 | Other (specify):* | | | | | | | | | | | 36 |
| 37 | TOTAL Ownership | | | 2,715,597 | 2,715,597 | 14,821 | 2,730,418 | (1,514,328) | 1,216,090 | | | 37 |
| | Ancillary Expense | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | | | | | | | | | | | 38 |
| 39 | Ancillary Service Centers | | 451,216 | 55,570 | 506,786 | | 506,786 | | 506,786 | | | 39 |
| 40 | Barber and Beauty Shops | | | | | | | | | | | 40 |
| 41 | Coffee and Gift Shops | | | | | | | | | | | 41 |
| 42 | Provider Participation Fee | | | 170,820 | 170,820 | | 170,820 | | 170,820 | | | 42 |
| 43 | Other (specify):* Non-Allowable | | | 241,073 | 241,073 | | 241,073 | (241,073) | | | | 43 |
| 44 | TOTAL Special Cost Centers | | 451,216 | 467,463 | 918,679 | | 918,679 | (241,073) | 677,606 | | | 44 |
| 45 | GRAND TOTAL COST (sum of lines 29, 37 & 44) | 4,879,746 | 2,414,555 | 7,325,445 | 14,619,746 | | 14,619,746 | (3,508,931) | 11,110,815 | | | 45 |

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

SEE ACCOUNTANTS' COMPILATION REPORT

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 | | | | 4 |
| 5 | Telephone, TV & Radio in Resident Rooms | | | | 5 |
| 6 | Rented Facility Space | | | | 6 |
| 7 | Sale of Supplies to Non-Patients | | | | 7 |
| 8 | Laundry for Non-Patients | | | | 8 |
| 9 | Non-Straightline Depreciation | | | | 9 |
| 10 | Interest and Other Investment Income | (28,762) | 32 | | 10 |
| 11 | Discounts, Allowances, Rebates & Refunds | | | | 11 |
| 12 | Non-Working Officer's or Owner's Salary | | | | 12 |
| 13 | Sales Tax | (1,757) | 43 | | 13 |
| 14 | Non-Care Related Interest | | | | 14 |
| 15 | Non-Care Related Owner's Transactions | | | | 15 |
| 16 | Personal Expenses (Including Transportation) | | | | 16 |
| 17 | Non-Care Related Fees | | | | 17 |
| 18 | Fines and Penalties | | | | 18 |
| 19 | Entertainment | (350) | 43 | | 19 |
| 20 | Contributions | (5,970) | 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 | (240,055) | 43 | | 24 |
| 25 | Fund Raising, Advertising and Promotional | (9,736) | 43 | | 25 |
| 26 | Income Taxes and Illinois Personal Property Replacement Tax | 2,588 | 43 | | 26 |
| 27 | CNA Training for Non-Employees | | | | 27 |
| 28 | Yellow Page Advertising | (938) | 43 | | 28 |
| 29 | Other-Attach Schedule <u>See Attached Schedule F:</u> | (448,547) | | | 29 |
| 30 | SUBTOTAL (A): (Sum of lines 1-29) | \$ (733,527) | | \$ | 30 |

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

| | | 1 | 2 | |
|----|---|----------------|-----------|----|
| | | Amount | Reference | |
| 31 | Non-Paid Workers-Attach Schedule* | \$ | | 31 |
| 32 | Donated Goods-Attach Schedule* | | | 32 |
| 33 | Amortization of Organization & Pre-Operating Expense | | | 33 |
| 34 | Adjustments for Related Organization Costs (Schedule VII) | (2,775,404) | | 34 |
| 35 | Other- Attach Schedule | | | 35 |
| 36 | SUBTOTAL (B): (sum of lines 31-35) | \$ (2,775,404) | | 36 |
| | (sum of SUBTOTALS | | | |
| 37 | TOTAL ADJUSTMENTS (A) and (B)) | \$ (3,508,931) | | 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 | | 68,177 | Ln39,Co2 | 44 |
| 45 | Other-Attach Schedule | | X | | | 45 |
| 46 | Other-Attach Schedule | | X | | | 46 |
| 47 | TOTAL (C): (sum of lines 38-46) | | | \$ 68,177 | | 47 |

| OHF USE ONLY | | | | | |
|--------------|----|----|----|----|--|
| 48 | 49 | 50 | 51 | 52 | |
| | | | | | |

SEE ACCOUNTANTS' COMPILATION REPORT

Glencrest Healthcare & Rehab Centre

ID# 0028753

Report Period Beginning: 1/01/2005

Ending: 12/31/2005

Sch. V Line

NON-ALLOWABLE EXPENSES

Amount

Reference

| 1 | Adjust Mgt Co. medical supplies "A" to cost | \$ (247,000) | 10 | 1 |
|----|---|--------------|----|----|
| 2 | Adjust Mgt Co. medical supplies "Other" to cost | (99,688) | 10 | 2 |
| 3 | Adjust Mgt Co. food to cost | (67,504) | 2 | 3 |
| 4 | Non-allowable professional fees | (32,364) | 19 | 4 |
| 5 | Patient clothing | (1,536) | 43 | 5 |
| 6 | Non-allowable auto expense - marketing | (455) | 25 | 6 |
| 7 | | | | 7 |
| 8 | | | | 8 |
| 9 | | | | 9 |
| 10 | | | | 10 |
| 11 | | | | 11 |
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| 42 | | | | 42 |
| 43 | | | | 43 |
| 44 | | | | 44 |
| 45 | | | | 45 |
| 46 | | | | 46 |
| 47 | | | | 47 |
| 48 | | | | 48 |
| 49 | Total | (448,547) | | 49 |

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Glencrest Healthcare & Rehab Centre# 0028753

Report Period Beginning:

1/01/2005

Ending:

12/31/2005

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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Food Purchase | (67,504) | 0 | 0 | 0 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | (67,452) | 2 |
| 3 | Housekeeping | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| 4 | Laundry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Heat and Other Utilities | 0 | 0 | 5,925 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,925 | 5 |
| 6 | Maintenance | 0 | 0 | 9,624 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,624 | 6 |
| 7 | Other (specify):* | 0 | 0 | 803 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 803 | 7 |
| 8 | TOTAL General Services | (67,504) | 0 | 16,352 | 0 | 0 | 52 | 0 | 0 | 0 | 0 | 0 | (51,100) | 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 | (346,688) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (346,688) | 10 |
| 10a | Therapy | 0 | 0 | 0 | 0 | 0 | (123,816) | 0 | 0 | 0 | 0 | 0 | (123,816) | 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 | 0 | 0 | 0 | 37,796 | 0 | 0 | 0 | 0 | 0 | 37,796 | 15 |
| 16 | TOTAL Health Care and Programs | (346,688) | 0 | 0 | 0 | 0 | (86,020) | 0 | 0 | 0 | 0 | 0 | (432,708) | 16 |
| | C. General Administration | | | | | | | | | | | | | |
| 17 | Administrative | 0 | 0 | (641,015) | (1,062,480) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,703,495) | 17 |
| 18 | Directors Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 |
| 19 | Professional Services | (32,364) | 0 | 21,082 | 0 | 1,160 | 76 | 0 | 0 | 0 | 0 | 0 | (10,046) | 19 |
| 20 | Fees, Subscriptions & Promotions | 0 | 0 | 1,918 | 0 | 0 | 30,791 | 0 | 0 | 0 | 0 | 0 | 32,709 | 20 |
| 21 | Clerical & General Office Expenses | 0 | 0 | 308,665 | 0 | 0 | 16,158 | 0 | 0 | 0 | 0 | 0 | 324,823 | 21 |
| 22 | Employee Benefits & Payroll Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| 23 | Inservice Training & Education | 0 | 0 | 608 | 0 | 0 | 1,487 | 0 | 0 | 0 | 0 | 0 | 2,095 | 23 |
| 24 | Travel and Seminar | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 |
| 25 | Other Admin. Staff Transportation | (455) | 0 | 4,642 | 0 | 0 | 808 | 0 | 0 | 0 | 0 | 0 | 4,995 | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | 0 | 0 | 3,339 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,339 | 26 |
| 27 | Other (specify):* | 0 | 0 | 74,921 | 0 | 0 | 937 | 0 | 0 | 0 | 0 | 0 | 75,858 | 27 |
| 28 | TOTAL General Administration | (32,819) | 0 | (225,840) | (1,062,480) | 1,160 | 50,257 | 0 | 0 | 0 | 0 | 0 | (1,269,722) | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8,16 & 28) | (447,011) | 0 | (209,488) | (1,062,480) | 1,160 | (35,711) | 0 | 0 | 0 | 0 | 0 | (1,753,530) | 29 |

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Glencrest Healthcare & Rehab Centre# 0028753

Report Period Beginning:

1/01/2005 Ending:

12/31/2005

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 | 0 | 0 | 32,060 | 0 | 129,541 | 0 | 0 | 0 | 0 | 0 | 0 | 161,601 | 30 |
| 31 | Amortization of Pre-Op. & Org. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Interest | (28,762) | 0 | 131 | 0 | 384,446 | 0 | 0 | 0 | 0 | 0 | 0 | 355,815 | 32 |
| 33 | Real Estate Taxes | 0 | 0 | 11,405 | 0 | 343,639 | 0 | 0 | 0 | 0 | 0 | 0 | 355,044 | 33 |
| 34 | Rent-Facility & Grounds | 0 | 0 | 0 | 0 | (2,393,479) | 0 | 0 | 0 | 0 | 0 | 0 | (2,393,479) | 34 |
| 35 | Rent-Equipment & Vehicles | 0 | 0 | 6,691 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,691 | 35 |
| 36 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36 |
| 37 | TOTAL Ownership | (28,762) | 0 | 50,287 | 0 | (1,535,853) | 0 | 0 | 0 | 0 | 0 | 0 | (1,514,328) | 37 |
| | Ancillary Expense | | | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 39 | Ancillary Service Centers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 40 | Barber and Beauty Shops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 |
| 41 | Coffee and Gift Shops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 41 |
| 42 | Provider Participation Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 |
| 43 | Other (specify):* | (257,754) | 0 | 0 | 0 | 16,681 | 0 | 0 | 0 | 0 | 0 | 0 | (241,073) | 43 |
| 44 | TOTAL Special Cost Centers | (257,754) | 0 | 0 | 0 | 16,681 | 0 | 0 | 0 | 0 | 0 | 0 | (241,073) | 44 |
| | GRAND TOTAL COST | | | | | | | | | | | | | |
| 45 | (sum of lines 29, 37 & 44) | (733,527) | 0 | (159,201) | (1,062,480) | (1,518,012) | (35,711) | 0 | 0 | 0 | 0 | 0 | (3,508,931) | 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 |
| Sidney Glenner | 80.00 % | Glen Oaks Nursing & Rehabilitation Centre,Ltd. | Northbrook | SEE ATTACHED SCHEDULE A | | |
| Barry Ray | 20.00 % | GlenBridge Nursing & Rehabilitation Centre,Ltd. | Niles | | | |
| | | Glen Elston Nursing & Rehabilitation Centre,Ltd. | Chicago | | | |
| | | GlenShire Nursing & Rehabilitation Centre,Ltd. | Richton Park | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

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

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

| 1 | 2 | 3 Cost Per General Ledger | 4 | 5 Cost to Related Organization | 6 | 7 | 8 Difference: Adjustments for Related Organization Costs (7 minus 4) | |
|------------|-------|---------------------------|--------------|---|----------------------|--|--|----|
| Schedule V | Line | Item | Amount | Name of Related Organization | Percent of Ownership | Operating Cost of Related Organization | | |
| 1 | V | | \$ | | | | | 1 |
| 2 | V | Total from Page 6A | 780,000 | Glen Health and Home Management, Inc. | A | 620,799 | (159,201) | 2 |
| 3 | V | | | | | | | 3 |
| 4 | V | Total from Page 6B | 1,062,480 | GlenBar Management Company, Ltd. | B | | (1,062,480) | 4 |
| 5 | V | | | | | | | 5 |
| 6 | V | Total from Page 6C | 2,393,479 | GlenCrest Real Estate & Development, L.L.C. | C | 875,467 | (1,518,012) | 6 |
| 7 | V | | | | | | | 7 |
| 8 | V | Total from Page 6D | 496,014 | Therapy Masters, Inc. | D | 460,303 | (35,711) | 8 |
| 9 | V | | | | | | | 9 |
| 10 | V | | | | | | | 10 |
| 11 | V | | | | | | | 11 |
| 12 | V | | | | | | | 12 |
| 13 | V | | | | | | | 13 |
| 14 | Total | | \$ 4,731,973 | | | \$ 1,956,569 | \$ * (2,775,404) | 14 |

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

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 | 17 Management Fees | \$ 780,000 | Glen Health and Home Management, Inc. | A | \$ | \$ (780,000) 15 |
| 16 | V | 5 Utilities | | Glen Health and Home Management, Inc. | A | 5,925 | 5,925 16 |
| 17 | V | 6 Repairs and Maintenance | | Glen Health and Home Management, Inc. | A | 5,203 | 5,203 17 |
| 18 | V | 19 Professional Fees | | Glen Health and Home Management, Inc. | A | 21,082 | 21,082 18 |
| 19 | V | 20 Licenses, Permits and Inspection | | Glen Health and Home Management, Inc. | A | 1,918 | 1,918 19 |
| 20 | V | 21 Clerical | | Glen Health and Home Management, Inc. | A | 35,849 | 35,849 20 |
| 21 | V | 22 Employee Benefits and Payroll | | Glen Health and Home Management, Inc. | A | 75,724 | 75,724 21 |
| 22 | V | 23 Training and Education | | Glen Health and Home Management, Inc. | A | 608 | 608 22 |
| 23 | V | 25 Auto Expenses | | Glen Health and Home Management, Inc. | A | 4,642 | 4,642 23 |
| 24 | V | 26 Insurance | | Glen Health and Home Management, Inc. | A | 3,339 | 3,339 24 |
| 25 | V | 32 Amortization of Mortgage Cost | | Glen Health and Home Management, Inc. | A | 131 | 131 25 |
| 26 | V | 30 Depreciation | | Glen Health and Home Management, Inc. | A | 32,060 | 32,060 26 |
| 27 | V | 33 Real Estate Taxes | | Glen Health and Home Management, Inc. | A | 11,405 | 11,405 27 |
| 28 | V | 35 Equipment and Vehicle Rental | | Glen Health and Home Management, Inc. | A | 6,691 | 6,691 28 |
| 29 | V | 6 Janitorial Salaries | | Glen Health and Home Management, Inc. | A | 4,421 | 4,421 29 |
| 30 | V | 17 Officer's Salaries | | Glen Health and Home Management, Inc. | A | 138,985 | 138,985 30 |
| 31 | V | 21 Administrative Salaries | | Glen Health and Home Management, Inc. | A | 272,816 | 272,816 31 |
| 32 | V | 22 Employee Benefits | | Glen Health and Home Management, Inc. | A | (75,724) | (75,724) 32 |
| 33 | V | 7 Employee Benefits - Janitorial | | Glen Health and Home Management, Inc. | A | 803 | 803 33 |
| 34 | V | 27 Employee Benefits - Officer's | | Glen Health and Home Management, Inc. | A | 18,060 | 18,060 34 |
| 35 | V | 27 Employee Benefits - Admin | | Glen Health and Home Management, Inc. | A | 56,861 | 56,861 35 |
| 36 | V | | | | | | |
| 37 | V | | | A - OWNERSHIP: | | | |
| 38 | V | | | Sidney Glenner - 100.00 % through attribution | | | |
| 39 | Total | | \$ 780,000 | | | \$ 620,799 | \$ * (159,201) 39 |

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

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 | 17 Administrative | \$ 1,062,480 | GlenBar Management Company, Ltd. | B | \$ | \$ (1,062,480) |
| 16 | V | | | | | | |
| 17 | V | | | | | | |
| 18 | V | | | | | | |
| 19 | V | | | | | | |
| 20 | V | | | B - OWNERSHIP: | | | |
| 21 | V | | | Sidney Glenner - 80.00 % | | | |
| 22 | V | | | Barry Ray - 20.00 % | | | |
| 23 | V | | | | | | |
| 24 | V | | | | | | |
| 25 | V | | | | | | |
| 26 | V | | | | | | |
| 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 | | \$ 1,062,480 | | | \$ 0 | \$ * (1,062,480) |

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

SEE ACCOUNTANTS' COMPILATION REPORT

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 | 32 Interest Expense | \$ | GlenCrest Real Estate & Development, L.L.C. | C | \$ 9,438 | \$ 9,438 |
| 16 | V | 19 Professional Fees | | GlenCrest Real Estate & Development, L.L.C. | C | 1,160 | 1,160 |
| 17 | V | 30 Depreciation | | GlenCrest Real Estate & Development, L.L.C. | C | 129,541 | 129,541 |
| 18 | V | 32 Interest Income | | GlenCrest Real Estate & Development, L.L.C. | C | (92,063) | (92,063) |
| 19 | V | 32 Interest Expense | | GlenCrest Real Estate & Development, L.L.C. | C | 467,071 | 467,071 |
| 20 | V | 33 Real Estate Taxes | | GlenCrest Real Estate & Development, L.L.C. | C | 343,639 | 343,639 |
| 21 | V | 34 Rental | 2,393,479 | GlenCrest Real Estate & Development, L.L.C. | C | | (2,393,479) |
| 22 | V | 43 State Replacement Taxes | | GlenCrest Real Estate & Development, L.L.C. | C | 16,681 | 16,681 |
| 23 | V | | | | | | |
| 24 | V | | | | | | |
| 25 | V | | | | | | |
| 26 | V | | | | | | |
| 27 | V | | | C - OWNERSHIP: | | | |
| 28 | V | | | Sidney Glenner - 80.00 % (constructively) | | | |
| 29 | V | | | Barry Ray - 20.00 % | | | |
| 30 | V | | | | | | |
| 31 | V | | | | | | |
| 32 | V | | | | | | |
| 33 | V | | | | | | |
| 34 | V | | | | | | |
| 35 | V | | | | | | |
| 36 | V | | | | | | |
| 37 | V | | | | | | |
| 38 | V | | | | | | |
| 39 | Total | | \$ 2,393,479 | | | \$ 875,467 | \$ * (1,518,012) |

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

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 | 10a Therapy | \$ 496,014 | Therapy Masters, Inc. | D | \$ 372,198 | \$ (123,816) |
| 16 | V | 19 Professional Fees | | Therapy Masters, Inc. | D | 76 | 76 |
| 17 | V | 20 Licenses, Permits and Inspection | | Therapy Masters, Inc. | D | 277 | 277 |
| 18 | V | 20 Advertising - Help Wanted | | Therapy Masters, Inc. | D | 311 | 311 |
| 19 | V | 20 Employment Fees | | Therapy Masters, Inc. | D | 30,203 | 30,203 |
| 20 | V | 21 Clerical | | Therapy Masters, Inc. | D | 7,379 | 7,379 |
| 21 | V | 22 Employee Benefits and Payroll | | Therapy Masters, Inc. | D | 38,733 | 38,733 |
| 22 | V | 23 Training and Education | | Therapy Masters, Inc. | D | 1,487 | 1,487 |
| 23 | V | 25 Auto Expenses | | Therapy Masters, Inc. | D | 808 | 808 |
| 24 | V | 2 Food Purchase | | Therapy Masters, Inc. | D | 52 | 52 |
| 25 | V | 21 Clerical Salaries | | Therapy Masters, Inc. | D | 8,779 | 8,779 |
| 26 | V | 22 Employee Benefits | | Therapy Masters, Inc. | D | (38,733) | (38,733) |
| 27 | V | 15 Employee Benefits - Therapy | | Therapy Masters, Inc. | D | 37,796 | 37,796 |
| 28 | V | 27 Employee Benefits - Clerical | | Therapy Masters, Inc. | D | 937 | 937 |
| 29 | V | | | | | | |
| 30 | V | | | | | | |
| 31 | V | | | | | | |
| 32 | V | | | D - OWNERSHIP: | | | |
| 33 | V | | | Sidney Glenner - 60.00 % | | | |
| 34 | V | | | Barry Ray - 40.00 % | | | |
| 35 | V | | | | | | |
| 36 | V | | | | | | |
| 37 | V | | | | | | |
| 38 | V | | | | | | |
| 39 | Total | | \$ 496,014 | | | \$ 460,303 | \$ * (35,711) |

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

Facility Name & ID Number Glencrest Healthcare & Rehab Centre # 0028753 Report Period Beginning: 1/01/2005 Ending: 12/31/2005

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 | Sidney Glenner | President | Administrative | 80.00 % | 134,291 | 14 | 22.8 % | Salary | \$ 39,710 | Line17,Co.7 | 1 |
| 2 | David Glenner | Vice President | Administrative | 0.00 % | 67,145 | 9 | 22.8 % | Salary | 19,855 | Line17,Co.7 | 2 |
| 3 | Jonathan Glenner | Clerical | Clerical | 0.00 % | 22,955 | 9 | 22.8 % | Salary | 6,788 | Line21,Co.7 | 3 |
| 4 | Joshua Ray | V.P. of Operations | Administrative | 0.00 % | 134,291 | 9 | 22.8 % | Salary | 81,181 | Line17,Co.7 | 4 |
| 5 | Barry Ray | Vice President | Administrative | 20.00 % | 134,291 | 9 | 22.8 % | Salary | 39,710 | Line17,Co.7 | 5 |
| 6 | | | | | | | | | | | 6 |
| 7 | | | | | | | | | | | 7 |
| 8 | | | | | | | | | | | 8 |
| 9 | | | | | | | | | | | 9 |
| 10 | | | | | | | | | | | 10 |
| 11 | | | See Schedule B | | | | | | | | 11 |
| 12 | | | | | | | | | | | 12 |
| 13 | | | | | | | | TOTAL | \$ 187,244 | | 13 |

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehab Centre

0028753

Report Period Beginning:

1/01/2005

Ending: 2/31/2005

VIII. ALLOCATION OF INDIRECT COSTS

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

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

Name of Related Organization Glen Health & Home Management, Inc.
 Street Address 5454 West Fargo Avenue
 City / State / Zip Code Skokie, IL 60077
 Phone Number (847) 674-5454
 Fax Number (847) 674-8311

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|---------------------------|--------|--|---------------|--|-------------------------------------|---|----------------|---------------------------------|----|
| Schedule V Line Reference | Item | Unit of Allocation (i.e.,Days, Direct Cost, Square Feet) | Total Units | Number of Subunits Being Allocated Among | Total Indirect Cost Being Allocated | Amount of Salary Cost Contained in Column 6 | Facility Units | Allocation (col.8/col.4)x col.6 | |
| 1 | 5 | Utilities | Resident Days | 403,179 | 5 | \$ 25,964 | \$ 92,012 | \$ 5,925 | 1 |
| 2 | 6 | Repairs and Maintenance | Resident Days | 403,179 | 5 | 22,798 | 92,012 | 5,203 | 2 |
| 3 | 19 | Professional Fees | Resident Days | 403,179 | 5 | 92,376 | 92,012 | 21,082 | 3 |
| 4 | 20 | Licenses, Permits & Inspection | Resident Days | 403,179 | 5 | 8,403 | 92,012 | 1,918 | 4 |
| 5 | 21 | Clerical | Resident Days | 403,179 | 5 | 157,085 | 92,012 | 35,849 | 5 |
| 6 | 22 | Employee Benefits and Payroll | Resident Days | 403,179 | 5 | 331,810 | 92,012 | 75,724 | 6 |
| 7 | 23 | Training and Education | Resident Days | 403,179 | 5 | 2,662 | 92,012 | 608 | 7 |
| 8 | 25 | Auto Expenses | Resident Days | 403,179 | 5 | 20,340 | 92,012 | 4,642 | 8 |
| 9 | 26 | Insurance | Resident Days | 403,179 | 5 | 14,632 | 92,012 | 3,339 | 9 |
| 10 | 32 | Amortization of Mortgage Cost | Resident Days | 403,179 | 5 | 573 | 92,012 | 131 | 10 |
| 11 | 30 | Depreciation | Resident Days | 403,179 | 5 | 140,479 | 92,012 | 32,060 | 11 |
| 12 | 33 | Real Estate Taxes | Resident Days | 403,179 | 5 | 49,976 | 92,012 | 11,405 | 12 |
| 13 | 35 | Equipment and Vehicle Rental | Resident Days | 403,179 | 5 | 29,318 | 92,012 | 6,691 | 13 |
| 14 | 6 | Janitorial Salaries | Resident Days | 403,179 | 5 | 19,371 | 19,371 | 4,421 | 14 |
| 15 | 17 | Officer's Salaries | Resident Days | 403,179 | 5 | 609,000 | 609,000 | 138,985 | 15 |
| 16 | 21 | Administrative Salaries | Resident Days | 403,179 | 5 | 1,195,427 | 1,195,427 | 272,816 | 16 |
| 17 | 22 | Employee Benefits | Payroll | | | | | (75,724) | 17 |
| 18 | 7 | Employee Benefits - Janitorial | Payroll | | | | | 803 | 18 |
| 19 | 27 | Employee Benefits - Officer's | Payroll | | | | | 18,060 | 19 |
| 20 | 27 | Employee Benefits - Admin | Payroll | | | | | 56,861 | 20 |
| 21 | | | | | | | | | 21 |
| 22 | | | | | | | | | 22 |
| 23 | | | | | | | | | 23 |
| 24 | | | | | | | | | 24 |
| 25 | TOTALS | | | | | \$ 2,720,214 | \$ 1,823,798 | \$ 620,799 | 25 |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Glencrest Healthcare & Rehab Centre

0028753

Report Period Beginning:

1/01/2005

Ending:

12/31/2005

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 | | | | | | | | | | |
|-------------------------------------|-----------------------------------|---|--------------------------------|-----------------|----------|--|---------------|------------|----------|-------------|----|-----------------|--------------------------|--------------|----------------|---------|---------------|--------------------------|-----------------------------------|
| | | | | | | | | | | 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 | Bank One | X | Mortgage | \$800,000annual | 1/26/94 | \$ 10,000,000 | \$ 3,200,000 | 2/15/2024 | variable | \$ 274,339 | 1 | | | | | | | | |
| 2 | Bank One | X | Amortization of mortgage costs | | | | | | | 5,833 | 2 | | | | | | | | |
| 3 | JP Morgan Chase Bank | X | Construction note | \$10,157.76 | 8/01/04 | 731,358 | 558,676 | 7/31/2010 | 0.0450 | 38,974 | 3 | | | | | | | | |
| 4 | MB Financial | X | Finance equipment purchase | \$3,641.50 | 12/22/03 | 197,730 | 115,610 | 12/22/2008 | 0.0400 | 8,483 | 4 | | | | | | | | |
| 5 | JP Morgan Chase Bank | X | Operating Loan | \$26,612.80 | 7/01/05 | 6,500,000 | 6,500,000 | 2/28/2007 | variable | 157,363 | 5 | | | | | | | | |
| Working Capital | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | Mortgage interest allocated from Mgt Co: | | | | 131 | 6 | | | | | | | | |
| 7 | | | | | | | | | | | 7 | | | | | | | | |
| 8 | | | | | | | | | | | 8 | | | | | | | | |
| 9 | TOTAL Facility Related | | | \$40,412.06 | | \$ 17,429,088 | \$ 10,374,286 | | | \$ 485,123 | 9 | | | | | | | | |
| B. Non-Facility Related* | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | Interest income offset: | | | | (69,090) | 10 | | | | | | | | |
| 11 | | | | | | | | | | | 11 | | | | | | | | |
| 12 | | | | | | | | | | | 12 | | | | | | | | |
| 13 | | | | | | | | | | | 13 | | | | | | | | |
| 14 | TOTAL Non-Facility Related | | | | | \$ | \$ | | | \$ (69,090) | 14 | | | | | | | | |
| 15 | TOTALS (line 9+line14) | | | | | \$ 17,429,088 | \$ 10,374,286 | | | \$ 416,033 | 15 | | | | | | | | |

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A 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.)

SEE ACCOUNTANTS' COMPILATION REPORT

** 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 Glencrest Healthcare & Rehab Centre

0028753

Report Period Beginning:

1/01/2005 Ending:

12/31/2005

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 50,400 B. General Construction Type: Exterior Brick Frame Multi-story steel Number of Stories Four

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

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

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

2427 Touhy Avenue L.L.C. - 6 unit apartment building, 6,300 square feet, adjacent to the nursing home rented to the public.
The apartment building is operated completely independent from the nursing home.

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

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____
3. Current Period Amortization: _____ 4. Dates Incurred: _____

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

XI. OWNERSHIP COSTS:

| | 1 | 2 | 3 | 4 | |
|----------|--------------------------------------|---------------|---------------|-------------------|----------|
| A. Land. | Use | Square Feet | Year Acquired | Cost | |
| 1 | <u>Patient Care</u> | <u>53,193</u> | <u>1994</u> | <u>\$ 524,482</u> | <u>1</u> |
| 2 | <u>Allocated from Management Co:</u> | | | <u>20,556</u> | <u>2</u> |
| 3 | TOTALS | 53,193 | | \$ 545,038 | 3 |

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehab Centre# 0028753

Report Period Beginning:

1/01/2005 Ending: 12/31/2005

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 | 312 | 1994 | | \$ 4,175,048 | \$ | 30 | \$ 104,376 | \$ 104,376 | \$ 1,248,690 | 4 |
| 5 | | | | | | | | | | 5 |
| 6 | Mgt Comp | | | 438,276 | | | 10,849 | 10,849 | | 6 |
| 7 | Allocation | | | | | | | | | 7 |
| 8 | ScheduleJ | | | | | | | | | 8 |
| | Improvement Type** | | | | | | | | | |
| 9 | Various Improvements | | 1984 | 14,558 | | 10 | | | 14,558 | 9 |
| 10 | Various Improvements | | 1985 | 49,988 | | 10 | | | 49,988 | 10 |
| 11 | Various Improvements | | 1986 | 53,010 | | 10 | | | 53,010 | 11 |
| 12 | Various Improvements | | 1987 | 18,999 | | 10 | | | 18,999 | 12 |
| 13 | Various Improvements | | 1988 | 10,172 | | 10 | | | 10,172 | 13 |
| 14 | Various Improvements | | 1989 | 43,502 | | 10 | | | 43,502 | 14 |
| 15 | Various Improvements | | 1990 | 28,496 | | 10 | | | 28,496 | 15 |
| 16 | Various Improvements | | 1991 | 26,763 | | 10 | | | 26,763 | 16 |
| 17 | Various Improvements | | 1992 | 51,415 | | 10 | | | 51,415 | 17 |
| 18 | Various Improvements | | 1993 | 32,359 | | 10 | | | 32,359 | 18 |
| 19 | Various Improvements | | 1994 | 36,809 | | 10 | | | 36,809 | 19 |
| 20 | Various Improvements | | 1995 | 49,197 | 1,644 | 10 | 1,644 | | 49,197 | 20 |
| 21 | Security cameras throughout facility with housings/wiring | | 1995 | 8,985 | 1,194 | 10 | 1,194 | | 8,985 | 21 |
| 22 | Call lights in dialysis room | | 1996 | 1,191 | 119 | 10 | 119 | | 1,151 | 22 |
| 23 | Second floor custom nurses station, hand rails | | 1996 | 24,426 | 2,443 | 10 | 2,443 | | 23,615 | 23 |
| 24 | Basement mason work, 2 rooms constructed rehab, room | | 1996 | 11,685 | 1,169 | 10 | 1,169 | | 11,299 | 24 |
| 25 | Hand rails and wall bumper guards | | 1996 | 19,408 | 1,941 | 10 | 1,941 | | 18,763 | 25 |
| 26 | Custom wall mounted bookcases | | 1996 | 5,510 | 551 | 10 | 551 | | 5,327 | 26 |
| 27 | First floor custom nurses station, reconfigure soffit | | 1996 | 20,882 | 2,088 | 10 | 2,088 | | 20,184 | 27 |
| 28 | Install electrical lines into activity room | | 1996 | 1,000 | 100 | 10 | 100 | | 967 | 28 |
| 29 | Install counter tops, sink and wood file cabinets | | 1996 | 3,700 | 370 | 10 | 370 | | 3,577 | 29 |
| 30 | Install four 70 watt high pressure lights over exit signs | | 1996 | 1,900 | 190 | 10 | 190 | | 1,837 | 30 |
| 31 | Swag valence in dining rooms | | 1996 | 2,342 | 234 | 10 | 234 | | 2,262 | 31 |
| 32 | Door locks and fire doors | | 1996 | 5,241 | 524 | 10 | 524 | | 4,541 | 32 |
| 33 | Electrical outlets and circuits | | 1997 | 4,950 | 495 | 10 | 495 | | 4,290 | 33 |
| 34 | Elevator frames, doors & other parts | | 1997 | 10,626 | 1,062 | 10 | 1,062 | | 9,205 | 34 |
| 35 | Cabinets and sinks | | 1997 | 26,743 | 2,674 | 10 | 2,674 | | 23,176 | 35 |
| 36 | | | | | | | | | | 36 |

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

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 | |
| 37 | <u>Elevator repairs</u> | 1997 | \$ 7,700 | \$ 770 | 10 | \$ 770 | \$ | \$ 5,903 | 37 |
| 38 | <u>Furnace repairs</u> | 1997 | 2,321 | 232 | 10 | 232 | | 1,779 | 38 |
| 39 | <u>Chain link fencing</u> | 1998 | 3,000 | 300 | 10 | 300 | | 2,300 | 39 |
| 40 | <u>HVAC system modifications</u> | 1998 | 2,131 | 213 | 10 | 213 | | 1,634 | 40 |
| 41 | <u>Fire alarm system improvements</u> | 1998 | 4,148 | 415 | 10 | 415 | | 3,181 | 41 |
| 42 | <u>Exhaust system</u> | 1998 | 4,980 | 498 | 10 | 498 | | 3,818 | 42 |
| 43 | <u>HVAC system modifications</u> | 1998 | 2,008 | 201 | 10 | 201 | | 1,540 | 43 |
| 44 | <u>18 access doors</u> | 1998 | 2,824 | 282 | 10 | 282 | | 2,163 | 44 |
| 45 | <u>HVAC system modifications</u> | 1998 | 6,866 | 687 | 10 | 687 | | 5,266 | 45 |
| 46 | <u>Fire alarm smoke detectors</u> | 1998 | 12,024 | 1,202 | 10 | 1,202 | | 9,217 | 46 |
| 47 | <u>4 smoke/fire dampers</u> | 1998 | 1,235 | 124 | 10 | 124 | | 949 | 47 |
| 48 | <u>Roof repairs</u> | 1998 | 5,000 | 500 | 10 | 500 | | 3,833 | 48 |
| 49 | <u>Wallpaper</u> | 1999 | 6,529 | 653 | 10 | 653 | | 4,353 | 49 |
| 50 | <u>Install handrails and bumpers</u> | 1999 | 11,501 | 1,150 | 10 | 1,150 | | 7,667 | 50 |
| 51 | <u>4th floor nurses station-with angled radius corners</u> | 1999 | 7,500 | 750 | 10 | 750 | | 5,000 | 51 |
| 52 | <u>4th floor nurses station-with angled radius corners</u> | 1999 | 7,505 | 751 | 10 | 751 | | 5,005 | 52 |
| 53 | <u>Carpeting</u> | 1999 | 45,885 | 4,588 | 10 | 4,588 | | 30,588 | 53 |
| 54 | <u>Cove base installation</u> | 1999 | 15,738 | 1,573 | 10 | 1,573 | | 10,488 | 54 |
| 55 | <u>Install back porch siding and 2 doors</u> | 1999 | 4,000 | 400 | 10 | 400 | | 2,667 | 55 |
| 56 | <u>Install back porch siding and 2 doors</u> | 1999 | 9,270 | 927 | 10 | 927 | | 6,180 | 56 |
| 57 | <u>Heavy duty electrohydraulic ADA operator</u> | 1999 | 2,547 | 255 | 10 | 255 | | 1,699 | 57 |
| 58 | <u>Diesel generator</u> | 1999 | 54,879 | 5,488 | 10 | 5,488 | | 36,586 | 58 |
| 59 | <u>Emergency generator</u> | 1999 | 111,000 | 11,100 | 10 | 11,100 | | 74,000 | 59 |
| 60 | <u>Install door alarm system on 4 floors</u> | 1999 | 7,817 | 782 | 10 | 782 | | 5,213 | 60 |
| 61 | <u>Wallpaper</u> | 1999 | 5,859 | 586 | 10 | 586 | | 3,906 | 61 |
| 62 | <u>Furnished and installed 2 door restrictors</u> | 1998 | 2,600 | 260 | 10 | 260 | | 1,733 | 62 |
| 63 | <u>Install handrails and bumpers</u> | 1999 | 4,600 | 460 | 10 | 460 | | 3,067 | 63 |
| 64 | <u>Laundry room exhaust</u> | 1999 | 1,922 | 192 | 10 | 192 | | 1,281 | 64 |
| 65 | <u>Furnish and install fire alarm equipment</u> | 1999 | 1,920 | 192 | 10 | 192 | | 1,280 | 65 |
| 66 | <u>Radiator valve repairs</u> | 1999 | 2,359 | 236 | 10 | 236 | | 1,573 | 66 |
| 67 | <u>Install plumbing for whirlpool tub</u> | 1999 | 2,400 | 240 | 10 | 240 | | 1,600 | 67 |
| 68 | <u>Cove base/amtico installation</u> | 1999 | 3,146 | 315 | 10 | 315 | | 2,099 | 68 |
| 69 | | | | | | | | | 69 |
| 70 | TOTAL (lines 4 thru 69) | | \$ 5,540,395 | \$ 53,120 | | \$ 168,345 | \$ 115,225 | \$ 2,050,705 | 70 |

SEE ACCOUNTANTS' COMPILATION REPORT

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

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 | | \$ 5,540,395 | \$ 53,120 | | \$ 168,345 | \$ 115,225 | \$ 2,050,705 | 1 |
| 2 | Resident room signs & common area signs | 1999 | 2,731 | 273 | 10 | 273 | | 1,820 | 2 |
| 3 | Install resident windows on 4th floor | 1999 | 13,284 | 1,328 | 10 | 1,328 | | 8,854 | 3 |
| 4 | Handrails, bumpers, accent rails & cove base installation | 2000 | 4,592 | 459 | 10 | 459 | | 2,525 | 4 |
| 5 | Furnish & install mixing valve, vent & water piping | 2000 | 5,731 | 573 | 10 | 573 | | 3,152 | 5 |
| 6 | Complete electrical work for 10 dialysis chairs | 2000 | 4,575 | 458 | 10 | 458 | | 2,518 | 6 |
| 7 | Furnish and install hand sink | 2000 | 2,501 | 250 | 10 | 250 | | 1,375 | 7 |
| 8 | Install locks on 4th floor | 2000 | 4,116 | 412 | 10 | 412 | | 2,265 | 8 |
| 9 | Universal shower panel - wall-mounted shower system | 1999 | 1,963 | 196 | 10 | 196 | | 1,308 | 9 |
| 10 | Install & program 3 telephones | 2000 | 1,537 | 154 | 10 | 154 | | 847 | 10 |
| 11 | Furnish 2 stainless steel sinks | 2000 | 4,268 | 427 | 10 | 427 | | 2,348 | 11 |
| 12 | Install 2 stainless steel sinks | 2000 | 2,550 | 255 | 10 | 255 | | 1,402 | 12 |
| 13 | Automatic door operating equipment | 2000 | 16,743 | 1,674 | 10 | 1,674 | | 9,207 | 13 |
| 14 | Undervoltage sensors for electrical transfer switch | 2000 | 2,798 | 280 | 10 | 280 | | 1,540 | 14 |
| 15 | Elevator door motor and electrical schematics for controllers | 2001 | 11,390 | 1,139 | 10 | 1,139 | | 5,126 | 15 |
| 16 | Replace ejector pump | 2001 | 8,144 | 814 | 10 | 814 | | 3,664 | 16 |
| 17 | Electrical schematics for elevator controllers, elevator car | 2001 | 11,390 | 1,139 | 10 | 1,139 | | 5,125 | 17 |
| 18 | Insurance claim refund | 2002 | (4,800) | (480) | 10 | (480) | | (1,680) | 18 |
| 19 | Insurance claim refund | 2002 | (7,455) | (746) | 10 | (746) | | (2,611) | 19 |
| 20 | Burst free coil | 2002 | 4,075 | 408 | 10 | 408 | | 1,428 | 20 |
| 21 | Cove base installation | 2002 | 3,500 | 350 | 10 | 350 | | 1,225 | 21 |
| 22 | Installation of spiral duct for laundry | 2002 | 3,600 | 360 | 10 | 360 | | 1,260 | 22 |
| 23 | Booster pump, break tank, valves | 2002 | 4,857 | 486 | 10 | 486 | | 1,701 | 23 |
| 24 | Dialysis plumbing | 2002 | 12,825 | 1,283 | 10 | 1,283 | | 4,490 | 24 |
| 25 | Fire alarm detectors | 2002 | 5,754 | 575 | 10 | 575 | | 2,013 | 25 |
| 26 | Cove base installation, remove and install ceilings and walls | 2003 | 111,159 | 11,116 | 10 | 11,116 | | 27,790 | 26 |
| 27 | Installation of exterior disconnect switch on trash compactor | 2003 | 2,800 | 280 | 10 | 280 | | 700 | 27 |
| 28 | Installation and wiring of new camera | 2003 | 2,968 | 297 | 10 | 297 | | 742 | 28 |
| 29 | External door alarm setup | 2002 | 1,400 | 140 | 10 | 140 | | 490 | 29 |
| 30 | Installation of door safety edge | 2003 | 1,850 | 185 | 10 | 185 | | 462 | 30 |
| 31 | Maple door and brass hardware sealing and installation | 2003 | 1,404 | 140 | 10 | 140 | | 350 | 31 |
| 32 | Installation of receptacles to circuit breaker panels | 2003 | 9,863 | 986 | 10 | 986 | | 2,465 | 32 |
| 33 | | | | | | | | | 33 |
| 34 | TOTAL (lines 1 thru 33) | | \$ 5,792,508 | \$ 78,331 | | \$ 193,556 | \$ 115,225 | \$ 2,144,606 | 34 |

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Glencrest Healthcare & Rehab Centre# 0028753

Report Period Beginning:

1/01/2005 Ending: 12/31/2005

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 | | \$ 5,792,508 | \$ 78,331 | | \$ 193,556 | \$ 115,225 | \$ 2,144,606 | 1 |
| 2 | Installation of circuit breaker panel and ran electrical feed | 2003 | 10,500 | 1,050 | 10 | 1,050 | | 2,625 | 2 |
| 3 | 5 ton furnace | 2004 | 3,600 | 360 | 10 | 360 | | 540 | 3 |
| 4 | Removal and installation of cove base and carpeting | 2004 | 48,384 | 4,838 | 10 | 4,838 | | 7,257 | 4 |
| 5 | Replace condenser gaskets/power strip and installed pump | 2004 | 7,087 | 709 | 10 | 709 | | 1,063 | 5 |
| 6 | Replace power head on vaccuum pump, assembled condenser | 2004 | 4,592 | 459 | 10 | 459 | | 689 | 6 |
| 7 | Concrete project for rear entrance exit stairs | 2004 | 2,740 | 274 | 10 | 274 | | 411 | 7 |
| 8 | Cut out and replace leaking hot water pipes | 2004 | 2,045 | 205 | 10 | 205 | | 307 | 8 |
| 9 | Replace pre-wash motor assembly on dishwasher | 2004 | 1,623 | 162 | 10 | 162 | | 243 | 9 |
| 10 | Speakers and amplifier project | 2004 | 3,540 | 354 | 10 | 354 | | 531 | 10 |
| 11 | Exterior renovation | 2004 | 753,820 | 25,127 | 30 | 25,127 | | 37,691 | 11 |
| 12 | Install smoke detectors and tie in to existing system | 2005 | 3,750 | 188 | 10 | 188 | | 188 | 12 |
| 13 | Install isolation valves and rotate pump shafts on chiller | 2005 | 3,887 | 194 | 10 | 194 | | 194 | 13 |
| 14 | Chiller tower piping project | 2005 | 2,204 | 110 | 10 | 110 | | 110 | 14 |
| 15 | Compressor system leak | 2005 | 1,538 | 77 | 10 | 77 | | 77 | 15 |
| 16 | Furnish and install microprocessor controller on elevator | 2005 | 21,100 | 1,055 | 10 | 1,055 | | 1,055 | 16 |
| 17 | Installation of smoke detectors on all floors | 2005 | 2,080 | 104 | 10 | 104 | | 104 | 17 |
| 18 | Fire protection automatic sprinkler repairs | 2005 | 8,833 | 442 | 10 | 442 | | 442 | 18 |
| 19 | Furnish and install disconnects, circuit breakers for elevator | 2005 | 4,150 | 208 | 10 | 208 | | 208 | 19 |
| 20 | Provided smoke detectors to existing fire alarm system | 2005 | 9,358 | 468 | 10 | 468 | | 468 | 20 |
| 21 | Provided fire alarm equipment and testing | 2005 | 6,108 | 305 | 10 | 305 | | 305 | 21 |
| 22 | Repair of air conditioning equipment | 2005 | 2,590 | 130 | 10 | 130 | | 130 | 22 |
| 23 | Installed piping, boxes and wiring for smoke detectors | 2005 | 7,924 | 396 | 10 | 396 | | 396 | 23 |
| 24 | Wired and installed 2 cameras with DVR and monitor | 2005 | 1,692 | 85 | 10 | 85 | | 85 | 24 |
| 25 | Remove and install new carpet and vinyl cove base | 2005 | 1,606 | 80 | 10 | 80 | | 80 | 25 |
| 26 | Furnish and install wiring for elevator recall system | 2005 | 1,405 | 70 | 10 | 70 | | 70 | 26 |
| 27 | | | | | | | | | 27 |
| 28 | | | | | | | | | 28 |
| 29 | | | | | | | | | 29 |
| 30 | Allocated from Management Company: | | 35,470 | | | 3,235 | 3,235 | 24,145 | 30 |
| 31 | | | | | | | | | 31 |
| 32 | | | | | | | | | 32 |
| 33 | | | | | | | | | 33 |
| 34 | TOTAL (lines 1 thru 33) | | \$ 6,744,134 | \$ 115,781 | | \$ 234,241 | \$ 118,460 | \$ 2,224,020 | 34 |

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

| | Category of Equipment | 1 Cost | Current Book Depreciation 2 | Straight Line Depreciation 3 | 4 Adjustments | Component Life 5 | Accumulated Depreciation 6 | |
|----|------------------------------------|--------------|--------------------------------|---------------------------------|------------------|---------------------|-------------------------------|----|
| 71 | Purchased in Prior Years | \$ 646,682 | \$ 64,669 | \$ 64,669 | \$ | 10 years | \$ 312,740 | 71 |
| 72 | Current Year Purchases | 18,817 | 941 | 941 | | 10 years | 941 | 72 |
| 73 | Fully Depreciated Assets | 1,474,330 | 1,891 | 1,891 | | 8,9,10years | 1,474,330 | 73 |
| 74 | Allocated from Management Company: | 184,897 | | 14,682 | 14,682 | | 141,818 | 74 |
| 75 | TOTALS | \$ 2,324,726 | \$ 67,501 | \$ 82,183 | \$ 14,682 | | \$ 1,929,829 | 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 | Maintenance | 1976 Pick-up Truck | 1993 | \$ 3,303 | \$ | \$ | \$ | 5 years | \$ 3,303 | 76 |
| 77 | | | | | | | | | | 77 |
| 78 | Allocated from Management Company: | | | 33,664 | | 3,293 | 3,293 | | 26,660 | 78 |
| 79 | | | | | | | | | | 79 |
| 80 | TOTALS | | | \$ 36,967 | \$ | \$ 3,293 | \$ 3,293 | | \$ 29,963 | 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) | \$ 9,650,865 | 81 |
| 82 | Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable) | \$ 183,282 | 82 |
| 83 | Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable) | \$ 319,717 | 83 |
| 84 | Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable) | \$ 136,435 | 84 |
| 85 | Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable) | \$ 4,183,812 | 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 | | \$ | 92 |
| 93 | | | 93 |
| 94 | | | 94 |
| 95 | | \$ | 95 |

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

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

If NO, see instructions. YES NO

| | | 1 Year Constructed | 2 Number of Beds | 3 Original Lease Date | 4 Rental Amount | 5 Total Years of Lease | 6 Total Years Renewal Option* | |
|---|--------------------|--------------------------|------------------------|-----------------------------|-----------------------|------------------------------|-------------------------------------|---|
| 3 | Original Building: | | | | \$ | | | 3 |
| 4 | Additions | | | | | | | 4 |
| 5 | | | | | | | | 5 |
| 6 | Parking Lot | | | | 3,000 | month to month | | 6 |
| 7 | TOTAL | | | | \$ 3,000 | | | 7 |

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

This amount was calculated by dividing the total amount to be amortized by the length of the lease N/A N/A

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

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

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 104,047 Description: Copier\$7,260,Icemaker\$1,972,Post meter\$808,A/Cunit\$344, Med equip\$90,400,MgtCo\$3,263

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

| | 1 Use | 2 Model Year and Make | 3 Monthly Lease Payment | 4 Rental Expense for this Period | |
|----|------------------------------------|-----------------------------|-------------------------------|--|----|
| 17 | Patient Care | 2003 Chrysler Jeep | \$ 539.00 | \$ 6,468 | 17 |
| 18 | Patient Care | 2005 Lexus GX470 | 690.00 | 8,353 | 18 |
| 19 | | | | | 19 |
| 20 | Allocated from Management Company: | | | 3,428 | 20 |
| 21 | TOTAL | | \$ ##### | \$ 18,249 | 21 |

10. Effective dates of current rental agreement:

Beginning _____

Ending _____

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. /2006 \$ _____

13. /2007 \$ _____

14. /2008 \$ _____

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

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

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

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

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

B. EXPENSES

ALLOCATION OF COSTS (d)

| | | Facility | | 3 | 4 |
|----|---------------------------------|-----------|-----------|----------|--------|
| | | 1 | 2 | | |
| | | Drop-outs | Completed | Contract | Total |
| 1 | Community College Tuition | \$ | \$ | \$ | \$ |
| 2 | Books and Supplies | | | | |
| 3 | Classroom Wages (a) | | | | |
| 4 | Clinical Wages (b) | | | | |
| 5 | In-House Trainer Wages (c) | | | | |
| 6 | Transportation | | | | |
| 7 | Contractual Payments | | | | |
| 8 | CNA Competency Tests | | 900 | | 900 |
| 9 | TOTALS | \$ | \$ 900 | \$ | \$ 900 |
| 10 | SUM OF line 9, col. 1 and 2 (e) | \$ | 900 | | |

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 | 18 |
| 2. From other facilities (f) | |
| DROP-OUTS | |
| 1. From this facility | |
| 2. From other facilities (f) | |
| TOTAL TRAINED | 18 |

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

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

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

| | Service | Schedule V Line & Column Reference | Staff | | Outside Practitioner (other than consultant) | | Supplies (Actual or Allocated) | Total Units (Column 2 + 4) | Total Cost (Col. 3 + 5 + 6) | |
|----|--|--|---------------------|------|---|------------|--------------------------------------|-------------------------------|--------------------------------|----|
| | | | Units of Service | Cost | Units | Cost | | | | |
| | | | | | | | | | | |
| 1 | Licensed Occupational Therapist | Ln10a,Col 2&3 | hrs | \$ | 3,807 | \$ 176,401 | \$ 614 | 3,807 | \$ 177,015 | 1 |
| 2 | Licensed Speech and Language Development Therapist | Ln 10a, Col 3 | hrs | | 1,690 | 80,845 | | 1,690 | 80,845 | 2 |
| 3 | Licensed Recreational Therapist | | hrs | | | | | | | 3 |
| 4 | Licensed Physical Therapist | Ln10a,Col 2&3 | hrs | | 4,769 | 238,768 | 1,905 | 4,769 | 240,673 | 4 |
| 5 | Physician Care | Ln 39, Col 3 | visits | | | 15 | | | 15 | 5 |
| 6 | Dental Care | | visits | | | | | | | 6 |
| 7 | Work Related Program | | hrs | | | | | | | 7 |
| 8 | Habilitation | | hrs | | | | | | | 8 |
| 9 | Pharmacy | Ln 39, Col 2 | # of prescripts | | | | 383,039 | | 383,039 | 9 |
| 10 | Psychological Services (Evaluation and Diagnosis/ Behavior Modification) | | hrs | | | | | | | 10 |
| 11 | Academic Education | | hrs | | | | | | | 11 |
| 12 | Exceptional Care Program | Ln39,Col 2 | | | | | 68,177 | | 68,177 | 12 |
| 13 | Radiology, Laboratory & Dialysis Other (specify): | Ln 39, Col 3 | | | | 55,555 | | | | 13 |
| 14 | TOTAL | | | \$ | 10,266 | \$ 551,584 | \$ 453,735 | 10,266 | \$ 949,764 | 14 |

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Glencrest Healthcare & Rehab Centre**# **0028753**Report Period Beginning: **1/01/2005**

Ending:

12/31/2005**XV. BALANCE SHEET - Unrestricted Operating Fund.**As of **12/31/2005**

(last day of reporting year)

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

| | | 1 Operating | 2 After Consolidation* | |
|----------------------------|--|----------------|------------------------------|----|
| A. Current Assets | | | | |
| 1 | Cash on Hand and in Banks | \$ 1,795,712 | \$ 7,045,918 | 1 |
| 2 | Cash-Patient Deposits | | | 2 |
| 3 | Accounts & Short-Term Notes Receivable-Patients (less allowance <u>601,300</u>) | 3,620,258 | 3,620,258 | 3 |
| 4 | Supply Inventory (priced at) | | | 4 |
| 5 | Short-Term Investments | | | 5 |
| 6 | Prepaid Insurance | 234,874 | 234,874 | 6 |
| 7 | Other Prepaid Expenses | 861,958 | 861,958 | 7 |
| 8 | Accounts Receivable (owners or related parties) | (3,183,604) | | 8 |
| 9 | Other(specify): <u>Other Receivables</u> | 14,409 | 100,644 | 9 |
| 10 | TOTAL Current Assets (sum of lines 1 thru 9) | \$ 3,343,607 | \$ 11,863,652 | 10 |
| B. Long-Term Assets | | | | |
| 11 | Long-Term Notes Receivable | | | 11 |
| 12 | Long-Term Investments | | | 12 |
| 13 | Land | | 545,038 | 13 |
| 14 | Buildings, at Historical Cost | | 4,613,324 | 14 |
| 15 | Leasehold Improvements, at Historical Cost | 1,229,560 | 2,130,810 | 15 |
| 16 | Equipment, at Historical Cost | 1,034,374 | 2,361,693 | 16 |
| 17 | Accumulated Depreciation (book methods) | (1,476,083) | (4,183,812) | 17 |
| 18 | Deferred Charges | | | 18 |
| 19 | Organization & Pre-Operating Costs | | | 19 |
| 20 | Accumulated Amortization - Organization & Pre-Operating Costs | | | 20 |
| 21 | Restricted Funds | | | 21 |
| 22 | Other Long-Term Assets (spe <u>Deposits</u>) | 81,411 | 81,411 | 22 |
| 23 | Other(specify): <u>Mortgage Costs (Net)</u> | | 117,391 | 23 |
| 24 | TOTAL Long-Term Assets (sum of lines 11 thru 23) | \$ 869,262 | \$ 5,665,855 | 24 |
| 25 | TOTAL ASSETS (sum of lines 10 and 24) | \$ 4,212,869 | \$ 17,529,507 | 25 |

| | | 1 Operating | 2 After Consolidation* | |
|--|--|----------------|------------------------------|----|
| C. Current Liabilities | | | | |
| 26 | Accounts Payable | \$ 412,673 | \$ 412,673 | 26 |
| 27 | Officer's Accounts Payable | | | 27 |
| 28 | Accounts Payable-Patient Deposits | 27,261 | 27,261 | 28 |
| 29 | Short-Term Notes Payable | 38,882 | 38,882 | 29 |
| 30 | Accrued Salaries Payable | 278,287 | 278,287 | 30 |
| 31 | Accrued Taxes Payable (excluding real estate taxes) | 2,380 | 2,380 | 31 |
| 32 | Accrued Real Estate Taxes(Sch.IX-B) | | 343,000 | 32 |
| 33 | Accrued Interest Payable | | | 33 |
| 34 | Deferred Compensation | | | 34 |
| 35 | Federal and State Income Taxes | | | 35 |
| Other Current Liabilities(specify): | | | | |
| 36 | <u>See Attached Schedule E:</u> | 459,234 | 459,234 | 36 |
| 37 | | | | 37 |
| 38 | TOTAL Current Liabilities (sum of lines 26 thru 37) | \$ 1,218,717 | \$ 1,561,717 | 38 |
| D. Long-Term Liabilities | | | | |
| 39 | Long-Term Notes Payable | 76,728 | 76,728 | 39 |
| 40 | Mortgage Payable | | 3,200,000 | 40 |
| 41 | Bonds Payable | | | 41 |
| 42 | Deferred Compensation | | | 42 |
| Other Long-Term Liabilities(specify): | | | | |
| 43 | <u>Construction Note Payable</u> | | 558,676 | 43 |
| 44 | <u>Bank One Note Payable</u> | | 6,500,000 | 44 |
| 45 | TOTAL Long-Term Liabilities (sum of lines 39 thru 44) | \$ 76,728 | \$ 10,335,404 | 45 |
| 46 | TOTAL LIABILITIES (sum of lines 38 and 45) | \$ 1,295,445 | \$ 11,897,121 | 46 |
| 47 | TOTAL EQUITY(page 18, line 24) | \$ 2,917,424 | \$ 5,632,386 | 47 |
| 48 | TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47) | \$ 4,212,869 | \$ 17,529,507 | 48 |

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

| | | 1 Total | |
|-----------|---|---------------------|-----------|
| 1 | Balance at Beginning of Year, as Previously Reported | \$ 3,179,948 | 1 |
| 2 | Restatements (describe): | | 2 |
| 3 | | | 3 |
| 4 | | | 4 |
| 5 | | | 5 |
| 6 | Balance at Beginning of Year, as Restated (sum of lines 1-5) | \$ 3,179,948 | 6 |
| | A. Additions (deductions): | | |
| 7 | NET Income (Loss) (from page 19, line 43) | (262,524) | 7 |
| 8 | Aquisitions of Pooled Companies | | 8 |
| 9 | Proceeds from Sale of Stock | | 9 |
| 10 | Stock Options Exercised | | 10 |
| 11 | Contributions and Grants | | 11 |
| 12 | Expenditures for Specific Purposes | | 12 |
| 13 | Dividends Paid or Other Distributions to Owners | () | 13 |
| 14 | Donated Property, Plant, and Equipment | | 14 |
| 15 | Other (describe) | | 15 |
| 16 | Other (describe) | | 16 |
| 17 | TOTAL Additions (deductions) (sum of lines 7-16) | \$ (262,524) | 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) | \$ 2,917,424 | 24 |

* Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehab Centre# 0028753Report Period Beginning: 1/01/2005Ending: 12/31/2005

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

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

| | | 1 | |
|--|---|----------------------|-----------|
| Revenue | | Amount | |
| A. Inpatient Care | | | |
| 1 | Gross Revenue -- All Levels of Care | \$ 13,980,353 | 1 |
| 2 | Discounts and Allowances for all Levels | (3,213,102) | 2 |
| 3 | SUBTOTAL Inpatient Care (line 1 minus line 2) | \$ 10,767,251 | 3 |
| B. Ancillary Revenue | | | |
| 4 | Day Care | | 4 |
| 5 | Other Care for Outpatients | | 5 |
| 6 | Therapy | 1,126,031 | 6 |
| 7 | Oxygen | 627,824 | 7 |
| 8 | SUBTOTAL Ancillary Revenue (lines 4 thru 7) | \$ 1,753,855 | 8 |
| C. Other Operating Revenue | | | |
| 9 | Payments for Education | | 9 |
| 10 | Other Government Grants | | 10 |
| 11 | CNA Training Reimbursements | | 11 |
| 12 | Gift and Coffee Shop | | 12 |
| 13 | Barber and Beauty Care | | 13 |
| 14 | Non-Patient Meals | | 14 |
| 15 | Telephone, Television and Radio | | 15 |
| 16 | Rental of Facility Space | | 16 |
| 17 | Sale of Drugs | 500,915 | 17 |
| 18 | Sale of Supplies to Non-Patients | | 18 |
| 19 | Laboratory | 168,249 | 19 |
| 20 | Radiology and X-Ray | 10,620 | 20 |
| 21 | Other Medical Services | 1,127,518 | 21 |
| 22 | Laundry | | 22 |
| 23 | SUBTOTAL Other Operating Revenue (lines 9 thru 22) | \$ 1,807,302 | 23 |
| D. Non-Operating Revenue | | | |
| 24 | Contributions | | 24 |
| 25 | Interest and Other Investment Income*** | 28,762 | 25 |
| 26 | SUBTOTAL Non-Operating Revenue (lines 24 and 25) | \$ 28,762 | 26 |
| E. Other Revenue (specify):**** | | | |
| 27 | Settlement Income (Insurance, Legal, Etc.) | | 27 |
| 28 | <u>Miscellaneous Income</u> | 52 | 28 |
| 28a | | | 28a |
| 29 | SUBTOTAL Other Revenue (lines 27, 28 and 28a) | \$ 52 | 29 |
| 30 | TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29) | \$ 14,357,222 | 30 |

| | | 2 | |
|-------------------------------------|--|----------------------|-----------|
| Expenses | | Amount | |
| A. Operating Expenses | | | |
| 31 | General Services | 2,247,044 | 31 |
| 32 | Health Care | 5,172,865 | 32 |
| 33 | General Administration | 3,565,561 | 33 |
| B. Capital Expense | | | |
| 34 | Ownership | 2,715,597 | 34 |
| C. Ancillary Expense | | | |
| 35 | Special Cost Centers | 747,859 | 35 |
| 36 | Provider Participation Fee | 170,820 | 36 |
| D. Other Expenses (specify): | | | |
| 37 | | | 37 |
| 38 | | | 38 |
| 39 | | | 39 |
| 40 | TOTAL EXPENSES (sum of lines 31 thru 39)* | \$ 14,619,746 | 40 |
| 41 | Income before Income Taxes (line 30 minus line 40)** | (262,524) | 41 |
| 42 | Income Taxes | | 42 |
| 43 | NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42) | \$ (262,524) | 43 |

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

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

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

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

Facility Name & ID Number **Glencrest Healthcare & Rehab Centre**

0028753

Report Period Beginning: **1/01/2005**

Ending:

12/31/2005

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 | 1,970 | 2,066 | \$ 87,779 | \$ 42.49 | 1 |
| 2 | Assistant Director of Nursing | 3,262 | 3,563 | 136,492 | 38.31 | 2 |
| 3 | Registered Nurses | 57,994 | 60,198 | 1,483,408 | 24.64 | 3 |
| 4 | Licensed Practical Nurses | 10,935 | 11,871 | 237,026 | 19.97 | 4 |
| 5 | CNAs & Orderlies | 123,491 | 132,829 | 1,253,524 | 9.44 | 5 |
| 6 | CNA Trainees | | | | | 6 |
| 7 | Licensed Therapist | | | | | 7 |
| 8 | Rehab/Therapy Aides | 6,498 | 6,754 | 156,832 | 23.22 | 8 |
| 9 | Activity Director | 2,870 | 3,180 | 38,126 | 11.99 | 9 |
| 10 | Activity Assistants | 11,990 | 13,345 | 122,982 | 9.22 | 10 |
| 11 | Social Service Workers | 7,467 | 8,016 | 102,401 | 12.77 | 11 |
| 12 | Dietician | | | | | 12 |
| 13 | Food Service Supervisor | | | | | 13 |
| 14 | Head Cook | 3,757 | 4,200 | 53,696 | 12.78 | 14 |
| 15 | Cook Helpers/Assistants | 31,422 | 34,739 | 352,767 | 10.15 | 15 |
| 16 | Dishwashers | | | | | 16 |
| 17 | Maintenance Workers | 7,101 | 7,885 | 99,670 | 12.64 | 17 |
| 18 | Housekeepers | 26,810 | 28,802 | 244,853 | 8.50 | 18 |
| 19 | Laundry | 11,938 | 12,884 | 108,252 | 8.40 | 19 |
| 20 | Administrator | 1,040 | 1,040 | 41,471 | 39.88 | 20 |
| 21 | Assistant Administrator | | | | | 21 |
| 22 | Other Administrative | 10,822 | 11,613 | 179,404 | 15.45 | 22 |
| 23 | Office Manager | | | | | 23 |
| 24 | Clerical | | | | | 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 | 1,539 | 1,775 | 19,176 | 10.80 | 31 |
| 32 | Other Health Care(specify) | | | | | 32 |
| 33 | Other(specify) <u>Ward Clerks</u> | 11,246 | 12,594 | 161,887 | 12.85 | 33 |
| 34 | TOTAL (lines 1 - 33) | 332,152 | 357,354 | \$ 4,879,746 * | \$ 13.66 | 34 |

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

** See instructions.

B. CONSULTANT SERVICES

| | 1 | 2 | 3 | | |
|----|---------------------------------|--|------------------------------------|--------------|----|
| | Number of Hrs. Paid & Accrued | Total Consultant Cost for Reporting Period | Schedule V Line & Column Reference | | |
| 35 | Dietary Consultant | Monthly | \$ 43,932 | Ln 1, Col 3 | 35 |
| 36 | Medical Director | Monthly | 38,000 | Ln 9, Col 3 | 36 |
| 37 | Medical Records Consultant | | | | 37 |
| 38 | Nurse Consultant | | | | 38 |
| 39 | Pharmacist Consultant | Monthly | 2,520 | Ln 10, Col 3 | 39 |
| 40 | Physical Therapy Consultant | | | | 40 |
| 41 | Occupational Therapy Consultant | | | | 41 |
| 42 | Respiratory Therapy Consultant | | | | 42 |
| 43 | Speech Therapy Consultant | | | | 43 |
| 44 | Activity Consultant | 48 | 2,280 | Ln 11, Col 3 | 44 |
| 45 | Social Service Consultant | 94 | 4,690 | Ln 12, Col 3 | 45 |
| 46 | Other(specify) | | | | 46 |
| 47 | | | | | 47 |
| 48 | | | | | 48 |
| 49 | TOTAL (lines 35 - 48) | 142 | \$ 91,422 | | 49 |

C. CONTRACT NURSES

| | 1 | 2 | 3 | |
|----|----------------------------------|----------------------|------------------------------------|----|
| | Number of Hrs. Paid & Accrued | Total Contract Wages | Schedule V Line & Column Reference | |
| 50 | Registered Nurses | | | 50 |
| 51 | Licensed Practical Nurses | | | 51 |
| 52 | Certified Nurse Assistants/Aides | | | 52 |
| 53 | TOTAL (lines 50 - 52) | | \$ | 53 |

SEE ACCOUNTANTS' COMPILATION REPORT

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

(See instructions.)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | | | | | | | | |
|----|--------|---|----|---|----|----|----|----|----|----|----|----|--------------------------------------|-----------------------------------|------------|-------------|--------|--------|--------|--------|
| | | | | | | | | | | | | | Amount of Expense Amortized Per Year | | | | | | | |
| | | | | | | | | | | | | | Improvement Type | Month & Year Improvement Was Made | Total Cost | Useful Life | FY2002 | FY2003 | FY2004 | FY2005 |
| 1 | N/A | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | | | | | |
| 18 | | | | | | | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | | | | | | | |
| 20 | TOTALS | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | | | | | | | | |

SEE ACCOUNTANTS' COMPILATION REPORT

GlenCrest Nursing and Rehabilitation Centre, Ltd.

12/31/2005

Provider I.D. # 0028753

SCHEDULE VII. RELATED PARTIES

Part A. Col.3

SCHEDULE A

| 3 | | |
|---|-------------|--------------------------------------|
| OTHER RELATED BUSINESS ENTITIES | | |
| Name | City | Type of Business |
| Glen Health & Home Management, Inc. | Skokie | Management Company |
| | | |
| GlenBar Management Company, Ltd. | Skokie | Management Company |
| | | |
| GlenCrest Real Estate & Development LLC | Skokie | Building Lessor |
| | | |
| Fargo Real Estate & Development, LLC | Skokie | Building Lessor - Management company |
| | | |
| Therapy Masters | Skokie | Therapy company |
| | | |
| VNA Home Health of Illinois, Ltd. | Skokie | Home Health agency |
| | | |
| VNA Private Duty of Illinois, Ltd. | Skokie | Home Health agency |

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, LTD.
 Provider # 0028753
 12/31/2005

SCHEDULE B

SCHEDULE VII RELATED PARTIES

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

| Name | Compensation Received From Other Nursing Homes | | | | Total |
|--|---|--|---|---|---------|
| | Glen Elston Nursing & Rehab. Centre, Ltd. | GlenBridge Nursing & Rehab. Centre, Ltd. | Glen Oaks Nursing & Rehab. Centre, Ltd. | GlenShire Nursing & Rehab. Centre, Ltd. | |
| Sidney Glenner | 17,455 | 37,885 | 44,535 | 34,416 | 134,291 |
| David Glenner | 8,727 | 18,942 | 22,268 | 17,208 | 67,145 |
| Jonathan Glenner | 2,984 | 6,476 | 7,612 | 5,883 | 22,955 |
| David Weinschneider | 26,296 | 0 | 0 | 0 | 26,296 |
| Joshua Ray | 17,455 | 37,885 | 44,535 | 34,416 | 134,291 |
| Barry Ray | 17,455 | 37,885 | 44,535 | 34,416 | 134,291 |
| Total compensation received from other Nursing Homes | 90,372 | 139,073 | 163,485 | 126,339 | 519,269 |

See Accountants' Compilation Report

XIX. SUPPORT SCHEDULES

SCHEDULE C

Page 21
 C. Professional Services

| Vendor/Payee | Type | AMOUNT |
|--|--------------------------|---------|
| Health Data Systems, Inc. | Computers | 5,406 |
| Advanced Answers on Demand | Computers | 1,980 |
| Kronos | Computers | 1,456 |
| American Express Tax Services | Accounting | 24,394 |
| Frost, Ruttenberg & Rothblatt | Accounting | 375 |
| Sachnoff & Weaver, Ltd. | Legal | 2,828 |
| Neal, Gerber & Eisenberg LLP | Legal | 6,070 |
| Ira I. Silverstein | Legal | 2,498 |
| Personnel Planners, Inc. | Unemployment Consulting | 2,892 |
| Gabriel Laboratories | Environmental Consulting | 278 |
| Myers, Miller & Krauskopf | Legal | 12,997 |
| Howard S. Chez & Associates | Maintenance Consulting | 2,499 |
| Commitment Consulting | A/R Collections | 1,927 |
| Leni T. Seria | Recruitment Consulting | 3,000 |
| | | 68,600 |
| Allocated from Management Co: | | |
| Health Data Systems, Inc. - Computer Services | | 479 |
| American Express - Accounting Services | | 20,196 |
| Frost, Roth & Ruttenberg - Accounting Services | | 234 |
| Littler Mendelson - Legal Services | | 173 |
| Total allocated from Management Co. | | 21,082 |
| Total allocated from Therapy Masters: | | |
| | | 76 |
| GlenCrest Real Estate LLC: Sachnoff & Weaver | Legal | 1,160 |
| Non-Allowable Expenses: | | |
| Ira I. Silverstein - A/R Collections | | -2,498 |
| Myers, Miller & Krauskopf - out of period | | -7,941 |
| Sachnoff & Weaver, Ltd. - out of period | | -133 |
| Commitment Consulting - A/R Collections | | -1,927 |
| American Express Tax Services | | -19,865 |
| | | -32,364 |
| Total adjustments page 21, Sch C. | | -10,046 |
| Total Schedule V, line 19, column 8 | | 58,554 |

See Accountants' Compilation Report

SCHEDULE D

XIX. SUPPORT SCHEDULES

D. Employee Benefits and Payroll Taxes
Page 21

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|---|---------------|
| Allocated from Management Co: | |
| FICA taxes | 28,268 |
| FUTA | 405 |
| SUTA | 2,281 |
| Insurance - Hospital | 34,253 |
| Employee Benefits | 82 |
| Other Employee Benefits | 1,232 |
| Workers Compensation Insurance | 1,170 |
| Profit Sharing Plan Contribution | 5,900 |
| 401K Match | 2,133 |
| Total allocated from Management Co. | <u>75,724</u> |
| Allocate to Line #'s 7,27 | -75,724 |
| Allocated from Therapy Masters, Inc.: | |
| FICA taxes | 26,794 |
| FUTA | 631 |
| SUTA | 1,350 |
| Insurance - Hospital | 4,887 |
| Other Employee Benefits | 634 |
| Workers Compensation Insurance | 1,058 |
| Profit Sharing Plan Contribution | 1,568 |
| 401K Match | 1,707 |
| Uniform Allowance | 104 |
| Total allocated from Therapy Masters, Inc.: | <u>38,733</u> |
| Allocate to Line #'s 15,27 | -38,733 |
| Total allocated to Page 21 | <u>0</u> |

GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0035014
12/31/2005

SCHEDULE E

XV. SUPPORT SCHEDULES

Page 17, Line 36

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|-------------------------------|-----------------------|
| Estimated Medicare Settlement | 48,100 |
| Accrued Wage Assignment | (444) |
| Workshop | 8 |
| Due to Third Party | 424,730 |
| Refunds Exchange | (16,589) |
| Accrued Management Fees | (60) |
| Accrued Union Dues | 3,489 |
| Total, Page 17, Line36 | <u><u>459,234</u></u> |

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0028753
12/31/2005

SCHEDULE F

PAGE 5, SCHEDULE VI. ADJUSTMENT DETAIL
Schedule A. Nonallowable Expenses
Line 29 - Other Non-allowable costs

| <u>Description</u> | <u>Amount</u> | <u>Reference</u> |
|--|------------------|------------------|
| Patient clothing | (1,536) | 43 |
| Non-allowable professional fees | (32,364) | 19 |
| Adjust Mgt. Co. Med Supplies - 'Other' to cost | (99,688) | 10 |
| Adjust Mgt. Co. Med Supplies - Med 'A' to cost | (247,000) | 10 |
| Adjust Mgt. Co. Food to cost | (67,504) | 2 |
| Non-allowable auto expense - marketing | (455) | 25 |
| Total | <u>(448,547)</u> | |

See Accountants' Compilation Report

GlenCrest Real Estate & Development, LLC
Accrued Real Estate Taxes
12/31/2005

SCHEDULE G

| | Accrued 1/1/2005 | Payments/ (Receipts) | Expense | Accrued 12/31/2005 |
|-----------------------------------|---------------------|-------------------------|--------------|-----------------------|
| Balance @ 1/01/2005 | (335,000.00) | | (335,000.00) | |
| 2004 real estate taxes paid | | 335,639.12 | 335,639.12 | |
| Estimated 2005 real estate taxes: | | | | |
| 2004 taxes | 335,639.12 | | | |
| Estimated increase | 2.00 % | | | |
| Estimated 2005 taxes | 342,351.90 | | | |
| USE | 343,000.00 | | 343,000.00 | (343,000.00) |
| Totals | (335,000.00) | 335,639.12 | 343,639.12 | (343,000.00) |

Real estate tax history:

| Year | Amount | \$ | Increase % |
|------|------------|-------------|---------------|
| | | | |
| 1993 | 323,273.20 | | |
| 1994 | 345,685.97 | 22,412.77 | 6.93% |
| 1995 | 350,490.39 | 4,804.42 | 1.39% |
| 1996 | 359,114.08 | 8,623.69 | 2.46% |
| 1997 | 353,830.54 | (5,283.54) | -1.47% |
| 1998 | 360,112.00 | 6,281.46 | 1.78% |
| 1999 | 357,695.02 | (2,416.98) | -0.67% |
| 2000 | 349,019.69 | (8,675.33) | -2.43% |
| 2001 | 358,096.91 | 9,077.22 | 2.60% |
| 2002 | 362,111.89 | 4,014.98 | 1.12% |
| 2003 | 328,345.47 | (33,766.42) | -9.32% |
| 2004 | 335,639.12 | 7,293.65 | 2.22% |

See Accountants' Compilation Report

Provider Name: Glen Crest Nursing & Rehab Ctr.
Provider I.D. #: 0028753
Year Ended: December 31, 2005

SCHEDULE H

Training & Education

| Person(s) Attending | Date Attended | Location | Title Sponsor | Total Cost |
|---|---------------|-------------|--|------------|
| Katherine Madayag, Geraldine Habal | 2/2/05 | Lincolnwood | Illinois Council on Long Term Care MDS Seminar | 190 |
| Evelyn Amador | 2/4/05 | Chicago | Health Education Seminars Elder Law | 278 |
| Donna Fahrenbach, Resureccion Andal | 4/13/05 | Lincolnwood | Illinois Council on Long Term Care New Guidelines for Pressure Ulcer Treatment | 290 |
| Social Workers | 5/17/05 | Lincolnwood | Illinois Health Care Assoc. Social Workers Conference | 190 |
| Social Workers & Nursing Staff | 5/9/05 | Facility | Joseph Monahan Guardianship, Informed Consent and Powers of Atty | 400 |
| CNA's | 5/12/05 | | Southern Illinois University CNA testing (8) | 400 |
| Joshua Ray | 5/19/05 | Chicago | CNA Safety | 30 |
| Donna Fahrenbach, K. Matthews, Cynthia Thompson | 9/7/05 | Lincolnwood | Illinois Council on Long Term Care In-Depth Training for Wound Care Nurses | 435 |
| Donna Fahrenbach, Cynthia Thompson, Ilia Lagtapon | 9/21/05 | Lincolnwood | Illinois Council on Long Term Care Complying with the New OBRA Continance Requirements | 285 |
| Social Worker | 9/30/05 | Norridge | Social Workers in Long Term Care Working with Families | 30 |
| Nursing Staff, Department Heads & Administration | 9/28/05 | Facility | Marcia Colone Work and Life: Creating a Dynamic Balance for the Health Care Professional | 600 |
| CNA's | 10/7/05 | | Southern Illinois University CNA testing (10) | 500 |
| Donna Fahrenbach, Evelyn Amador, Joshua Ray Cynthia Thompson | 10/11/05 | Lincolnwood | Illinois Council on Long Term Care | |

| | | | | |
|---|----------------|--|---|--------------|
| | | | New IDPH IDR Process | 290 |
| Dietary Staff | 10/21/05 | Facility | Cynthia Chow & Associates Dietary Sanitation Inservice | 170 |
| Evelyn Amador, Joshua Ray, Donna Fahrenbach Cynthia Thompson | 12/6/05 | Lincolnwood | Illinois Council on Long Term Care The New Medicaid Reimbursement System | 320 |
| Nursing Staff | 10/22/05 | Facility | Donna Fahrenbach Pressure Ulcer Care | 128 |
| Nursing Staff | 11/15-11/16/05 | Facility | Pulmonary Exchange Skill evaluation on tracheostomy care | 270 |
| | | | Reclass Competency Testing to Line 13 | (900) |
| | | | Allocated From Management Company | 608 |
| | | | Allocated From Therapy Masters | 1,487 |
| Total | | SEE ACCOUNTANTS' COMPILATION REPORT | | <u>6,001</u> |

GlenCrest Nursing and Rehabilitation Centre, LTD.
Provider #0028753
12/31/2005

SCHEDULE I

Page 3, Schedule V, Line 25, Col 8
Other Admin. Staff Transportation

| | Gasoline | Licenses/ Stickers | Repairs | Mileage Reimb. | Total |
|--|---------------|-----------------------|------------|-------------------|---------------|
| Direct Expense | 24,834 | 0 | 584 | 1,323 | 26,741 |
| Non-allowable auto expense - marketing | | | | | -455 |
| Allocated from Management Company | | | | | 4,642 |
| Allocated from Therapy Masters | | | | | 808 |
| TOTAL | <u>24,834</u> | <u>0</u> | <u>584</u> | <u>1,323</u> | <u>31,736</u> |

See Accountants' Compilation Report

HEALTH AND HOME MANAGEMENT, INC
ALLOCATION OF MANAGEMENT COMPANY BUILDING

SCHEDULE J

| ASSET DESCRIPTION | COST 6/30/1999 | ADJUSTMENTS TO CAPITAL PROJECTION | ADJUSTED CAPITAL PROJECTION 6/30/1999 | ADDITIONS 7/1/99- 12/31/2000 | COST 12/31/2000 | NURSING HOME | GLENBRIDGE 103,052/460,292 0.223883969 | GLENCREST 111,372/460,292 0.241959452 | GLEN OAKS 101,895/460,292 0.221370348 | GLEN ELSTON 41,220/460,292 0.08955185 | GLENSHIRE 102,753/460,292 0.223234382 |
|---|-------------------|---|--|------------------------------------|--------------------|------------------------|--|---|---|---|---|
| | | | | | | PERCENTAGE 84.9438% | | | | | |
| 1996 BUILDING PURCHASE | 230,000 | | 230,000 | | <u>230,000</u> | 195,371 | 43,740 | 47,272 | 43,249 | 17,496 | 43,613 |
| 1998 BUILDING RENOVATION | | | | | | | | | | | |
| GENERAL CONTRACTOR | 957,570 | | 957,570 | | 957,570 | | | | | | |
| ELECTRICAL CONTRACTOR | 275,576 | | 275,576 | | 275,576 | | | | | | |
| HVAC CONTRACTOR | 182,130 | | 182,130 | | 182,130 | | | | | | |
| PLUMBING CONTRACTOR | 68,599 | | 68,599 | | 68,599 | | | | | | |
| ARCHITECT FEES | 115,968 | | 115,968 | | 115,968 | | | | | | |
| OTHER FEES AND PERMITS | 33,024 | | 33,024 | | 33,024 | | | | | | |
| SECURITY SYSTEM | 17,953 | | 17,953 | | 17,953 | | | | | | |
| TELEPHONE SYSTEM | 12,500 | | 12,500 | | 12,500 | | | | | | |
| MISC. BUILDING COMPONENT | 24,226 | | 24,226 | | 24,226 | | | | | | |
| CAPITALIZED INTEREST | 121,387 | -15,261 | 106,126 | | 106,126 | | | | | | |
| LANDSCAPING | 30,000 | | 30,000 | | 30,000 | | | | | | |
| SPRINKLER SYSTEM | 10,720 | | 10,720 | | 10,720 | | | | | | |
| HVAC SYSTEMS | 24,749 | -24,749 | 0 | | | | | | | | |
| WALL CONSTRUCTION | 10,235 | -10,235 | 0 | | | | | | | | |
| ELECTRICAL | 10,634 | -10,634 | 0 | | | | | | | | |
| MISC. IMPROVEMENTS | 26,075 | -26,075 | 0 | | | | | | | | |
| ASPHALT DRIVEWAY | 5,900 | -5,900 | 0 | | | | | | | | |
| | | | | | <u>1,834,392</u> | 1,558,202 | 348,857 | 377,022 | 344,940 | 139,540 | 347,844 |
| 1999 ACCORD ELECTRIC | | | | 17,929 | 17,929 | | | | | | |
| HMS + ASSOCIATES-INTERIOR | | | | 31,505 | 31,505 | | | | | | |
| SAM MORMINO-LANDSCAPING | | | | 1,050 | 1,050 | | | | | | |
| ARCHITECTURAL DYNAMICS-ARCHITECT FEES | | | | 1,468 | 1,468 | | | | | | |
| MISC. | | | | 11,076 | 11,076 | | | | | | |
| | | | | | <u>63,028</u> | 53,538 | 11,986 | 12,954 | 11,852 | 4,794 | 11,952 |
| 2000 AQUATIC WORKS - BUILT-IN FISH TANK | | | | 5,000 | <u>5,000</u> | 4,247 | 951 | 1,028 | 940 | 380 | 948 |
| 2001 NO ADDITIONS | | | | | | | | | | | |
| 2002 NO ADDITIONS | | | | | | | | | | | |
| 2003 NO ADDITIONS | | | | | | | | | | | |
| 2004 NO ADDITIONS | | | | | | | | | | | |
| 2005 NO ADDITIONS | | | | | | | | | | | |
| | | | | | <u>2,132,420</u> | <u>1,811,359</u> | <u>405,534</u> | <u>438,276</u> | <u>400,981</u> | <u>162,210</u> | <u>404,357</u> |

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