

		FOR BHF USE				

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2006
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2006)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0023218

Facility Name: Friendship Village-Schaumburg

Address: 350 West Schaumburg Road Schaumburg 60194
 Number City Zip Code

County: Cook

Telephone Number: (847) 843-4259 **Fax #** (847) 884-5718

HFS ID Number: 362815382001

Date of Initial License for Current Owners: 01/01/77

Type of Ownership:

<input checked="" type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL
<input checked="" type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State
<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County
IRS Exemption Code _____	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other _____
	<input type="checkbox"/> "Sub-S" Corp.	
	<input type="checkbox"/> Limited Liability Co.	
	<input type="checkbox"/> Trust	
	<input type="checkbox"/> Other _____	

In the event there are further questions about this report, please contact:
Name: Steve Lavenda **Telephone Number:** (847) 236 - 1111

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 04/01/05 to 03/31/06 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) _____ (Date) _____

(Type or Print Name) _____

(Title) _____

Paid Preparer

(Signed) _____ (Date) _____

(Print Name and Title) Steven N. Lavenda, C.P.A.

(Firm Name & Address) Frost, Ruttenberg & Rothblatt, P.C.
111 Pfingsten Road, Suite 300 Deerfield, IL 60015

(Telephone) (847) 236-1111 Fax # (847) 236-1155

MAIL TO: BUREAU OF HEALTH FINANCE
 ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
 201 S. Grand Avenue East
 Springfield, IL 62763-0001 Phone # (217) 782-1630

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	<u>250</u>	Skilled (SNF)	<u>250</u>	<u>91,250</u>	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	<u>250</u>	TOTALS	<u>250</u>	<u>91,250</u>	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	<u>15,663</u>	<u>21,176</u>	<u>29,311</u>	<u>66,150</u>	8
9	SNF/PED					9
10	ICF	<u>4,479</u>	<u>4,060</u>	<u>7,751</u>	<u>16,290</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>20,142</u>	<u>25,236</u>	<u>37,062</u>	<u>82,440</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.35%

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)

Home Health, Clinic, Adult Day Care

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 01/01/77

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 250 and days of care provided 8,118

Medicare Intermediary Mutual Of Omaha

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 03/31/06 Fiscal Year: 03/31/06

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

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	1,597,105	(4,207)	228,905	1,821,803		1,821,803	(895,387)	926,416			1
2	Food Purchase		1,642,480		1,642,480		1,642,480	(810,574)	831,906			2
3	Housekeeping	708,503	92,633	11,436	812,572		812,572	(700,138)	112,434			3
4	Laundry	194,428	46,790		241,218		241,218	(23,829)	217,389			4
5	Heat and Other Utilities			926,099	926,099		926,099	(797,957)	128,142			5
6	Maintenance	759,020	23,110	1,095,197	1,877,327		1,877,327	(1,646,927)	230,400			6
7	Other (specify):*			4,357	4,357		4,357	(3,754)	603			7
8	TOTAL General Services	3,259,056	1,800,806	2,265,994	7,325,856		7,325,856	(4,878,566)	2,447,290			8
	B. Health Care and Programs											
9	Medical Director			8,400	8,400		8,400		8,400			9
10	Nursing and Medical Records	5,385,074	381,064	117,071	5,883,209		5,883,209	5,755	5,888,964			10
10a	Therapy	73,116			73,116		73,116		73,116			10a
11	Activities	179,392	5,662		185,054		185,054		185,054			11
12	Social Services	115,423			115,423		115,423		115,423			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	5,753,005	386,726	125,471	6,265,202		6,265,202	5,755	6,270,957			16
	C. General Administration											
17	Administrative	1,091,125		1,649,761	2,740,886		2,740,886	(858,632)	1,882,254			17
18	Directors Fees							20,515	20,515			18
19	Professional Services			200,445	200,445		200,445	(134,354)	66,091			19
20	Dues, Fees, Subscriptions & Promotions			72,520	72,520		72,520	138,550	211,070			20
21	Clerical & General Office Expenses	1,198,595	44,860	948,727	2,192,182		2,192,182	(296,140)	1,896,042			21
22	Employee Benefits & Payroll Taxes			3,396,965	3,396,965		3,396,965	(459,953)	2,937,012			22
23	Inservice Training & Education											23
24	Travel and Seminar			21,373	21,373		21,373	12,093	33,466			24
25	Other Admin. Staff Transportation			6,310	6,310		6,310	15,700	22,010			25
26	Insurance-Prop.Liab.Malpractice							76,880	76,880			26
27	Other (specify):*											27
28	TOTAL General Administration	2,289,720	44,860	6,296,101	8,630,681		8,630,681	(1,485,341)	7,145,340			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	11,301,781	2,232,392	8,687,566	22,221,739		22,221,739	(6,358,152)	15,863,587			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.

Facility Name & ID Number Friendship Village-Schaumburg #0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclassification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	D. Ownership										
30	Depreciation			3,935,106	3,935,106	3,935,106	(3,096,236)	838,870			30
31	Amortization of Pre-Op. & Org.										31
32	Interest			3,962,897	3,962,897	3,962,897	(3,841,173)	121,724			32
33	Real Estate Taxes						101,061	101,061			33
34	Rent-Facility & Grounds										34
35	Rent-Equipment & Vehicles			17,276	17,276	17,276		17,276			35
36	Other (specify):*			215,992	215,992	215,992	(215,992)				36
37	TOTAL Ownership			8,131,271	8,131,271	8,131,271	(7,052,340)	1,078,931			37
	Ancillary Expense										
	E. Special Cost Centers										
38	Medically Necessary Transportation										38
39	Ancillary Service Centers	457,656	791,688	720,089	1,969,433	1,969,433	(142,609)	1,826,824			39
40	Barber and Beauty Shops										40
41	Coffee and Gift Shops	31,009	34,967		65,976	65,976	(65,976)				41
42	Provider Participation Fee			138,865	138,865	138,865	(1,990)	136,875			42
43	Other (specify):*		16,789	2,491,151	2,507,940	2,507,940	(2,507,940)				43
44	TOTAL Special Cost Centers	488,665	843,444	3,350,105	4,682,214	4,682,214	(2,718,515)	1,963,699			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	11,790,446	3,075,836	20,168,942	35,035,224	35,035,224	(16,129,007)	18,906,217			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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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	(1,589)	02		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		30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax		02		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(135,000)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule	(17,163,879)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (17,300,468)		\$	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)	1,171,461		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ 1,171,461		36
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (16,129,007)		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.			\$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	TOTAL (C): (sum of lines 38-46)			\$		47

BHF USE ONLY					
48		49		50	51
					52

SEE ACCOUNTANTS' COMPILATION REPORT

NON-ALLOWABLE EXPENSES	Amount	Sch. V Line
1 Vending Machines	\$ (3,280)	02 1
2 Misc. Income - Jury Duty	(15)	10 2
3 Misc. Income - Internal Transfer Fees	(2,000)	21 3
4 Misc. Income - Tax Refund Check	(3)	21 4
5 Misc. Health Care Revenue	671	10 5
6 Gain/Loss On Fixed Assets	(1,034)	06 6
7 Investment Income	(980,716)	32 7
8 Village Store Income	(65,976)	41 8
9 Game Room Income	(476)	21 9
10 Wheel Chair Rental	(1,574)	10 10
11 Space / Clinic Rental	(20,700)	06 11
12 Wages - All Programs / Activities	(49,933)	43 12
13 Wages - Growth Opportunities	(36,732)	43 13
14 Benefits / Vacation - Growth Opportunities	(110)	43 14
15 Assisted Living - Independent Living	(941,964)	43 15
16 Chapel Expense - AL, IL	(427)	43 16
17 Wages - Sales & Marketing	(413,660)	43 17
18 Sales & Marketing Expense	(790,714)	43 18
19 Community Based Programming	(4,016)	21 19
20 Bank Fees	(16,732)	21 20
21 Re-marketing Fee	(41,524)	32 21
22 Investment Fees	(124,268)	21 22
23 Loss On Advance Refunding Of Bonds	(2,660,842)	32 23
24 Wages - Home Health	(21,476)	39 24
25 Wages - Clinic	(121,134)	39 25
26 Clinic Expense	(3,795)	43 26
27		27
28 NON-HCC		28
29 Dining	(897,344)	01 29
30 Food Purchase	(865,800)	02 30
31 Housekeeping	(700,130)	03 31
32 Laundry	(25,829)	04 32
33 Heat & Utilities	(797,857)	05 33
34 Maintenance	(1,434,728)	06 34
35 Other (Disposal, Waste)	(3,754)	07 35
36 Administrative	(83,375)	17 36
37 Director's Fees	(127,740)	18 37
38 Professional Services	(411,550)	19 38
39 Clinical & General	(354,950)	21 39
40 Employee Benefits	(549,335)	22 40
41 Insurance	(478,730)	26 41
42 Depreciation	(3,096,604)	30 42
43 Interest	(757,901)	33 43
44 RE Taxes	(306,646)	33 44
45		45
46 Capitalized R&M	(5,143)	06 46
47 VP of Marketing Salary	(137,206)	43 47
48 VP of Marketing Employee Benefits	(8,811)	22 48
49 Provider Participation Fee	(1,990)	42 49
50 Non-Allowable Seminar	(4,061)	24 50
51 Bond Insurance Fees	(245,992)	36 51
52 Mobility Monitors	(210)	10 52
53 Dietary Supplies	(497)	01 53
54 Nursing Supplies	(7,799)	10 54
55 Out Of State Travel	(3,364)	25 55
56		56
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96		96
97		97
98		98
99		99
100		100
101 Total	(17,163,879)	101

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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	(895,387)											(895,387)	1
2	Food Purchase	(810,677)		103									(810,574)	2
3	Housekeeping	(700,138)											(700,138)	3
4	Laundry	(23,829)											(23,829)	4
5	Heat and Other Utilities	(797,957)											(797,957)	5
6	Maintenance	(1,461,625)		(185,302)									(1,646,927)	6
7	Other (specify):*	(3,754)											(3,754)	7
8	TOTAL General Services	(4,693,367)		(185,199)									(4,878,566)	8
	B. Health Care and Programs													
9	Medical Director													9
10	Nursing and Medical Records	5,755											5,755	10
10a	Therapy													10a
11	Activities													11
12	Social Services													12
13	CNA Training													13
14	Program Transportation													14
15	Other (specify):*													15
16	TOTAL Health Care and Programs	5,755											5,755	16
	C. General Administration													
17	Administrative	(352,375)		(506,257)									(858,632)	17
18	Directors Fees	(127,748)		148,263									20,515	18
19	Professional Services	(411,555)		277,201									(134,354)	19
20	Fees, Subscriptions & Promotions			138,550									138,550	20
21	Clerical & General Office Expenses	(496,451)		200,311									(296,140)	21
22	Employee Benefits & Payroll Taxes	(558,646)		98,693									(459,953)	22
23	Inservice Training & Education													23
24	Travel and Seminar	(5,051)		17,144									12,093	24
25	Other Admin. Staff Transportation	(3,361)		19,061									15,700	25
26	Insurance-Prop.Liab.Malpractice	(478,739)		555,619									76,880	26
27	Other (specify):*													27
28	TOTAL General Administration	(2,433,926)		948,585									(1,485,341)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(7,121,538)		763,386									(6,358,152)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	(3,096,604)		368									(3,096,236)	30
31	Amortization of Pre-Op. & Org.													31
32	Interest	(3,841,173)											(3,841,173)	32
33	Real Estate Taxes	(306,646)		407,707									101,061	33
34	Rent-Facility & Grounds													34
35	Rent-Equipment & Vehicles													35
36	Other (specify):*	(215,992)											(215,992)	36
37	TOTAL Ownership	(7,460,415)		408,075									(7,052,340)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation													38
39	Ancillary Service Centers	(142,609)											(142,609)	39
40	Barber and Beauty Shops													40
41	Coffee and Gift Shops	(65,976)											(65,976)	41
42	Provider Participation Fee	(1,990)											(1,990)	42
43	Other (specify):*	(2,507,940)											(2,507,940)	43
44	TOTAL Special Cost Centers	(2,718,515)											(2,718,515)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(17,300,468)		1,171,461									(16,129,007)	45

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
				See Attached		

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							2
3	V							3
4	V							4
5	V							5
6	V							6
7	V							7
8	V							8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$			\$	\$ *	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	06 Equipment	185,956	Executive Portion		654	(185,302)	15
16	V	17 Management Fees	1,649,761	Executive Portion		1,143,504	(506,257)	16
17	V	02 Food Requisition		Executive Portion		103	103	17
18	V	18 Directors Fees		Executive Portion		148,263	148,263	18
19	V	19 Professional Fees		Executive Portion		277,201	277,201	19
20	V	20 Dues & Subscriptions		Executive Portion		138,550	138,550	20
21	V	21 Office Expense		Executive Portion		200,311	200,311	21
22	V	22 Employee Benefits		Executive Portion		98,693	98,693	22
23	V	24 Seminars & Education		Executive Portion		17,144	17,144	23
24	V	25 Travel / Mileage		Executive Portion		19,061	19,061	24
25	V	26 Insurance		Executive Portion		555,619	555,619	25
26	V	30 Depreciation		Executive Portion		368	368	26
27	V	33 Real Estate Taxes		Executive Portion		407,707	407,707	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		\$ 1,835,717			\$ 3,007,178	\$ * 1,171,461	39

* 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								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			\$			\$	\$ *	39

* 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								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			\$			\$	\$ *	39

* 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			\$			\$		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			\$			\$	\$ *	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			\$			\$		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			\$			\$	\$ *	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			\$			\$		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			\$			\$	\$ *	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			\$			\$		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			\$			\$	\$ *	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			\$			\$		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			\$			\$	\$ *	39

* 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			\$			\$		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			\$			\$	\$ *	39

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

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	N/A								\$	1
2										2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13								TOTAL	\$	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 Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 Apartment Community
 Street Address 350 W. Schaumburg Road
 City / State / Zip Code Schaumburg, IL 60194
 Phone Number (847) 884-5000
 Fax Number (847) 884-5718

1	2	3	4	5	6	7	8	9		
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6		
1	1	Dietary	Meals Ratio	511,136	2	\$ 1,823,760	\$ 1,597,105	259,642	\$ 926,416	1
2	2	Food Purchase	Meals Ratio	511,136	2	1,637,706		259,642	831,906	2
3	3	Housekeeping	Square Feet	422,975	2	812,572	708,503	58,526	112,434	3
4	4	Laundry	Pounds	817,697	2	241,218	194,428	736,920	217,389	4
5	5	Heat & Utilities	Square Feet	422,975	2	926,099		58,526	128,142	5
6	6	Maintenance	Square Feet	422,975	2	1,665,128	759,020	58,526	230,400	6
7	7	Other (Disposal, Waste)	Square Feet	422,975	2	4,357		58,526	603	7
8	17	Administrative	Employee Ratio	385	2	2,234,629		324	1,882,254	8
9	18	Director's Fees	Square Feet	422,975	2	148,263		58,526	20,515	9
10	19	Professional Services	Square Feet	422,975	2	477,646		58,526	66,091	10
11	21	Clerical & General	Employee Ratio	385	2	2,250,998	653,138	324	1,896,042	11
12	22	Employee Benefits	Employee Ratio	385	2	3,486,847		324	2,937,012	12
13	26	Insurance	Square Feet	422,975	2	555,619		58,526	76,880	13
14	30	Depreciation	Actual	3,935,106	2	3,935,474		838,792	838,870	14
15	32	Interest	Square Feet	422,975	2	879,715		58,526	121,724	15
16	33	Real Estate Taxes	Square Feet	422,975	2	730,379		58,526	101,061	16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					\$ 21,810,410	\$ 3,912,194		\$ 10,387,739	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number (_____) _____
 Fax Number (_____) _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1									1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number (_____) _____
 Fax Number (_____) _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1									1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number (_____) _____
 Fax Number (_____) _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1									1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending: 03/31/06

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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		8 Maturity Date	9 Interest Rate (4 Digits)	10 Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1	Revenue Bonds Series 2005	X		Bond Issuance			\$ 125,500,000	\$ 124,678,559	2037	Variable	\$ 718,409	1
2	IL Health Facility		X	Mortgage							127,396	2
3	Interest Expense	X		Bond Series 1997							442,520	3
4												4
5	See Supplemental Schedule											5
	Working Capital											
6	Line Of Credit		X								572,105	6
7												7
8	See Supplemental Schedule											8
9	TOTAL Facility Related						\$ 125,500,000	\$ 124,678,559			\$ 1,860,430	9
	B. Non-Facility Related*											
10	Investment Income		X								(980,716)	10
11	Non-HCC Adjustment		X								(757,991)	11
12												12
13	See Supplemental Schedule											13
14	TOTAL Non-Facility Related						\$	\$			(1,738,707)	14
15	TOTALS (line 9+line14)						\$ 125,500,000	\$ 124,678,559			\$ 121,723	15

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

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

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.)

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 Friendship Village-Schaumburg COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0023218

CONTACT PERSON REGARDING THIS REPORT Steve Lavenda

TELEPHONE (847) 236-1111 FAX #: (847) 236-1155

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>See Attached</u>	<u></u>	\$ <u>730,379.43</u>	\$ <u>101,061.00</u>
2. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
3. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
4. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
5. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
6. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
7. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
8. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
9. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
10. <u></u>	<u></u>	\$ <u></u>	\$ <u></u>
TOTALS		\$ <u>730,379.43</u>	\$ <u>101,061.00</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? X YES 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.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2000 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 2000 real estate tax costs, as well as copies of your real estate tax bills for calendar 2000.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2000 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2001 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 Office of Health Finance at (217) 782-1630.

2000 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Friendship Village-Schaumburg COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0023218

CONTACT PERSON REGARDING THIS REPORT Steve Lavenda

TELEPHONE (847) 236-1111 FAX #: (847) 236-1155

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2000 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 2000.

(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. _____	_____	\$ _____	\$ _____
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
	TOTALS	\$ _____	\$ _____

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 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 2000 tax bills which were listed in Section A to this statement. Be sure to use the 2000 tax bill which is normally paid during 2001.

Facility Name & ID Number Friendship Village-Schaumburg

0023218 Report Period Beginning:

04/01/05 Ending:

03/31/06

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 422,975 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).

590 Independent Living Apartments - Approximate Square Feet 364,449

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:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1		<u>Approx. 50 Acres</u>	<u>1977</u>	<u>\$ 132,065</u>	1
2					2
3	TOTALS	#VALUE!		\$ 132,065	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

	1 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	180		1997	1997	\$ 1,760,825	\$ 44,021	40	\$ 44,021	\$	\$	4
5	10		1993	1993	1,102,771	27,569	40	27,569			5
6	60		1998	1998	2,934,069	73,352	40	73,352			6
7											7
8											8
Improvement Type**											
9	Various			1977	106,955		20				9
10	Various			1986	60,910		20				10
11	Various			1988	43,130		20				11
12	Various			1989	64,518		20				12
13	Various			1990	47,446		20				13
14	Various			1991	45,448		20				14
15	Various			1992	13,719		20				15
16	Various			1993	16,879		20				16
17	Various			1994	36,357		20				17
18	Various			1995	272,667		20				18
19	Various			1996	204,229		20				19
20	Various			1997	636,288		20				20
21	Various			1998	1,055,440		20				21
22	Various			1999	274,179		20				22
23	Various			2000	266,127		20				23
24	Various			2001	1,307,803		20				24
25	Various			2002	384,523		20				25
26											26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
37		\$	\$		\$	\$	\$
38							
39							
40							
41							
42							
43							
44							
45							
46							
47							
48							
49							
50							
51							
52							
53							
54							
55							
56							
57							
58							
59							
60							
61							
62							
63							
64							
65							
66							
67							
68							
69			693,850		693,850		
70		\$ 10,634,283	\$ 838,792		\$ 838,792	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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		\$ 10,634,283	\$ 838,792		\$ 838,792	\$	\$	1
2	Plumbing/Electrical (601)	2003	83		20				2
3	Plumbing/Electrical (954)	2003	132		20				3
4	Wall Fixtures (576)	2003	80		20				4
5	Emergency Management Systems (735)	2003	102		20				5
6	Cabinets (1704)	2003	1,704		20				6
7	Countertop (950)	2003	131		20				7
8	Security System (696)	2003	96		20				8
9	Security System (1273)	2003	176		20				9
10	Healthcare E Pavilion	2003	405,872		20				10
11	Friendship Hall Remodel (7705)	2003	1,066		20				11
12	Healthcare F Pavilion	2003	434,026		20				12
13	Air Conditioning (47,961)	2003	6,638		20				13
14	Tuckpointing & Window Replacement (132,595)	2003	18,351		20				14
15	Skylight Shades (1080)	2003	150		20				15
16	Ship/Receive Dock Electrical (3339)	2003	462		20				16
17	Emergency Generator (5907)	2003	818		20				17
18	A&D Pavilion Fascia (149,624)	2003	20,708		20				18
19	Garage Masonry Work (7395)	2003	1,024		20				19
20	Computer Room Upgrade (11,265)	2003	1,559		20				20
21	Hvac (3758)	2003	520		20				21
22	Lounge Renovation	2003	30,223		20				22
23	Pavement Improvement (13,652)	2003	1,889		20				23
24	Memory Garden (342,283)	2003	47,372		20				24
25	Fire Protection Valve Work (8690)	2003	1,203		20				25
26	Exit Signs (1325)	2003	183		20				26
27	Drv System Repair (1412)	2003	195		20				27
28	Air Compressor (509)	2003	71		20				28
29	Door Sensor System (1828)	2003	253		20				29
30	Electrical Ballasts (742)	2003	103		20				30
31	Roof Repair (588)	2003	81		20				31
32	Door & Automatic Opener (1798)	2003	249		20				32
33	Roof Repair (575)	2003	80		20				33
34	TOTAL (lines 1 thru 33)		\$ 11,609,884	\$ 838,792		\$ 838,792	\$	\$	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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		\$ 11,609,884	\$ 838,792		\$ 838,792	\$	\$	1
2	A/C Repair (535)	2003	74		20				2
3	Walk-In Freezer Repair (705)	2003	98		20				3
4	Door Repairs	2003	771		20				4
5	Door Repairs	2003	2,133		20				5
6	Decorating / Wallcovering	2003	557		20				6
7	Wandering Alarm System Antenna (1022)	2003	141		20				7
8	Security System Repair (1555)	2003	215		20				8
9	Wander Alarm Repair (528)	2003	73		20				9
10	Wiring (716)	2003	99		20				10
11	Lock / Panic Bar (525)	2004	73		20				11
12	Roof Repair (1707)	2004	236		20				12
13	Auto Door Lock	2004	929		20				13
14	Fire System (1203)	2004	167		20				14
15	Main Entrance Repairs (276,799)	2004	38,309		20				15
16	Electrical Auto Transfer Switch - Hcc	2004	5,249		20				16
17	Door Repair (830)	2004	115		20				17
18	Ceiling Fans (783)	2004	108		20				18
19	Fire Pump Repair (830)	2004	115		20				19
20	Faucet, Lighting, Electrical (929)	2004	129		20				20
21	Ceiling Fans (762)	2004	105		20				21
22	Faucets (1115)	2004	154		20				22
23	Door Repair (1360)	2004	188		20				23
24	Roof Repairs (1037)	2004	143		20				24
25	Entry Canopy (1400)	2004	194		20				25
26	Condensing Unit Repair (572)	2004	79		20				26
27	Hvac - Blower (627)	2004	87		20				27
28	Condensor Fan Motor (964)	2004	133		20				28
29	Hvac - Heating Elements (2068)	2004	286		20				29
30	Control Thermostat - Boiler Rm (525)	2004	73		20				30
31	Control Box (749)	2004	749		20				31
32	Wiring Ansul System (1090)	2004	151		20				32
33	Reroute Cables, Repair Pull Cord (503)	2004	70		20				33
34	TOTAL (lines 1 thru 33)		\$ 11,661,887	\$ 838,792		\$ 838,792	\$	\$	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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		\$ 11,661,887	\$ 838,792		\$ 838,792	\$	\$	1
2	Reinforcement Of A/C Platforms (5074)	2005	702		20				2
3	Natural Gas Generator (3251)	2005	450		20				3
4	Main Dining Room Renovation (112,878)	2005	15,622		20				4
5	Air Conditioners (94,218)	2005	13,040		20				5
6	Tuck Pointing / Window Replacement (135,740)	2005	18,786		20				6
7	Exterior Wood Trim Repairs (174,138)	2005	24,101		20				7
8	Pine Tree / Roger Smith Memorial Garden (1090)	2005	151		20				8
9	Water Heater Replacement - B&D Pav. (20,770)	2005	2,875		20				9
10	Sound System - Hcc	2005	14,183		20				10
11	Wanderguard Transmitters	2005	864		20				11
12	Donor Recognition Wall (11,464)	2005	1,587		20				12
13	Gas Valve (641)	2005	89		20				13
14	Gas Valve And Inducer Motor (679)	2005	94		20				14
15	Wiring For Static Pressure Control (950)	2005	131		20				15
16	Laundry Chute Door Air Seal (860)	2005	119		20				16
17	Replace Existing 4" Dry Valve	2005	612		20				17
18	Decorating - 1St Floor, Kitchen, Cooler Room	2005	443		20				18
19	A/C Compressor	2005	718		20				19
20	Replace "B" Pavilion Compressor On Trane	2005	966		20				20
21	Pneumatic Valves Replacement	2005	533		20				21
22	Replace 2Nd Stage Compressor	2005	926		20				22
23	Replace Controller	2005	576		20				23
24	Door Holders, Nurse Call Module	2005	389		20				24
25	Wing E&F Hvac Modifications For Fire Alarm System	2006	21,643		20				25
26	Windows	2006	88,630		20				26
27	Idph Survey Cap For Facilities	2006	7,141		20				27
28	Wing E Nurses Station	2006	14,071		20				28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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 12D, Carried Forward	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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 12E, Carried Forward	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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 12F, Carried Forward		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
1		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
1		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
1		\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							
32							
33							
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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 12J, Carried Forward	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 11,891,328	\$ 838,792		\$ 838,792	\$	\$		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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					\$	\$		\$	\$	\$	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4					\$	\$		\$	\$	\$	4
5											5
6											6
7											7
8											8
Improvement Type**											
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17											17
18											18
19											19
20											20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32											32
33											33
34											34
35											35
36											36

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

XI. OWNERSHIP COSTS (continued)

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Friendship Village-Schaumburg # 0023218 Report Period Beginning: 04/01/05 Ending: 03/31/06

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	\$ 2,185,566	\$	\$	\$	10	\$	71
72	Current Year Purchases	56,574				10		72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	\$ 2,242,140	\$	\$	\$		\$	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		96 Chevy Pick-Up	1996	\$ 8,996	\$	\$	\$	5	\$	76
77		Van	2005	20,852				5		77
78		Pick-Up Truck	2005	18,259				5		78
79										79
80	TOTALS			\$ 48,107	\$	\$	\$		\$	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)		\$ 14,313,639	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)		\$ 838,792	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)		\$ 838,792	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)		\$	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)		\$	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	Marketing Office (251,389) - 2002	\$ 34,792	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$ 34,792	\$	\$	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.

SEE ACCOUNTANTS' COMPILATION REPORT

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								6
7	TOTAL				\$			7

10. Effective dates of current rental agreement:

Beginning _____

Ending _____

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

Fiscal Year Ending Annual Rent

12.	_____ /2007	\$ _____
13.	_____ /2008	\$ _____
14.	_____ /2009	\$ _____

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: \$ 17,276 Description: See Attached Schedule

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

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

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

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

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>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.
- 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	39 - 03	hrs	\$		\$ 196,188	\$		\$ 196,188	1
2	Licensed Speech and Language Development Therapist	39 - 03	hrs			68,500			68,500	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39 - 03	hrs			394,202			394,202	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39 - 02	# of prescripts				670,784		670,784	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): See Supplemental			457,656		61,199	120,904		639,759	13
14	TOTAL			\$ 457,656		\$ 720,089	\$ 791,688		\$ 1,969,433	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 Friendship Village-Schaumburg# 0023218Report Period Beginning: 04/01/05

Ending:

03/31/06

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 03/31/06

(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	\$ 1,000,899	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	2,768,989		3
4	Supply Inventory (priced at)	98,086		4
5	Short-Term Investments	10		5
6	Prepaid Insurance	299,924		6
7	Other Prepaid Expenses	139,496		7
8	Accounts Receivable (owners or related parties)	485,013		8
9	Other(specify): <u>See Attached Schedule</u>	16,028,095		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 20,820,512	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	9,268,481		12
13	Land	4,524,257		13
14	Buildings, at Historical Cost	34,280,756		14
15	Leasehold Improvements, at Historical Cost	32,428,615		15
16	Equipment, at Historical Cost	6,156,175		16
17	Accumulated Depreciation (book methods)	(35,420,424)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	590,006		19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): <u>See Attached Schedule</u>	91,276,154		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 143,104,020	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 163,924,532	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 4,014,872	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	708,406		30
31	Accrued Taxes Payable (excluding real estate taxes)	5,555		31
32	Accrued Real Estate Taxes(Sch.IX-B)	371,028		32
33	Accrued Interest Payable	666,779		33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Attached Schedule</u>	54,820,232		36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 60,586,872	\$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	124,678,559		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	<u>See Attached Schedule</u>			43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 124,678,559	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 185,265,431	\$	46
47	TOTAL EQUITY(page 18, line 24)	\$ (21,340,899)	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 163,924,532	\$	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (11,399,053)	1
2	Restatements (describe):		2
3	<u>Retained Earnings</u>	(7,941,098)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (19,340,151)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(2,055,006)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants	427,020	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) <u>Interest Income</u>	1,703	15
16	Other (describe) <u>Net Assets Released From Restriction</u>	(374,465)	16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (2,000,748)	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)	\$ (21,340,899)	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg# 0023218Report Period Beginning: 04/01/05Ending: 03/31/06**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	\$ 17,163,295	1
2	Discounts and Allowances for all Levels	(3,124,105)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 14,039,190	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,628,011	6
7	Oxygen	71,912	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,699,923	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	142,727	12
13	Barber and Beauty Care	49	13
14	Non-Patient Meals	1,589	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	869,918	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	17,768	19
20	Radiology and X-Ray	6,580	20
21	Other Medical Services	466,031	21
22	Laundry	55,368	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,560,030	23
D. Non-Operating Revenue			
24	Contributions	37,678	24
25	Interest and Other Investment Income***	1,810,949	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,848,627	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See Supplemental Schedule</u>	13,832,448	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 13,832,448	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 32,980,218	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	7,325,856	31
32	Health Care	6,265,202	32
33	General Administration	8,630,681	33
B. Capital Expense			
34	Ownership	8,131,271	34
C. Ancillary Expense			
35	Special Cost Centers	4,543,349	35
36	Provider Participation Fee	138,865	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 35,035,224	40
41	Income before Income Taxes (line 30 minus line 40)**	(2,055,006)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (2,055,006)	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? N/A 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 Friendship Village-Schaumburg

0023218

Report Period Beginning:

04/01/05

Ending:

03/31/06

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	1,920	1,920	\$ 95,828	\$ 49.91	1
2	Assistant Director of Nursing	4,120	4,120	139,002	33.74	2
3	Registered Nurses	86,728	86,728	1,986,141	22.90	3
4	Licensed Practical Nurses	13,084	13,084	244,267	18.67	4
5	CNAs & Orderlies	208,358	208,358	2,731,950	13.11	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	6,001	6,001	73,116	12.18	8
9	Activity Director	2,472	2,472	88,510	35.81	9
10	Activity Assistants	6,260	6,260	90,882	14.52	10
11	Social Service Workers	6,087	6,087	115,423	18.96	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	86,205	86,205	1,392,730	16.16	15
16	Dishwashers	24,783	24,783	204,375	8.25	16
17	Maintenance Workers	47,452	47,452	759,020	16.00	17
18	Housekeepers	44,275	44,275	708,503	16.00	18
19	Laundry	19,628	19,628	194,428	9.91	19
20	Administrator	1,609	1,609	71,164	44.23	20
21	Assistant Administrator	2,160	2,160	47,524	22.00	21
22	Other Administrative	16,913	16,913	972,437	57.50	22
23	Office Manager					23
24	Clerical	33,779	33,779	1,198,595	35.48	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	16,311	16,311	187,886	11.52	31
32	Other Health Care(specify)					32
33	Other(specify) <u>See Supplemental</u>	26,319	26,319	488,664	18.57	33
34	TOTAL (lines 1 - 33)	654,464	654,464	\$ 11,790,445 *	\$ 18.02	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		\$		35
36	Medical Director	Monthly	8,400	09-03	36
37	Medical Records Consultant	Monthly	4,224	10-03	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	2,988	10-03	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant				45
46	Other(specify)				46
47	<u>Dietary Outside Labor</u>		228,905	01-03	47
48					48
49	TOTAL (lines 35 - 48)		\$ 244,517		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses	1,844	\$ 84,678	10-03	50
51	Licensed Practical Nurses	541	24,230	10-03	51
52	Certified Nurse Assistants/Aides	38	951	10-03	52
53	TOTAL (lines 50 - 52)	2,423	\$ 109,859		53

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Friendship Village-Schaumburg

0023218

Report Period Beginning: 04/01/05

Ending: 03/31/06

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Robert Alston	CEO	0	\$ 298,112	Workers' Compensation Insurance	\$ 265,112	IDPH License Fee	\$	
Michael Flynn	CFO	0	6,332	Unemployment Compensation Insurance	11,131	Advertising: Employee Recruitment	67,055	
Joseph Xanthopoulos	VP Planning & Adv.	0	171,119	FICA Taxes	826,482	Health Care Worker Background Check		
Stephen Yenchek	VP Ops. & Corp. Dev.	0	161,791	Employee Health Insurance	1,662,412	(Indicate # of checks performed <u>227</u>)	2,462	
Rebecca Johnson	VP of HR/QI	0	106,186	Employee Meals		Patient Background Checks		
Richard K. Klockenga	Dir. Of Finance / CFO	0	132,398	Illinois Municipal Retirement Fund (IMRF)*		Dues & Subscriptions	3,003	
See Supplemental Schedule			215,186	Life Insurance	31,859	Allocated Executive	138,550	
TOTAL (agree to Schedule V, line 17, col. 1)				Long Term / Short Term Disability	118,929			
(List each licensed administrator separately.)			\$ 1,091,124	Retirement/401K	225,166			
B. Administrative - Other				Employee Programs / Activities	39,167	Less: Public Relations Expense	()	
Description			Amount	Vaccinations	1,475	Non-allowable advertising	()	
Management Fees			\$ 1,649,761	Employee Recognitions	1,082	Yellow page advertising	()	
				See Supplemental Schedule	(245,802)			
				TOTAL (agree to Schedule V, line 22, col.8)			\$ 2,937,013	
TOTAL (agree to Schedule V, line 17, col. 3)			\$ 1,649,761	E. Schedule of Non-Cash Compensation Paid to Owners or Employees				
(Attach a copy of any management service agreement)				Description	Line #	Amount		
C. Professional Services				G. Schedule of Travel and Seminar**				
Vendor/Payee	Type		Amount				Description	Amount
Seyfarth Shaw	Legal Fees		\$ 12,493				Out-of-State Travel	\$
Frost, Ruttenberg & Rothblatt	Consulting		86,925					
Mutual Of Omaha	Professional Fees		86				In-State Travel	
Ceridian Employer Services	Payroll Processing		71,613					
HR Advantage	Human Resource Consult.		23,106				Seminar Expense	16,323
Pathway Health Services	Consulting		6,223				Allocated Executive	17,144
							Entertainment Expense	()
TOTAL (agree to Schedule V, line 19, column 3)				TOTAL				
(If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 200,446				(agree to Sch. V, line 24, col. 8)	\$ 33,467

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Facility Name & ID Number Friendship Village-Schaumburg

Report Period Beginning: 04/01/05 Ending:

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

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	Amount of Expense Amortized Per Year								
					5 FY2003	6 FY2004	7 FY2005	8 FY2006	9 FY2007	10 FY2008	11 FY2009	12 FY2010	13 FY2011
1	N/A		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
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17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. LSN \$23,767
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 Yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 117,638 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 136,875
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? Yes (See Page 8) 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. \$ Yes Has any meal income been offset against related costs? Yes Indicate the amount. \$
- (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? 100% In 1
- d. Have vehicle usage logs been maintained? N/A
- e. Are all vehicles stored at the nursing home during the night and all other times when not in use? N/A
- f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?
- 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? Yes
Firm Name: KPMG LLP The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? Yes If no, please explain.
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

SEE ACCOUNTANTS' COMPILATION REPORT