

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Centre

0028753 Report Period Beginning: 1/01/2006 Ending: 12/31/2006

III. STATISTICAL DATA

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

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	154	Skilled (SNF)	154	56,210	1
2		Skilled Pediatric (SNF/PED)			2
3	158	Intermediate (ICF)	158	57,670	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	312	TOTALS	312	113,880	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment				5 Total	
		3 Medicaid Recipient	4 Private Pay	Other	Total		
8	SNF	35,858	1,277	11,995	49,130	8	
9	SNF/PED					9	
10	ICF	42,175	1,303	443	43,921	10	
11	ICF/DD					11	
12	SC					12	
13	DD 16 OR LESS					13	
14	TOTALS	78,033	2,580	12,438	93,051	14	

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 81.71%

D. How many bed-hold days during this year were paid by the Department?

0 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.

(E.g., day care, "meals on wheels", outpatient therapy)

None

F. Does the facility maintain a daily midnight census?

Yes

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

YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES NO

I. On what date did you start providing long term care at this location?

Date started 6/01/84

J. Was the facility purchased or leased after January 1, 1978?

YES Date 2/14/94 NO

K. Was the facility certified for Medicare during the reporting year?

YES NO If YES, enter number of beds certified 110 and days of care provided 10,493

Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 10/31/06 Fiscal Year: 12/31/06

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

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Center # 0028753 Report Period Beginning: 1/01/2006 Ending: 12/31/2006

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

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	423,519	91,298	44,363	559,180		559,180		559,180		1
2	Food Purchase		771,649		771,649	(35,530)	736,119	(37,848)	698,271		2
3	Housekeeping	239,704	100,971		340,675		340,675		340,675		3
4	Laundry	124,955	52,872		177,827		177,827		177,827		4
5	Heat and Other Utilities			211,793	211,793		211,793	7,762	219,555		5
6	Maintenance	86,369	44,529	112,570	243,468		243,468	8,195	251,663		6
7	Other (specify):* Allocated Employee Benefits							918	918		7
8	TOTAL General Services	874,547	1,061,319	368,726	2,304,592	(35,530)	2,269,062	(20,973)	2,248,089		8
	B. Health Care and Programs										
9	Medical Director			63,500	63,500		63,500		63,500		9
10	Nursing and Medical Records	3,467,654	954,066	5,778	4,427,498		4,427,498	(377,447)	4,050,051		10
10a	Therapy	275,104	1,611	558,156	834,871		834,871	(111,144)	723,727		10a
11	Activities	150,135	5,988	2,160	158,283		158,283		158,283		11
12	Social Services	139,442		4,868	144,310		144,310		144,310		12
13	CNA Training					700	700		700		13
14	Program Transportation			758	758		758		758		14
15	Other (specify):* Allocated Employee Benefits							45,935	45,935		15
16	TOTAL Health Care and Programs	4,032,335	961,665	635,220	5,629,220	700	5,629,920	(442,656)	5,187,264		16
	C. General Administration										
17	Administrative	78,789		1,842,480	1,921,269		1,921,269	(1,741,117)	180,152		17
18	Directors Fees										18
19	Professional Services			127,059	127,059	(3,500)	123,559	(2,333)	121,226		19
20	Dues, Fees, Subscriptions & Promotions			70,112	70,112		70,112	26,651	96,763		20
21	Clerical & General Office Expenses	195,115	88,820	85,353	369,288		369,288	455,862	825,150		21
22	Employee Benefits & Payroll Taxes			818,669	818,669	35,530	854,199		854,199		22
23	Inservice Training & Education			5,873	5,873	(700)	5,173	2,237	7,410		23
24	Travel and Seminar										24
25	Other Admin. Staff Transportation			54,497	54,497	(7,896)	46,601	9,402	56,003		25
26	Insurance-Prop.Liab.Malpractice			431,391	431,391		431,391	3,787	435,178		26
27	Other (specify):* Allocated Employee Benefits							102,173	102,173		27
28	TOTAL General Administration	273,904	88,820	3,435,434	3,798,158	23,434	3,821,592	(1,143,338)	2,678,254		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	5,180,786	2,111,804	4,439,380	11,731,970	(11,396)	11,720,574	(1,606,967)	10,113,607		29

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			161,553	161,553		161,553	162,932	324,485			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			87,365	87,365		87,365	617,912	705,277			32
33	Real Estate Taxes					3,500	3,500	356,728	360,228			33
34	Rent-Facility & Grounds			2,394,609	2,394,609		2,394,609	(2,391,609)	3,000			34
35	Rent-Equipment & Vehicles			136,364	136,364	7,896	144,260	7,431	151,691			35
36	Other (specify):*											36
37	TOTAL Ownership			2,779,891	2,779,891	11,396	2,791,287	(1,246,606)	1,544,681			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		628,198	72,064	700,262		700,262		700,262			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			170,820	170,820		170,820		170,820			42
43	Other (specify):* Non-Allowable			154,902	154,902		154,902	(154,902)				43
44	TOTAL Special Cost Centers		628,198	397,786	1,025,984		1,025,984	(154,902)	871,082			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	5,180,786	2,740,002	7,617,057	15,537,845		15,537,845	(3,008,475)	12,529,370			45

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

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(40,330)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,908)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(2,485)	43		18
19	Entertainment				19
20	Contributions	(10,685)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(125,170)	43		24
25	Fund Raising, Advertising and Promotional	(12,528)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(15,987)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule <u>See Attached Schedule F:</u>	(94,904)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (303,997)		\$	30

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(2,704,478)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (2,704,478)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (3,008,475)		37

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

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

		1	2	3	4	
		Yes	No	Amount	Reference	
38	Medically Necessary Transport.		X	\$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44	Exceptional Care Program		X	167,172	Ln39,Co2	44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$ 167,172		47

BHF USE ONLY					
48	49	50	51	52	

SEE ACCOUNTANTS' COMPILATION REPORT

Glencrest Healthcare & Rehabilitation Centre

ID# 0028753

Report Period Beginning: 1/01/2006

Ending: 12/31/2006

Sch. V Line

NON-ALLOWABLE EXPENSES

Amount

Reference

1	Adjust Mgt Co. medical supplies "A" to cost	\$ (267,766)	10	1
2	Adjust Mgt Co. medical supplies "other" to cost	(109,681)	10	2
3	Adjust Mgt Co. food to cost	(37,858)	2	3
4	Non-allowable professional fees	(46,067)	19	4
5	Patient clothing	(2,126)	43	5
6	Non-allowable auto expense - marketing	(86)	25	6
7	Non-allowable unrealized gain on investment	370,240	43	7
8	Non-allowable IL Council on Long Term Care Fee	(1,560)	20	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				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(94,904)		49

STATE OF ILLINOIS

Summary A

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

Report Period Beginning:

1/01/2006

Ending:

12/31/2006

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

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(37,858)	0	0	0	0	10	0	0	0	0	0	(37,848)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	7,762	0	0	0	0	0	0	0	0	7,762	5
6	Maintenance	0	0	8,190	0	0	5	0	0	0	0	0	8,195	6
7	Other (specify):*	0	0	918	0	0	0	0	0	0	0	0	918	7
8	TOTAL General Services	(37,858)	0	16,870	0	0	15	0	0	0	0	0	(20,973)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	(377,447)	0	0	0	0	0	0	0	0	0	0	(377,447)	10
10a	Therapy	0	0	0	0	0	(111,144)	0	0	0	0	0	(111,144)	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	45,935	0	0	0	0	0	45,935	15
16	TOTAL Health Care and Programs	(377,447)	0	0	0	0	(65,209)	0	0	0	0	0	(442,656)	16
	C. General Administration													
17	Administrative	0	0	(678,637)	(1,062,480)	0	0	0	0	0	0	0	(1,741,117)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(46,067)	0	23,756	0	19,684	294	0	0	0	0	0	(2,333)	19
20	Fees, Subscriptions & Promotions	(1,560)	0	7,252	0	0	20,959	0	0	0	0	0	26,651	20
21	Clerical & General Office Expenses	0	0	445,569	0	0	10,293	0	0	0	0	0	455,862	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	831	0	0	1,406	0	0	0	0	0	2,237	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	(86)	0	8,661	0	0	827	0	0	0	0	0	9,402	25
26	Insurance-Prop.Liab.Malpractice	0	0	3,787	0	0	0	0	0	0	0	0	3,787	26
27	Other (specify):*	0	0	101,111	0	0	1,062	0	0	0	0	0	102,173	27
28	TOTAL General Administration	(47,713)	0	(87,670)	(1,062,480)	19,684	34,841	0	0	0	0	0	(1,143,338)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(463,018)	0	(70,800)	(1,062,480)	19,684	(30,353)	0	0	0	0	0	(1,606,967)	29

STATE OF ILLINOIS

Summary B

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

Report Period Beginning:

1/01/2006 Ending:

12/31/2006

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

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	0	0	33,429	0	129,503	0	0	0	0	0	0	162,932	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(40,330)	0	0	0	658,242	0	0	0	0	0	0	617,912	32
33	Real Estate Taxes	0	0	14,959	0	341,769	0	0	0	0	0	0	356,728	33
34	Rent-Facility & Grounds	0	0	0	0	(2,391,609)	0	0	0	0	0	0	(2,391,609)	34
35	Rent-Equipment & Vehicles	0	0	7,431	0	0	0	0	0	0	0	0	7,431	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(40,330)	0	55,819	0	(1,262,095)	0	0	0	0	0	0	(1,246,606)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	199,351	0	0	0	(354,253)	0	0	0	0	0	0	(154,902)	43
44	TOTAL Special Cost Centers	199,351	0	0	0	(354,253)	0	0	0	0	0	0	(154,902)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(303,997)	0	(14,981)	(1,062,480)	(1,596,664)	(30,353)	0	0	0	0	0	(3,008,475)	45

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Sidney Glenner	80.00 %	Glen Oaks Nursing & Rehabilitation Centre,Ltd.	Northbrook	SEE ATTACHED SCHEDULE A		
Barry Ray	20.00 %	GlenBridge Nursing & Rehabilitation Centre,Ltd.	Niles			
		Glen Elston Nursing & Rehabilitation Centre,Ltd.	Chicago			
		GlenShire Nursing & Rehabilitation Centre,Ltd.	Richton Park			

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
1	V		\$					1
2	V	Total from Page 6A	780,000	Glen Health and Home Management, Inc.	A	765,019	(14,981)	2
3	V							3
4	V	Total from Page 6B	1,062,480	GlenBar Management Company, Ltd.	B		(1,062,480)	4
5	V							5
6	V	Total from Page 6C	2,391,609	GlenCrest Real Estate & Development, L.L.C.	C	794,945	(1,596,664)	6
7	V							7
8	V	Total from Page 6D	557,941	Therapy Masters, Inc.	D	527,588	(30,353)	8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$ 4,792,030			\$ 2,087,552	\$ * (2,704,478)	14

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	17 Management Fees	\$ 780,000	Glen Health and Home Management, Inc.	A	\$	\$(780,000)
16	V	5 Utilities		Glen Health and Home Management, Inc.	A	7,762	7,762
17	V	6 Repairs and Maintenance		Glen Health and Home Management, Inc.	A	3,646	3,646
18	V	19 Professional Fees		Glen Health and Home Management, Inc.	A	23,756	23,756
19	V	20 Licenses, Permits and Inspection		Glen Health and Home Management, Inc.	A	7,252	7,252
20	V	21 Clerical		Glen Health and Home Management, Inc.	A	48,518	48,518
21	V	22 Employee Benefits and Payroll		Glen Health and Home Management, Inc.	A	102,029	102,029
22	V	23 Training and Education		Glen Health and Home Management, Inc.	A	831	831
23	V	25 Auto Expenses		Glen Health and Home Management, Inc.	A	8,661	8,661
24	V	26 Insurance		Glen Health and Home Management, Inc.	A	3,787	3,787
25	V	30 Depreciation		Glen Health and Home Management, Inc.	A	33,429	33,429
26	V	33 Real Estate Taxes		Glen Health and Home Management, Inc.	A	14,959	14,959
27	V	35 Equipment and Vehicle Rental		Glen Health and Home Management, Inc.	A	7,431	7,431
28	V	6 Janitorial Salaries		Glen Health and Home Management, Inc.	A	4,544	4,544
29	V	17 Officer's Salaries		Glen Health and Home Management, Inc.	A	101,363	101,363
30	V	21 Administrative Salaries		Glen Health and Home Management, Inc.	A	397,051	397,051
31	V	22 Employee Benefits		Glen Health and Home Management, Inc.	A	(102,029)	(102,029)
32	V	7 Employee Benefits - Janitorial		Glen Health and Home Management, Inc.	A	918	918
33	V	27 Employee Benefits - Officer's		Glen Health and Home Management, Inc.	A	21,181	21,181
34	V	27 Employee Benefits - Admin		Glen Health and Home Management, Inc.	A	79,930	79,930
35	V						
36	V						
37	V			A - OWNERSHIP:			
38	V			Sidney Glenner - 100.00 % through attribution			
39	Total		\$ 780,000			\$ 765,019	\$ * (14,981)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	17 Administrative	\$ 1,062,480	GlenBar Management Company, Ltd.	B	\$	\$ (1,062,480)
16	V						
17	V						
18	V						
19	V						
20	V						
21	V			B - OWNERSHIP:			
22	V			Sidney Glenner - 80.00 %			
23	V			Barry Ray - 20.00 %			
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 1,062,480			\$ 0	\$ * (1,062,480)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	32 Interest Expense	\$	GlenCrest Real Estate & Development, L.L.C.	C	\$ 12,412	\$	12,412	15
16	V	19 Professional Fees		GlenCrest Real Estate & Development, L.L.C.	C	19,684		19,684	16
17	V	30 Depreciation		GlenCrest Real Estate & Development, L.L.C.	C	129,503		129,503	17
18	V	32 Interest Income		GlenCrest Real Estate & Development, L.L.C.	C	(258,659)		(258,659)	18
19	V	32 Interest Expense		GlenCrest Real Estate & Development, L.L.C.	C	904,489		904,489	19
20	V	33 Real Estate Taxes		GlenCrest Real Estate & Development, L.L.C.	C	341,769		341,769	20
21	V	34 Rental	2,391,609	GlenCrest Real Estate & Development, L.L.C.	C			(2,391,609)	21
22	V	43 State Replacement Taxes		GlenCrest Real Estate & Development, L.L.C.	C	15,987		15,987	22
23	V	43 Unrealized Gain on Investment		GlenCrest Real Estate & Development, L.L.C.	C	(370,240)		(370,240)	23
24	V								24
25	V			C - OWNERSHIP:					25
26	V			Sidney Glenner - 80.00 % (constructively)					26
27	V			Barry Ray - 20.00 %					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		\$ 2,391,609			\$ 794,945	\$ *	(1,596,664)	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	10a Therapy	\$ 557,941	Therapy Masters, Inc.	D	\$ 446,797	\$ (111,144)
16	V	19 Professional Fees		Therapy Masters, Inc.	D	294	294
17	V	20 Licenses, Permits and Inspection		Therapy Masters, Inc.	D	25	25
18	V	20 Employment Fees		Therapy Masters, Inc.	D	20,934	20,934
19	V	21 Clerical		Therapy Masters, Inc.	D	428	428
20	V	22 Employee Benefits and Payroll		Therapy Masters, Inc.	D	46,997	46,997
21	V	23 Training and Education		Therapy Masters, Inc.	D	1,406	1,406
22	V	25 Auto Expenses		Therapy Masters, Inc.	D	827	827
23	V	2 Food Purchase		Therapy Masters, Inc.	D	10	10
24	V	6 Plant Supplies		Therapy Masters, Inc.	D	5	5
25	V	21 Clerical Salaries		Therapy Masters, Inc.	D	9,865	9,865
26	V	22 Employee Benefits		Therapy Masters, Inc.	D	(46,997)	(46,997)
27	V	15 Employee Benefits - Therapy		Therapy Masters, Inc.	D	45,935	45,935
28	V	27 Employee Benefits - Clerical		Therapy Masters, Inc.	D	1,062	1,062
29	V						
30	V						
31	V						
32	V			D - OWNERSHIP:			
33	V			Sidney Glenner - 60.00 %			
34	V			Barry Ray - 40.00 %			
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 557,941			\$ 527,588	\$ * (30,353)

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

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Cent # 0028753 Report Period Beginning: 1/01/2006 Ending: 12/31/2006

VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Sidney Glenner	President	Administrative	80.00 %	138,029	14	22.80 %	Salary	\$ 41,190	Line17,Co.7	1
2	David Glenner	Vice President	Administrative	0.00 %	69,015	9	22.80 %	Salary	20,595	Line17,Co.7	2
3	Jonathan Glenner	Clerical	Clerical	0.00 %	23,221	9	22.80 %	Salary	6,818	Line21,Co.7	3
4	Daniel Glenner	Clerical	Clerical	0.00 %	22,848	9	22.80 %	Salary	6,929	Line21,Co.7	4
5	Joshua Ray	V.P. of Operations	Administrative	0.00 %	138,029	9	22.80 %	Salary	41,190	Line21,Co.7	5
6	Barry Ray	Vice President	Administrative	20.00 %	132,632	9	22.80 %	Salary	39,578	Line17,Co.7	6
7											7
8											8
9											9
10			See Schedule B								10
11											11
12											12
13								TOTAL	\$ 156,300		13

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Centre

0028753

Report Period Beginning:

1/01/2006

Ending: 2/31/2006

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	5	Utilities	Resident Days	404,875	5	\$ 33,774	\$ 93,051	\$ 7,762	1
2	6	Repairs and Maintenance	Resident Days	404,875	5	15,862	93,051	3,646	2
3	19	Professional Fees	Resident Days	404,875	5	103,363	93,051	23,756	3
4	20	Licenses, Permits & Inspection	Resident Days	404,875	5	31,556	93,051	7,252	4
5	21	Clerical	Resident Days	404,875	5	211,108	93,051	48,518	5
6	22	Employee Benefits and Payroll	Resident Days	404,875	5	443,941	93,051	102,029	6
7	23	Training and Education	Resident Days	404,875	5	3,615	93,051	831	7
8	25	Auto Expenses	Resident Days	404,875	5	37,683	93,051	8,661	8
9	26	Insurance	Resident Days	404,875	5	16,479	93,051	3,787	9
10	30	Depreciation	Resident Days	404,875	5	145,453	93,051	33,429	10
11	33	Real Estate Taxes	Resident Days	404,875	5	65,090	93,051	14,959	11
12	35	Equipment and Vehicle Rental	Resident Days	404,875	5	32,332	93,051	7,431	12
13	6	Janitorial Salaries	Resident Days	404,875	5	19,772	19,772	4,544	13
14	17	Officer's Salaries	Resident Days	404,875	5	441,040	441,040	101,363	14
15	21	Administrative Salaries	Resident Days	404,875	5	1,727,614	1,727,614	397,051	15
16	22	Employee Benefits	Payroll					(102,029)	16
17	7	Employee Benefits - Janitorial	Payroll					918	17
18	27	Employee Benefits - Officer's	Payroll					21,181	18
19	27	Employee Benefits - Admin	Payroll					79,930	19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 3,328,682	\$ 2,188,426	\$ 765,019	25

SEE ACCOUNTANTS' COMPILATION REPORT

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1	2	3	4	5	6	7	8	9	10										
										Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
										YES	NO				Original	Balance			
A. Directly Facility Related																			
Long-Term																			
1	JPMorgan Chase Bank, N.A.		X	Mortgage	\$800,000annual	1/26/94	\$ 10,000,000	\$ 2,300,000	2/15/2024	variable	\$ 192,881	1							
2	JPMorgan Chase Bank, N.A.		X	Amortization of mortgage costs							6,394	2							
3	JPMorgan Chase Bank, N.A.		X	Construction note	\$10,157.76	8/01/04	731,358	436,783	7/31/2010	0.0450	40,474	3							
4	MB Financial Bank		X	Finance equipment purchase	\$3,641.50	12/22/03	197,730	77,419	12/22/2008	0.0400	8,583	4							
5	MB Financial Bank		X	Finance telephone system	\$1,987.36	10/18/06	64,750	63,125	10/18/2009	0.0650	362	5							
Working Capital																			
6	JPMorgan Chase Bank, N.A.		X	Operating Loan	\$29,390.61	7/01/05	6,500,000	6,500,000	2/28/2007	variable	414,974	6							
7	JPMorgan Chase Bank, N.A.		X	Operating Loan	\$46,266.66	7/14/06	8,000,000	8,000,000	9/30/2007	variable	262,178	7							
8												8							
9	TOTAL Facility Related				\$91,443.89		\$ 25,493,838	\$ 17,377,327			\$ 925,846	9							
B. Non-Facility Related*																			
10								Interest income offset:			(220,569)	10							
11												11							
12												12							
13												13							
14	TOTAL Non-Facility Related						\$	\$			(220,569)	14							
15	TOTALS (line 9+line14)						\$ 25,493,838	\$ 17,377,327			\$ 705,277	15							

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Centre

0028753 Report Period Beginning:

1/01/2006 Ending:

12/31/2006

X. BUILDING AND GENERAL INFORMATION:

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

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

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

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

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

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

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

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

XI. OWNERSHIP COSTS:

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Report Period Beginning:

1/01/2006 Ending: 12/31/2006

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9		
Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	312	1994		\$ 4,175,048	\$	30	\$ 104,376	\$ 104,376	\$ 1,353,066	4
5										5
6	Mgt Comp			438,276			11,802	11,802		6
7	Allocation									7
8	ScheduleJ									8
	Improvement Type**									
9	Various Improvements		1984	14,558		10			14,558	9
10	Various Improvements		1985	49,988		10			49,988	10
11	Various Improvements		1986	53,010		10			53,010	11
12	Various Improvements		1987	18,999		10			18,999	12
13	Various Improvements		1988	10,172		10			10,172	13
14	Various Improvements		1989	43,502		10			43,502	14
15	Various Improvements		1990	28,496		10			28,496	15
16	Various Improvements		1991	26,763		10			26,763	16
17	Various Improvements		1992	51,415		10			51,415	17
18	Various Improvements		1993	32,359		10			32,359	18
19	Various Improvements		1994	36,809		10			36,809	19
20	Various Improvements		1995	49,197		10			49,197	20
21	Security cameras throughout facility with housings/wiring		1995	8,985		10			8,985	21
22	Call lights in dialysis room		1996	1,191	40	10	40		1,191	22
23	Second floor custom nurses station, hand rails		1996	24,426	811	10	811		24,426	23
24	Basement mason work, 2 rooms constructed rehab, room		1996	11,685	386	10	386		11,685	24
25	Hand rails and wall bumper guards		1996	19,408	645	10	645		19,408	25
26	Custom wall mounted bookcases		1996	5,510	183	10	183		5,510	26
27	First floor custom nurses station, reconfigure soffit		1996	20,882	698	10	698		20,882	27
28	Install electrical lines into activity room		1996	1,000	33	10	33		1,000	28
29	Install counter tops, sink and wood file cabinets		1996	3,700	123	10	123		3,700	29
30	Install four 70 watt high pressure lights over exit signs		1996	1,900	63	10	63		1,900	30
31	Swag valence in dining rooms		1996	2,342	80	10	80		2,342	31
32	Door locks and fire doors		1996	5,241	700	10	700		5,241	32
33	Electrical outlets and circuits		1997	4,950	495	10	495		4,785	33
34	Elevator frames, doors & other parts		1997	10,626	1,062	10	1,062		10,267	34
35	Cabinets and sinks		1997	26,743	2,674	10	2,674		25,850	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 Glencrest Healthcare & Rehabilitation Centre# 0028753

Report Period Beginning:

1/01/2006 Ending: 12/31/2006

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Elevator repairs	1997	\$ 7,700	\$ 770	10	\$ 770	\$	\$ 6,673	37
38	Furnace repairs	1997	2,321	232	10	232		2,011	38
39	Chain link fencing	1998	3,000	300	10	300		2,600	39
40	HVAC system modifications	1998	2,131	213	10	213		1,847	40
41	Fire alarm system improvements	1998	4,148	415	10	415		3,596	41
42	Exhaust system	1998	4,980	498	10	498		4,316	42
43	HVAC system modifications	1998	2,008	201	10	201		1,741	43
44	18 access doors	1998	2,824	282	10	282		2,445	44
45	HVAC system modifications	1998	6,866	687	10	687		5,953	45
46	Fire alarm smoke detectors	1998	12,024	1,202	10	1,202		10,419	46
47	4 smoke/fire dampers	1998	1,235	124	10	124		1,073	47
48	Roof repairs	1998	5,000	500	10	500		4,333	48
49	Wallpaper	1999	6,529	653	10	653		5,006	49
50	Install handrails and bumpers	1999	11,501	1,150	10	1,150		8,817	50
51	4th floor nurses station-with angled radius corners	1999	7,500	750	10	750		5,750	51
52	4th floor nurses station-with angled radius corners	1999	7,505	751	10	751		5,756	52
53	Carpeting	1999	45,885	4,588	10	4,588		35,176	53
54	Cove base installation	1999	15,738	1,573	10	1,573		12,061	54
55	Install back porch siding and 2 doors	1999	4,000	400	10	400		3,067	55
56	Install back porch siding and 2 doors	1999	9,270	927	10	927		7,107	56
57	Heavy duty electrohydraulic ADA operator	1999	2,547	255	10	255		1,954	57
58	Diesel generator	1999	54,879	5,488	10	5,488		42,074	58
59	Emergency generator	1999	111,000	11,100	10	11,100		85,100	59
60	Install door alarm system on 4 floors	1999	7,817	782	10	782		5,995	60
61	Wallpaper	1999	5,859	586	10	586		4,492	61
62	Furnished and installed 2 door restrictors	1998	2,600	260	10	260		1,993	62
63	Install handrails and bumpers	1999	4,600	460	10	460		3,527	63
64	Laundry room exhaust	1999	1,922	192	10	192		1,473	64
65	Furnish and install fire alarm equipment	1999	1,920	192	10	192		1,472	65
66	Radiator valve repairs	1999	2,359	236	10	236		1,809	66
67	Install plumbing for whirlpool tub	1999	2,400	240	10	240		1,840	67
68	Cove base/amtico installation	1999	3,146	315	10	315		2,414	68
69									69
70	TOTAL (lines 4 thru 69)		\$ 5,540,395	\$ 44,315		\$ 160,493	\$ 116,178	\$ 2,199,396	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 5,540,395	\$ 44,315		\$ 160,493	\$ 116,178	\$ 2,199,396	1
2	Resident room signs & common area signs	1999	2,731	273	10	273		2,093	2
3	Install resident windows on 4th floor	1999	13,284	1,328	10	1,328		10,182	3
4	Handrails, bumpers, accent rails & cove base installation	2000	4,592	459	10	459		2,984	4
5	Furnish & install mixing valve, vent & water piping	2000	5,731	573	10	573		3,725	5
6	Complete electrical work for 10 dialysis chairs	2000	4,575	458	10	458		2,976	6
7	Furnish and install hand sink	2000	2,501	250	10	250		1,625	7
8	Install locks on 4th floor	2000	4,116	412	10	412		2,677	8
9	Universal shower panel - wall-mounted shower system	1999	1,963	196	10	196		1,504	9
10	Install & program 3 telephones	2000	1,537	154	10	154		1,001	10
11	Furnish 2 stainless steel sinks	2000	4,268	427	10	427		2,775	11
12	Install 2 stainless steel sinks	2000	2,550	255	10	255		1,657	12
13	Automatic door operating equipment	2000	16,743	1,674	10	1,674		10,881	13
14	Undervoltage sensors for electrical transfer switch	2000	2,798	280	10	280		1,820	14
15	Elevator door motor and electrical schematics for controllers	2001	11,390	1,139	10	1,139		6,265	15
16	Replace ejector pump	2001	8,144	814	10	814		4,478	16
17	Electrical schematics for elevator controllers, elevator car	2001	11,390	1,139	10	1,139		6,264	17
18	Insurance claim refund	2002	(4,800)	(480)	10	(480)		(2,160)	18
19	Insurance claim refund	2002	(7,455)	(746)	10	(746)		(3,357)	19
20	Burst free coil	2002	4,075	408	10	408		1,836	20
21	Cove base installation	2002	3,500	350	10	350		1,575	21
22	Installation of spiral duct for laundry	2002	3,600	360	10	360		1,620	22
23	Booster pump, break tank, valves	2002	4,857	486	10	486		2,187	23
24	Dialysis plumbing	2002	12,825	1,283	10	1,283		5,773	24
25	Fire alarm detectors	2002	5,754	575	10	575		2,588	25
26	Cove base installation, remove and install ceilings and walls	2003	111,159	11,116	10	11,116		38,906	26
27	Installation of exterior disconnect switch on trash compactor	2003	2,800	280	10	280		980	27
28	Installation and wiring of new camera	2003	2,968	297	10	297		1,039	28
29	External door alarm setup	2002	1,400	140	10	140		630	29
30	Installation of door safety edge	2003	1,850	185	10	185		647	30
31	Maple door and brass hardware sealing and installation	2003	1,404	140	10	140		490	31
32	Installation of receptacles to circuit breaker panels	2003	9,863	986	10	986		3,451	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 5,792,508	\$ 69,526		\$ 185,704	\$ 116,178	\$ 2,318,508	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 5,792,508	\$ 69,526		\$ 185,704	\$ 116,178	\$ 2,318,508	1
2	Installation of circuit breaker panel and ran electrical feed	2003	10,500	1,050	10	1,050		3,675	2
3	5 ton furnace	2004	3,600	360	10	360		900	3
4	Removal and installation of cove base and carpeting	2004	48,384	4,838	10	4,838		12,095	4
5	Replace condenser gaskets/power strip and installed pump	2004	7,087	709	10	709		1,772	5
6	Replace power head on vaccuum pump, assembled condenser	2004	4,592	459	10	459		1,148	6
7	Concrete project for rear entrance exit stairs	2004	2,740	274	10	274		685	7
8	Cut out and replace leaking hot water pipes	2004	2,045	205	10	205		512	8
9	Replace pre-wash motor assembly on dishwasher	2004	1,623	162	10	162		405	9
10	Speakers and amplifier project	2004	3,540	354	10	354		885	10
11	Exterior renovation	2004	753,820	25,127	30	25,127		62,818	11
12	Install smoke detectors and tie in to existing system	2005	3,750	375	10	375		563	12
13	Install isolation valves and rotate pump shafts on chiller	2005	3,887	389	10	389		583	13
14	Chiller tower piping project	2005	2,204	220	10	220		330	14
15	Compressor system leak	2005	1,538	154	10	154		231	15
16	Furnish and install microprocessor controller on elevator	2005	21,100	2,110	10	2,110		3,165	16
17	Installation of smoke detectors on all floors	2005	2,080	208	10	208		312	17
18	Fire protection automatic sprinkler repairs	2005	8,833	883	10	883		1,325	18
19	Furnish and install disconnects, circuit breakers for elevator	2005	4,150	415	10	415		623	19
20	Provided smoke detectors to existing fire alarm system	2005	9,358	936	10	936		1,404	20
21	Provided fire alarm equipment and testing	2005	6,108	611	10	611		916	21
22	Repair of air conditioning equipment	2005	2,590	259	10	259		389	22
23	Installed piping, boxes and wiring for smoke detectors	2005	7,924	792	10	792		1,188	23
24	Wired and installed 2 cameras with DVR and monitor	2005	1,692	169	10	169		254	24
25	Remove and install new carpet and vinyl cove base	2005	1,606	161	10	161		241	25
26	Furnish and install wiring for elevator recall system	2005	1,405	141	10	141		211	26
27	Cable receivers, modulators for cable rewiring project	2006	26,500	1,325	10	1,325		1,325	27
28	Installation of new electrical receptacles	2006	4,007	200	10	200		200	28
29	Air-conditioning package with wall mounted fan coil	2006	7,200	360	10	360		360	29
30	Installation of lexon clear safety windows on fourth floor	2006	3,506	175	10	175		175	30
31	Furnish and install seventy sash screens	2006	5,372	269	10	269		269	31
32	Install feed and hook-up for air-conditioner and compressor	2006	4,514	226	10	226		226	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 6,759,763	\$ 113,442		\$ 229,620	\$ 116,178	\$ 2,417,693	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 6,759,763	\$ 113,442		\$ 229,620	\$ 116,178	\$ 2,417,693	1
2	Transfer of cable system	2006	6,350	318	10	318		318	2
3	Sprinkler system valve replacement	2006	2,558	128	10	128		128	3
4	Installation of electrical receptacles for new televisions	2006	12,225	611	10	611		611	4
5	Replace main sewer for roof drains from building to sidewalk	2006	6,500	325	10	325		325	5
6	Replace cylindrical locks on stairwell doors	2006	4,673	234	10	234		234	6
7	New telephone system	2006	64,750	3,238	10	3,238		3,238	7
8									8
9									9
10									10
11									11
12									12
13	Allocation from Management Co:		35,747			3,216	3,216	27,546	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)		\$ 6,892,566	\$ 118,296		\$ 237,690	\$ 119,394	\$ 2,450,093	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 644,793	\$ 64,480	\$ 64,480	\$	10 years	\$ 358,145	71
72	Current Year Purchases	39,602	1,980	1,980		10 years	1,980	72
73	Fully Depreciated Assets	1,495,036	1,925	1,925		8,9,10years	1,495,036	73
74	Allocated from Management Company:	186,387		15,094	15,094		157,708	74
75	TOTALS	\$ 2,365,818	\$ 68,385	\$ 83,479	\$ 15,094		\$ 2,012,869	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Maintenance	1976 Pick-up Truck	1993	\$ 3,303	\$	\$	\$	5 years	\$ 3,303	76
77										77
78	Allocated from Management Company:			33,664		3,316	3,316		30,151	78
79										79
80	TOTALS			\$ 36,967	\$	\$ 3,316	\$ 3,316		\$ 33,454	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 9,840,389	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 186,681	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 324,485	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 137,804	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 4,496,416	85

**

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

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

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93			93
94			94
95		\$	95

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

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

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

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

If NO, see instructions. YES NO

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

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

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

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

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

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 139,248 Description: Copier\$7,260,Ice-maker\$1,972,Postage meter\$2,250,Med Equip\$124,882,Alloc from MgtCo\$2,884

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Patient Care	2003 Chrysler Jeep	\$ 306.00	\$ 306	17
18	Patient Care	2005 Lexus GX470	690.00	7,590	18
19					19
20	Allocated from Management Company:			4,547	20
21	TOTAL		\$ 996.00	\$ 12,443	21

10. Effective dates of current rental agreement:

Beginning _____

Ending _____

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

Fiscal Year Ending Annual Rent

12. /2007 \$ _____

13. /2008 \$ _____

14. /2009 \$ _____

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

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

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

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

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

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		3	4
		1	2		
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests		700		700
9	TOTALS	\$	\$ 700	\$	\$ 700
10	SUM OF line 9, col. 1 and 2 (e)	\$	700		

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	14
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	14

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

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	Ln10a,Col 2&3	hrs	\$	3,701	\$ 181,508	\$ 1,010	3,701	\$ 182,518	1
2	Licensed Speech and Language Development Therapist	Ln 10a, Col 3	hrs		1,487	74,367		1,487	74,367	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	Ln10a,Col 2&3	hrs		6,015	302,066	601	6,015	302,667	4
5	Physician Care	Ln 39, Col 3	visits			1,160			1,160	5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	Ln 39, Col 2	# of prescrpts				461,026		461,026	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program	Ln 39, Col 2					167,172		167,172	12
13	Radiology, Laboratory & Dialysis Other (specify):	Ln 39, Col 3				70,864			70,864	13
14	TOTAL			\$	11,203	\$ 629,965	\$ 629,809	11,203	\$ 1,259,774	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Glencrest Healthcare & Rehabilitation Centre**# **0028753**Report Period Beginning: **1/01/2006**Ending: **12/31/2006****XV. BALANCE SHEET - Unrestricted Operating Fund.**As of **12/31/2006**

(last day of reporting year)

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

		1 Operating	2 After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 1,336,127	\$ 13,902,521	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>701,200</u>)	3,800,752	3,800,752	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	215,078	215,078	6
7	Other Prepaid Expenses	861,958	861,958	7
8	Accounts Receivable (owners or related parties)	(3,481,163)		8
9	Other(specify): <u>Other Receivables</u>	67,010	272,591	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,799,762	\$ 19,052,900	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		545,038	13
14	Buildings, at Historical Cost		4,613,324	14
15	Leasehold Improvements, at Historical Cost	1,377,715	2,279,242	15
16	Equipment, at Historical Cost	1,073,976	2,402,785	16
17	Accumulated Depreciation (book methods)	(1,637,637)	(4,496,416)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (spe <u>Deposits</u>)	84,788	84,788	22
23	Other(specify): <u>Mortgage Costs (Net)</u>		110,997	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 898,842	\$ 5,539,758	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,698,604	\$ 24,592,658	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 464,568	\$ 464,568	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	59,227	59,227	29
30	Accrued Salaries Payable	329,476	329,476	30
31	Accrued Taxes Payable (excluding real estate taxes)	6,076	6,076	31
32	Accrued Real Estate Taxes(Sch.IX-B)		346,000	32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	<u>See Attached Schedule E:</u>	312,939	312,939	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,172,286	\$ 1,518,286	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable	81,317	81,317	39
40	Mortgage Payable		2,300,000	40
41	Bonds Payable			41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43	<u>Construction Note Payable</u>		436,783	43
44	<u>JPMorgan Chase Bank Notes</u>		14,500,000	44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 81,317	\$ 17,318,100	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,253,603	\$ 18,836,386	46
47	TOTAL EQUITY(page 18, line 24)	\$ 2,445,001	\$ 5,756,272	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,698,604	\$ 24,592,658	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 2,917,424	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 2,917,424	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(472,423)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (472,423)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ 2,445,001	24

* Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Centre# 0028753Report Period Beginning: 1/01/2006Ending: 12/31/2006

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	\$ 14,676,228	1
2	Discounts and Allowances for all Levels	(3,731,061)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 10,945,167	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,180,600	6
7	Oxygen	840,321	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 2,020,921	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	666,182	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	59,625	19
20	Radiology and X-Ray	10,292	20
21	Other Medical Services	1,322,853	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 2,058,952	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	40,330	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 40,330	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Miscellaneous Income</u>	52	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 52	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 15,065,422	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	2,304,592	31
32	Health Care	5,629,220	32
33	General Administration	3,798,158	33
B. Capital Expense			
34	Ownership	2,779,891	34
C. Ancillary Expense			
35	Special Cost Centers	855,164	35
36	Provider Participation Fee	170,820	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 15,537,845	40
41	Income before Income Taxes (line 30 minus line 40)**	(472,423)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (472,423)	43

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

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

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

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

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

0028753

Report Period Beginning: **1/01/2006**

Ending:

12/31/2006

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

(This schedule must cover the entire reporting period.)

	1	2**	3	4		
	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage		
1	Director of Nursing	1,971	2,086	\$ 89,565	\$ 42.94	1
2	Assistant Director of Nursing	2,518	2,847	109,192	38.35	2
3	Registered Nurses	63,089	65,822	1,640,567	24.92	3
4	Licensed Practical Nurses	9,643	10,236	213,581	20.87	4
5	CNAs & Orderlies	118,151	127,190	1,254,453	9.86	5
6	CNA Trainees					6
7	Licensed Therapist	12,645	13,169	275,104	20.89	7
8	Rehab/Therapy Aides					8
9	Activity Director	2,877	3,254	64,257	19.75	9
10	Activity Assistants	10,076	11,236	85,878	7.64	10
11	Social Service Workers	10,593	11,131	139,442	12.53	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook	3,533	4,503	56,299	12.50	14
15	Cook Helpers/Assistants	31,757	35,447	367,220	10.36	15
16	Dishwashers					16
17	Maintenance Workers	6,320	6,754	86,369	12.79	17
18	Housekeepers	25,394	27,706	239,704	8.65	18
19	Laundry	12,807	14,056	124,955	8.89	19
20	Administrator	1,664	1,744	78,789	45.18	20
21	Assistant Administrator					21
22	Other Administrative	12,239	13,338	195,115	14.63	22
23	Office Manager					23
24	Clerical					24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify) <u>Ward Clerks</u>	11,572	12,532	160,296	12.79	33
34	TOTAL (lines 1 - 33)	336,849	363,051	\$ 5,180,786 *	\$ 14.27	34

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

** See instructions.

B. CONSULTANT SERVICES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference		
35	Dietary Consultant	Monthly	\$ 44,363	Ln 1, Col 3	35
36	Medical Director	Monthly	63,500	Ln 9, Col 3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	2,520	Ln 10, Col 3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	45	2,160	Ln 11, Col 3	44
45	Social Service Consultant	97	4,868	Ln 12, Col 3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	142	\$ 117,411		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
1	N/A		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Glencrest Healthcare & Rehabilitation Centre# 0028753Report Period Beginning: 1/01/2006Ending: 12/31/2006**XX. GENERAL INFORMATION:**

- (1) Are nursing employees (RN,LPN,NA) represented by a union? Yes
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. Illinois Council on Long Term Care \$16,715
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? 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 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 26,010 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 NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.
-
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 170,820
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.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 35,530 Has any meal income been offset against related costs? No Indicate the amount. \$ N/A
- (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? N/A
- d. Have vehicle usage logs been maintained? Yes
- e. Are all vehicles stored at the nursing home during the night and all other times when not in use? No
- f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
- g. Does the facility transport residents to and from day training? No**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (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.

GlenCrest Nursing and Rehabilitation Centre, Ltd.

12/31/2006

Provider I.D. # 0028753

SCHEDULE VII. RELATED PARTIES

Part A. Col.3

SCHEDULE A

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

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, LTD.
 Provider # 0028753
 12/31/2006

SCHEDULE B

SCHEDULE VII RELATED PARTIES

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

Name	Compensation Received From Other Nursing Homes				Total
	Glen Elston Nursing & Rehab. Centre, Ltd.	GlenBridge Nursing & Rehab. Centre, Ltd.	Glen Oaks Nursing & Rehab. Centre, Ltd.	GlenShire Nursing & Rehab. Centre, Ltd.	
Sidney Glenner	17,827	41,406	44,850	33,946	138,029
David Glenner	8,914	20,703	22,425	16,973	69,015
Jonathan Glenner	2,999	6,966	7,545	5,711	23,221
Daniel Glenner	2,951	6,854	7,424	5,619	22,848
David Weinschneider	25,434	0	0	0	25,434
Joshua Ray	17,827	41,406	44,850	33,946	138,029
Barry Ray	17,130	39,787	43,096	32,619	132,632
Total compensation received from other Nursing Homes	93,082	157,122	170,190	128,814	549,208

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, Ltd.
 Provider # 0035014
 12/31/2006

XIX. SUPPORT SCHEDULES

SCHEDULE C

Page 21

C. Professional Services

Vendor/Payee	Type	AMOUNT
Health Data Systems, Inc.	Computers	7,748
Advanced Answers on Demand	Computers	3,183
Kronos	Computers	1,534
Ehealth Data Solutions	Computers	5,130
RSM McGladrey	Accounting	28,685
Frost, Ruttenberg & Rothblatt	Accounting	475
Sachnoff & Weaver, Ltd.	Legal	2,616
Foley & Lander LLP	Legal	500
Ira I. Silverstein	Legal	2,400
Personnel Planners, Inc.	Unemployment Consulting	1,548
Sidley & Austin LLP	Legal	41,323
Myers, Miller & Krauskopf	Legal	28,918
Leni T. Seria	Recruitment Consulting	3,000
		<u>127,059</u>
Allocated from Management Co:		
Health Data Systems, Inc. - Computer Services		1,207
RSM McGladrey - Accounting Services		22,360
Frost, Roth & Ruttenberg - Accounting Services		134
Sachnoff, Weaver & Rubenstein - Legal Services		55
Total allocated from Management Co.		<u>23,756</u>
Total allocated from Therapy Masters:		294
GlenCrest Real Estate LLC:		
James O. Hamilton & Co	Real Estate Appraisal	3,500
RSM McGladrey	Accounting	9,700
Scott & Kraus, LLC.	Legal	5,411
Sachnoff & Weaver, Ltd.	Legal	1,073
Total allocated from GlenCrest Real Estate LLC:		<u>19,684</u>
Reclass James O. Hamilton & Co. - real estate appraisal to Line 33		-3,500
Non-Allowable Expenses:		
Ira I. Silverstein - A/R Collections		-2,400
Myers, Miller & Krauskopf - out of period		-771
Sidley & Austin LLP - non-allowable		-41,323
Foley & Lander LLP - non-allowable		-500
Sachnoff & Weaver, Ltd. - out of period		-1,073
		<u>-46,067</u>
Total adjustments page 21, Sch C.		<u><u>-5,833</u></u>
Total Schedule V, line 19, column 8		<u>121,226</u>

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0035014
12/31/2006

SCHEDULE D

XIX. SUPPORT SCHEDULES

D. Employee Benefits and Payroll Taxes
Page 21

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Allocated from Management Co:	
FICA taxes	33,444
FUTA	443
SUTA	2,208
Insurance - Hospital	52,822
Employee Benefits	3,252
Other Employee Benefits	6,145
Workers Compensation Insurance	1,500
401K Match	2,215
Total allocated from Management Co.	<u>102,029</u>
Allocate to Line #'s 7,27	-102,029
Allocated from Therapy Masters, Inc.:	
FICA taxes	30,998
FUTA	679
SUTA	1,389
Insurance - Hospital	7,420
Other Employee Benefits	675
Workers Compensation Insurance	3,279
401K Match	2,476
Uniform Allowance	81
Total allocated from Therapy Masters, Inc.:	<u>46,997</u>
Allocate to Line #'s 15,27	-46,997
Total allocated to Page 21	<u>0</u>

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GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0035014
12/31/2006

SCHEDULE E

XV. SUPPORT SCHEDULES

Page 17, Line 36

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Accrued Wage Assignment	(349)
Workshop	13
Due to Third Party	334,167
Refunds Exchange	(24,446)
Accrued Management Fees	(80)
Accrued Union Dues	3,634
Total, Page 17, Line36	<u><u>312,939</u></u>

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GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0028753
12/31/2006

SCHEDULE F

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

<u>Description</u>	<u>Amount</u>	<u>Reference</u>
Patient clothing	(2,126)	43
Non-allowable professional fees	(46,067)	19
Adjust Mgt. Co. Med Supplies - 'Other' to cost	(109,681)	10
Adjust Mgt. Co. Med Supplies - Med 'A' to cost	(267,766)	10
Adjust Mgt. Co. Food to cost	(37,858)	2
Non-allowable auto expense - marketing	(86)	25
Non-allowable Illinois Council on Long Term Care fees	(1,560)	20
Non-allowable unrealized gain on investment	370,240	43
Total	<u>(94,904)</u>	

See Accountants' Compilation Report

GlenCrest Real Estate & Development, LLC
Accrued Real Estate Taxes
12/31/2006

SCHEDULE G

	Accrued 1/1/2006	Payments/ (Receipts)	Expense	Accrued 12/31/2006
Balance @ 1/01/2006	<u>(343,000.00)</u>		<u>(343,000.00)</u>	
2005 real estate taxes paid		339,056.61	339,056.61	
Cash received 3/30/06 for reduction in 1999 real estate taxes.		(287.61)	(287.61)	
Estimated 2006 real estate taxes:				
2005 taxes	339,056.61			
Estimated increase	<u>2.00 %</u>			
Estimated 2005 taxes	345,837.74			
USE	<u>346,000.00</u>		346,000.00	(346,000.00)
Totals	<u><u>(343,000.00)</u></u>	<u>338,769.00</u>	<u>341,769.00</u>	<u>(346,000.00)</u>

Real estate tax history:

Year	Amount	Increase	
		\$	%
1993	323,273.20		
1994	345,685.97	22,412.77	6.93%
1995	350,490.39	4,804.42	1.39%
1996	359,114.08	8,623.69	2.46%
1997	353,830.54	(5,283.54)	-1.47%
1998	360,112.00	6,281.46	1.78%
1999	357,695.02	(2,416.98)	-0.67%
2000	349,019.69	(8,675.33)	-2.43%
2001	358,096.91	9,077.22	2.60%
2002	362,111.89	4,014.98	1.12%
2003	328,345.47	(33,766.42)	-9.32%
2004	335,639.12	7,293.65	2.22%
2005	339,056.61	3,417.49	1.02%

See Accountants' Compilation Report

Provider Name: Glen Crest Nursing & Rehab Ctr.
Provider I.D. #: 0028753
Year Ended: December 31, 2006

SCHEDULE H

Training & Education

Person(s) Attending	Date Attended	Location	Title Sponsor	Total Cost
Bill Pfeiffer, Donna Fahrenbach, Cynthia Thompson Evelyn Amador, Dennis Watson, Joshua Ray	2/23/06	Skokie	II Council on Long Term Care 2006 Revised MDS Medicaid System	580
Nursing Staff	2/8/06	Chicago	Greg Jankowski CPR Refresher and Certification Course	250
Diane Markel	3/16/06	Chicago	University of Chicago Medical Center The Uninsured and Undocumented Patient: Impact on the Healthcare System	500
Social Service Staff	2/28/06	Chicago	Marcia Colone Advanced Case Management & Social Service Skills	600
Bill Pfeiffer, Dennis Watson & Donna Fahrenbach	5/11/06	Skokie	II Council on Long Term Care MDS Section S	435
Dennis Watson	6/22/06	Skokie	II Council on Long Term Care Skills Training: Psychiatric Rehab	155
Nursing, Administrative & Social Service Staff	6/29/06	Chicago	Mark Sheldon Ethical Consultations in Healthcare Settings	600
Bill Pfeiffer, Donna Fahrenbach, Evelyn Amador Cynthia Thompson	7/25/06	Skokie	II Council on Long Term Care Review of the MDS Medicaid System	475
Rszyard Dabrowski	7/15/06	Chicago	Illinois FSSMC Dietary Sanitation Course	178
Rszyard Dabrowski	10/4/06	Chicago	Nutrition in 21st Century	170
Certified Nurses Aides	8/11/06	Chicago	Southern Illinois University 5 competency exams	250
Jesus Lopez	10/19/06	Chicago	Sanisafe Dietary Sanitation Course	250
Rszyard Dabrowski	10/11/06	Chicago	Cynthia Chow & Associates Challenges of the New Era	95
Donna Fahrenbach, Cynthia Thompson	12/5/06	Skokie	II Council on Long Term Care Medication Regulations	285
Certified Nurses Aides	11/10/06	Chicago	Southern Illinois University 9 competency exams	450
Social Service Staff	10/31/06	Chicago	George Savarese Community Resources	600
			Allocated From Management Company	831
			Allocated From Therapy Masters	1,406
			Reclass Competency Testing to Line 13	(700)
			Total	<u>7,410</u>

SEE ACCOUNTANTS' COMPILATION REPORT

GlenCrest Nursing and Rehabilitation Centre, LTD.
Provider #0028753
12/31/2006

SCHEDULE I

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

	<u>Gasoline</u>	<u>Licenses/ Stickers</u>	<u>Repairs</u>	<u>Mileage Reimb.</u>	<u>Total</u>
Direct Expense	40,266	0	5,123	1,212	46,601
Non-allowable auto expense - marketing					-86
Allocated from Management Company					8,661
Allocated from Therapy Masters					827
TOTAL	<u>40,266</u>	<u>0</u>	<u>5,123</u>	<u>1,212</u>	<u>56,003</u>

See Accountants' Compilation Report

**HEALTH AND HOME MANAGEMENT, INC.
ALLOCATION OF MANAGEMENT COMPANY BUILDING**

SCHEDULE J

ASSET DESCRIPTION	COST 6/30/1999	ADJUSTMENTS TO CAPITAL PROJECTION	ADJUSTED CAPITAL PROJECTION 6/30/1999	ADDITIONS		COST 12/31/2000	NURSING HOME PERCENTAGE 84.9438%	GLENBRIDGE 103,052/460,292 0.223883969	GLENCREST 111,372/460,292 0.241959452	GLEN OAKS 101,895/460,292 0.221370348	GLEN ELSTON 41,220/460,292 0.08955185	GLENSHIRE 102,753/460,292 0.223234382
				7/1/99- 12/31/2000								
1996 BUILDING PURCHASE	230,000		230,000			<u>230,000</u>	195,371	43,740	47,272	43,249	17,496	43,613
1998 BUILDING RENOVATION												
GENERAL CONTRACTOR	957,570		957,570			957,570						
ELECTRICAL CONTRACTOR	275,576		275,576			275,576						
HVAC CONTRACTOR	182,130		182,130			182,130						
PLUMBING CONTRACTOR	68,599		68,599			68,599						
ARCHITECT FEES	115,968		115,968			115,968						
OTHER FEES AND PERMITS	33,024		33,024			33,024						
SECURITY SYSTEM	17,953		17,953			17,953						
TELEPHONE SYSTEM	12,500		12,500			12,500						
MISC. BUILDING COMPONENT	24,226		24,226			24,226						
CAPITALIZED INTEREST	121,387	-15,261	106,126			106,126						
LANDSCAPING	30,000		30,000			30,000						
SPRINKLER SYSTEM	10,720		10,720			10,720						
HVAC SYSTEMS	24,749	-24,749	0			0						
WALL CONSTRUCTION	10,235	-10,235	0			0						
ELECTRICAL	10,634	-10,634	0			0						
MISC. IMPROVEMENTS	26,075	-26,075	0			0						
ASPHALT DRIVEWAY	5,900	-5,900	0			0						
						<u>1,834,392</u>	1,558,202	348,857	377,022	344,940	139,540	347,844
1999 ACCORD ELECTRIC				17,929		17,929						
HMS + ASSOCIATES-INTERIOR				31,505		31,505						
SAM MORMINO-LANDSCAPING				1,050		1,050						
ARCHITECTURAL DYNAMICS-ARCHITECT FEES				1,468		1,468						
MISC.				11,076		11,076						
						<u>63,028</u>	53,538	11,986	12,954	11,852	4,794	11,952
2000 AQUATIC WORKS - BUILT-IN FISH TANK				5,000		5,000	4,247	951	1,028	940	380	948
2001 NO ADDITIONS												
2002 NO ADDITIONS												
2003 NO ADDITIONS												
2004 NO ADDITIONS												
2005 NO ADDITIONS												
2006 NO ADDITIONS												
						<u>2,132,420</u>	<u>1,811,359</u>	<u>405,534</u>	<u>438,276</u>	<u>400,981</u>	<u>162,210</u>	<u>404,357</u>

See Accountants' Compilation Report

GlenCrest Nursing and Rehabilitation Centre, Ltd.
Provider # 0035014
12/31/2006

SCHEDULE K

XIX. SUPPORT SCHEDULES

Page 21

F. Dues, Fees, Subscriptions and Promotions

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Illinois Council on Long Term Care Dues	18,275
Management Network Services Dues	1,000
Employment Fees	15,909
Joint Commission Fees	2,975
Secretary of State Annual Report Fee	100
CLIA Laboratory Program Certificate Fee	150
City of Chicago Elevator, Boiler Inspections and Permits	3,381
Non-allowable Illinois Council on Long Term Care Fee	-1,560
Total Allocated to Page 21, Section F:	<u>40,230</u>

See Accountants' Compilation Report