

Facility Name & ID Number Alden of Waterford

0042036 Report Period Beginning: 01/01/2006 Ending: 12/31/2006

III. STATISTICAL DATA

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

	1	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	99	Skilled (SNF)	99	36,135	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	99	TOTALS	99	36,135	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF	377	4,609	12,083	17,069	8
9	SNF/PED					9
10	ICF	1,877	5,585		7,462	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	2,254	10,194	12,083	24,531	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 67.89%

D. How many bed-hold days during this year were paid by the Department? none (Do not include bed-hold days in Section B.)

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

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

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES 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 12/29/2001

J. Was the facility purchased or leased after January 1, 1978?
YES Date _____ NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 99 and days of care provided 12,020

Medicare Intermediary Adminastar Federal, Inc

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/2006 Fiscal Year: 12/31/2006

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

Facility Name & ID Number Alden of Waterford # 0042036 Report Period Beginning: 01/01/2006 Ending: 12/31/2006

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	383,809	27,688	9,600	421,097	539	421,636	(6,334)	415,302		1
2	Food Purchase		183,638		183,638	(16,583)	167,055	3,060	170,115		2
3	Housekeeping	108,706	24,404		133,110	706	133,816		133,816		3
4	Laundry	28,493	17,011	5,140	50,644	85	50,729		50,729		4
5	Heat and Other Utilities			244,265	244,265		244,265	(15,683)	228,582		5
6	Maintenance	47,207		195,553	242,760	(8)	242,752	40,859	283,611		6
7	Other (specify):* Security/Relatd party salary			666	666		666	16,826	17,492		7
8	TOTAL General Services	568,215	252,741	455,224	1,276,180	(15,261)	1,260,919	38,728	1,299,647		8
	B. Health Care and Programs										
9	Medical Director			68,900	68,900		68,900		68,900		9
10	Nursing and Medical Records	1,655,549	140,882	61,363	1,857,794	4,171	1,861,965	(1,043)	1,860,922		10
10a	Therapy	44,607			44,607		44,607		44,607		10a
11	Activities	80,116	2,996	8,835	91,947	107	92,054		92,054		11
12	Social Services	49,223			49,223		49,223		49,223		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Relatd party salary							16,187	16,187		15
16	TOTAL Health Care and Programs	1,829,495	143,878	139,098	2,112,471	4,278	2,116,749	15,144	2,131,893		16
	C. General Administration										
17	Administrative	150,321			150,321		150,321		150,321		17
18	Directors Fees										18
19	Professional Services			442,661	442,661	(3,109)	439,552	(407,824)	31,728		19
20	Dues, Fees, Subscriptions & Promotions			69,726	69,726	(859)	68,867	(53,108)	15,759		20
21	Clerical & General Office Expenses	163,212	26,965	103,982	294,159	946	295,105	(44,323)	250,782		21
22	Employee Benefits & Payroll Taxes			420,945	420,945	11,568	432,513	(10,103)	422,410		22
23	Inservice Training & Education										23
24	Travel and Seminar			13,321	13,321		13,321	836	14,157		24
25	Other Admin. Staff Transportation							4,541	4,541		25
26	Insurance-Prop.Liab.Malpractice			104,217	104,216		104,216	8,394	112,610		26
27	Other (specify):* Bad debt/Relatd party salary			267,777	267,777		267,777	(47,408)	220,369		27
28	TOTAL General Administration	313,533	26,965	1,422,629	1,763,126	8,546	1,771,672	(548,995)	1,222,677		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,711,243	423,584	2,016,951	5,151,777	(2,437)	5,149,340	(495,123)	4,654,217		29

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

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

Facility Name & ID Number

Alden of Waterford

#0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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			16,454	16,454		16,454	279,614	296,068			30
31	Amortization of Pre-Op. & Org.							1,249	1,249			31
32	Interest			122,457	122,457		122,457	640,298	762,755			32
33	Real Estate Taxes							59,871	59,871			33
34	Rent-Facility & Grounds			1,234,935	1,234,935		1,234,935	(1,234,935)				34
35	Rent-Equipment & Vehicles			16,775	16,775		16,775	16,340	33,115			35
36	Other (specify):* MIP & Amortiz.							41,059	41,059			36
37	TOTAL Ownership			1,390,621	1,390,621		1,390,621	(196,504)	1,194,117			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers	127	791,800	999,794	1,791,721	2,437	1,794,158	(546,875)	1,247,283			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,203	54,203		54,203		54,203			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers	127	791,800	1,053,997	1,845,924	2,437	1,848,361	(546,875)	1,301,486			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,711,370	1,215,384	4,461,569	8,388,322		8,388,322	(1,238,502)	7,149,820			45

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

IDPH Facility ID Number 004-2036
 Reporting Period Beginning 1/01/06
 Reporting Period Ending 12/31/06

Reclassifications - Pgs 3 and 4

From Line	To Line	Amount	Description
2	22	(16,583)	Employee Meal
		16,583	Employee Meal
22		(5,015)	Uniforms
	1	539	Uniforms
	3	706	Uniforms
	4	85	Uniforms
	6	(8)	Uniforms
	10	3,499	Uniforms
	11	107	Uniforms
	21	87	Uniforms
10	39	(2,437)	Oxygen
		2,437	Oxygen
20	21	(259)	Extended Care Info Network
		259	Extended Care Info Network
20	21	(600)	eHealth Data Solutions
		600	eHealth Data Solutions
19	10	(3,109)	Pathway-Clinical consultant
		3,109	Pathway-Clinical consultant
		<u>0</u>	Net must be 0

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	(63)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(193,644)	30		9
10	Interest and Other Investment Income	(628)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(2,454)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(43,790)	21		17
18	Fines and Penalties	(44,750)	32		18
19	Entertainment	(3,556)	20		19
20	Contributions	(1,243)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(29,158)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(267,777)	27		24
25	Fund Raising, Advertising and Promotional	(46,480)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(1,127)	20		28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (634,670)		\$	30

BHF USE ONLY					
48		49		50	
				51	
					52

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

		1	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)	(181,071)	Various	34
35	Other- Attach Schedule See Pg 5A	(422,761)	Pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (603,832)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,238,502)		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	\$ n/a	38
39					39
40	Gift and Coffee Shops		x		40
41	Barber and Beauty Shops		x		41
42	Laboratory and Radiology		x		42
43	Prescription Drugs		x		43
44	Exceptional Care Program		x		44
45	Other-Attach Schedule		x		45
46	Other-Attach Schedule		x		46
47	TOTAL (C): (sum of lines 38-46)			\$	47

Alden of Waterford

ID# 0042036

Report Period Beginning: 01/01/2006

Ending: 12/31/2006

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Late fees on utilities	\$ (4,687)	5	1
2	Late fees on telephone (g/l 6843)	(39)	21	2
3				3
4	Misc inc-record copies (g/l 4977-100-001)	(600)	10	4
5	Misc inc-wage service fee (g/l 4977-100-006)	(26)	21	5
6	Misc inc-food rebate (g/l 4977-100-005)	(2,413)	2	6
7	Marketing Mngr & aides (g/l 6701sub 009&015)	(64,711)	21	7
8	Mktg Mngr & aides employee benefits deduction	(10,103)	22	8
9	IL Health Care Assoc dues (30.65%)	(1,675)	20	9
10	Add back vendor settlement cost (gl 7143)	16,535	21	10
11	Back out vendor settlement credit (gl 7143)	(12,295)	5	11
12	Back out vendor settlement credit (gl 7143)	(4,240)	19	12
13	Add back credit posted for prior yrs' legal costs	2,079	19	13
14	Deming training revenue (g/l 4671)	(6,000)	7	14
15	Back out bank fees charged LP	(151)	21	15
16	Back out LP mtge int in excess of CON asset limit	(322,671)	32	16
17	Back out LP MIP in excess of CON asset limit	(20,695)	36	17
18	Back out Hermann legal fees for collections	(394)	19	18
19	Back out Fisch legal fees for collections	(500)	19	19
20	Expense assets < \$2,500	1,123	6	20
21	Back out depreciation on assets < \$2,500	(37)	30	21
22	Expense assets < \$2,500	7,704	6	22
23	Back out depreciation on assets < \$2,500	(465)	30	23
24				24
25	To adj depreciation to equal pg 13's	1,500	30	25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(422,761)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	0	(6,334)	0	0	0	0	0	0	0	(6,334)	1
2	Food Purchase	(4,930)	0	0	7,990	0	0	0	0	0	0	0	3,060	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	(16,982)	0	1,299	0	0	0	0	0	0	0	0	(15,683)	5
6	Maintenance	8,827	0	3,594	0	0	0	(269)	28,707	0	0	0	40,859	6
7	Other (specify):*	(6,000)	0	18,508	4,318	0	0	0	0	0	0	0	16,826	7
8	TOTAL General Services	(19,085)	0	23,401	5,974	0	0	(269)	28,707	0	0	0	38,728	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	(600)	0	0	398	(841)	0	0	0	0	0	0	(1,043)	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	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	16,187	0	0	0	0	0	0	0	0	16,187	15
16	TOTAL Health Care and Programs	(600)	0	16,187	398	(841)	0	0	0	0	0	0	15,144	16
	C. General Administration													
17	Administrative	0	0	0	0	0	0	0	0	0	0	0	0	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(32,213)	2,933	(378,544)	0	0	0	0	0	0	0	0	(407,824)	19
20	Fees, Subscriptions & Promotions	(54,081)	0	973	0	0	0	0	0	0	0	0	(53,108)	20
21	Clerical & General Office Expenses	(92,182)	347	14,391	13,107	20,014	0	0	0	0	0	0	(44,323)	21
22	Employee Benefits & Payroll Taxes	(10,103)	0	0	0	0	0	0	0	0	0	0	(10,103)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	836	0	0	0	0	0	0	0	0	836	24
25	Other Admin. Staff Transportation	0	0	4,541	0	0	0	0	0	0	0	0	4,541	25
26	Insurance-Prop.Liab.Malpractice	0	8,288	106	0	0	0	0	0	0	0	0	8,394	26
27	Other (specify):*	(267,777)	0	181,530	16,933	21,906	0	0	0	0	0	0	(47,408)	27
28	TOTAL General Administration	(456,356)	11,568	(176,167)	30,040	41,920	0	0	0	0	0	0	(548,995)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(476,041)	11,568	(136,579)	36,412	41,079	0	(269)	28,707	0	0	0	(495,123)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006 Ending:

12/31/2006

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

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS (to Sch V, col.7)	
30	Depreciation	(192,646)	465,124	5,278	0	1,858	0	0	0	0	0	0	279,614	30
31	Amortization of Pre-Op. & Org.	0	0	1,249	0	0	0	0	0	0	0	0	1,249	31
32	Interest	(368,049)	961,368	41,807	0	2,687	2,485	0	0	0	0	0	640,298	32
33	Real Estate Taxes	0	55,979	2,889	0	1,003	0	0	0	0	0	0	59,871	33
34	Rent-Facility & Grounds	0	(1,234,935)	0	0	0	0	0	0	0	0	0	(1,234,935)	34
35	Rent-Equipment & Vehicles	0	0	16,340	0	0	0	0	0	0	0	0	16,340	35
36	Other (specify):*	(20,695)	61,754	0	0	0	0	0	0	0	0	0	41,059	36
37	TOTAL Ownership	(581,390)	309,290	67,563	0	5,548	2,485	0	0	0	0	0	(196,504)	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	(193,030)	(113,079)	(240,766)	0	0	0	0	0	(546,875)	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):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	(193,030)	(113,079)	(240,766)	0	0	0	0	0	(546,875)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(1,057,431)	320,858	(69,016)	(156,618)	(66,452)	(238,281)	(269)	28,707	0	0	0	(1,238,502)	45

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Pg 6L		See Pg 6K		See Pg 6K		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	34 Rental income	\$ 1,234,935	Alden of Waterford Limited Partnership		\$	\$ (1,234,935)	1
2	V	32 Interest income-R/R	1,479	Alden of Waterford Limited Partnership			(1,479)	2
3	V	19 Accounting fees		Alden of Waterford Limited Partnership		2,933	2,933	3
4	V	21 Bank charges		Alden of Waterford Limited Partnership		151	151	4
5	V	21 Other administrative		Alden of Waterford Limited Partnership		196	196	5
6	V	33 Real estate taxes		Alden of Waterford Limited Partnership		55,979	55,979	6
7	V	26 Property & liability insurance		Alden of Waterford Limited Partnership		8,288	8,288	7
8	V	36 Mortgage insurance premium		Alden of Waterford Limited Partnership		61,754	61,754	8
9	V	32 Mortgage interest		Alden of Waterford Limited Partnership		962,847	962,847	9
10	V	30 Depreciation		Alden of Waterford Limited Partnership		465,124	465,124	10
11	V							11
12	V							12
13	V							13
14	Total		\$ 1,236,414			\$ 1,557,272	\$ * 320,858	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	19 Professional fees	\$ 389,624	Alden Management Services, Inc.		\$ 11,080	\$ (378,544)
16	V	21 Clerical and G & A		Alden Management Services, Inc.		14,391	14,391
17	V	5 Utilities		Alden Management Services, Inc.		1,299	1,299
18	V	6 Maintenance		Alden Management Services, Inc.		3,594	3,594
19	V	24 Travel & seminar		Alden Management Services, Inc.		836	836
20	V	25 Other admin travel		Alden Management Services, Inc.		4,541	4,541
21	V	26 Insurance		Alden Management Services, Inc.		106	106
22	V	20 Dues & subscriptions		Alden Management Services, Inc.		973	973
23	V	30 Depreciation		Alden Management Services, Inc.		5,278	5,278
24	V	31 Amortization		Alden Management Services, Inc.		1,249	1,249
25	V	33 Real estate taxes		Alden Management Services, Inc.		2,889	2,889
26	V	35 Rent-equipment/vehicles		Alden Management Services, Inc.		16,340	16,340
27	V	32 Interest		Alden Management Services, Inc.		41,807	41,807
28	V	7 Salaries-general serv		Alden Management Services, Inc.		18,508	18,508
29	V	15 Salaries-health care		Alden Management Services, Inc.		16,187	16,187
30	V	27 Salaries-general admin		Alden Management Services, Inc.		181,530	181,530
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 389,624			\$ 320,608	\$ * (69,016)

* 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	1 Dietary consultant	\$ 9,600	Prism Health Care Services, Inc.		\$ 3,266	\$ (6,334)	15
16	V	7 Dietary salaries		Prism Health Care Services, Inc.		4,318	4,318	16
17	V	2 Tube feeding	610	Prism Health Care Services, Inc.		8,600	7,990	17
18	V	10 Equipment rental-patient care	3,060	Prism Health Care Services, Inc.		3,458	398	18
19	V	39 Ancillary supplies	242,484	Prism Health Care Services, Inc.		49,454	(193,030)	19
20	V	39 Vent rental		Prism Health Care Services, Inc.				20
21	V	27 G & A salaries		Prism Health Care Services, Inc.		16,933	16,933	21
22	V	21 G & A expenses		Prism Health Care Services, Inc.		13,107	13,107	22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 255,754			\$ 99,136	\$ * (156,618)	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	39 Drugs	\$ 291,548	Forum Extended Care Services II, Inc.		\$ 409,349	\$ 117,801
16	V	39 I.V.	257,466	Forum Extended Care Services II, Inc.		26,652	(230,814)
17	V	39 Wound Vac	302	Forum Extended Care Services II, Inc.		236	(66)
18	V	10 House Stock	3,787	Forum Extended Care Services II, Inc.		3,414	(373)
19	V	10 Pharm Consult	3,951	Forum Extended Care Services II, Inc.		3,483	(468)
20	V	27 Employ Vaccin	1,793	Forum Extended Care Services II, Inc.		1,402	(391)
21	V	27 G & A Salaries		Forum Extended Care Services II, Inc.		22,297	22,297
22	V	21 Gen'l & Admin		Forum Extended Care Services II, Inc.		20,014	20,014
23	V	32 Interest		Forum Extended Care Services II, Inc.		2,687	2,687
24	V	33 Real Estate Tax		Forum Extended Care Services II, Inc.		1,003	1,003
25	V	30 Depreciation		Forum Extended Care Services II, Inc.		1,858	1,858
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		\$ 558,847			\$ 492,395	\$ * (66,452)

* 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	39 Therapy	\$ 968,264	Community Physical Therapy & Associates, Ltd.		\$ 727,498	\$ (240,766)
16	V	32 Interest		Community Physical Therapy & Associates, Ltd.		2,485	2,485
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
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		\$ 968,264			\$ 729,983	\$ * (238,281)

* 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	6 Repairs & maintenance	\$ 17,644	Alden Bennett Construction Company, Inc.		\$ 17,375	\$ (269)
16	V						
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
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		\$ 17,644			\$ 17,375	\$ * (269)

* 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	6 Grounds maintenance	\$ 100,980	Alden Realty Services, Inc		\$ 129,687	\$	28,707	15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 100,980			\$ 129,687	\$ *	28,707	39

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

Facility Name & ID Number Alden of Waterford Rehab & Health Care Center

004-2036

Report Period Beginning 01/01/06

Ending: 12/31/06

RELATED NURSING HOMES	
Name	City
Note: ANC = Alden Nursing Center	
ANC Lakeland	Chicago
ANC Long Grove	Long Grove
ANC Heather	Harvey
ANC Lincoln Park	Chicago
ANC Northmoor	Chicago
ANC Town Manor	Chicago
ANC Terrace of McHenry	McHenry
ANC Morrow	Chicago
ANC Wentworth	Chicago
ANC Naperville	Naperville
ANC Valley Ridge	Bloomington
ANC Village for Children & Young Adults	Bloomington
ANC Orland Park	Orland Park
ANC Princeton	Chicago
Alden of Old Town East	Bloomington
Alden of Old Town West	Bloomington
Alden Trails	Bloomington
Alden Northshore	Skokie
ANC Des Plaines	Des Plaines
ANC Gardens/Courts Des Plaines	Des Plaines
ANC Alma Nelson	Rockford
ANC Park Stratmoor	Rockford
ANC Meadow Park	Rockford
ANC Poplar Creek	Hoffman Estates
ANC Estates of Barrington	Barrington
ANC Springs	Bloomington

OTHER RELATED BUSINESS ENTITIES		
Name	City	Type of Business
The Forum Prof. Center	Chicago	Office rental
Prism Health Care	Chicago	Nursing supplies
Forum Extended Care II	Chicago	Pharmacy
Alden Management	Chicago	Management
Alden Estates of Evanston	Evanston	Assisted living
Community Physical Therapy	Wood Dale	Therapy provider
Courts of Waterford	Aurora	Alzheimers unit
Gardens of Waterford	Aurora	Assisted living

Alden of Waterford Rehab & Health Care Center

Page 6L

IDPH Facility ID Number

004-2036

Reporting Period Beginning

1/01/06

Reporting Period Ending

12/31/06

1	Floyd Schlossberg		28.63%
2	AMS		25.00%
8	Sam & Joan Carl		1.00%
22	Joan & Sam Carl	Class "B" Partner	3.00%
28	Joan & Sam Carl	Class "B" Partner	3.00%
	Others		39.37%
			100.00%

Facility Name & ID Number

Alden of Waterford

#

0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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	Floyd Schlossberg a.	President	Chief Executive	28.63	136,440	0.876	2.19	salary	\$ 3,060	27-7	1
2	Lauren Magnusson b.	Nurse coordinator	nursing admin.	0.00	79,972	0.876	2.19	salary	1,793	15-7	2
3	Terry Magnusson c.	Maint. Supervisor	construct/mainten	0.00	51,882	0.876	2.19	salary	1,163	7-7	3
4	Joan Carl d.	Secretary	Vice-President	7.00	136,440	0.876	2.19	salary	3,060	27-7	4
5											5
6											6
7	a. Floyd Schlossberg is the President and sole stockholder of The Alden Group, Ltd.										7
8	b. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is a nurse coordinator.										8
9	c. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry is in maintenance and construction.										9
10	d. Joan Carl is the Secretary of Alden Management Services and all nursing facilities. She has an equity interest in Town Manor, Princeton, Valley Ridge,										10
11	North Shore, Orland Park, and Waterford. She has an equity interest in the real estate of Alma Nelson, Park Strathmoor, and Meadow Park.										11
12											12
13								TOTAL	\$ 9,076		13

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

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

Facility Name & ID Number Alden of Waterford

0042036 Report Period Beginning: 01/01/2006 Ending: 2/31/2006

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 Alden Management Services, Inc.
 Street Address 4200 W Peterson Ave
 City / State / Zip Code Chicago, IL 60646
 Phone Number (773) 286-3883
 Fax Number (773) 286-3743

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

Facility Name & ID Number

Alden of Waterford

0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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	Name of Lender	2 Related**		3 Purpose of Loan	4 Monthly Payment Required	5 Date of Note	6 Amount of Note		7 Maturity Date	8 Interest Rate (4 Digits)	9 Reporting Period Interest Expense	10
		YES	NO				Original	Balance				
A. Directly Facility Related												
Long-Term												
1	Heartland Bank of IL		X	Mortgage	\$79,386.00	1/1/02	\$ 12,667,104	\$ 12,390,690	1/1/41	7.7500	\$ 962,847	1
2	Int related to fixed assets in											2
3	excess of CON limit		X	Mortgage							(322,671)	3
4												4
5	First Bank		X	Working capital	Varies	12/15/06	900,000	900,000	6/1/08	8.7500	77,707	5
Working Capital												
6	Related party-AMS	X		Working capital							41,807	6
7	Related party-FECSII	X		Working capital							2,687	7
8	Related party-CPT	X		Working capital							2,485	8
9	TOTAL Facility Related				\$79,386.00		\$ 13,567,104	\$ 13,290,690			\$ 764,862	9
B. Non-Facility Related*												
10	Interest income on Corp		X	Patient interest income							(628)	10
11	Waterford LP revenue	X		Replacement Reserve int							(1,479)	11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ (2,107)	14
15	TOTALS (line 9+line14)						\$ 13,567,104	\$ 13,290,690			\$ 762,755	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 41,059 Line # 36

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

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

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

B. Real Estate Taxes

Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.

1. Real Estate Tax accrual used on 2005 report.

\$ 50,700 1

2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)

\$ 52,559 2

3. Under or (over) accrual (line 2 minus line 1).

\$ 1,859 3

4. Real Estate Tax accrual used for 2006 report. (Detail and explain your calculation of this accrual on the lines below.)

\$ 54,120 4

5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C.

(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)

\$ 5

6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.

TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)

\$ 6

7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.

\$ 55,979 7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:	2001	<u>64,543</u>	8
	2002	<u>62,733</u>	9
	2003	<u>50,212</u>	10
	2004	<u>82,054</u>	11
	2005	<u>87,598</u>	12

Accrual based on 3% increase.

Bill reflects total cost. In this case, bill is split between two entities (shared bill).

\$87,598.08 x 60% = \$52,558.80.

FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2005	\$ 13
14	PLUS APPEAL COST FROM LINE 5	\$ 14
15	LESS REFUND FROM LINE 6	\$ 15
16	AMOUNT TO USE FOR RATE CALCULATION	\$ 16

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity. **This denial must be no more than four years old at the time the cost report is filed.**

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2005 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2005 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2005.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2005 real estate tax bill to Healthcare and Family Services, Bureau of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2006 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Bureau of Health Finance at (217) 782-1630.

2005 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden of Waterford COUNTY Kane

FACILITY IDPH LICENSE NUMBER 0042036

CONTACT PERSON REGARDING THIS REPORT Steven M Kroll

TELEPHONE (773) 286-3883 FAX #: (773) 286-3743

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2005 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2005.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>15-36-202-005*</u>	<u>Nursing Home Facility</u>	\$ <u>87,598.08</u>	\$ <u>52,558.80</u>
2. <u>See attached</u>	<u>Related Party-AMS</u>	\$ <u>131,720.00</u>	\$ <u>2,889.00</u>
3. <u>See attached</u>	<u>Related Party-FECSII</u>	\$ <u>14,554.00</u>	\$ <u>1,003.00</u>
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. <u>* Only 60% is applicable to</u>	_____	\$ _____	\$ _____
7. <u>the provider</u>	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>233,872.08</u>	\$ <u>56,450.80</u>

B. Real Estate Tax Cost Allocations

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

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2005 tax bills which were listed in Section A to this statement. Be sure to use the 2005 tax bill which is normally paid during 2006.

PLEASE NOTE: Payment information from the Internet or otherwise is not considered acceptable tax bill documentation. Facilities located in Cook County are required to provide copies of their original **second installment** tax bill.

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006 Ending:

12/31/2006

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 59,206 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3

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).

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>Nursing Facility</u>	<u>152,896</u>	<u>1994</u>	<u>\$ 662,733</u>	<u>1</u>
2					<u>2</u>
3	TOTALS	152,896		\$ 662,733	3

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006 Ending: 12/31/2006

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 BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	99		2001	\$ 11,880,012	\$ 297,000	40	\$ 171,168	\$ (125,832)	\$ 1,077,931	4
5	Adjustment to correct to CON costs (net=6,846,713)			(5,033,299)						5
6										6
7										7
8	Related party - Forum		1978	14,839		25			14,839	8
	Improvement Type**									
9	storm/sewer-ltd p/s		2001	218,336	8,733	25	8,733		46,577	9
10	concrete/curbs/gutters-ltd p/s		2001	21,491	1,433	15	1,433		7,642	10
11	concrete walks-ltd p/s		2001	46,391	3,093	15	3,093		16,496	11
12	asphalt paving-ltd p/s		2001	40,929	4,093	10	4,093		21,829	12
13	street lighting-ltd p/s		2001	129,677	8,645	15	8,645		46,107	13
14	wrought iron fencing-ltd p/s		2001	60,821	2,433	25	2,433		12,976	14
15	piers-ltd p/s		2001	64,296	4,286	15	4,286		22,859	15
16	exterior signs-ltd p/s		2001	20,853	1,738	12	1,738		9,269	16
17	brick pavers-ltd p/s		2001	5,213	521	10	521		2,779	17
18	waterfalls-ltd p/s		2001	53,870	2,693	20	2,693		14,363	18
19	gate house-ltd p/s		2001	26,066	1,738	15	1,738		9,269	19
20	retaining walls-ltd p/s		2001	19,115	956	20	956		5,098	20
21	external roads-ltd p/s		2001	261,213	26,121	10	26,121		139,312	21
22										22
23	storm/sewer-ltd p/s		2003	16,853	674	25	674		2,696	23
24	concrete/curbs/gutters-ltd p/s		2003	1,659	111	15	111		444	24
25	concrete walks-ltd p/s		2003	3,581	239	15	239		956	25
26	asphalt paving-ltd p/s		2003	3,159	316	10	316		1,264	26
27	street lighting-ltd p/s		2003	10,009	667	15	667		2,668	27
28	wrought iron fencing-ltd p/s		2003	4,695	188	25	188		599	28
29	piers-ltd p/s		2003	4,963	331	15	331		1,324	29
30	exterior signs-ltd p/s		2003	1,610	134	12	134		536	30
31	brick pavers-ltd p/s		2003	402	40	10	40		160	31
32	waterfalls-ltd p/s		2003	4,158	208	20	208		832	32
33	gate house-ltd p/s		2003	2,012	134	15	134		536	33
34	retaining walls-ltd p/s		2003	1,475	74	20	74		296	34
35	external roads-ltd p/s		2003	20,163	2,016	10	2,016		8,064	35
36										36

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

See Page 12A, Line 70 for total

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006 Ending: 12/31/2006

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			\$	\$		\$	\$	\$	37
38	Mech. Projects- install exhaust,gas line, electric to steamer-corp	2002	4,254	213	20	213		1,063	38
39	Long elevator- correct elevator problem-corp	2001	882	88	10	88		448	39
40	Affcus- repair fire alarm-corp	2002	1,552	310	5	310		1,552	40
41	GT Mech- chiller repair-corp	2002	1,924	385	5	385		1,923	41
42	ISS replace nurses station	2003	1,956	391	5	391		1,500	42
43	CSI Coker-filter system (boiler)	2004	1,723	86	20	86		251	43
44	ABC-medical gas repair	2004	2,291	229	10	229		668	44
45	CSI Coker-filter system (boiler)	2004	2,050	103	20	103		290	45
46	ABC-sod yards/parkway/etc	2004	9,189	919	10	919		2,450	46
47	ISS/Chicago Sound-power supply call light	2004	2,084	139	15	139		324	47
48	Central States-Adapters/valve caps	2005	1,243	83	15	83		159	48
49	ABC [Stripe-It-Right] - Sealcoat, crackfill & stripe asphalt	2005	3,079	308	10	308		436	49
50	Cybor Fire Protection - Sprinkler head replacement	2005	2,900	193	15	193		274	50
51	ABC [ISS/Chicago Sound]-8 Jeron provider 680 vent alarms	2005	3,381	225	15	225		301	51
52	GT Mechanical - Compressor & chiller circuit	2005	8,600	573	15	573		669	52
53	ABC - Replace ceiling tiles	2005	952	79	12	79		79	53
54	ABC - Emergency outlets vent	2005	6,551	328	20	328		328	54
55	Wtrfd Inv - Montgomery Road expansion	2006	16,186	34	40	34		34	55
56	ABC [Cobra Concrete]-Replace walk/curb concrete w/wire mesh	2006	2,600	58	15	58		58	56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 7,977,957	\$ 373,359		\$ 247,527	\$ (125,832)	\$ 1,480,528	70

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006 Ending: 12/31/2006

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 12C, Carried Forward		\$ 7,977,957	\$ 373,359		\$ 247,527	\$ (125,832)	\$ 1,480,528	1
2									2
3	Related Party-Forum Prof Center Building:								3
4	Leasehold Improvement-Remodeling	1980	11,260		15			11,260	4
5	Leasehold Improvement-Remodeling	1980	17,639		20			17,639	5
6	Leasehold Improvement-Tenant Improvement	1987	912		13			912	6
7	Leasehold Improvement-AMS Remodel	1988	14,634		10			14,634	7
8	Leasehold Improvement-Roof	1994	3,269	204	16	204		2,453	8
9	Leasehold Improvement-Build.Improv.	1996	1,153	72	16	72		789	9
10	Leasehold Improvement-Asphalting	2000	89		3			89	10
11	Leasehold Improvement-DAI	2001	157	16	10	16		81	11
12	Leasehold Improvement-Bathrooms	2002	681	77	7	77		324	12
13	Leasehold Improvement-Suite Renovation	2003	1,672	167	10	167		669	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, etc	2004	2,071	360	7	360		835	14
15	Leasehold Improvement-Add-on Improvement, fixture base	1980	73		23			73	15
16	Leasehold Improvement-Add-on Improvement, lighting base	2001	126	6	5	6		126	16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26	Related Party-AMS:								26
27	Leasehold Improvement-Remodeling	1993	6,060		7			6,060	27
28	Leasehold Improvement-Remodeling	2002	4,961	709	7	709		2,746	28
29	Leasehold Improvement-Remodeling	2003	5,189	741	7	741		2,856	29
30									30
31									31
32								2,350	32
33	Forum Extended Care, LLC-building/building improv	1999	12,434	293	30	293			33
34	TOTAL (lines 1 thru 33)		\$ 8,060,337	\$ 376,004		\$ 250,172	\$ (125,832)	\$ 1,544,424	34

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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	\$ 545,979	\$ 110,913	\$ 43,101	\$ (67,812)	Various	\$ 206,037	71
72	Current Year Purchases	10,091	465	465		Various	465	72
73	Fully Depreciated Assets	72,933	2,217	2,217		Various	72,933	73
74								74
75	TOTALS	\$ 629,003	\$ 113,595	\$ 45,783	\$ (67,812)		\$ 279,435	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	Passenger bus	2001 Ford Eldorado	2001	\$ 50,888	\$	\$	\$	4	\$ 50,888	76
77	AMS-Bus/Travel Van	Chev/Lumina/'00/Various	98-'04	4,817	113	113		3	4,787	77
78										78
79										79
80	TOTALS			\$ 55,705	\$ 113	\$ 113	\$		\$ 55,675	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)		\$ 9,407,778	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)		\$ 489,712	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)		\$ 296,068	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)		\$ (193,644)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)		\$ 1,879,534	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: Related party - cost is eliminated

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

If NO, see instructions. YES NO

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

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

This amount was calculated by dividing the total amount to be amortized by the length of the lease _____.

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

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: \$ 14,513 Description: Copy machine lease

(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	<u>Transport non-patients</u>		\$ <u>188.50</u>	\$ <u>2,262</u>	17
18	<u>Related party-AMS</u>		<u>#####</u>	<u>16,340</u>	18
19					19
20					20
21	TOTAL		\$ <u>#####</u>	\$ <u>18,602</u>	21

10. Effective dates of current rental agreement:

Beginning 5/1/2001

Ending 4/30/2011

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

Fiscal Year Ending Annual Rent

12. /2007 \$ varies

13. /2008 \$ varies

14. /2009 \$ varies

* 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 type="checkbox"/> YES <input checked="" 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><u>Skilled Nursing On-Site</u></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				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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

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

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

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	39-3	hrs	\$		\$ 413,636	\$		\$ 413,636	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			57,500			57,500	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			497,128			497,128	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See Pg 16A	# of prescrpts				409,349		409,349	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program	See Pg 16A		127					127	12
13	Other (specify):	See Pg 16A				(240,766)	110,309		(130,457)	13
14	TOTAL			\$ 127		\$ 727,498	\$ 519,658		\$ 1,247,283	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.

Page 16
 Col 5: PT,OT, & ST
 Col 6: Supplies

XIV. Special Services (Direct Cost)

Service Description	Col. 1: Ref. No.	To Pg 16: Col. No.	
1. OT	39-3	To Col 5	\$413,635.81
2. ST	39-3	To Col 5	57,499.73
3.			
4. PT	39-3	To Col 5	497,127.97
5.			
6.			
7.			
8.			
Pharmacy Supplies per GL			291,547.62
Manual Input from Related Party- FECS II - Drugs			117,801.00 See Pg 6C
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	----- 409,348.62 -----
10.			
11.			
12. Exceptional Care-Salaries:	See pg 16A	To Col. 3	127.87
12. Exceptional Care-Supplies:	See pg 16A	To Col. 6	0.00
Total Exceptional Care (Line 12, Col 8)			----- 127.87 -----
13. Other:	See Pg 16A		
13. Col 5: Manual Input: Related Party - CPT		To Col 5	(240,766.00) See Pg 6D
Other			531,782.38
Manual Input: Related Party - Prism-Supplies			(193,030.00) See Pg 6B
Manual Input: Related Party FECSII - I.V.			(230,814.00) See Pg 6C
Manual Input: Related Party FECSII - Wound Care			(66.00) See Pg 6C
Oxygen, from reclass worksheet			2,437.00
13. Col 6: Supplies Total		To Col 6	----- 110,309.38 -----
13. Total Line 13, Column 8			----- 0.00 -----
14. Total			----- 1,247,283.38 =====

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 01/01/2006

Ending:

12/31/2006

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2006

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>185,000</u>)	1,464,092	1,464,092	3
4	Supply Inventory (priced at _____)			4
5	Short-Term Investments		83,916	5
6	Prepaid Insurance		15,830	6
7	Other Prepaid Expenses	4,145	4,145	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Due from 3rd parties</u>	103,722	103,722	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,571,959	\$ 1,671,705	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		662,733	13
14	Buildings, at Historical Cost		11,880,012	14
15	Leasehold Improvements, at Historical Cost	74,519	1,117,605	15
16	Equipment, at Historical Cost	162,067	1,670,280	16
17	Accumulated Depreciation (book methods)	(103,184)	(2,574,832)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds		595,772	21
22	Other Long-Term Assets (specify): _____			22
23	Other(specify): _____			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 133,402	\$ 13,351,570	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,705,361	\$ 15,023,275	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,126,889	\$ 1,129,893	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	117,870	117,870	28
29	Short-Term Notes Payable	900,000	900,000	29
30	Accrued Salaries Payable	297,522	297,522	30
31	Accrued Taxes Payable (excluding real estate taxes)	20,363	20,363	31
32	Accrued Real Estate Taxes(Sch.IX-B)		54,120	32
33	Accrued Interest Payable		80,023	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>Accr'd exp/ins/sales tax</u>	47,795	59,453	36
37	<u>Due to affiliates</u>	2,574,513	2,570,045	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 5,084,952	\$ 5,229,289	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		12,390,690	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	<u>Due to affiliates</u>	3,259,963	3,830,848	43
44	_____			44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 3,259,963	\$ 16,221,538	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 8,344,915	\$ 21,450,827	46
47	TOTAL EQUITY (page 18, line 24)	\$ (6,639,554)	\$ (6,427,552)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,705,361	\$ 15,023,275	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (6,079,603)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (6,079,603)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(559,951)	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)	\$ (559,951)	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)	\$ (6,639,554)	24 *

* This must agree with page 17, line 47.

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	\$ 7,687,311	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 7,687,311	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	61,271	6
7	Oxygen	3,865	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 65,136	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	125	12
13	Barber and Beauty Care	1,823	13
14	Non-Patient Meals	63	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	14,843	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	440	19
20	Radiology and X-Ray		20
21	Other Medical Services	27,541	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 44,835	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	628	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 628	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Various - See PG19A	24,461	28
28a	Deming training revenue	6,000	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 30,461	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 7,828,371	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,276,180	31
32	Health Care	2,112,471	32
33	General Administration	1,763,126	33
	B. Capital Expense		
34	Ownership	1,390,621	34
	C. Ancillary Expense		
35	Special Cost Centers	1,791,721	35
36	Provider Participation Fee	54,203	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 8,388,322	40
41	Income before Income Taxes (line 30 minus line 40)**	(559,951)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (559,951)	43

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

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

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

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

Facility Name	Alden of Waterford Rehab & Health Care Center	Page 19A
IDPH Facility ID Number	004-2036	
Period Beginning	1/1/2006	
Period End	12/31/2006	

<u>Misc Income (G/L 4977)</u>		<u>Ref Line</u>
Food rebate (g/l 4977-100-005)	2,413.50	2
Wage service fee (g/l 4977-100-006)	26.00	21
Record copies (g/l 4977-100-001)	<u>599.50</u>	10
Total G/L 4977	3,039.00	
Meals-private only (g/l 4640-100-000)	329.00	
Write off a/p related to prior yr (gl 4983-100-000)	<u>21,093.20</u>	
Total of Page 19, Line 28	<u><u>24,461.20</u></u>	

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

01/01/2006

Ending:

12/31/2006

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	1,280	1,288	\$ 48,237	\$ 37.45	1
2	Assistant Director of Nursing					2
3	Registered Nurses	22,563	23,608	738,254	31.27	3
4	Licensed Practical Nurses	6,720	7,374	208,091	28.22	4
5	CNAs & Orderlies	41,126	44,215	573,694	12.98	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,752	1,920	35,734	18.61	9
10	Activity Assistants	4,989	5,178	44,382	8.57	10
11	Social Service Workers	1,924	2,108	49,223	23.35	11
12	Dietician					12
13	Food Service Supervisor	433	546	9,368	17.16	13
14	Head Cook	3,439	3,721	63,559	17.08	14
15	Cook Helpers/Assistants	30,011	31,849	310,882	9.76	15
16	Dishwashers					16
17	Maintenance Workers	2,040	2,080	47,207	22.70	17
18	Housekeepers	11,113	12,205	108,706	8.91	18
19	Laundry	3,198	3,329	28,493	8.56	19
20	Administrator	2,104	2,384	129,922	54.50	20
21	Assistant Administrator	616	624	20,399	32.69	21
22	Other Administrative	5,056	5,224	105,796	20.25	22
23	Office Manager	1,528	1,560	18,246	11.70	23
24	Clerical	3,286	3,418	39,170	11.46	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	2,040	2,080	64,855	31.18	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health C: Unit Director	1,400	1,464	22,545	15.40	32
33	Other(specify) Clinical SS	1,408	1,464	44,607	30.47	33
34	TOTAL (lines 1 - 33)	148,026	157,639	\$ 2,711,370 *	\$ 17.20	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	\$ 9,600	1-3	35
36	Medical Director	monthly	70,900	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	monthly	2,376	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	36	2,115	11-3	44
45	Social Service Consultant	16	976	11-3	45
46	Other(specify)				46
47	Alzheimer's Consultant	(6)	(265)	10-3	47
48					48
49	TOTAL (lines 35 - 48)	46	\$ 85,702		49

C. CONTRACT NURSES

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 01/01/2006

Ending: 12/31/2006

XIX. SUPPORT SCHEDULES

A. Administrative Salaries			Ownership	D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions		
Name	Function	%	Amount	Description	Amount	Description	Amount		
Rosalinda Tolentino	administrator		\$ 121,997	Workers' Compensation Insurance	\$ 73,239	IDPH License Fee	\$		
Christopher Correll	administrator		7,925	Unemployment Compensation Insurance	59,948	Advertising: Employee Recruitment	2,704		
Colleen Harkness	ass't admin		20,399	FICA Taxes	195,118	Health Care Worker Background Check (Indicate # of checks performed 75)	755		
				Employee Health Insurance	21,734	Patient Background Checks	287 2,870		
				Employee Meals	16,583	Surety bond fees	2,247		
				Illinois Municipal Retirement Fund (IMRF)*		IL Health Care Assoc	5,097		
				Union health & welfare	40,765	Alliance for Quality Nursing	1,113		
				Pension	17,885				
				Dental/life/401k match	761				
				Empl relations/misc pr costs	1,920	Related party-AMS	973		
				Employee drug tests/vaccinations	4,560	Less: Public Relations Expense	()		
				Mktg Mgr & aides benefit deduction	(10,103)	Non-allowable advertising	()		
						Yellow page advertising	()		
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 150,321	TOTAL (agree to Schedule V, line 22, col.8)		\$ 422,410	TOTAL (agree to Sch. V, line 20, col. 8)		\$ 15,759
B. Administrative - Other			Amount	E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**		
Description			Amount	Description	Line #	Amount	Description	Amount	
			\$			\$	Out-of-State Travel	\$	
							In-State Travel		
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$				Gas	7,592	
C. Professional Services			Amount						
Vendor/Payee	Type		Amount						
AMS	Management fees		\$ 389,624				Insurance/license/misc	2,944	
Reznick Group	Accounting fees		6,800				Related party-AMS	836	
Fisch/Neal	Legal fees:non-collections		9,428				Seminar Expense		
Fisch/AAA/Hermann/Jacobs	Legal fees: collections		29,158				Leadership training	320	
SMS	Billing consultant		2,661				IHCA seminars	1,401	
Pathway	Clinical consultant		3,109				Family Alliance/Alzheim Assoc/NIC	1,064	
Medicom/KPMG	Consulting:billing/cost rpt		303				Entertainment Expense	()	
Mayer, Brown/Shefsky	R/E tax appeal/Mediation		2,574				(agree to Sch. V, line 24, col. 8)		
Design/Daley/Condon Grp	Architect/cost rpt/fs		214				TOTAL	\$ 14,157	
Hermann	Legal fees: collections		394						
Berman	Legal fees:non-collections		475						
AMS	Prior yr's legal fees		(2,079)						
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 442,661	TOTAL			\$		

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 01/01/2006

Ending: 12/31/2006

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? Yes
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. II. Health Care Assn. \$ 5,097
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 7 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 11,359 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 54,203
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 16,583 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 63
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? No
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? No
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. **Does the facility transport residents to and from day training? No**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: _____ The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? _____ If no, please explain. Audit not required
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees