



Facility Name & ID Number Meadowbrook Manor

# 0037366 Report Period Beginning: 1/1/06 Ending: 12/31/06

**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>298</u>	Skilled (SNF)	<u>298</u>	<u>108,770</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>298</u>	<b>TOTALS</b>	<u>298</u>	<u>108,770</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>77,995</u>	<u>7,806</u>	<u>13,763</u>	<u>99,564</u>	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	<b>TOTALS</b>	<u>77,995</u>	<u>7,806</u>	<u>13,763</u>	<u>99,564</u>	14

**C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.)** 91.54%

**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)  
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  Non-allowable costs have been eliminated in Schedule V, Column 7.

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

**I. On what date did you start providing long term care at this location**  
 Date started 11/5/91

**J. Was the facility purchased or leased after January 1, 1978?**  
 YES  Date 11/5/91 NO

**K. Was the facility certified for Medicare during the reporting year?**  
 YES  NO  If YES, enter number of beds certified 280 and days of care provided 12,716

Medicare Intermediary Adminastar Federal, Inc.

**IV. ACCOUNTING BASIS**  
 ACCRUAL  MODIFIED CASH\*  CASH\*   
 Is your fiscal year identical to your tax year? YES  NO

Tax Year: 12/31/06 Fiscal Year: 12/31/06  
 \* All facilities other than governmental must report on the accrual basis

Facility Name & ID Number Meadowbrook Manor # 0037366 Report Period Beginning: 1/1/06 Ending: 12/31/06

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
	<b>A. General Services</b>										
1	Dietary	423,772	95,554	15,752	535,078		535,078	535,078			1
2	Food Purchase		553,975		553,975		553,975	(3,282)	550,693		2
3	Housekeeping	297,179	84,356		381,535		381,535		381,535		3
4	Laundry	74,441	45,733		120,174		120,174	(4,444)	115,730		4
5	Heat and Other Utilities			336,955	336,955		336,955	(1,959)	334,996		5
6	Maintenance	93,937	26,185	194,403	314,525		314,525	56,261	370,786		6
7	Other (specify):* Emp Ben.-Mgmt Co.							6,231	6,231		7
8	<b>TOTAL General Services</b>	889,329	805,803	547,110	2,242,242		2,242,242	52,807	2,295,049		8
	<b>B. Health Care and Programs</b>										
9	Medical Director			44,000	44,000		44,000		44,000		9
10	Nursing and Medical Records	4,894,142	729,078	176,075	5,799,295		5,799,295	(53,708)	5,745,587		10
10a	Therapy		5,699	831,629	837,328		837,328	(156,823)	680,505		10a
11	Activities	150,371	22,211	3,000	175,582		175,582	(43)	175,539		11
12	Social Services	166,562		1,323	167,885		167,885	21,908	189,793		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Emp Ben.-Mgmt Co.							70,410	70,410		15
16	<b>TOTAL Health Care and Programs</b>	5,211,075	756,988	1,056,027	7,024,090		7,024,090	(118,256)	6,905,834		16
	<b>C. General Administration</b>										
17	Administrative	85,751		680,000	765,751		765,751	(645,555)	120,196		17
18	Directors Fees										18
19	Professional Services			213,133	213,133		213,133	26,033	239,166		19
20	Dues, Fees, Subscriptions & Promotions			136,324	136,324		136,324	(34,834)	101,490		20
21	Clerical & General Office Expenses	157,388	70,158	93,492	321,038		321,038	367,822	688,860		21
22	Employee Benefits & Payroll Taxes			1,118,943	1,118,943		1,118,943	(3,392)	1,115,551		22
23	Inservice Training & Education										23
24	Travel and Seminar			3,276	3,276		3,276	2,750	6,026		24
25	Other Admin. Staff Transportation			2,261	2,261		2,261	1,836	4,097		25
26	Insurance-Prop.Liab.Malpractice			260,762	260,762		260,762	47,965	308,727		26
27	Other (specify):* Emp Ben.-Mgmt Co.							42,757	42,757		27
28	<b>TOTAL General Administration</b>	243,139	70,158	2,508,191	2,821,488		2,821,488	(194,618)	2,626,870		28
29	<b>TOTAL Operating Expense (sum of lines 8, 16 &amp; 28)</b>	6,343,543	1,632,949	4,111,328	12,087,820		12,087,820	(260,067)	11,827,753		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			96,567	96,567		96,567	352,410	448,977		30
31	Amortization of Pre-Op. & Org										31
32	Interest			195,317	195,317		195,317	853,881	1,049,198		32
33	Real Estate Taxes							285,196	285,196		33
34	Rent-Facility & Grounds			3,263,100	3,263,100		3,263,100	(3,253,164)	9,936		34
35	Rent-Equipment & Vehicles			1,908	1,908		1,908		1,908		35
36	Other (specify): <sup>3</sup> Mortgage insurance							100,943	100,943		36
37	<b>TOTAL Ownership</b>			3,556,892	3,556,892		3,556,892	(1,660,734)	1,896,158		37
	<b>Ancillary Expense</b>										
	<b>E. Special Cost Centers</b>										
38	Medically Necessary Transportatior			4,732	4,732		4,732		4,732		38
39	Ancillary Service Centers		749,339		749,339		749,339		749,339		39
40	Barber and Beauty Shops			25,788	25,788		25,788		25,788		40
41	Coffee and Gift Shops										41
42	Provider Participation Fec			162,155	162,155		162,155		162,155		42
43	Other (specify): <sup>3</sup> Nonallowable Cost	31,444		510,597	542,041		542,041	(542,041)			43
44	<b>TOTAL Special Cost Centers</b>	31,444	749,339	703,272	1,484,055		1,484,055	(542,041)	942,014		44
45	<b>GRAND TOTAL COST</b> (sum of lines 29, 37 & 44)	6,374,987	2,382,288	8,371,492	17,128,767		17,128,767	(2,462,842)	14,665,925		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 Meadowbrook Manor

# 0037366

Report Period Beginning: 1/1/06

Ending: 12/31/06

**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 Program:				3
4	Non-Patient Meals	(2,156)	2		4
5	Telephone, TV & Radio in Resident Room:	(7,173)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patient:				8
9	Non-Straightline Depreciation	(18,781)	30		9
10	Interest and Other Investment Income:	(18,710)	32		10
11	Discounts, Allowances, Rebates & Refund:				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest	(191,099)	32		14
15	Non-Care Related Owner's Transactions:				15
16	Personal Expenses (Including Transportation,				16
17	Non-Care Related Fees	(4,928)	20		17
18	Fines and Penalties				18
19	Entertainment	(4,573)	43		19
20	Contributions	(5,048)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainer:	(4,036)	19		22
23	Malpractice Insurance for Individual:				23
24	Bad Debt	(439,188)	43		24
25	Fund Raising, Advertising and Promotions	(61,119)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(229)	43		26
27	CNA Training for Non-Employee:				27
28	Yellow Page Advertising	(32,541)	20		28
29	Other-Attach Schedule <u>See Page 5A</u>	(86,390)			29
30	<b>SUBTOTAL (A): (Sum of lines 1-29)</b>	<b>\$ (875,971)</b>		<b>\$</b>	<b>30</b>

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)	(1,586,871)		34
35	Other- Attach Schedule			35
36	<b>SUBTOTAL (B): (sum of lines 31-35)</b>	<b>\$ (1,586,871)</b>		<b>36</b>
37	<b>TOTAL ADJUSTMENTS (A) and (B) )</b>	<b>\$ (2,462,842)</b>		<b>37</b>

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

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

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

BHF USE ONLY						
48		49		50		51
						52

SEE ACCOUNTANTS' COMPILATION REPORT

Meadowbrook Manor

ID# 0037366

Report Period Beginning: 1/1/06

Ending: 12/31/06

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	
1	Disallow Non-allowable Day Care Salaries	\$ (31,444)	43	1
2	Non-allow Day Care Employee Ben & PR taxes	(3,392)	22	2
3	Non-allow Day Care Food	(1,126)	2	3
4	Non-allow Day Care Utilities	(2,431)	5	4
5	Patient Clothing	(492)	43	5
6	Physician Fees	(7,901)	43	6
7	Laundry Income	(4,444)	4	7
8	Miscellaneous Income Offset	(1,288)	21	8
9	Radiology	(23,768)	43	9
10	Laboratory	(9,823)	43	10
11	Activity Income offset	(43)	11	11
12	Nonallowable Seminar	(238)	24	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	<b>Total</b>	(86,390)		49

## STATE OF ILLINOIS

Summary A

Facility Name &amp; ID Number Meadowbrook Manor

# 0037366

Report Period Beginning:

1/1/06

Ending:

12/31/06

## 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)	
	<b>A. General Services</b>													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(3,282)	0	0	0	0	0	0	0	0	0	0	(3,282)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	(4,444)	0	0	0	0	0	0	0	0	0	0	(4,444)	4
5	Heat and Other Utilities	(2,431)	0	0	472	0	0	0	0	0	0	0	(1,959)	5
6	Maintenance	0	0	0	56,261	0	0	0	0	0	0	0	56,261	6
7	Other (specify):*	0	0	0	6,231	0	0	0	0	0	0	0	6,231	7
8	<b>TOTAL General Services</b>	<b>(10,157)</b>	<b>0</b>	<b>0</b>	<b>62,964</b>	<b>0</b>	<b>52,807</b>	<b>8</b>						
	<b>B. Health Care and Programs</b>													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	(53,708)	0	0	0	0	0	0	0	(53,708)	10
10a	Therapy	0	0	0	(156,823)	0	0	0	0	0	0	0	(156,823)	10a
11	Activities	(43)	0	0	0	0	0	0	0	0	0	0	(43)	11
12	Social Services	0	0	0	21,908	0	0	0	0	0	0	0	21,908	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	70,410	0	0	0	0	0	0	0	70,410	15
16	<b>TOTAL Health Care and Programs</b>	<b>(43)</b>	<b>0</b>	<b>0</b>	<b>(118,213)</b>	<b>0</b>	<b>(118,256)</b>	<b>16</b>						
	<b>C. General Administration</b>													
17	Administrative	0	0	0	(645,555)	0	0	0	0	0	0	0	(645,555)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(4,036)	0	18,211	11,858	0	0	0	0	0	0	0	26,033	19
20	Fees, Subscriptions & Promotions	(37,469)	0	250	2,385	0	0	0	0	0	0	0	(34,834)	20
21	Clerical & General Office Expenses	(1,288)	0	0	369,110	0	0	0	0	0	0	0	367,822	21
22	Employee Benefits & Payroll Taxes	(3,392)	0	0	0	0	0	0	0	0	0	0	(3,392)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(238)	0	0	2,988	0	0	0	0	0	0	0	2,750	24
25	Other Admin. Staff Transportation	0	0	0	1,836	0	0	0	0	0	0	0	1,836	25
26	Insurance-Prop.Lib.Malpractice	0	0	47,965	0	0	0	0	0	0	0	0	47,965	26
27	Other (specify):*	0	0	0	42,757	0	0	0	0	0	0	0	42,757	27
28	<b>TOTAL General Administration</b>	<b>(46,423)</b>	<b>0</b>	<b>66,426</b>	<b>(214,621)</b>	<b>0</b>	<b>(194,618)</b>	<b>28</b>						
29	<b>TOTAL Operating Expense (sum of lines 8,16 &amp; 28)</b>	<b>(56,623)</b>	<b>0</b>	<b>66,426</b>	<b>(269,870)</b>	<b>0</b>	<b>(260,067)</b>	<b>29</b>						

## STATE OF ILLINOIS

Summary B

Facility Name & ID Number Meadowbrook Manor# 0037366 Report Period Beginning:

1/1/06 Ending:

12/31/06

## 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)	
	<b>D. Ownership</b>													
30	Depreciation	(18,781)	0	343,331	27,860	0	0	0	0	0	0	0	352,410	30
31	Amortization of Pre-Op. & Org	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(209,809)	0	1,063,690	0	0	0	0	0	0	0	0	853,881	32
33	Real Estate Taxes	0	0	285,196	0	0	0	0	0	0	0	0	285,196	33
34	Rent-Facility & Grounds	0	0	(3,263,100)	9,936	0	0	0	0	0	0	0	(3,253,164)	34
35	Rent-Equipment & Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Other (specify): <sup>3</sup>	0	0	100,943	0	0	0	0	0	0	0	0	100,943	36
37	<b>TOTAL Ownership</b>	<b>(228,590)</b>	<b>0</b>	<b>(1,469,940)</b>	<b>37,796</b>	<b>0</b>	<b>(1,660,734)</b>	<b>37</b>						
	<b>Ancillary Expense</b>													
	<b>E. Special Cost Centers</b>													
38	Medically Necessary Transportator	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 Fec	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify): <sup>3</sup>	(590,758)	0	229	48,488	0	0	0	0	0	0	0	(542,041)	43
44	<b>TOTAL Special Cost Centers</b>	<b>(590,758)</b>	<b>0</b>	<b>229</b>	<b>48,488</b>	<b>0</b>	<b>(542,041)</b>	<b>44</b>						
45	<b>GRAND TOTAL COST (sum of lines 29, 37 &amp; 44)</b>	<b>(875,971)</b>	<b>0</b>	<b>(1,403,285)</b>	<b>(183,586)</b>	<b>0</b>	<b>(2,462,842)</b>	<b>45</b>						

**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
		Butterfield Health Care II, Inc. d/b/a Meadowbrook Manor of Naperville	Naperville	J&D Partners, L.P.	Bolingbrook	Lessor
		Butterfield Health Care VII, LLC d/b/a Meadowbrook Manor of LaGrange	LaGrange	MMN Partners, L.P.	Naperville	Lessor
See Schedule 6C	See Schedule 6C			Butterfield Health Care Group, Inc.	Bolingbrook	Management Co.
		Seneca Nursing Home, Inc. d/b/a Lee Manor	Des Plaines	MML Properties, LLC	LaGrange	Lessor
				Seneca Building Limited Ptsp.	Des Plaines	Lessor

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		3,264,222	J&D Partners, L.P. (Page 6A)	100.00%	1,860,937	(1,403,285)	5
6	V							6
7	V		1,504,401	Butterfield Health Care Group, Inc. (Page 6B)	100.00%	1,320,815	(183,586)	7
8	V							8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$ 4,768,623			\$ 3,181,752	\$ * (1,586,871)	14

\* Total must agree with the amount recorded on line 34 of Schedule V1

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	19 Professional Services	\$	J&D Partners, L.P.	100.00%	\$ 18,211	\$ 18,211	15
16	V	20 Fees & Subscriptions		J&D Partners, L.P.	100.00%	250	250	16
17	V	26 Insurance-Prop, Liab, Malpractice		J&D Partners, L.P.	100.00%	47,965	47,965	17
18	V	30 Depreciation		J&D Partners, L.P.	100.00%	343,331	343,331	18
19	V	32 Interest Expense	1,122	J&D Partners, L.P.	100.00%	1,064,812	1,063,690	19
20	V	33 Real Estate Taxes		J&D Partners, L.P.	100.00%	285,196	285,196	20
21	V	34 Rent	3,263,100	J&D Partners, L.P.	100.00%		(3,263,100)	21
22	V	36 Mortgage Insurance		J&D Partners, L.P.	100.00%	100,943	100,943	22
23	V	43 State Replacement Taxes				229	229	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	<b>Total</b>		\$ 3,264,222			\$ 1,860,937	\$ * (1,403,285)	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 Schedule V	2 Line	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
		Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	5	Utilities	\$	Butterfield Health Care Group, Inc.	100.00%	\$ 472	\$ 472	15
16	V	6	Maintenance Salaries		Butterfield Health Care Group, Inc.	100.00%	56,261	56,261	16
17	V	7	Employee Benefits-Gen. Svc		Butterfield Health Care Group, Inc.	100.00%	6,231	6,231	17
18	V	10	Central Supply Salaries		Butterfield Health Care Group, Inc.	100.00%	18,642	18,642	18
19	V	10	Mattress fee	72,350	Butterfield Health Care Group, Inc.	100.00%		(72,350)	19
20	V	10a	Therapy Salaries	752,011	Butterfield Health Care Group, Inc.	100.00%	595,188	(156,823)	20
21	V	12	Social Service Salaries		Butterfield Health Care Group, Inc.	100.00%	21,908	21,908	21
22	V	15	Employee Benefits-Nursing		Butterfield Health Care Group, Inc.	100.00%	70,410	70,410	22
23	V	17	Administrative Salaries	680,000	Butterfield Health Care Group, Inc.	100.00%	34,445	(645,555)	23
24	V	19	Professional Services		Butterfield Health Care Group, Inc.	100.00%	11,858	11,858	24
25	V	20	Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	2,385	2,385	25
26	V	21	Clerical & General Office Exp.	40	Butterfield Health Care Group, Inc.	100.00%	369,150	369,110	26
27	V	24	Travel & Seminar		Butterfield Health Care Group, Inc.	100.00%	2,988	2,988	27
28	V	25	Other Admin. Staff Trans.		Butterfield Health Care Group, Inc.	100.00%	1,836	1,836	28
29	V	27	Employee Benefits-Gen Adm		Butterfield Health Care Group, Inc.	100.00%	42,757	42,757	29
30	V	30	Depreciation		Butterfield Health Care Group, Inc.	100.00%	27,860	27,860	30
31	V	34	Rent		Butterfield Health Care Group, Inc.	100.00%	9,936	9,936	31
32	V	43	Other (Non-Allowable Expenses)		Butterfield Health Care Group, Inc.	100.00%	48,488	48,488	32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 1,504,401				\$ 1,320,815	\$ * (183,586)	39

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

SEE ACCOUNTANTS' COMPILATION REPORT

**Butterfield Health Care, Inc.**  
**D/B/A Meadowbrook Manor**  
**Provider #00037366**  
**12/31/2006**

**Schedule 6C**

**VII. Section A. - Related Parties - Column 1 (Owners)**

<u>Name</u>	<u>Ownership %</u>
Robert Jafari	25.00%
Kianoosh Jafari	25.00%
Decendants S Corp Trust F/B/O Sean William Dimas	6.67%
Decendants S Corp Trust F/B/O Sasha Eva Dimas	6.67%
Decendants S Corp Trust F/B/O Ashley Maria Dimas	6.66%
Nicholas Vangel	20.00%
Dorothy Vangel QSS Trust	7.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Ashley Maria Dimas	0.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Sasha Eva Dimas	0.50%
Decendant's Non GST Exempt S-Corp Trust F/B/O Sean William Dimas	0.50%
Decendant's GST Exempt S-Corp Trust F/B/O Katherine Hocuk	0.50%
Decendant's GST Exempt S-Corp Trust F/B/O Christopher Vangel	0.50%
	<u>100.00%</u>

**See Accountants' Compilation Report**

Facility Name & ID Number Meadowbrook Manor # 0037366 Report Period Beginning: 1/1/06 Ending: 12/31/06

## 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	Dorothy Vangel	Stockholder	Executive Director	20.00	46,500	0	0.00	N/A	\$	N/A	1
2	Christopher Vangel	Operating Spvr	Administrative	0.05	45,638	16	40.00	Salary	34,445	L.17, C.7	2
3	Kianoosh Jafari	Stockholder	Medical Director	25.00	12,000	16	40.00	Med. Dir. Fee	14,000	L.9, C.3	3
4	Sean Dimas	Stockholder	Administrative	6.67	42,591	0	0.00	N/A		N/A	4
5											5
6											6
7	Note 1-	Christopher Vangel received compensation from two other nursing home which were									7
8		Butterfield Health Care II, Inc. d/b/a Meadowbrook Manor of Naperville and Butterfield Healthcare VII, LLC d/b/a									8
9		Meadowbrook Manor of LaGrange									9
10	Note 2-	Dorothy Vangel received \$46,500 of Directors Fees from Seneca Nursing Home, Inc. d/b/a Lee Manor									10
11	Note 3-	Kianoosh Jafari received \$12,000 of Medical Director Fees from Butterfield Health Care II, Inc. d/b/a Meadowbrook Manor-Naperville									11
12	Note 4-	Sean Dimas received \$42,591 of salaries from Seneca Nursing Home, Inc. d/b/a Lee Manor									12
13								TOTAL	\$ 48,445		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 Meadowbrook Manor

# 0037366 Report Period Beginning: 1/1/06

Ending: 12/31/06

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

Name of Related Organization Butterfield Health Care Group, Inc.  
 Street Address 18 W 140 Butterfield Road, Suite 1670  
 City / State / Zip Code Oak Brook Terrace, IL 60181  
 Phone Number ( 630) 932-3220  
 Fax Number ( 630) 759-4406

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

1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	5	Utilities	Resident Days	231,477	3	\$ 1,098	\$ 99,564	\$ 472	1
2	6	Maintenance Salaries	Resident Days	231,477	3	130,800	130,800	56,261	2
3	7	Employee Benefits-Gen. Svc	Resident Days	231,477	3	14,487	99,564	6,231	3
4	10	Central Supply Salaries	Resident Days	231,477	3	43,341	43,341	18,642	4
5	10a	Therapy Salaries	Gross Charges	5,434,650	3	1,326,176	1,326,176	2,438,985	5
6	12	Social Service Salaries	Resident Days	231,477	3	50,934	50,934	21,908	6
7	15	Employee Benefits-Nursing	Resident Days	231,477	3	163,698	99,564	70,410	7
8	17	Administrative Salaries	Resident Days	231,477	3	80,083	80,083	34,445	8
9	19	Professional Services	Resident Days	231,477	3	27,567	99,564	11,858	9
10	20	Fees & Subscriptions	Resident Days	231,477	3	5,546	99,564	2,385	10
11	21	Clerical & General Office Exp.	Resident Days	231,477	3	858,244	817,412	369,150	11
12	24	Travel & Seminar	Resident Days	231,477	3	6,948	99,564	2,988	12
13	25	Other Admin. Staff Trans.	Resident Days	231,477	3	4,268	99,564	1,836	13
14	27	Employee Benefits-Gen Adm	Resident Days	231,477	3	99,402	99,564	42,757	14
15	30	Depreciation	Resident Days	231,477	3	64,771	99,564	27,860	15
16	34	Rent	Resident Days	231,477	3	23,101	99,564	9,936	16
17	43	Other (Non-Allowable Expenses)	Resident Days	231,477	3	112,731	87,625	48,488	17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 3,013,195	\$ 2,536,371	\$ 1,320,815	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor # 0037366 Report Period Beginning: 1/1/06 Ending: 12/31/06

**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	2	3	4	5	6	7	8	9	10	11
Name of Lender	Related** YES NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
<b>A. Directly Facility Related</b>										
<b>Long-Term</b>										
1	GMAC	x	Mortgage	\$145,302.25	5/22/03	\$ 20,876,000	\$ 20,076,684	6/1/38	0.0525	\$ 1,059,941
2	GMAC	x	Amortization of Loan Costs							4,871
3										
4										
5										
<b>Working Capital</b>										
6	Shareholder Loans	x	Working Capital	N/A	5/31/05	3,000,000	2,200,000	5/31/07	Prime-.5	188,516
7	Avaya Financial Services	x	Capital Lease	\$1,391.84	1/1/06	58,100	47,449	1/1/11	0.0800	4,218
8	Shareholder Loans	x	Working Capital	N/A	5/31/06	500,000		5/31/07	Prime-.5	2,583
9	<b>TOTAL Facility Related</b>			\$146,694.09		\$ 24,434,100	\$ 22,324,133			\$ 1,260,129
<b>B. Non-Facility Related*</b>										
10										
11						Offset Interest Income				(19,832)
12						Offset Related Party Interest Expense				(191,099)
13										
14	<b>TOTAL Non-Facility Related</b>					\$	\$			\$ (210,931)
15	<b>TOTALS (line 9+line14)</b>					\$ 24,434,100	\$ 22,324,133			\$ 1,049,198

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 100,943 Line # 36

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

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

**B. Real Estate Taxes**

1. Real Estate Tax accrual used on 2005 report.		<b>Important</b> , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.		\$	<b>302,000</b>	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		2005		\$	<b>286,196</b>	2
3. Under or (over) accrual (line 2 minus line 1).				\$	<b>(15,804)</b>	3
4. Real Estate Tax accrual used for 2006 report. (Detail and explain your calculation of this accrual on the lines below.)				\$	<b>301,000</b>	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. <b>(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)</b>				\$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. <b>TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)</b>				\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	<b>285,196</b>	7
Real Estate Tax History:						
Real Estate Tax Bill for Calendar Year:						
	2001	<u>255,167</u>	8	<b>FOR BHF USE ONLY</b>		
	2002	<u>243,276</u>	9	13	FROM R. E. TAX STATEMENT FOR 2005 \$	13
	2003	<u>273,529</u>	10	14	PLUS APPEAL COST FROM LINE 5 \$	14
	2004	<u>287,889</u>	11	15	LESS REFUND FROM LINE 6 \$	15
	2005	<u>286,196</u>	12	16	AMOUNT TO USE FOR RATE CALCULATION \$	16
<b>2005 Tax Bill</b>		<b>286,196</b>				
<b>Estimated Increase</b>		<b>1.05</b>				
<b>Total</b>		<b>300,506</b>				
<b>Use</b>		<b>301000</b>				

**NOTES:**

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

SEE ACCOUNTANTS' COMPILATION REPORT

**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 Meadowbrook Manor COUNTY Will

FACILITY IDPH LICENSE NUMBER 0037366

CONTACT PERSON REGARDING THIS REPORT Larry Templin

TELEPHONE (630) 759-1112 FAX #: (630) 759-4406

**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>12-02-22-102-031-0000</u>	<u>Nursing Home</u>	\$ <u>286,195.86</u>	\$ <u>286,195.86</u>
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
<b>TOTALS</b>		\$ <u>286,195.86</u>	\$ <u>286,195.86</u>

**B. Real Estate Tax Cost Allocations**

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

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

**C. Tax Bills**

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

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

Facility Name & ID Number Meadowbrook Manor

# 0037366 Report Period Beginning:

1/1/06 Ending:

12/31/06

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 109,175 B. General Construction Type: Exterior Brick Frame Steel Number of Stories \_\_\_\_\_

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 ground (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc. List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

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: N/A 2. Number of Years Over Which it is Being Amortized: \_\_\_\_\_

3. Current Period Amortization: \_\_\_\_\_ 4. Dates Incurred: N/A

Nature of Costs:

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

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Resident Care	270,508	1991	\$ 404,280	1
2	Resident Care	21,286	1996	287,781	2
3	TOTALS	291,794		\$ 692,061	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name &amp; ID Number Meadowbrook Manor

# 0037366

Report Period Beginning:

1/1/06

Ending:

12/31/06

**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 BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	235		1991	1991	\$ 8,276,993	\$	40	\$ 206,925	\$ 206,925	\$ 3,138,363	4
5	10		1994	1994	31,090	987	40	777	(210)	10,101	5
6	53		1996	1996	2,505,079		40	62,627	62,627	657,584	6
7											7
8											8
	<b>Improvement Type**</b>										
9	1992 Improvements		1992	1992	32,614	1,035	20	1,631	596	23,523	9
10	1993 Improvements		1993	1993	2,750	88	20	138	50	1,863	10
11	1993 Improvements		1993	1993	4,822	156	40	121	(35)	1,633	11
12	1994 Improvements		1994	1994	6,432		10			6,432	12
13	1994 Improvements		1995	1995	18,192		20	910	910	10,465	13
14	1995 Improvements		1995	1995	12,681	403	10		(403)	12,681	14
15	Electric Exterior Sign		1996	1996	7,820	200	10	391	191	7,820	15
16	New Doors		1996	1996	1,475	38	10	79	41	1,475	16
17	Hot Water Tank		1996	1996	3,847	99	10	190	91	3,847	17
18	Landscaping		1996	1996	13,490	346	10	674	328	13,490	18
19	Repaving Parking Lot		1996	1996	7,412	190	10	372	182	7,412	19
20	Replace Irrigation System		1996	1996	27,077	694	10	1,351	657	27,077	20
21	Walk in Freezer		1996	1996	29,923		10	1,499	1,499	29,923	21
22	Landscaping		1997	1997	17,283	863	10	1,728	865	16,416	22
23	Outside Parking Lot Lighting		1997	1997	2,102	54	10	210	156	1,995	23
24	Nurse Call Station Extension Work		1997	1997	3,310	85	10	331	246	3,145	24
25	Remodeling Work-Windsor Hal		1997	1997	3,500	89	40	350	261	3,325	25
26	Basement Remodeling-Street Village Décor		1998	1998	31,614	1,622	39	790	(832)	6,715	26
27	Remodeling Work-Day Care Area		1999	1999	16,638	426	39		(426)		27
28	Remodeling-Ice Cream Parlor		2000	2000	3,624	93	39	93		604	28
29	Remodeling Work-3rd Floor Hamilton Uni		2000	2000	16,421	421	39	421		2,737	29
30	Remodeling Work-Nurse Station (All Floors		2000	2000	20,103	515	39	515		3,348	30
31	Plumbing Electrical Work-Boiler Room (Basement		2000	2000	4,587	118	39	118		767	31
32	Remodeling Work-Dialysis Room		2000	2000	7,253	186	39	186		1,209	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 &amp; ID Number Meadowbrook Manor

# 0037366

Report Period Beginning:

1/1/06

Ending:

12/31/06

## 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	Parking Lot Paving	2001	\$ 48,629	\$ 2,431	20	\$ 2,431		\$ 13,371	37
38	Remodeling Work	2001	13,319	342	39	342		1,880	38
39	Window Treatments	2001	45,531	1,166	39	1,166		6,414	39
40	Double Door Insulator	2001	6,860	176	39	176		968	40
41	Carpeting-1st Floor	2002	33,778	1,688	20	1,688		7,597	41
42	Reconstruct Front Entrance Awning	2002	11,915	596	20	596		2,682	42
43	Window Treatments	2002	4,672	234	20	234		1,053	43
44	Ceiling Tiles	2002	2,306	115	20	115		518	44
45	Exterior Signs	2002	18,832	942	20	942		4,239	45
46	Ceiling Tiles	2003	2,029		10	203	203	507	46
47	Ceiling Tiles	2003	916	46	20	46		212	47
48	Exterior Signs	2003	12,600	630	20	630		2,205	48
49	Install 16 Horizontal Tubes in Stairwell	2003	1,600	80	20	80		280	49
50	Electric Work for Dialysis Room	2003	6,736	337	20	337		1,178	50
51	Install 9 Motors on Fire Dampers	2003	3,651	182	20	182		637	51
52	Plumbing for Dialysis Room	2003	10,989		10	1,099	1,099	2,747	52
53	Exterior Concrete Patchwork	2003	3,200	160	20	160		512	53
54	Ductwork for New Oxygen Room	2003	4,490		10	449	449	1,123	54
55	New Hot Water Storage Tank	2003	8,290		10	829	829	2,072	55
56	Installed 5 Fire Dampers	2003	7,091		10	709	709	1,773	56
57	Installed 5 Smoke Detectors	2003	2,581	2	10	258	256	645	57
58	Installation of Sprinklers in Awning	2003	9,624		10	962	962	2,405	58
59	Installed 4 Fire Dampers	2003	3,467		10	346	346	865	59
60	Installation of Fence around Dumpster	2003	1,658		10	166	166	415	60
61	Sealcoat Parking Lot	2003	5,500		10	550	550	1,375	61
62	Air Conditioner Overhaul	2004	3,769		10	377	377	942	62
63	Replace Water Pump	2004	1,473		10	147	147	368	63
64	Install 4 Doors	2004	1,348		10	134	134	335	64
65	Electrical Wiring to Garbage Compactor	2004	2,070		10	207	207	518	65
66	Install Sprinkler System -Front Canopy	2004	10,375		10	1,038	1,038	2,595	66
67	Install New Seal on Water Pump	2004	1,793		10	179	179	448	67
68	Install Motor on Boiler	2004	1,053		10	105	105	263	68
69	Ceiling Tiles	2004	5,620	281	20	281		701	69
70	TOTAL (lines 4 thru 69)		\$ 11,405,897	\$ 18,116		\$ 299,591	\$ 281,475	\$ 4,057,793	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name &amp; ID Number Meadowbrook Manor

# 0037366

Report Period Beginning:

1/1/06

Ending:

12/31/06

## XI. OWNERSHIP COSTS (continued)

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

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	<b>Totals from Page 12A, Carried Forward</b>		\$ 11,405,897	\$ 18,116		\$ 299,591	\$ 281,475	\$ 4,057,793	1
2	Install Blinds	2004	5,002	250	20	250		625	2
3	Exterior Lighting	2004	3,808	190	20	190		475	3
4	Sealing of Roof	2004	2,300	115	20	115		288	4
5	Install Drainage for Roof	2004	5,000	250	20	250		625	5
6	Ceramic Tile for Kitchen	2004	6,221	312	20	312		780	6
7	Plant 3 Trees	2004	1,125	56	20	56		140	7
8	Butterfly Garden	2004	3,423	171	20	171		428	8
9	Expand Phone system	2005	2,175	108	20	108		162	9
10	Replace boiler	2005	23,894	1,195	20	1,195		1,792	10
11	Install new Compressor	2005	7,652	383	20	383		574	11
12	Install new Coil	2005	7,230	362	20	362		543	12
13	Replace fire doors	2005	3,116	156	20	156		234	13
14	Install carpeting in 3 offices	2005	1,608	80	20	80		120	14
15	Install wheelchair access ramps	2005	10,310	516	20	516		774	15
16	sealcoat asphalt	2005	9,650	483	20	483		724	16
17	Furnish and install new taco pump - pavillior	2005	5,986	299	20	299		449	17
18	Install Blinds	2005	2,242	112	20	112		168	18
19	Exterior Lighting	2005	18,515	926	20	926		1,389	19
20	furnish and install new motors, belts, capacitor	2005	3,345	167	20	167		251	20
21	furnish and install glycol to HVAC system	2005	10,925	546	20	546		819	21
22	Install patio	2005	15,232	762	20	762		1,143	22
23	Install wiring for new television	2006	37,345	934	20	934		934	23
24	Install new cabinets and countertops in supply room	2006	4,365	109	20	109		109	24
25	New flooring in dining room	2006	14,451	361	20	361		361	25
26	Remove and replace sidewalk section	2006	4,928	123	20	123		123	26
27	Replacement parts for air conditioner	2006	9,985	250	20	250		250	27
28	Interior signage	2006	13,720	343	20	343		343	28
29	Furnish and install new seals, triple duty valves	2006	7,495	187	20	187		187	29
30	Furnish and install new compressor	2006	14,500	362	20	362		362	30
31	Install new lighting in rehab room	2006	3,825	96	20	96		96	31
32									32
33									33
34	<b>TOTAL (lines 1 thru 33)</b>		\$ 11,665,270	\$ 28,320		\$ 309,795	\$ 281,475	\$ 4,073,061	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	\$ 942,147	\$ 52,760	\$ 95,835	\$ 43,075	5-10Yrs	\$ 553,617	71
72	Current Year Purchases	238,976	15,487	15,487		5-10 Yrs	15,487	72
73	Fully Depreciated Assets	1,635,767				5-10 Yrs	1,635,767	73
74	Allocated from Management Co.			27,860	27,860	5-10 Yrs		74
75	TOTALS	\$ 2,816,890	\$ 68,247	\$ 139,182	\$ 70,935		\$ 2,204,871	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	Resident Van	1998 Ford E350 Van	1998	\$ 40,790	\$	\$	\$		\$ 40,790	76
77	Resident Passenger Van	2000 Chevrolet Express	2000	29,261					29,261	77
78		Van								78
79										79
80	TOTALS			\$ 70,051	\$	\$	\$		\$ 70,051	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)	\$ 15,244,272	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 96,567	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 448,977	83**
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 352,410	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 6,347,983	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	N/A				88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93	N/A		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

Facility Name & ID Number Meadowbrook Manor

Report Period Beginning: 1/1/06

Ending: 12/31/06

**XII. RENTAL COSTS**

**A. Building and Fixed Equipment (See instructions.)**

**PLEASE ENTER ONLY DATES IN CELLS W16 AND W17**

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	Allocated from Management Co.			9,936			5
6							6
7	TOTAL			\$ 9,936			7

**10. Effective dates of current rental agreement:**

Beginning N/A

Ending N/A

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

Fiscal Year Ending Annual Rent

12.	<u>/2007</u>	\$	
13.	<u>/2008</u>	\$	
14.	<u>/2009</u>	\$	

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

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

N/A

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: \$ 1,908

Description: Offsite storage

(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			N/A		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.

SEE ACCOUNTANTS' COMPILATION REPORT

**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><b>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?</b></p> <p><input type="checkbox"/> YES      <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p><b>2. CLASSROOM PORTION:</b></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><b>3. CLINICAL PORTION:</b></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			Total
		1 Drop-outs	2 Completed	3 Contract	
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)	
<b>TOTAL TRAINED</b>	

- (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	1 Schedule V Line & Column Reference	2		3	4		5	6	7	8
			Staff		Cost	Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service			Units	Cost				
1	Licensed Occupational Therapist	L. 10A, C.3, 7	8165	hrs	\$ 266,341	251	\$ 12,561	\$	8,416	\$ 278,902	1
2	Licensed Speech and Language Development Therapist	L. 10A, C. 7	707	hrs	23,069				707	23,069	2
3	Licensed Recreational Therapist			hrs							3
4	Licensed Physical Therapist	L. 10A, C. 2,3,7	9373	hrs	305,777	917	45,863	5,699	10,290	357,339	4
5	Physician Care			visits							5
6	Dental Care			visits							6
7	Work Related Program			hrs							7
8	Habilitation			hrs							8
9	Pharmacy	L. 39, C. 2		# of prescripts				749,339		749,339	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)			hrs							10
11	Academic Education			hrs							11
12	Exceptional Care Program										12
13	Other (specify): Respiratory Therapy	L. 10A, C. 3				471	21,194		471	21,194	13
14	TOTAL				\$ 595,187	1,639	\$ 79,618	\$ 755,038	19,884	\$ 1,429,843	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 Meadowbrook Manor# 0037366Report Period Beginning: 1/1/06

Ending:

12/31/06

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/06

(last day of reporting year)

This report must be completed even if financial statements are attached

		1 Operating	2 After Consolidation*	
	<b>A. Current Assets</b>			
1	Cash on Hand and in Banks	\$ 40,492	\$ 340,708	1
2	Cash-Patient Deposits	70,202	70,202	2
3	Accounts & Short-Term Notes Receivable Patients (less allowance <u>580,649</u> )	4,440,900	4,440,900	3
4	Supply Inventory (priced at )			4
5	Short-Term Investments			5
6	Prepaid Insurance	286,862	371,346	6
7	Other Prepaid Expenses	81,582	81,582	7
8	Accounts Receivable (owners or related parties)	171,699	171,699	8
9	Other(specify) <u>Employee Advances</u>	1,860	1,860	9
10	<b>TOTAL Current Assets</b> (sum of lines 1 thru 9)	\$ 5,093,597	\$ 5,478,297	10
	<b>B. Long-Term Assets</b>			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		692,061	13
14	Buildings, at Historical Cos		10,907,748	14
15	Leasehold Improvements, at Historical Cos	751,088	757,522	15
16	Equipment, at Historical Cos	1,770,616	2,886,941	16
17	Accumulated Depreciation (book methods)	(1,464,881)	(6,347,983)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Cost:			19
	Accumulated Amortization			
20	Organization & Pre-Operating Cost:			20
21	Restricted Funds			21
22	Other Long-Term Assets (spec) <u>Loan Costs</u>		152,875	22
23	Other(specify) <u>See Attached Schedule 17A</u>	1,315,005	1,796,251	23
24	<b>TOTAL Long-Term Assets</b> (sum of lines 11 thru 23)	\$ 2,371,828	\$ 10,845,415	24
25	<b>TOTAL ASSETS</b> (sum of lines 10 and 24)	\$ 7,465,425	\$ 16,323,712	25

		1 Operating	2 After Consolidation*	
	<b>C. Current Liabilities</b>			
26	Accounts Payable	\$ 1,070,424	\$ 1,070,424	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposit	87,201	87,201	28
29	Short-Term Notes Payable	2,247,449	2,247,449	29
30	Accrued Salaries Payable	485,827	485,827	30
	Accrued Taxes Payable			
31	(excluding real estate taxes)	12,545	12,545	31
32	Accrued Real Estate Taxes(Sch.IX-B)		301,000	32
33	Accrued Interest Payable	14,296	102,131	33
34	Deferred Compensation			34
35	Federal and State Income Tax			35
	<b>Other Current Liabilities(specify):</b>			
36	<u>See Attached Schedule 17A</u>	3,754,449	492,656	36
37				37
38	<b>TOTAL Current Liabilities</b> (sum of lines 26 thru 37)	\$ 7,672,191	\$ 4,799,233	38
	<b>D. Long-Term Liabilities</b>			
39	Long-Term Notes Payable			39
40	Mortgage Payable		20,076,684	40
41	Bonds Payable			41
42	Deferred Compensation			42
	<b>Other Long-Term Liabilities(specify):</b>			
43				43
44				44
45	<b>TOTAL Long-Term Liabilities</b> (sum of lines 39 thru 44)	\$	\$ 20,076,684	45
46	<b>TOTAL LIABILITIES</b> (sum of lines 38 and 45)	\$ 7,672,191	\$ 24,875,917	46
47	<b>TOTAL EQUITY</b> (page 18, line 24)	\$ (206,766)	\$ (8,552,205)	47
48	<b>TOTAL LIABILITIES AND EQUITY</b> (sum of lines 46 and 47)	\$ 7,465,425	\$ 16,323,712	48

SEE ACCOUNTANTS' COMPILATION REPORT

\*(See instructions.)

Butterfield Health Care, Inc.  
d/b/a Meadowbrook Manor  
Provider #00037366  
12/31/2006

Schedule 17A

XV. Balance Sheet

Long Term Assets

Line 23 - Other Long-Term Assets

	Operating	After Consolidation
Mortgage Escrows	-	481,246
Due from Related Party	1,315,005	1,315,005
<b>Total Line 23 Other Long-Term Assets</b>	<u>1,315,005</u>	<u>1,796,251</u>

XV. Balance Sheet

Current Liabilities

Line 36 - Other Current Liabilities

	Operating	After Consolidation
Resident Credit Balances	492,656	492,656
Accrued Rent	3,261,793	
<b>Total Line 36 Other Current Liabilities</b>	<u>3,754,449</u>	<u>492,656</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 117,879	1
2	Restatements (describe):		2
3			3
4	Rounding		4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 117,879	6
<b>A. Additions (deductions):</b>			
7	NET Income (Loss) (from page 19, line 43)	(194,645)	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 Purpose:		12
13	Dividends Paid or Other Distributions to Owners	(130,000)	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)	\$ (324,645)	17
<b>B. Transfers (Itemize):</b>			
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)	\$ (206,766)	24 *

Operating Entity Only  
 \* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

# 0037366

Report Period Beginning: 1/1/06

Ending: 12/31/06

**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	
<b>A. Inpatient Care</b>			
1	Gross Revenue -- All Levels of Care	\$ 15,353,246	1
2	Discounts and Allowances for all Levels	(1,932,125)	2
3	<b>SUBTOTAL Inpatient Care (line 1 minus line 2)</b>	<b>\$ 13,421,121</b>	3
<b>B. Ancillary Revenue</b>			
4	Day Care	30,079	4
5	Other Care for Outpatients		5
6	Therapy	2,438,986	6
7	Oxygen	42,040	7
8	<b>SUBTOTAL Ancillary Revenue (lines 4 thru 7)</b>	<b>\$ 2,511,105</b>	8
<b>C. Other Operating Revenue</b>			
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	29,348	13
14	Non-Patient Meals	2,156	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	573,147	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	10,065	19
20	Radiology and X-Ray	26,488	20
21	Other Medical Services	332,816	21
22	Laundry	4,444	22
23	<b>SUBTOTAL Other Operating Revenue (lines 9 thru 22)</b>	<b>\$ 978,464</b>	23
<b>D. Non-Operating Revenue</b>			
24	Contributions		24
25	Interest and Other Investment Income***	18,710	25
26	<b>SUBTOTAL Non-Operating Revenue (lines 24 and 25)</b>	<b>\$ 18,710</b>	26
<b>E. Other Revenue (specify):****</b>			
27	<b>Settlement Income (Insurance, Legal, Etc.)</b>		27
28	<b>Wheelchair Rental Revenue</b>	<b>3,391</b>	28
28a	<b>Miscellaneous Income/Activities Income</b>	<b>1,331</b>	28a
29	<b>SUBTOTAL Other Revenue (lines 27, 28 and 28a)</b>	<b>\$ 4,722</b>	29
30	<b>TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)</b>	<b>\$ 16,934,122</b>	30

		2	
Expenses		Amount	
<b>A. Operating Expenses</b>			
31	General Services	2,242,242	31
32	Health Care	7,024,090	32
33	General Administration	2,821,488	33
<b>B. Capital Expense</b>			
34	Ownership	3,556,892	34
<b>C. Ancillary Expense</b>			
35	Special Cost Centers	1,321,900	35
36	Provider Participation Fee	162,155	36
<b>D. Other Expenses (specify):</b>			
37			37
38			38
39			39
40	<b>TOTAL EXPENSES (sum of lines 31 thru 39)*</b>	<b>\$ 17,128,767</b>	40
41	<b>Income before Income Taxes (line 30 minus line 40)**</b>	<b>(194,645)</b>	41
42	<b>Income Taxes</b>		42
43	<b>NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)</b>	<b>\$ (194,645)</b>	43

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

\*\* Does this agree with taxable income (loss) per Federal Income Tax Return? Yes 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.

Butterfield Health Care, Inc.  
D/B/A Meadowbrook Manor  
Provider #00037366  
12/31/2006

Schedule 19A

Reconciliation of taxable income(loss) per Federal Tax Return to Page 19, Line 43

Description	<u>Amount</u>
Net Income (Loss) per P 19, Line 43	(194,645)
Political Contributions	
Penalties	
Rent to Related Cash Basis Taxpayer	
Travel and Entertainment	
Depreciation	
Bad Debts	
Rounding	<u>-</u>
Taxable Income (Loss) per Federal Tax Return	<u><u>(194,645)</u></u>

See Accountants' Compilation Report

Facility Name & ID Number Meadowbrook Manor

# 0037366

Report Period Beginning: 1/1/06

Ending:

12/31/06

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	2,271	2,578	\$ 97,156	\$ 37.69	1
2	Assistant Director of Nursing	1,857	2,414	81,243	33.65	2
3	Registered Nurses	31,832	33,530	801,042	23.89	3
4	Licensed Practical Nurses	42,782	44,758	1,064,563	23.78	4
5	CNAs & Orderlies	168,068	176,365	2,034,146	11.53	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	15,094	16,558	226,677	13.69	8
9	Activity Director					9
10	Activity Assistants	14,705	16,192	150,371	9.29	10
11	Social Service Workers	11,264	12,317	166,562	13.52	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	40,944	43,809	423,772	9.67	15
16	Dishwashers					16
17	Maintenance Workers	6,461	7,017	93,937	13.39	17
18	Housekeepers	32,590	34,688	297,179	8.57	18
19	Laundry	9,889	10,446	74,441	7.13	19
20	Administrator	1,656	1,957	85,751	43.82	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	10,669	11,318	157,388	13.91	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	2,042	2,275	32,568	14.32	31
32	Other Health Care(specify)					32
33	Other(specify) See Att Sch 20A	33,427	35,342	588,191	16.64	33
34	TOTAL (lines 1 - 33)	425,551	451,564	\$ 6,374,987 *	\$ 14.12	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	\$ 15,752	L. 1, C. 3	35
36	Medical Director	Monthly	44,000	L. 9, C. 3	36
37	Medical Records Consultant	45	2,475	L. 10, C. 3	37
38	Nurse Consultant	581	24,200	L. 10, C. 3	38
39	Pharmacist Consultant	156	6,240	L. 10, C. 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	60	3,000	L. 11, C. 3	44
45	Social Service Consultant	25	1,323	L. 12, C. 3	45
46	Other(specify)				46
47	Quality Assurance	24	1,440	L. 10, C. 3	47
48					48
49	TOTAL (lines 35 - 48)	891	\$ 98,430		49

C. CONTRACT NURSES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference		
50	Registered Nurses	1,082	\$ 38,420	L. 10, C. 3	50
51	Licensed Practical Nurses				51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)	1,082	\$ 38,420		53

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care, Inc.  
D/B/A Meadowbrook Manor  
Provider #00037366  
12/31/2006

Schedule 20A

XVIII. Staffing and Salary Costs  
Line 32-Other

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage
Day Care	3,235	3,435	31,444	9.15
Rehabilitation Nurse	1,089	1,188	28,437	23.94
Nursing Administration	14,195	15,088	318,717	21.12
Central Supply	2,930	3,130	48,866	15.61
Ward Clerks	11,978	12,501	160,727	12.86
<b>Total Line 32-Other</b>	<b>33,427</b>	<b>35,342</b>	<b>588,191</b>	<b>16.64</b>

See Accountants' Compilation Report



Butterfield Health Care, Inc. d/b/a Meadowbrook Manor  
 Provider # 00037366  
 December 31, 2006

Schedule 21A

Schedule 21A

XIX. SUPPORT SCHEDULE  
 C. Professional Services

Vendor/Payee	Type	Amount
Morgan, Lewis & Bokius	Legal	22,994
Scott Krause	Legal	4,963
Foley & Lardner	Legal	27,399
Foley & Lardner-prior year credit	Legal	(1,620)
Duane Morris LLP	Legal	1,903
Hamilton Lorch & Hagnell	Legal	428
Altschuler, Melvoin & Glasser LLP	Accountants	7,375
RSM McGladrey	Accountants	6,959
Peterk & Howse LLP	Accountants	1,844
Absolute Billing	Billing Consultant	8,700
Richard Peelo & Associates	Billing Consultant	6,000
TALX	Unemployment Consultant	4,028
Rehab Management Systems	Billing Consultant	36,000
Systematic Management Systems	Billing Consultant	37,573
New England Financial	401k Plan Administrator	227
Paylocity	Payroll service	5,109
FR & R Healthcare Consulting	Healthcare Consulting	1,000
Worldwide Wencel	Computer Services	4,100
Health Data Systems , Inc	Computer Services	8,531
Wescom Solutions	Computer Services	24,787
Ivans	Computer Services	1,438
CDW Computer Center	Website Maintenance	128
Accu-Med Services	Computer Services	2,120
Precision Repair	Computer Services	1,147
Total (agree to Schedule V, line 19, column 3)		213,133
Non-allowable legal expense		(1,565)
J&D Partners, L.P.		
Hamilton Lorch & Hagnell	Legal	112
Altschuler, Melvoin & Glasser LLP	Accountants	13,600
RSM McGladrey	Accountants	4,500
Non-allowable Legal	Legal	
Allocation from Management Company:		
Hamilton, Thies, Lorch and Bagnell	Legal	3,240
Ungaretti & Harris	Legal	2,151
Klari Tedrow	Legal	1,075
RSM McGladrey	Accountants	871
Access Therapies	Employment Fees	1,935
Beitler Staffing	Employment Fees	1,147
Paychex	Payroll service	518
Paylocity	Payroll service	812
New England Financial	401k Plan Administrator	108
Non-allowable Legal		(2,471)
Total (agree to Schedule V, line 19, column 8)		<u>239,166</u>

See Accountants' Compilation Report

**Butterfield Health Care, Inc. d/b/a Meadowbrook Manor**  
**Provider # 00037366**  
**December 31, 2006**

**Schedule 21B**

Month	Description	Amount	Location	Employee	Seminar Title
January-06	Midwestern Geriatric Education C	\$25.00	Downers Grove, IL	K. Williams, B. Henzlik, M. Homel, S. Dortch	Aging Resources and Services Training
March-06	Life Services Network	\$380.00	Tinley Park, IL	B. Wulf, P. Obrien, K. Orlando, E. Mason	Medicaid 2006 New Rules New Tools
March-06	Illinois Health Care Association	\$285.00	Lisle, IL	C. Ajaya, J. Sease, C. DeCamp	Moving from Assessment to Care
February-06	ICLTC	\$380.00	Skokie, IL	M. Grondin, T. Nelson, T. Waters, B. Jensen	The 2006 Revised MDS Medicaid System
May-06	Healthcare Information Network	\$477.00	Naperville, IL	J. Sease, E. Mason, Nursing rep	Survey Changes impact Activities, Nursing, Social Service
May-06	Clinical Reimbursement Solution:	\$99.00	online	T. Waters	State of Illinois to implement MDS Section S
May-06	College of DuPage	\$293.00	Glen Ellyn, IL	C. Sedmidubsky	Administration Course
January-06	College of DuPage	\$296.00	Glen Ellyn, IL	C. Sedmidubsky	Administration Course
August-06	LSN Foundation	\$99.00	Lombard, IL	R. Casal	Just Add One! Restorative Nursing in Illinois
October-06	ICLTC	\$285.00	Oak Lawn, IL	R. Ricana, R. Lamb, R. Bundalian	The Most Frequent Life Safety Code Violations
December-06	ICLTC	\$190.00	Oak Lawn, IL	R. Ricana, R. Ocampo	Updated OBRA Medication Regulations
December-06	Healthcare Information Network	\$318.00	Naperville, IL	R. Ricana, J. Gecosala	SNF PPS update
November-06	Life Services Network	\$149.00	Tinley Park, IL	R. Ricana	Getting a Handle on the new No-pay Claim Process
Total - allowable travel & semina		\$3,276.00			

**Allocation from Management Co.**

January-06	Cross Country Education	\$77.00	Schaumburg, IL	Kiran Tyagi	Pharmacology for Physical and Occupational Therapists
January-06	Illinois Council on LTC	\$41.00	Oak Lawn, IL	L. Templin	The 2006 Revised MDS System
January-06	Illinois Health Care Association	\$151.00	Lisle, IL	L. Templin, S. Chavez	Medicare Back to Basics
February-06	Health Professionals Institute	\$194.00	Lombard, IL	Judith Wolcott	Multi-Disciplinary Certificate Program in Dementia Assessment
March-06	Alzheimers Association	\$32.00	Joliet, IL	Judith Wolcott	Pathways Through Alzheimers
March-06	Illinois Council on LTC	\$41.00	Tinley Park, IL	P. Uding	The 2006 Revised MDS System
March-06	Illinois Council on LTC	\$163.00	Tinley Park, IL	C. Magruter, T. Sema, T. Pabello, S. Chavez	The 2006 Revised MDS System
March-06	Life Services Network	\$194.00	Tinley Park, IL	P. Uding, C. Magruter, T. Sema	Medicaid 2006 New Rules New Tools
May-06	Cross Country Education	\$73.00	Schaumburg, IL	Kiran Tyagi	Improving Leadership & Management in Rehab
June-06	Cross Country Education	\$86.00	Schaumburg, IL	Kiran Tyagi	Examination and Intervention of Dizziness
June-06	Cross Country Education	\$73.00	Chicago, IL	Kiran Tyagi	Improving MDS Skills and Performance
July-06	Cross Country Education	\$73.00	Chicago, IL	Kristen David	Improving MDS Skills and Performance
July-06	AHI	\$60.00	Chicago, IL	Judith Wolcott	Interventions for Geriatric Patients with Psychiatric Disorders
July-06	Samland Institute of Allied Health	\$108.00	Chicago, IL	Cathy Cohrs	Physical Rehab Assistant course
November-06	Rockhurst University	\$307.00	Oakbrook Terrace, IL	Uding, C. Magruter, T. Sema, T. Pabello, S. Chav	Collecting Accounts Receivable
November-06	Life Services Network	\$71.00	Illinois	accounting staff	Currently unable to find invoice
November-06	Hillpath Seminars	\$417.00	Oakbrook, IL	mplin, Vangel, Farkas, Kostner, Johnson, Dimas, Tillm	How to Negotiate with Vendors
November-06	Fred Pryor Seminars	\$86.00	Joliet, IL	J. Tillman	Excel Basics
November-06	Bank of America	\$205.00	Oakbrook, IL	P. Uding, L. Templin, S. Chavez	SNF PPS Update Seminar
December-06	Mitra Yarandi	\$298.00	Online course	Mitra Yarandi	MBS-The Clear Picture

Total Allocated from Management Company \$2,750.00

**See Accountants' Compilation Report**

Total Travel & Seminar \$6,026.00

Facility Name & ID Number Meadowbrook Manor

Report Period Beginning: 1/1/06 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	6 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			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2	N/A												
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	<b>TOTALS</b>		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name &amp; ID Number Meadowbrook Manor

# 0037366

Report Period Beginning:

1/1/06

Ending:

12/31/06

**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 Illinois Council on Long Term Care \$13,779
- (3) Did the nursing home make political contributions or payments to a political organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? \_\_\_\_\_
- (5) Have you properly capitalized all major repairs and equipment purchase? Yes  
What was the average life used for new equipment added during this period? 7.5 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. : 93,391 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation \_\_\_\_\_
- (8) Are you presently operating under a sale and leaseback arrangement? No  
If YES, give effective date of lease \_\_\_\_\_
- (9) Are you presently operating under a sublease agreement? YES \_\_\_\_\_ NO X
- (10) Was this home previously operated by a related party (as is defined in the instructions to Schedule VII)? YES \_\_\_\_\_ NO X If YES, please indicate name of the facility IDPH license number of this related party and the date the present owners took over \_\_\_\_\_
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. 162,155  
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 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 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.  
See attached Schedule 23A
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit on Schedule V. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 2,156
- (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 program during this reporting period. : N/A  
c. What percent of all travel expense relates to transportation of nurses and patient? N/A  
d. Have vehicle usage logs been maintained? Adequate records have been maintained.  
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes  
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A  
**g. Does the facility transport residents to and from day training? No**  
**Indicate the amount of income earned from providing such transportation during this reporting period. \$ 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

**SEE ACCOUNTANTS' COMPILATION REPORT**

Butterfield Health Care, Inc.  
D/B/A Meadowbrook Manor  
Provider #00037366  
12/31/2006

Schedule 23A

<b>Description</b>	<b>Amount</b>	<b>Line</b>	<b>Basis For Allocation</b>
Day Care Wages	31,444	43	Actual
FICA Expense	2,394	22	Payroll
Federal U/C Tax	105	22	Payroll
State U/C Tax	893	22	Payroll
Food	1,126	2	[Total Food Costs/(3*Census)]*Daycare Census
Gas	1,160	5	Sq Ftg
Electricity	<u>1,271</u>	5	Sq Ftg
<b>Total</b>	<u><u>38,393</u></u>		

See Accountants' Compilation Report

**Butterfield Health Care, Inc. d/b/a Meadowbrook Manor  
Provider # 00037366  
December 31, 2006**

**Page 3, Line 25, Column 3  
Other Administrative Staff Transportation**

Parking, Tolls and Mileage Reimbursement	2,261
	<hr/>
Total Other Admin. Staff Transportation-Bolingbrook	2,261
Allocation from Management Co.	
Parking, Tolls and Mileage Reimbursement	1,836
	<hr/>
<b>Total Other Administrative Staff Transportation</b>	<b><u>4,097</u></b>

**See Accountants' Compilation Report**