

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277 Report Period Beginning: 1/1/07 Ending: 12/31/07

III. STATISTICAL DATA

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

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	198	Skilled (SNF)	198	72,270	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	198	TOTALS	198	72,270	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	7,763	2,874	10,086	20,723	8
9	SNF/PED					9
10	ICF	38,956	5,115		44,071	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	46,719	7,989	10,086	64,794	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 89.66%

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

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

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

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

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

I. On what date did you start providing long term care at this location?
Date started 3/29/1996

J. Was the facility purchased or leased after January 1, 1978?
YES Date 11/1/1996 NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 198 and days of care provided 9,066

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/07 Fiscal Year: 12/31/07

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

Facility Name & ID Number Alden Northmoor Rehab & HCC # 0041277 Report Period Beginning: 1/1/07 Ending: 12/31/07

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 BHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	525,995	37,263	12,000	575,258	467	575,725	4,046	579,771		1
2	Food Purchase		372,913		372,913	(15,719)	357,194	(20,140)	337,054		2
3	Housekeeping	183,639	39,123		222,762	510	223,272	5,242	228,514		3
4	Laundry	52,201	12,945		65,146	100	65,246		65,246		4
5	Heat and Other Utilities			315,960	315,960		315,960	(1,906)	314,054		5
6	Maintenance	33,356		173,853	207,209	72	207,281	55,706	262,987		6
7	Other (specify):* Related Party Benefits							9,361	9,361		7
8	TOTAL General Services	795,191	462,244	501,813	1,759,248	(14,570)	1,744,678	52,309	1,796,987		8
	B. Health Care and Programs										
9	Medical Director			25,400	25,400		25,400		25,400		9
10	Nursing and Medical Records	2,717,058	209,811	16,337	2,943,206	(45,079)	2,898,127	66,596	2,964,723		10
10a	Therapy	36,236			36,236		36,236		36,236		10a
11	Activities	85,090	3,237	4,697	93,024	158	93,182		93,182		11
12	Social Services	40,310			40,310		40,310		40,310		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Related Party Benefits							11,087	11,087		15
16	TOTAL Health Care and Programs	2,878,694	213,048	46,434	3,138,176	(44,921)	3,093,255	77,683	3,170,938		16
	C. General Administration										
17	Administrative	75,095			75,095		75,095	77,351	152,446		17
18	Directors Fees										18
19	Professional Services			935,341	935,341	(7,097)	928,244	(836,975)	91,269		19
20	Dues, Fees, Subscriptions & Promotions			179,084	179,084		179,084	(157,747)	21,337		20
21	Clerical & General Office Expenses	126,350	32,598	103,360	262,308	321	262,629	356,747	619,376		21
22	Employee Benefits & Payroll Taxes			546,456	546,456	11,084	557,540	(626)	556,914		22
23	Inservice Training & Education										23
24	Travel and Seminar			5,774	5,774		5,774	3,156	8,930		24
25	Other Admin. Staff Transportation			3,885	3,885		3,885	15,680	19,565		25
26	Insurance-Prop.Liab.Malpractice			191,595	191,595	(899)	190,696	13,531	204,227		26
27	Other (specify):* Bad debt/Related party benefits			122,980	122,980		122,980	(50,114)	72,866		27
28	TOTAL General Administration	201,445	32,598	2,088,475	2,322,518	3,409	2,325,927	(578,997)	1,746,930		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,875,330	707,890	2,636,722	7,219,942	(56,082)	7,163,860	(449,006)	6,714,854		29

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

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

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY	
		Salary/Wage	Supplies	Other	Total					9	10
	D. Ownership	1	2	3	4	5	6	7	8		
30	Depreciation			44,869	44,869		44,869	292,129	336,998		30
31	Amortization of Pre-Op. & Org.							1,745	1,745		31
32	Interest			149,506	149,506	899	150,405	553,171	703,576		32
33	Real Estate Taxes							318,490	318,490		33
34	Rent-Facility & Grounds			1,100,087	1,100,087		1,100,087	(1,100,087)			34
35	Rent-Equipment & Vehicles			9,960	9,960		9,960	47,406	57,366		35
36	Other (specify):* MIP							54,109	54,109		36
37	TOTAL Ownership			1,304,422	1,304,422	899	1,305,321	166,963	1,472,284		37
	Ancillary Expense										
	E. Special Cost Centers										
38	Medically Necessary Transportation										38
39	Ancillary Service Centers		527,403	759,234	1,286,637	55,183	1,341,820	(114,356)	1,227,464		39
40	Barber and Beauty Shops										40
41	Coffee and Gift Shops										41
42	Provider Participation Fee			108,405	108,405		108,405		108,405		42
43	Other (specify):*										43
44	TOTAL Special Cost Centers		527,403	867,639	1,395,042	55,183	1,450,225	(114,356)	1,335,869		44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,875,330	1,235,293	4,808,783	9,919,406		9,919,406	(396,399)	9,523,007		45

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

Reporting Period Beginning 1/1/2007
 Reporting Period Ending 12/31/2007

Reclassifications - Pgs 3 and 4

<u>From Line</u>	<u>To Line</u>	<u>Amount</u>	<u>Description</u>
2		(15,719.00)	Employee Meals
	22	15,719.00	
10		(55,183.00)	Oxygen Costs
	39	55,183.00	
26		(899.00)	Insurance Expense
	32	899.00	
22		(4,635.00)	Employee Uniforms
	1	467.00	
	3	510.00	
	4	100.00	
	6	72.00	
	10	3,007.00	
	11	158.00	
	21	321.00	
19		(7,097.00)	Pathway-Clinical consultants
	10	7,097.00	
		<hr/>	
		-	

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	BHF 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	(7,204)	30		9
10	Interest and Other Investment Income	(25,540)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,668)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(7,093)	21		17
18	Fines and Penalties	(1,374)	32		18
19	Entertainment	(530)	20		19
20	Contributions	(8,991)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(19,275)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(122,980)	27		24
25	Fund Raising, Advertising and Promotional	(11,451)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (206,106)		\$	30

BHF USE ONLY					
48	49	50	51	52	

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(114,084)	Various	34
35	Other- Attach Schedule	(76,209)	Pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (190,293)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (396,399)		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			x		39
40	Gift and Coffee Shops		x		40
41	Barber and Beauty Shops		x		41
42	Laboratory and Radiology		x		42
43	Prescription Drugs		x		43
44	Exceptional Care Program		x		44
45	Other-Attach Schedule		x		45
46	Other-Attach Schedule		x		46
47	TOTAL (C): (sum of lines 38-46)			\$	47

Alden Northmoor Rehab & HCC

ID# 0041277

Report Period Beginning: 1/1/07

Ending: 12/31/07

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Late fees on utilities	\$ (5,628)	5	1
2	Intercompany Interest (7031)	(92,190)	32	2
3	Intercompany Interest (7053)	(141)	32	3
4	Employee Exp. (g/1 4977-100-000)	(20)	22	4
5	Record Copies (g/1 4977-100-001)	(1,398)	10	5
6	Jury Duty (g/1 4977-100-002)	(86)	21	6
7	Vending Machine (g/1 4977-100-003)	(461)	2	7
8	Food Rebate (g/1 4977-100-005)	(1,227)	2	8
9	Wage Service Fee (g/1 4977-100-006)	(20)	21	9
10	IL Health Care Assoc Dues (PAC; 29.31%)	(3,470)	20	10
11	Add vendor settlement cost (g/1 7143) to reclass	4,799	21	11
12	Back out vendor settlement credit for Chemcraft	(20)	6	12
13	Back out vendor settlement credit for Call One	(2,250)	21	13
14	Back out vendor settlement credit for R. Czeck	(2,529)	6	14
15	Add back 2003 R/E tax refund	6,987	33	15
16	Expense assets < \$2,500	26,319	6	16
17	Back out depreciation on assets < \$2,500	(2,683)	30	17
18	Adj depreciation to equal Pg 13's	297	30	18
19	Deming Leadership Training (0.0306)	159	24	19
20	Eliminate non-care employee benefits	(606)	22	20
21	Eliminate non-care marketing costs	(606)	20	21
22	Eliminate non-care G & A costs	(717)	21	22
23	Eliminate non-care R & M costs	(717)	6	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	(76,209)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	7,517	(3,471)	0	0	0	0	0	0	0	4,046	1
2	Food Purchase	(3,356)	0	0	(16,784)	0	0	0	0	0	0	0	(20,140)	2
3	Housekeeping	0	0	5,242	0	0	0	0	0	0	0	0	5,242	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(5,628)	0	3,722	0	0	0	0	0	0	0	0	(1,906)	5
6	Maintenance	23,053	0	33,016	0	0	0	(363)	0	0	0	0	55,706	6
7	Other (specify):*	0	0	8,412	949	0	0	0	0	0	0	0	9,361	7
8	TOTAL General Services	14,069	0	57,909	(19,306)	0	0	(363)	0	0	0	0	52,309	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	(1,398)	0	63,511	1,707	2,776	0	0	0	0	0	0	66,596	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	11,087	0	0	0	0	0	0	0	0	11,087	15
16	TOTAL Health Care and Programs	(1,398)	0	74,598	1,707	2,776	0	0	0	0	0	0	77,683	16
	C. General Administration													
17	Administrative	0	0	77,351	0	0	0	0	0	0	0	0	77,351	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(19,275)	4,850	(822,550)	0	0	0	0	0	0	0	0	(836,975)	19
20	Fees, Subscriptions & Promotions	(25,048)	0	(132,699)	0	0	0	0	0	0	0	0	(157,747)	20
21	Clerical & General Office Expenses	(5,367)	250	315,151	21,133	25,580	0	0	0	0	0	0	356,747	21
22	Employee Benefits & Payroll Taxes	(626)	0	0	0	0	0	0	0	0	0	0	(626)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	159	0	2,997	0	0	0	0	0	0	0	0	3,156	24
25	Other Admin. Staff Transportation	0	0	15,680	0	0	0	0	0	0	0	0	15,680	25
26	Insurance-Prop.Liab.Malpractice	0	13,255	276	0	0	0	0	0	0	0	0	13,531	26
27	Other (specify):*	(122,980)	0	69,815	1,974	1,077	0	0	0	0	0	0	(50,114)	27
28	TOTAL General Administration	(173,137)	18,355	(473,979)	23,107	26,657	0	0	0	0	0	0	(578,997)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(160,467)	18,355	(341,472)	5,508	29,433	0	(363)	0	0	0	0	(449,006)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden Northmoor Rehab & HCC# 0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS (to Sch V, col.7)	
30	Depreciation	(9,590)	296,966	3,226	0	1,527	0	0	0	0	0	0	292,129	30
31	Amortization of Pre-Op. & Org.	0	1,661	84	0	0	0	0	0	0	0	0	1,745	31
32	Interest	(119,245)	503,997	166,732	0	1,455	232	0	0	0	0	0	553,171	32
33	Real Estate Taxes	6,987	305,293	5,737	0	473	0	0	0	0	0	0	318,490	33
34	Rent-Facility & Grounds	0	(1,100,087)	0	0	0	0	0	0	0	0	0	(1,100,087)	34
35	Rent-Equipment & Vehicles	0	0	47,406	0	0	0	0	0	0	0	0	47,406	35
36	Other (specify):*	0	54,109	0	0	0	0	0	0	0	0	0	54,109	36
37	TOTAL Ownership	(121,848)	61,939	223,185	0	3,455	232	0	0	0	0	0	166,963	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	(67,483)	(59,684)	12,811	0	0	0	0	0	(114,356)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	(67,483)	(59,684)	12,811	0	0	0	0	0	(114,356)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(282,315)	80,294	(118,287)	(61,975)	(26,796)	13,043	(363)	0	0	0	0	(396,399)	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
The Alden Group, Ltd	100	See Pg 6K		See Pg 6K		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	34 Rent revenue	\$ 1,100,087	Alden Northmoor Associates Limited Partnership		\$	\$ (1,100,087)	1
2	V	32 Interest income	55,802	Alden Northmoor Associates Limited Partnership			(55,802)	2
3	V	32 Replacement Reserve interest	2,949	Alden Northmoor Associates Limited Partnership			(2,949)	3
4	V	19 Professional fees-Audit		Alden Northmoor Associates Limited Partnership		4,850	4,850	4
5	V	21 Licenses & inspections		Alden Northmoor Associates Limited Partnership		250	250	5
6	V	33 Real estate taxes	6,987	Alden Northmoor Associates Limited Partnership		312,280	305,293	6
7	V	26 Property/liability insurance		Alden Northmoor Associates Limited Partnership		13,255	13,255	7
8	V	36 Mortgage insurance premium		Alden Northmoor Associates Limited Partnership		54,109	54,109	8
9	V	32 Mortgage interest		Alden Northmoor Associates Limited Partnership		464,640	464,640	9
10	V	32 Interest-Operating loss loan		Alden Northmoor Associates Limited Partnership		98,108	98,108	10
11	V	30 Depreciation		Alden Northmoor Associates Limited Partnership		296,966	296,966	11
12	V	31 Amortization		Alden Northmoor Associates Limited Partnership		1,661	1,661	12
13	V							13
14	Total		\$ 1,165,825			\$ 1,246,119	\$ * 80,294	14

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	19 Professional Fees	\$ 879,240	Alden Management Services, Inc.	0.00%	\$ 56,690	\$ (822,550)
16	V	21 Gen'l & Admin		Alden Management Services, Inc.		315,151	315,151
17	V	5 Utilities		Alden Management Services, Inc.		3,722	3,722
18	V	6 Repair/Mainten.	14,977	Alden Management Services, Inc.		47,993	33,016
19	V	24 Travel/Seminar		Alden Management Services, Inc.		2,997	2,997
20	V	25 Other admin travel		Alden Management Services, Inc.		15,680	15,680
21	V	26 Insurance		Alden Management Services, Inc.		276	276
22	V	20 Dues/Subscriptions	133,335	Alden Management Services, Inc.		636	(132,699)
23	V	30 Depreciation		Alden Management Services, Inc.		3,226	3,226
24	V	31 Amortization		Alden Management Services, Inc.		84	84
25	V	33 Real Estate Taxes		Alden Management Services, Inc.		5,737	5,737
26	V	35 Rent-Equip & Vehic		Alden Management Services, Inc.		47,406	47,406
27	V	32 Interest		Alden Management Services, Inc.		166,732	166,732
28	V	7 Employee Benefits-Gen Service		Alden Management Services, Inc.		8,412	8,412
29	V	15 Employee Benefits Health Care		Alden Management Services, Inc.		11,087	11,087
30	V	27 Employee Benefits-Admin		Alden Management Services, Inc.		69,815	69,815
31	V	1 Dietary Aide Coordinator Sal.		Alden Management Services, Inc.		7,517	7,517
32	V	3 Housekeeping Coordinator Sal		Alden Management Services, Inc.		5,242	5,242
33	V	10 Nusre & Med Records Sal		Alden Management Services, Inc.		63,511	63,511
34	V	17 Administrative Sal		Alden Management Services, Inc.		77,351	77,351
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 1,027,552			\$ 909,265	\$ * (118,287)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	1 Dietary consultant	\$ 12,000	Prism Health Care Services, Inc.	0.00%	\$ 4,124	\$ (7,876)
16	V	1 Dietary salaries		Prism Health Care Services, Inc.		4,405	4,405
17	V	2 Tube feeding	50,395	Prism Health Care Services, Inc.		33,611	(16,784)
18	V	10 Equipment rental-patient care	3,060	Prism Health Care Services, Inc.		4,767	1,707
19	V	39 Ancillary supplies	128,894	Prism Health Care Services, Inc.		61,411	(67,483)
20	V	21 G & A salaries		Prism Health Care Services, Inc.		8,410	8,410
21	V	21 G & A expenses		Prism Health Care Services, Inc.		12,723	12,723
22	V	27 Emp. Benefits-G & A		Prism Health Care Services, Inc.		1,974	1,974
23	V	7 Emp. Benefits-Dietary		Prism Health Care Services, Inc.		949	949
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		\$ 194,349			\$ 132,374	\$ * (61,975)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	39 Drugs	\$ 193,835	Forum Extended Care Services II, Inc.	0.00%	\$ 287,500	\$ 93,665
16	V	39 I.V.	170,940	Forum Extended Care Services II, Inc.		18,754	(152,186)
17	V	39 Wound Vac	5,656	Forum Extended Care Services II, Inc.		4,493	(1,163)
18	V	10 House Stock	6,136	Forum Extended Care Services II, Inc.		5,856	(280)
19	V	10 Pharm Consult	8,872	Forum Extended Care Services II, Inc.		11,928	3,056
20	V	27 Employ Vaccin	3,390	Forum Extended Care Services II, Inc.		2,659	(731)
21	V	27 Employ Benefits-G & A		Forum Extended Care Services II, Inc.		1,808	1,808
22	V	21 G & A Salaries		Forum Extended Care Services II, Inc.		13,724	13,724
23	V	21 Gen'l & Admin		Forum Extended Care Services II, Inc.		11,856	11,856
24	V	32 Interest		Forum Extended Care Services II, Inc.		1,455	1,455
25	V	33 Real Estate Tax		Forum Extended Care Services II, Inc.		473	473
26	V	30 Depreciation		Forum Extended Care Services II, Inc.		1,527	1,527
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		\$ 388,829			\$ 362,033	\$ * (26,796)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	39 Revenue-therapy	\$ 741,212	Community Physical Therapy & Associates, Ltd.	0.00%	\$ 754,023	\$ 12,811	15	
16	V	32 Interest		Community Physical Therapy & Associates, Ltd.		232	232	16	
17	V							17	
18	V							18	
19	V							19	
20	V							20	
21	V							21	
22	V							22	
23	V							23	
24	V							24	
25	V							25	
26	V							26	
27	V							27	
28	V							28	
29	V							29	
30	V							30	
31	V							31	
32	V							32	
33	V							33	
34	V							34	
35	V							35	
36	V							36	
37	V							37	
38	V							38	
39	Total		\$ 741,212			\$ 754,255	\$ *	13,043	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	6 Repairs & maintenance	\$ 26,622	Alden Bennett Construction Company, Inc.	0.00%	\$ 26,259	\$ (363)	15
16	V							16
17	V							17
18	V							18
19	V							19
20	V							20
21	V							21
22	V							22
23	V							23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 26,622			\$ 26,259	\$ * (363)	39

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

Facility Name & ID Number

Alden-Northmoor Rehabilitation and Health Care Center, In Provider No. 004-1277

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

RELATED NURSING HOMES		OTHER RELATED BUSINESS ENTITIES		
Name	City	Name	City	Type of Business
		The Forum Professional Center, LP	Chicago	Home Office rental
Heather Health Care Center, Inc.	Harvey			
Alden-Long Grove Rehabilitation and Health Care Center, Inc.	Long Grove	Forum Extended Care Services II, Inc.	Chicago	Pharmacy
Alden-Lincoln Park Rehabilitation and Health Care Center, Inc.	Chicago	Alden Management Services, Inc.	Chicago	Management
Alden-Northmoor Rehabilitation and Health Care Center, Inc.	Chicago			
Alden-Lakeland Rehabilitation and Health Care Center, Inc.	Chicago			
Alden of Old Town East, Inc.	Bloomingtondale	Alden Garden Courts of DesPlaines, LLC	DesPlaines	Assisted Living/Alzheimers Facility
Alden Terrace of McHenry Rehabilitation and Health Care Center, Inc.	McHenry	Alden Courts of Waterford, LLC	Aurora	Alzheimers Facility
Alden - Wentworth Rehabilitation and Health Care Center, Inc.	Chicago	Alden Gardens of Waterford, LLC	Aurora	Assisted Living
Alden - Naperville Rehabilitation and Health Care Center, Inc.	Naperville	Prism Health Care Services, Inc.	Schaumburg	Nursing and Durable Equipment
Alden - Valley Ridge Rehabilitation and Health Care Center, Inc.	Bloomingtondale	Community Physical Therapy & Associates, Ltd.	Wood Dale	Therapy Provider
Alden Village Health Facility for Children and Young Adults, Inc.	Bloomingtondale	Alden Bennett Construction Company, Inc.	Chicago	General Contractor
Alden - Orland Park Rehabilitation and Health Care Center, Inc.	Orland Park			
Alden - Princeton Rehabilitation and Health Care Center, Inc.	Chicago			
Alden of Old Town West, Inc.	Bloomingtondale			
Alden - Town Manor Rehabilitation and Health Care Center, Inc.	Cicero			
Alden Trails, Inc.	Bloomingtondale			
Alden - Poplar Creek Rehabilitation and Health Care Center, Inc.	Hoffman Estates			
Alden - North Shore Rehabilitation and Health Care Center, Inc.	Skokie			
Alden - Des Plaines Rehabilitation and Health Care Center, Inc.	Des Plaines			
Alden Estates of Evanston, Inc.	Evanston			
Alden - Alma Nelson Manor, Inc.	Rockford			
Alden - Park Strathmoor, Inc.	Rockford			
Alden - Meadow Park Health Care Center, Inc.	Clinton, WI			
Alden Estates of Barrington, Inc.	Barrington			
Alden of Waterford, LLC	Aurora			
Alden Springs, Inc.	Bloomingtondale			

Facility Name & ID Number Alden Northmoor Rehab & HCC # 0041277 Report Period Beginning: 1/1/07 Ending: 12/31/07

VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Floyd A. Schlossberg	President	CEO	100.00	161,405	2.244	0.06	Salary	\$ 9,595	17-7	1
2	Lauren Magnusson	Dir. Of Clinical Servi	Technical Nursing	0.00	60,862	2.244	0.06	Salary	3,618	10-7	2
3	Terry Magnusson	Dir. of Purchasing	Supervise Mainten	0.00	35,830	2.244	0.06	Salary	2,130	6-7	3
4											4
5											5
6	A. Floyd Schlossberg is the President and sole stockholder of Alden Management Services, Inc.										6
7	B. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is the Director of Clinical Services and provides technical support for the entire nursing staff.										7
8	C. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry coordinates the purchase of all building maintenance items as well as supervise building engineers.										8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 15,343		13

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

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277 Report Period Beginning: 1/1/07

Ending: 12/31/07

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 Alden Management Services, Inc.
 Street Address 4200 W. Peterson
 City / State / Zip Code Chicago, IL 60646
 Phone Number (773)286-3883
 Fax Number (773)286-8038

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	Patient Days	1,154,703	29	\$ 66,329	\$ 64,794	\$ 3,722	1	
2	24	Travel & Seminar	Patient Days	1,154,703	29	53,403	64,794	2,997	2	
3	25	Other Admin Travel	Patient Days	1,154,703	29	279,431	64,794	15,680	3	
4	26	Insurance	Patient Days	1,154,703	29	4,925	64,794	276	4	
5	20	Dues & Subscription	Patient Days	1,154,703	29	11,328	64,794	636	5	
6	30	Depreciation	Patient Days	29	29	93,554	1	3,226	6	
7	31	Amortization	Patient Days	1,154,703	29	1,500	64,794	84	7	
8	33	Real estates Tax	Patient Days	1,154,703	29	102,244	64,794	5,737	8	
9	35	Rent - Equip & Vehicles	Patient Days	1,154,703	29	844,835	64,794	47,406	9	
10	32	Interest	Patient Days	1,154,703	29	2,971,361	64,794	166,732	10	
11	1	Dietary	Patient Days	1,154,703	29	133,965	133,965	64,794	7,517	11
12	3	Housekeeping	Patient Days	1,154,703	29	93,421	93,421	64,794	5,242	12
13	7	Employee benefits - Gen'l Srvc	Patient Days	1,154,703	29	149,914	64,794	8,412	13	
14	10	Nurs & Med Records Salary	Patient Days	1,154,703	29	1,131,838	1,178,420	64,794	63,511	14
15	15	Employee benefits - Health care	Patient Days	1,154,703	29	197,583	64,794	11,087	15	
16	17	Administrative Salary	Patient Days	1,154,703	29	1,378,483	1,091,420	64,794	77,351	16
17									17	
18	27	Employee benefits - Admin	Patient Days	1,154,703	29	1,244,181	64,794	69,815	18	
19	19	Professional Fees	Patient Days	1,154,703	29	1,010,272	531,592	64,794	56,690	19
20	21	Gen'l & Admin	Patient Days	1,154,703	29	5,616,348	4,942,836	64,794	315,151	20
21	6	Repair & Maintenance	Patient Days	1,154,703	29	855,298	666,770	64,794	47,993	21
22									22	
23									23	
24									24	
25	TOTALS					\$ 16,240,213	\$ 8,638,424	\$ 909,265	25	

Facility Name & ID Number

Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

1	Name of Lender	2		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	Cambridge Realty		X	Mortgage	\$45,562.32	12/1/03	\$ 9,194,900	\$ 8,897,555	1/1/2044	5.2000	\$ 464,640	1						
2	Cambridge Realty		X	Operating Loss Loan	\$9,620.47	12/1/03	1,941,500	1,878,716	1/1/2044	5.2000	98,108	2						
3												3						
4												4						
5	Insurance Interest-see reclass		x	Malpractice Ins							899	5						
	Working Capital																	
6	Related party-AMS	X		Working capital							166,732	6						
7	Related party-FECSII	X		Working capital							1,455	7						
8	Related party-CPT	X		Working capital							232	8						
9	TOTAL Facility Related				\$55,182.79		\$ 11,136,400	\$ 10,776,271			\$ 732,066	9						
	B. Non-Facility Related*																	
10	Northmoor Associates LP	X		Interest-Replacement Res							(2,949)	10						
11	Patient interest income		X	Non-care interest revenue							(25,541)	11						
12												12						
13												13						
14	TOTAL Non-Facility Related						\$	\$			\$ (28,490)	14						
15	TOTALS (line 9+line14)						\$ 11,136,400	\$ 10,776,271			\$ 703,576	15						

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 54,109 Line # 36* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

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

B. Real Estate Taxes

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

1. Real Estate Tax accrual used on 2006 report.		\$	417,900	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.)		\$	359,680	2
3. Under or (over) accrual (line 2 minus line 1).		\$	(58,220)	3
4. Real Estate Tax accrual used for 2007 report. (Detail and explain your calculation of this accrual on the lines below.)		\$	370,500	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		\$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		\$	312,280	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:	2002	425,808	8
	2003	392,894	9
	2004	401,622	10
	2005	405,711	11
	2006	359,680	12

The current year accrual is based on an estimated 3% increase of the prior year tax.

FOR BHF USE ONLY			
13	FROM R. E. TAX STATEMENT FOR 2006	\$	13
14	PLUS APPEAL COST FROM LINE 5	\$	14
15	LESS REFUND FROM LINE 6	\$	15
16	AMOUNT TO USE FOR RATE CALCULATION	\$	16

NOTES:

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

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2006 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 2006 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2006.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2006 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 2007 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.

2006 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Northmoor Rehab & HCC COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0041277

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

TELEPHONE (773) 286-3883 FAX #: (773)286-8038

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2006 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 2006.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>See Attached (12 Pg Supplement)</u>	<u>Related Party-Alden Management Ser</u>	<u>\$ 241,399.00</u>	<u>\$ 5,737.00</u>
2. <u>See Attached (12 Pg Supplement)</u>	<u>Related Party-Forum Professional Cen</u>	<u>\$ 37,806.00</u>	<u>\$ 473.00</u>
3. <u>13-06-409-017-0000</u>	<u>Nursing Home</u>	<u>\$ 5,224.06</u>	<u>\$ 5,224.06</u>
4. <u>13-06-409-018-0000</u>	<u>Nursing Home</u>	<u>\$ 3,122.93</u>	<u>\$ 3,122.93</u>
5. <u>13-06-409-019-0000</u>	<u>Nursing Home</u>	<u>\$ 3,062.06</u>	<u>\$ 3,062.06</u>
6. <u>13-06-409-020-0000</u>	<u>Nursing Home</u>	<u>\$ 2,980.25</u>	<u>\$ 2,980.25</u>
7. <u>13-06-409-021-0000</u>	<u>Nursing Home</u>	<u>\$ 68,744.09</u>	<u>\$ 68,744.09</u>
8. <u>13-06-409-022-0000</u>	<u>Nursing Home</u>	<u>\$ 68,411.07</u>	<u>\$ 68,411.07</u>
9. <u>13-06-409-023-0000</u>	<u>Nursing Home</u>	<u>\$ 68,411.07</u>	<u>\$ 68,411.07</u>
10. <u>13-06-409-024, 025-000</u>	<u>Nursing Home</u>	<u>\$ 139,724.83</u>	<u>\$ 139,724.83</u>
	TOTALS	<u>\$ 638,885.36</u>	<u>\$ 365,890.36</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 2006 tax bills which were listed in Section A to this statement. Be sure to use the 2006 tax bill which is normally paid during 2007.

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 83,872 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 4

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

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

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

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

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

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1	<u>Nursing Facility</u>	<u>53,009</u>	<u>1996</u>	<u>\$ 1,429,683</u>	<u>1</u>
2					<u>2</u>
3	TOTALS	53,009		\$ 1,429,683	3

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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	198		1994	\$ 8,796,651	\$ 227,120	40	\$ 219,916	\$ (7,204)	\$ 2,621,642	4
5										5
6										6
7										7
8	Related Party-Forum		1978	14,541		25			14,541	8
	Improvement Type**									
9	Cable installation		1996	5,704		5			5,704	9
10	Cable installation		1996	3,286		5			3,286	10
11	Fire alarm		1996	17,753	1,184	15	1,184		13,315	11
12	Install additional outlet		1997	2,108	211	10	211		2,108	12
13	Install additional outlet		1997	1,116	112	10	112		1,116	13
14	Install additional outlet		1997	2,668	267	10	267		2,668	14
15	Access control materials		1997	4,714	471	10	471		4,714	15
16	HVAC repair		1997	6,413		5			6,413	16
17	Phone line installation		1997	2,768		5			2,768	17
18	Phone line installation		1997	3,096		5			3,096	18
19	Equipment for security system		1998	4,170	417	10	417		4,170	19
20	Change belt on fans & airhandlers		1998	2,012		5			2,012	20
21	Wire third floor & twenty bed jacks		1998	7,189	719	10	719		7,009	21
22	Repair pump motor on elevator		1998	3,500	175	20	175		1,662	22
23	Install pump motor on dishwasher		1998	2,029	203	10	203		1,944	23
24	Install door locks		1998	8,157	816	10	816		8,022	24
25	Door system work		1998	775	77	10	77		710	25
26	Repair nurse call system		1998	275	27	10	27		252	26
27	Repair nurse call system		1998	1,032	103	10	103		945	27
28	Repair nurse call system		1998	982	98	10	98		900	28
29	Chiller		1998	52,667	3,511	15	3,511		31,893	29
30	Computer & training & installation		1998	3,158		5			3,158	30
31	Canopy construction		1998	73,120	4,875	15	4,875		47,528	31
32	Continue on page 12A									32
33										33
34										34
35										35
36										36

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

See Page 12A, Line 70 for total

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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	Climate Service - replace compressor	1999	\$ 2,603	\$ 173	15	\$ 173	\$	\$ 1,561	37
38	Washtown equipment - dryer installation	1999	2,875	288	10	288		2,516	38
39	Climate Service - repair chiller pump	1999	2,940		5			2,940	39
40	Equipment INT - dryer repair	1999	130		5			130	40
41	Rykoff Sexton - coffee machine	1999	2,021		5			2,021	41
42	Equipment INT - dryer repair	1999	1,891		5			1,891	42
43	Climate Service - chiller maint	1999	3,071		5			3,071	43
44	United Communication group-phone repair	1999	1,593	159	10	159		1,300	44
45	Long elevator	1999	2,168	108	20	108		885	45
46	Climate service - ice machine repair	1999	1,885	188	10	188		1,523	46
47	Climate service - condensor repair	1999	3,579	239	15	239		3,023	47
48	ABC -misc. Work	2000	16,003	1,600	10	1,600		11,335	48
49	CSI-change exhausst belt - hvac	2000	1,695		5			1,695	49
50	ABC - metla frame/heating vent	2000	2,048	102	20	102		802	50
51	ABC - misc. const. Work	2000	2,059		5			2,059	51
52	GT mechanical - gas line	2001	1,563	156	10	156		1,107	52
53	Coker services-repair washer	2001	2,013	201	10	201		1,375	53
54	Coker services -install gas unit	2001	4,125	413	10	413		2,819	54
55	DBS contracting -lawn sprinkler	2001	2,215	148	15	148		1,108	55
56	DBS contracting -lawn sprinkler	2001	2,575	172	15	172		1,231	56
57	GT mechanical -condensor fan motors	2001	1,867	124	15	124		828	57
58	CSI Corker - service on cleveland MD2224CGA1	2001	1,582	158	10	158		975	58
59	GT Mech- chiller repair (both chillers)	2002	1,435	287	5	287		1,435	59
60	GT Mech- credit for 5/01 inv 18186	2002	(1,259)	(84)	15	(84)		(491)	60
61	Action Fence Contractors-install 3 steel bollards	2002	1,725	172	10	172		977	61
62	ABC- Efficient Insulation Systems- insulation	2002	769	51	15	51		282	62
63	ABC- Joseph Stanger corian top repair	2002	1,632	163	10	163		843	63
64	ABC- 30' flagpole and installation	2002	2,215	111	20	111		619	64
65	ABC- Action Fence install 3 steel bollards	2002	2,011	201	10	201		1,056	65
66	ABC- Action Fence dumpster gate	2002	2,332	466	5	466		2,332	66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 9,093,246	\$ 245,982		\$ 238,778	\$ (7,204)	\$ 2,844,824	70

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

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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		\$ 9,093,246	\$ 245,982		\$ 238,778	\$ (7,204)	\$ 2,844,824	1
2	ABC-fire/smoker dampers	2003	6,390	639	10	639		2,875	2
3	ABC-rooftop compressor	2003	8,411	561	15	561		2,570	3
4	ABC-securitron DK 26	2003	1,087	72	15	72		338	4
5	GT Mechanical - H/V/A/C	2004	2,594	259	10	259		929	5
6	CSI Coker - Oven (flame spreader)	2004	3,378	338	10	338		1,183	6
7	ABC - Elevator finish (handrails/baseboard)	2004	2,150	179	12	179		612	7
8	ABC - Elevator finish (handrails/baseboard)	2004	2,150	179	12	179		567	8
9	Top Notch Service - Steam wells (2)	2004	2,153	215	10	215		664	9
10	ABC (C&H Bldg Spec)-30' flagpole & installation	2005	2,193	110	20	110		284	10
11	Equipment Int'l-#1 American Dryer repl parts	2005	2,007	201	10	201		586	11
12	ABC (JJ Designs)-Refurbish rooms/furniture/board trim	2005	5,324	355	15	355		976	12
13	Lees (The Floor Source)-4th floor dining room tiling	2005	5,702	570	10	570		1,425	13
14	ABC (Stripe-It-Right)-Sealcoat & stripe	2005	2,029	203	20	203		490	14
15	ABC (SCI Design)-Refurbish/finish furniture	2005	4,326	288	15	288		672	15
16	ABC (Amer Bldg Serv)-Restroom doors	2005	759	40	20	40		87	16
17	ABC (Raise-Rite Concrete)-Mud jack ambulance entry/patio	2005	1,020	68	15	68		147	17
18	ABC (Oak Fire)-Smoke detectors for elevator recall system	2006	13,931	1,045	10	1,045		697	18
19	GT Mechanical-Compressor fan motor & cooling fans	2006	4,097	171	10	171		46	19
20	Long Elevator-New motor/relays/starter	2006	7,333	336	20	336		183	20
21	Oak Fire & Security - Smoke Detectors	2007	3,020	227	10	227		227	21
22	ABC Electrical Work	2007	24,463	510	20	510		510	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)		\$ 9,197,763	\$ 252,548		\$ 245,344	\$ (7,204)	\$ 2,860,892	34

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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		\$ 9,197,763	\$ 252,548		\$ 245,344	\$ (7,204)	\$ 2,860,892	1
2									2
3	Related Party-Forum Prof Center Building:								3
4	Leasehold Improvement-Remodeling	1980	11,034		15			11,034	4
5	Leasehold Improvement-Remodeling	1980	17,284		20			17,284	5
6	Leasehold Improvement-Tenant Improvement	1987	893		13			893	6
7	Leasehold Improvement-AMS Remodel	1988	14,339		10			14,339	7
8	Leasehold Improvement-Roof	1994	3,204	200	16	200		2,604	8
9	Leasehold Improvement-Build.Improv.	1996	1,130	71	16	71		843	9
10	Leasehold Improvement-Asphalting	2000	88		3			88	10
11	Leasehold Improvement-DAI	2001	154	15	10	15		95	11
12	Leasehold Improvement-Bathrooms	2002	667	73	7	73		391	12
13	Leasehold Improvement-Suite Renovation	2003	1,638	164	10	164		819	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, etc	2004	2,050	391	7	391		1,213	14
15	Leasehold Improvement-sidewalks-City of Chic.	2007	106	21	5	21		21	15
16	Leasehold Improvement-Carpet: Superior Install.	2007	97	19	5	19		19	16
17	Leasehold Improvement-Condensing Unit: Suite 140	2007	841	168	5	168		168	17
18	Leasehold Improvement-Add-on Improvement, fixture base	1980	71		23			71	18
19	Leasehold Improvement-Add-on Improvement, lighting base	2001	123		5			123	19
20	Leasehold Improvements-fire extinguishers	2007	10	2	5	2		2	20
21									21
22									22
23									23
24	Related Party-AMS:								24
25	Leasehold Improvement-Remodeling	1993	5,938		7			5,938	25
26	Leasehold Improvement-Remodeling	2002	4,861	694	7	694		3,386	26
27	Leasehold Improvement-Remodeling	2003	5,085	726	7	726		3,525	27
28									28
29									29
30	Forum Extended Care, LLC-building/building improv	1999	10,485	266	30	266		2,420	30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,277,861	\$ 255,359		\$ 248,155	\$ (7,204)	\$ 2,926,168	34

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

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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	\$ 1,194,246	\$ 86,687	\$ 86,687	\$	Various	\$ 889,628	71
72	Current Year Purchases	38,789	1,329	1,329		Various	1,329	72
73	Fully Depreciated Assets	137,167	798	798		Various	137,167	73
74								74
75	TOTALS	\$ 1,370,202	\$ 88,814	\$ 88,814	\$		\$ 1,028,124	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	Bus	Ford Eldorado	2000	\$ 49,863	\$	\$	\$	3	\$ 49,863	76
77										77
78										78
79	Related Party-AMS	Lumina/Chev/2004	2004	117	29	29		3	117	79
80	TOTALS			\$ 49,980	\$ 29	\$ 29	\$		\$ 49,980	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)	\$ 12,127,727	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 344,202	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 336,998	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (7,204)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 4,004,272	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: Northmoor Associates LP - related party cost is backed out

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? YES NO

If NO, see instructions.

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

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

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

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

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

15. Is Movable equipment rental included in building rental? YES NO

16. Rental Amount for movable equipment: \$ 9,166 Description: Copy machine = \$8,918; postage meter = \$248

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	<u>Related party-AMS</u>		\$ <u>#####</u>	\$ <u>27,005</u>	17
18	<u>Facility Temp Lease</u>		<u>66.17</u>	<u>794</u>	18
19					19
20					20
21	TOTAL		\$ <u>#####</u>	\$ <u>27,799</u>	21

10. Effective dates of current rental agreement:

Beginning 4/1/2006

Ending 3/31/2016

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

Fiscal Year Ending Annual Rent

12. /2008 \$ 1,196,700

13. /2009 \$ 1,196,700

14. /2010 \$ 1,196,700

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

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

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

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

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

B. EXPENSES

ALLOCATION OF COSTS (d)

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

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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

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

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39-3	hrs	\$		\$ 291,741	\$		\$ 291,741	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			102,256			102,256	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			347,216			347,216	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See Pg 16A	# of prescripts				287,500		287,500	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program	39-1, 39-3, if any								12
13	Other (specify): See Pg 16A					12,811	185,941		198,752	13
14	TOTAL			\$		\$ 754,023	\$ 473,441		\$ 1,227,464	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.

Reporting Period Beginning 1/1/2007
 Reporting Period Ending 12/31/2007

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

XIV. Special Services (Direct Cost)

Service Description	Col. 1: Ref. No.	To Pg 16: Col. No.	
1. OT	39-3	To Col 5	\$291,740.57
2. ST	39-3	To Col 5	102,255.63
3.			
4. PT	39-3	To Col 5	347,216.17
5.			
6.			
7.			
8.			
Pharmacy Supplies per GL			193,834.64
Manual Input from Related Party- Forum Drugs			93,665.00
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	287,499.64
10.			
11.			
12. Exceptional Care-Salaries:	See pg 16A	To Col. 3	0.00
12. Exceptional Care-Supplies:	See pg 16A	To Col. 6	0.00
Total Exceptional Care (Line 12, Col 8)			0.00
13. Other:	See Pg 16A		
13. Col 5: Manual Input: Related Party - CPT		To Col 5	12,811.00
Other			351,589.94
Manual Input: Related Party - Pyramic			(67,483.00)
Manual Input: Related Party FECII - I.V.			(152,186.00)
Manual Input: Related Party FECII - Wound Care			(1,163.00)
Oxygen, from reclass worksheet			55,183.00
13. Col 6: Supplies Total		To Col 6	185,940.94
13. Total Line 13, Column 8			185,940.94
14. Total			1,227,463.95

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning: 1/1/07

Ending:

12/31/07

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/07

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 174,798	\$ 179,684	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 125,000)	2,018,470	2,018,470	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments		10,341	5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	19,452	33,571	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Due from 3rd parties/Escrow	219,961	477,673	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,432,681	\$ 2,719,739	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		1,429,683	13
14	Buildings, at Historical Cost		9,084,793	14
15	Leasehold Improvements, at Historical Cost	410,168	445,227	15
16	Equipment, at Historical Cost	318,541	1,362,532	16
17	Accumulated Depreciation (book methods)	(475,807)	(3,942,726)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds		536,977	21
22	Other Long-Term Assets (spec Refin. Fee,net		59,791	22
23	Other(specify): Due from affiliates	10,587,195	11,768,874	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 10,840,097	\$ 20,745,151	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 13,272,778	\$ 23,464,890	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 656,007	\$ 656,007	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	430,667	430,667	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	432,737	432,737	30
31	Accrued Taxes Payable (excluding real estate taxes)	22,024	22,024	31
32	Accrued Real Estate Taxes(Sch.IX-B)		370,500	32
33	Accrued Interest Payable	4,630	43,187	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Other acc'd exp/sales&use tax	18,737	18,737	36
37	ST part of LT debt		104,290	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,564,802	\$ 2,078,149	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable		1,860,534	39
40	Mortgage Payable		8,811,447	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	Due to shareholders		78,068	43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 10,750,049	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,564,802	\$ 12,828,198	46
47	TOTAL EQUITY(page 18, line 24)	\$ 11,707,976	\$ 10,636,692	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 13,272,778	\$ 23,464,890	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 9,803,637	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 9,803,637	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	1,904,339	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)	\$ 1,904,339	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)	\$ 11,707,976	24 *

* This must agree with page 17, line 47.

**XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.
Note: This schedule should show gross revenue and expenses. Do not net revenue against expense**

1

Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 11,595,009	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 11,595,009	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	78,510	6
7	Oxygen	33,039	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 111,549	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	1,735	12
13	Barber and Beauty Care	2,293	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio	90	15
16	Rental of Facility Space		16
17	Sale of Drugs	1,030	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	813	19
20	Radiology and X-Ray		20
21	Other Medical Services	68,135	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 74,096	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	25,540	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 25,540	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See attached PG19A</u>	17,551	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 17,551	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 11,823,745	30

2

Expenses		Amount	
A. Operating Expenses			
31	General Services	1,759,248	31
32	Health Care	3,138,176	32
33	General Administration	2,322,518	33
B. Capital Expense			
34	Ownership	1,304,422	34
C. Ancillary Expense			
35	Special Cost Centers	1,286,637	35
36	Provider Participation Fee	108,405	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 9,919,406	40
41	Income before Income Taxes (line 30 minus line 40)**	1,904,339	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 1,904,339	43

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

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

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

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

Facility Name Alden Nursing Center-Northmoor
 IDPH Facility ID Number 004-1277
 Period Beginning 1/1/2007
 Period End 12/31/2007

Misc Income (G/L 4977)

Ref Line

Jury Duty (g/l 4977-100-002)	86.00	21
Employee Fees	20.00	22
Vending machine (g/l 4977-100-003)	461.00	2
Food Rebate (g/l 4977-100-023)	1,227.00	2
Wage service fee (g/l 4977-100-006)	20.00	21
Record copies (g/l 4977-100-001)	<u>1,398.00</u>	10
Total G/L 4977	3,212.00	

Meals-private only (g/l 4640-100-000)

Adjust prior year expenses (gl 4983-100-000)	6,852.00
Gain on Sale of Assets	<u>7,487.00</u>

Total of Page 19, Line 28 17,551.00

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

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	2,084	2,084	\$ 103,022	\$ 49.43	1
2	Assistant Director of Nursing	2,080	2,080	85,412	41.06	2
3	Registered Nurses	24,113	25,519	857,964	33.62	3
4	Licensed Practical Nurses	18,628	19,222	493,052	25.65	4
5	CNAs & Orderlies	75,091	80,183	988,398	12.33	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	2,589	2,649	36,236	13.68	8
9	Activity Director	2,080	2,080	32,189	15.48	9
10	Activity Assistants	6,006	6,219	52,901	8.51	10
11	Social Service Workers	2,080	2,080	40,310	19.38	11
12	Dietician					12
13	Food Service Supervisor	2,080	2,080	40,672	19.55	13
14	Head Cook	8,320	8,320	150,224	18.06	14
15	Cook Helpers/Assistants	28,930	32,156	335,100	10.42	15
16	Dishwashers					16
17	Maintenance Workers	2,008	2,024	33,356	16.48	17
18	Housekeepers	17,059	18,061	183,639	10.17	18
19	Laundry	5,470	5,979	52,201	8.73	19
20	Administrator	1,856	1,955	75,095	38.41	20
21	Assistant Administrator					21
22	Other Administrative	3,964	3,972	74,292	18.70	22
23	Office Manager	1,864	1,880	25,309	13.46	23
24	Clerical	2,658	2,801	26,749	9.55	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	3,944	3,944	118,888	30.14	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health C: Unit Director	2,080	2,080	32,333	15.54	32
33	Other(specify) Alz staff	3,140	3,223	37,988	11.79	33
34	TOTAL (lines 1 - 33)	218,124	230,591	\$ 3,875,330 *	\$ 16.81	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	\$ 12,000	1-3	35
36	Medical Director	Monthly	31,400	9-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	4,752	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	22	1,543	11-3	44
45	Social Service Consultant	2	512	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	24	\$ 50,207		49

C. CONTRACT NURSES

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

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions		
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount		
Jacqueline Gully	Administrator	0	\$ 75,095	Workers' Compensation Insurance	\$ 88,716	IDPH License Fee	\$ 4,867		
				Unemployment Compensation Insurance	30,637	Advertising: Employee Recruitment	4,580		
				FICA Taxes	284,224	Health Care Worker Background Check	460		
				Employee Health Insurance	29,266	(Indicate # of checks performed 46)			
				Employee Meals	15,719	Patient Background Checks	183		
				Illinois Municipal Retirement Fund (IMRF)*		Surety bond fees	1,200		
				Union health & welfare	68,553	IL Health Care Ass'n	8,370		
				Pension	24,493	Related party - AMS	636		
				Dental & life	1,509	Eliminate non-care costs	(606)		
				EE rel/misc p/r/drug tests/vaccines	7,205				
				401k match/tuition reimb	1,838	Less: Public Relations Expense	()		
				Chicago head tax	5,360	Non-allowable advertising	()		
				Eliminate non-care costs	(606)	Yellow page advertising	()		
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 75,095	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)			
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$	E. Schedule of Non-Cash Compensation Paid to Owners or Employees		G. Schedule of Travel and Seminar**			
C. Professional Services				Description	Line #	Amount	Description	Amount	
Vendor/Payee	Type		Amount						
Alden Mgmt Serv	Management fees		\$ 879,240				Out-of-State Travel	\$	
BDO/Reznick	Accounting fees		7,332						
Kenneth Fisch	Legal fees-collections		14,247						
Fisch/Greenburg	Legal fees-noncollections		7,225				In-State Travel		
Ungaritt and Harris	Legal fees-noncollections		2,690				Gas expense		
SMS	Billing consultant		6,678						
Pathway Reclassed	Clinical consultant		7,097				Related party-AMS	2,997	
Ungaritt and Harris	Collection Fee-eliminated		5,028				Seminar Expense		
Medifax EDI/KPMG/Daley	Billing/Acctg Consult.		1,182				Leadership training	5,351	
Mayer Brown & Platt	R/E Tax Appraisal		4,622				IHCA Medicaid/Alz Assoc/Roche	582	
							IL food serv recertify seminar		
							Entertainment Expense	()	
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 935,341	TOTAL		\$	TOTAL (agree to Sch. V, line 24, col. 8)		\$ 8,930

* Attach copy of IMRF notifications

**See instructions.

Alden Northmoor Rehab & HCC
Legal Fee Support
2007

Pg 21A

Legal Fees Reported on Pg 21, Section C:	29,190.00
Less: Collection, estates & other non-allowable legal fees listed on Pg 5, Ln 19	(19,275.00)
Less: Non-allowable legal fees, if any, deducted on Pg 5A	<hr/>
Allowable Legal Fees	<u><u>9,915.00</u></u>

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	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
1	INSTALL BELTS ON A/C	5/97	\$ 2,367	3	\$	\$	\$	\$	\$	\$	\$	\$
2	REPAIR AIR COMPRES	10/97	3,174	3								
3	REPAIR MOTOR, VENT	11/97	3,140	3								
4	HVAC REPAIR	6/98	2,661	3								
5	INSTALLL CONTRLS	7/98	3,900	3								
6	INSTL PHASE MONITO	7/98	4,250	3								
7	REPLACE COOLING FA	12/98	1,219	3								
8	REPAIR FAN FREQUE	12/98	446	3								
9	CLIMATE SER. ADJ '98	12/98	(446)	3								
10	PAINTING >1500 '99	7/99	6,870	3								
11	ABC- MISC. JOBS	7/00	3,677	3								
12	ABC- REPAIR CARPET	9/00	2,042	3								
13	ABC - MISC. JOBS	11/00	5,101	3								
14	PAINTING >1500 '00	7/00	5,943	3								
15	csi coker service-dishwash	6/02	2,462	3	821	341						
16	abc-sealcoat/stripping	7/02	1,490	3	497	248						
17	equip int'l-dryer work	8/02	1,402	3	467	273						
18	healthcare prod-fix w/c's	8/02	1,705	3	568	332						
19	continue on page 22a...											
20	TOTALS		\$ 51,403		\$ 2,353	\$ 1,194	\$	\$	\$	\$	\$	\$

Facility Name & ID Number Alden Nursing Center-Northmoor Report Period Beginning: 1/1/07 Ending: 12/31/07

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							
																	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
1	Totals from Page 22 carried forward		\$ 51,403		\$ 2,353	\$ 1,194	\$	\$	\$	\$														
2																								
3	sherwin-patch/paint/wallpap	1/02	6,102	3	2,034	2,034																		
4	g&j plaster. Plastering	8/02	2,682	3	894	894	522																	
5	jd & sons- roof repairs	8/02	1,749	3	583	583	340																	
6	equip int'l- dryer repair	10/02	1,009	3	336	336	253																	
7																								
8																								
9																								
10																								
11																								
12																								
13																								
14																								
15																								
16																								
17																								
18																								
19																								
20	TOTALS		\$ 62,945		\$ 6,200	\$ 5,041	\$ 1,115	\$	\$	\$														

Facility Name & ID Number Alden Northmoor Rehab & HCC

0041277

Report Period Beginning:

1/1/07

Ending:

12/31/07

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? Yes
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. II. Health Care Assoc. \$11,840
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 50,950 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? _____
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO x If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 108,405
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 15,719 Has any meal income been offset against related costs? No Indicate the amount. \$ _____
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? No
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? No
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: _____ The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? No If no, please explain. Not required.
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, 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