

		FOR BHF USE				

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2007
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2007)

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

I. IDPH License ID Number: 0042036

Facility Name: Alden of Waterford

Address: 2021 Randi Drive Aurora 60504
 Number City Zip Code

County: Kane

Telephone Number: (630) 851-7266 **Fax #** (630) 851-7585

HFS ID Number: 36-4322410001

Date of Initial License for Current Owners: 08/01/2001

Type of Ownership:

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

In the event there are further questions about this report, please contact:
Name: Steven M. Kroll **Telephone Number:** (773) 286-3883

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/07 to 12/31/07 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

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

Officer or Administrator of Provider	(Signed) _____	(Date) _____
	(Type or Print Name) <u>Joan Carl</u>	
Paid Preparer	(Title) <u>Manager</u>	
	(Signed) _____	(Date) _____
Paid Preparer	(Print Name and Title) _____	
	(Firm Name & Address) _____	
	(Telephone) () _____	Fax # () _____
	MAIL TO: BUREAU OF HEALTH FINANCE ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES 201 S. Grand Avenue East Springfield, IL 62763-0001	

Phone # (217) 782-1630

Facility Name & ID Number Alden of Waterford

0042036 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	<u>99</u>	Skilled (SNF)	<u>99</u>	<u>36,135</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>99</u>	TOTALS	<u>99</u>	<u>36,135</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>700</u>	<u>4,216</u>	<u>11,984</u>	<u>16,900</u>	8
9	SNF/PED					9
10	ICF	<u>4,665</u>	<u>5,607</u>		<u>10,272</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>5,365</u>	<u>9,823</u>	<u>11,984</u>	<u>27,172</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 75.20%

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

none (Do not include bed-hold days in Section B.)

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

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

none

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

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

YES NO

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

YES NO

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

Date started 12/29/2001

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

YES Date _____ NO

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

YES NO If YES, enter number of beds certified 99 and days of care provided 11,738

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL 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 of Waterford # 0042036 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	411,280	32,455	12,000	455,735	553	456,288	(319)	455,969		1
2	Food Purchase		215,016		215,016	(18,592)	196,424	(17,009)	179,415		2
3	Housekeeping	112,828	21,578		134,406	725	135,131	2,198	137,329		3
4	Laundry	35,496	16,154		51,650	87	51,737		51,737		4
5	Heat and Other Utilities			262,461	262,461		262,461	(5,276)	257,185		5
6	Maintenance	48,150		214,639	262,789	(8)	262,781	38,209	300,990		6
7	Other (specify):* Security/Related Party ben			710	710		710	4,164	4,874		7
8	TOTAL General Services	607,754	285,203	489,810	1,382,767	(17,235)	1,365,532	21,967	1,387,499		8
	B. Health Care and Programs										
9	Medical Director			68,400	68,400		68,400		68,400		9
10	Nursing and Medical Records	1,981,419	156,128	2,753	2,140,300	12,848	2,153,148	29,131	2,182,279		10
10a	Therapy	27,103			27,103		27,103		27,103		10a
11	Activities	85,014	3,972	4,439	93,425	110	93,535		93,535		11
12	Social Services	50,154			50,154		50,154		50,154		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Related Party Benef							4,649	4,649		15
16	TOTAL Health Care and Programs	2,143,690	160,100	75,592	2,379,382	12,958	2,392,340	33,780	2,426,120		16
	C. General Administration										
17	Administrative	129,202			129,202		129,202	63,593	192,795		17
18	Directors Fees										18
19	Professional Services			485,786	485,786	(21,951)	463,835	(409,713)	54,122		19
20	Dues, Fees, Subscriptions & Promotions			98,759	98,759	87	98,846	(80,596)	18,250		20
21	Clerical & General Office Expenses	310,558	39,633	80,030	430,221	89	430,310	14,923	445,233		21
22	Employee Benefits & Payroll Taxes			500,196	500,196	13,444	513,640	(25,929)	487,711		22
23	Inservice Training & Education										23
24	Travel and Seminar			6,808	6,808		6,808	1,379	8,187		24
25	Other Admin. Staff Transportation			9,518	9,518	(87)	9,431	6,575	16,006		25
26	Insurance-Prop.Liab.Malpractice			95,971	95,971	(450)	95,521	11,622	107,143		26
27	Other (specify):* Related Party Benef			139,357	139,357		139,357	(106,672)	32,685		27
28	TOTAL General Administration	439,760	39,633	1,416,425	1,895,818	(8,868)	1,886,950	(524,818)	1,362,132		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,191,204	484,936	1,981,827	5,657,967	(13,145)	5,644,822	(469,071)	5,175,751		29

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

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

Facility Name & ID Number Alden of Waterford #0042036 Report Period Beginning: 1/1/07 Ending: 12/31/07

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost 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	
	D. Ownership											
30	Depreciation			17,184	17,184		17,184	276,466	293,650			30
31	Amortization of Pre-Op. & Org.							35	35			31
32	Interest			86,307	86,307	450	86,757	607,786	694,543			32
33	Real Estate Taxes							37,635	37,635			33
34	Rent-Facility & Grounds			1,244,988	1,244,988		1,244,988	(1,244,988)				34
35	Rent-Equipment & Vehicles			11,743	11,743		11,743	19,880	31,623			35
36	Other (specify):* MIP							40,813	40,813			36
37	TOTAL Ownership			1,360,222	1,360,222	450	1,360,672	(262,373)	1,098,299			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		630,541	1,040,804	1,671,345	12,695	1,684,040	(310,631)	1,373,409			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,203	54,203		54,203		54,203			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		630,541	1,095,007	1,725,548	12,695	1,738,243	(310,631)	1,427,612			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,191,204	1,115,477	4,437,056	8,743,737		8,743,737	(1,042,075)	7,701,662			45

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

Alden of Waterford LLC
Reporting Period Beginning
Reporting Period Ending

1/1/2007
12/31/2007

IDPH Facility ID Number: 004-2036 Page 4A

Reclassifications - Pgs 3 and 4

<u>From Line</u>	<u>To Line</u>	<u>Amount</u>	<u>Description</u>
19		(21,951)	Clinical Coordinators (Pathway)
	10	21,951	Clinical Coordinators (Pathway)
2		(18,592)	Employee Meals
	22	18,592	Employee Meals
10		(12,695)	Oxygen Costs
	39	12,695	Oxygen Costs
26		(450)	Insurance Expense
	32	450	Insurance Expense
22		(5,148)	Employee Uniforms
	1	553	Employee Uniforms
	3	725	Employee Uniforms
	4	87	Employee Uniforms
	6	(8)	Employee Uniforms
	10	3,592	Employee Uniforms
	11	110	Employee Uniforms
	21	89	Employee Uniforms
25		(87)	Advertising expense
	20	87	Advertising expense (eliminated on Pg5A)
<hr/>			-

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

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	(56)	2		4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(193,644)	30		9
10	Interest and Other Investment Income	(1,440)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(2,330)	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	(5,970)	21		17
18	Fines and Penalties	(11,765)	32		18
19	Entertainment	(2,708)	20		19
20	Contributions	(6,569)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(29,768)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(139,357)	27		24
25	Fund Raising, Advertising and Promotional	(28,261)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(390)	20		28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (422,258)		\$	30

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(81,460)	Various	34
35	Other- Attach Schedule	(538,357)	Pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (619,817)		36
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (1,042,075)		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

BHF USE ONLY						
48		49		50		51
						52

Alden of Waterford

ID# 0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line	Reference
1	Late fees on utilities	\$ (6,836)	5	1
2	Misc inc-record copies (g/1 4977-100-001)	(332)	10	2
3	Misc inc-wage service fee (g/1 4977-100-006)	(24)	21	3
4	Misc inc-food rebate (g/1 4977-100-005)	(2,484)	2	4
5	Marketing Mngr & aides (g/1 6701sub 009&015)	(161,629)	21	5
6	Mktg Mgr & aides employee benefits deduction	(25,334)	22	6
7	IL Health Care Assoc dues (29.31%)	(1,602)	20	7
8	Add back vendor settlement cost (gl 7143)	1,496	21	8
9	Back out vendor settlement credit (gl 7143)	(4)	6	9
10	Back out vendor settlement credit (gl 7143)	(1,492)	39	10
11	Back out bank fees charged LP	(83)	21	11
12	Back out LP mtge int in excess of CON asset limit	(320,739)	32	12
13	Back out LP MIP in excess of CON asset limit	(20,571)	36	13
14	Back out fines & penalties charges LP	(15,520)	32	14
15	Back out related party loan int (gl 7053)	(292)	32	15
16	Add back credit posted for prior yr legal fees	335	19	16
17	Back out advertising expense (Pg 4A)	(87)	20	17
18	Add back leadership training cost [4,000 x .0306]	122	24	18
19				19
20	Expense assets < \$2,500 [M. Repairs]	2,857	6	20
21	Back out depreciation on assets < \$2,500 [MR's]	(193)	30	21
22	Expense assets < \$2,500 [pg 13]	17,696	6	22
23	Back out depreciation on assets < \$2,500 [pg 13]	(2,694)	30	23
24				24
25	To adj depreciation to equal pg 13's	2,020	30	25
26	Eliminate non-care employee benefits	(595)	22	26
27	Eliminate non-care marketing costs	(1,736)	20	27
28	Eliminate non-care G&A costs	(318)	21	28
29	Eliminate non-care R&M costs	(318)	6	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	(538,357)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden of Waterford

0042036

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 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	3,152	(3,471)	0	0	0	0	0	0	0	(319)	1
2	Food Purchase	(4,870)	0	0	(12,139)	0	0	0	0	0	0	0	(17,009)	2
3	Housekeeping	0	0	2,198	0	0	0	0	0	0	0	0	2,198	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(6,836)	0	1,560	0	0	0	0	0	0	0	0	(5,276)	5
6	Maintenance	20,231	0	13,281	0	0	0	(226)	4,923	0	0	0	38,209	6
7	Other (specify):*	0	0	3,528	636	0	0	0	0	0	0	0	4,164	7
8	TOTAL General Services	8,525	0	23,719	(14,974)	0	0	(226)	4,923	0	0	0	21,967	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	(332)	0	26,634	1,707	1,122	0	0	0	0	0	0	29,131	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	4,649	0	0	0	0	0	0	0	0	4,649	15
16	TOTAL Health Care and Programs	(332)	0	31,283	1,707	1,122	0	0	0	0	0	0	33,780	16
	C. General Administration													
17	Administrative	0	0	63,593	0	0	0	0	0	0	0	0	63,593	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(29,433)	9,494	(389,774)	0	0	0	0	0	0	0	0	(409,713)	19
20	Fees, Subscriptions & Promotions	(41,353)	0	(39,243)	0	0	0	0	0	0	0	0	(80,596)	20
21	Clerical & General Office Expenses	(166,528)	284	132,162	14,156	34,849	0	0	0	0	0	0	14,923	21
22	Employee Benefits & Payroll Taxes	(25,929)	0	0	0	0	0	0	0	0	0	0	(25,929)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	122	0	1,257	0	0	0	0	0	0	0	0	1,379	24
25	Other Admin. Staff Transportation	0	0	6,575	0	0	0	0	0	0	0	0	6,575	25
26	Insurance-Prop.Liab.Malpractice	0	11,506	116	0	0	0	0	0	0	0	0	11,622	26
27	Other (specify):*	(139,357)	0	29,278	1,322	2,085	0	0	0	0	0	0	(106,672)	27
28	TOTAL General Administration	(402,478)	21,284	(196,036)	15,478	36,934	0	0	0	0	0	0	(524,818)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(394,285)	21,284	(141,034)	2,211	38,056	0	(226)	4,923	0	0	0	(469,071)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden of Waterford

0042036

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	(194,511)	466,224	3,226	0	1,527	0	0	0	0	0	0	276,466	30
31	Amortization of Pre-Op. & Org.	0	0	35	0	0	0	0	0	0	0	0	35	31
32	Interest	(349,756)	947,968	7,278	0	1,982	314	0	0	0	0	0	607,786	32
33	Real Estate Taxes	0	34,585	2,406	0	644	0	0	0	0	0	0	37,635	33
34	Rent-Facility & Grounds	0	(1,244,988)	0	0	0	0	0	0	0	0	0	(1,244,988)	34
35	Rent-Equipment & Vehicles	0	0	19,880	0	0	0	0	0	0	0	0	19,880	35
36	Other (specify):*	(20,571)	61,384	0	0	0	0	0	0	0	0	0	40,813	36
37	TOTAL Ownership	(564,838)	265,173	32,825	0	4,153	314	0	0	0	0	0	(262,373)	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	(1,492)	0	0	(51,320)	(85,880)	(171,939)	0	0	0	0	0	(310,631)	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	(1,492)	0	0	(51,320)	(85,880)	(171,939)	0	0	0	0	0	(310,631)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(960,615)	286,457	(108,209)	(49,109)	(43,671)	(171,625)	(226)	4,923	0	0	0	(1,042,075)	45

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/07

Ending:

12/31/07

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
Alden of Waterford Investments, LLC see Pg 6L	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 Rental income	\$ 1,244,988	Alden of Waterford Limited Partnership	100.00%	\$	\$ (1,244,988)	1
2	V	32 Interest income-R/R	24,634	Alden of Waterford Limited Partnership			(24,634)	2
3	V	19 Accounting fees		Alden of Waterford Limited Partnership		3,160	3,160	3
4	V	19 Professional fees		Alden of Waterford Limited Partnership		6,334	6,334	4
5	V	21 Bank charges		Alden of Waterford Limited Partnership		83	83	5
6	V	32 Fines & penalties		Alden of Waterford Limited Partnership		15,520	15,520	6
7	V	21 Other administrative		Alden of Waterford Limited Partnership		201	201	7
8	V	33 Real estate taxes		Alden of Waterford Limited Partnership		34,585	34,585	8
9	V	26 Property & liability insurance		Alden of Waterford Limited Partnership		11,506	11,506	9
10	V	36 Mortgage insurance premium		Alden of Waterford Limited Partnership		61,384	61,384	10
11	V	32 Mortgage interest		Alden of Waterford Limited Partnership		957,082	957,082	11
12	V	30 Depreciation		Alden of Waterford Limited Partnership		466,224	466,224	12
13	V							13
14	Total		\$ 1,269,622			\$ 1,556,079	\$ * 286,457	14

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

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	\$	Alden Management Services, Inc.	0.00%	\$ 1,560	\$ 1,560	15
16	V	24	Trav & Seminar		Alden Management Services, Inc.		1,257	1,257	16
17	V	25	Other Admin Travel		Alden Management Services, Inc.		6,575	6,575	17
18	V	26	Insurance		Alden Management Services, Inc.		116	116	18
19	V	20	Dues & Subscriptions	39,510	Alden Management Services, Inc.		267	(39,243)	19
20	V	30	Depreciation		Alden Management Services, Inc.		3,226	3,226	20
21	V	31	Amortization		Alden Management Services, Inc.		35	35	21
22	V	33	Real Estate Tax		Alden Management Services, Inc.		2,406	2,406	22
23	V	35	Rent-Equip & Vehicles		Alden Management Services, Inc.		19,880	19,880	23
24	V	32	Interest		Alden Management Services, Inc.		7,278	7,278	24
25	V	1	Dietary		Alden Management Services, Inc.		3,152	3,152	25
26	V	3	Housekeeping		Alden Management Services, Inc.		2,198	2,198	26
27	V	7	Employee Benefits-Gen'l Servs		Alden Management Services, Inc.		3,528	3,528	27
28	V	10	Nurs & Med Records Salary		Alden Management Services, Inc.		26,634	26,634	28
29	V	15	Employee Benefits-Health Care		Alden Management Services, Inc.		4,649	4,649	29
30	V	17	Administrative Salary		Alden Management Services, Inc.		63,593	63,593	30
31	V								31
32	V	27	Employee Benefits-Admin.		Alden Management Services, Inc.		29,278	29,278	32
33	V	19	Professional Fees	413,547	Alden Management Services, Inc.		23,773	(389,774)	33
34	V	21	Gen'l & Admin.		Alden Management Services, Inc.		132,162	132,162	34
35	V	6	Repair & Maint.	6,846	Alden Management Services, Inc.		20,127	13,281	35
36	V								36
37	V								37
38	V								38
39	Total		\$ 459,903				\$ 351,694	\$ * (108,209)	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	1	Diet. Consultant	\$ 12,000	Prism Health Care Services, Inc.	0.00%	\$ 4,124	\$ (7,876)	15
16	V	1	Dietarty Salary		Prism Health Care Services, Inc.		4,405	4,405	16
17	V	2	Tube Feeding	20,566	Prism Health Care Services, Inc.		8,427	(12,139)	17
18	V	10	Equip. Rental	3,060	Prism Health Care Services, Inc.		4,767	1,707	18
19	V	39	Ancillary Supplies	94,560	Prism Health Care Services, Inc.		43,240	(51,320)	19
20	V	21	Gen'l & Admin Salary		Prism Health Care Services, Inc.		5,633	5,633	20
21	V	27	Employee Benefits		Prism Health Care Services, Inc.		1,322	1,322	21
22	V	7	Employee Benefits		Prism Health Care Services, Inc.		636	636	22
23	V	21	Gen'l & Admin.		Prism Health Care Services, Inc.		8,523	8,523	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		\$ 130,186				\$ 81,077	\$ * (49,109)	39

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

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	\$ 272,403	Forum Extended Care Services II, Inc.	0.00%	\$ 404,033	\$ 131,630	15
16	V	39 IV	243,837	Forum Extended Care Services II, Inc.		26,752	(217,085)	16
17	V	39 Wound Care	2,069	Forum Extended Care Services II, Inc.		1,644	(425)	17
18	V	10 House Stock	5,658	Forum Extended Care Services II, Inc.		5,400	(258)	18
19	V	10 Pharmacy Consultant	4,006	Forum Extended Care Services II, Inc.		5,386	1,380	19
20	V	27 Employee Vaccin.	1,752	Forum Extended Care Services II, Inc.		1,374	(378)	20
21	V	27 Employee Benefits: G&A		Forum Extended Care Services II, Inc.		2,463	2,463	21
22	V	21 Gen'l & Admin. Salary		Forum Extended Care Services II, Inc.		18,697	18,697	22
23	V	21 Gen'l & Admin.		Forum Extended Care Services II, Inc.		16,152	16,152	23
24	V	32 Interest		Forum Extended Care Services II, Inc.		1,982	1,982	24
25	V	33 Real Estate Tax		Forum Extended Care Services II, Inc.		644	644	25
26	V	30 Depreciation		Forum Extended Care Services II, Inc.		1,527	1,527	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		\$ 529,725			\$ 486,054	\$ * (43,671)	39

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

VII. RELATED PARTIES (continued)

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	39	Therapy	\$ 1,002,702	Community Physical Therapy & Associates, Ltd.	0.00%	\$ 830,763	\$ (171,939)	15
16	V	32	Interest		Community Physical Therapy & Associates, Ltd.		314	314	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			\$ 1,002,702			\$ 831,077	\$ * (171,625)	39

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

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	\$ 16,561	Alden Bennett Construction Company, Inc.	0.00%	\$ 16,335	\$	(226)	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			\$ 16,561			\$ 16,335	\$ *	(226)	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	Grounds maintenance	\$ 100,980	Waterford Management Services, Inc	0.00%	\$ 105,903	\$ 4,923	15	
16	V								16	
17	V								17	
18	V								18	
19	V								19	
20	V								20	
21	V								21	
22	V								22	
23	V								23	
24	V								24	
25	V								25	
26	V								26	
27	V								27	
28	V								28	
29	V								29	
30	V								30	
31	V								31	
32	V								32	
33	V								33	
34	V								34	
35	V								35	
36	V								36	
37	V								37	
38	V								38	
39	Total			\$ 100,980			\$ 105,903	\$ *	4,923	39

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

STATE OF ILLINIOS

Facility Name & ID Number

Alden of Waterford LLC

Provider No.

004-2306

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	Waterford Management Sevices, Inc	Chicago	Maintenance
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			

Alden of Waterford LLC
IDPH Facility ID Number
Reporting Period Beginning
Reporting Period Ending

Page 6L
004-2036
1/01/07
12/31/07

Owners of Alden of Waterford Investments, LLC

1	Floyd Schlossberg		28.63%
2	AMS		25.00%
3	Marcia Brin 1		0.50%
4	Marcia Brin 2		0.87%
5	Dan Sabin		1.00%
6	Ritchie D. Schullo		0.25%
7	Heather Bushong		0.25%
8	Sam & Joan Carl		1.00%
9	Susan Schwartz		1.00%
10	Melanie S. Mason		1.00%
11	Edward Schultz		1.00%
12	Gadi Z Cohen		1.00%
13	Naom Kerem		1.00%
14	Daniel Denise		0.50%
15	Michael D. Okun		1.00%
16	Hilda Dworiki	Class "B" Partner	2.00%
17	Josef Dembo	Class "B" Partner	3.00%
18	Edward & Paulina Osser	Class "B" Partner	3.00%
19	Robert & Charlotte Traverso Family Trust	Class "B" Partner	6.00%
19a	Wayne Korosec Family Trust	Class "B" Partner	4.00%
20	Max Fisch	Class "B" Partner	2.00%
21	Joan & Sam Carl	Class "B" Partner	3.00%
22	David Sezonov	Class "B" Partner	3.00%
23	Joe & Goldie Dembo	Class "B" Partner	1.00%
24	Edward & Paulina Osser	Class "B" Partner	1.00%
25	Joe & Goldie Dembo	Class "B" Partner	1.00%
26	Edward & Paulina Osser	Class "B" Partner	1.00%
27	Joan & Sam Carl	Class "B" Partner	3.00%
28	John Vercillo	Class "B" Partner	3.00%
			<u>100.00%</u>

Facility Name & ID Number Alden of Waterford # 0042036 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	28.63	165,116	0.94	2.35	Salary	\$ 4,024	17-7	1
2	Lauren Magnusson	Dir. Of Clinical Servi	Technical Nursing	0.00	62,261	0.94	2.35	Salary	1,517	10-7	2
3	Terry Magnusson	Dir. of Purchasing	Supervise Mainten	0.00	36,654	0.94	2.35	Salary	893	6-7	3
4	Joan Carl	Secretary	Vice-President	7.00	165,116	0.94	2.35	Salary	4,024	17-7	4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 10,458		13

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

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

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	\$ 27,172	\$ 1,561	1
2	24	Trav & Seminar	Patient Days	1,154,703	29	53,403	27,172	1,257	2
3	25	Other Admin Travel	Patient Days	1,154,703	29	279,431	27,172	6,575	3
4	26	Insurance	Patient Days	1,154,703	29	4,925	27,172	116	4
5	20	Dues & Subscriptions	Patient Days	1,154,703	29	11,328	27,172	267	5
6	30	Depreciation	No. of Providers/usage	29	29	93,554	1	3,226	6
7	31	Amortization	Patient Days	1,154,703	29	1,500	27,172	35	7
8	33	Real Estate Tax	Patient Days/usage	1,154,703	29	102,244	27,172	2,406	8
9	35	Rent-Equip & Vehicles	Patient Days	1,154,703	29	844,835	27,172	19,880	9
10	32	Interest	Patient Days/usage	1,154,703	29	309,281	27,172	7,278	10
11	1	Dietary	Patient Days	1,154,703	29	133,965	133,965	3,152	11
12	3	Housekeeping	Patient Days	1,154,703	29	93,421	93,421	2,198	12
13	7	Employee Benefits-Gen'l Servs	Patient Days	1,154,703	29	149,914	27,172	3,528	13
14	10	Nurs & Med Records Salary	Patient Days	1,154,703	29	1,131,860	1,178,420	26,634	14
15	15	Employee Benefits-Health Care	Patient Days	1,154,703	29	197,574	27,172	4,649	15
16	17	Administrative Salary	Patient Days/usage	1,154,703	29	2,702,405	1,946,420	63,592	16
17									17
18	27	Employee Benefits-Admin.	Patient Days	1,154,703	29	1,244,181	27,172	29,278	18
19	19	Professional Fees	Patient Days	1,154,703	29	1,010,272	531,592	23,773	19
20	21	Gen'l & Admin.	Patient Days	1,154,703	29	5,616,348	4,942,836	132,162	20
21	6	Repair & Maint.	Patient Days	1,154,703	29	855,298	666,770	20,127	21
22									22
23									23
24									24
25	TOTALS					\$ 14,902,068	\$ 9,493,424	\$ 351,694	25

Facility Name & ID Number Alden of Waterford # 0042036 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	2	3	4	5	6	7	8	9	10											
										Name of Lender	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	Heatland Bank of IL		X	Mortgage	\$79,386.00	1/1/02	\$ 12,667,104	\$ 12,313,637	1/1/41	7.7500	\$ 957,082	1								
2	Int related to f/a >CON limit			Mortgage							(320,739)	2								
3												3								
4	First Bank		X	Working capital	Varies	12/15/06	900,000	890,000	6/1/08	Varies	74,250	4								
5	Insurance Interest-see reclass		X								450	5								
Working Capital																				
6	Related Party - CPT	X		Working capital							314	6								
7	Related Party - AMS	X		Working capital							7,278	7								
8	Related Party - FECII	X		Working capital							1,982	8								
9	TOTAL Facility Related				\$79,386.00		\$ 13,567,104	\$ 13,203,637			\$ 720,617	9								
B. Non-Facility Related*																				
10	Interest inc on Corp		X	Patient interest income							(1,440)	10								
11	Waterford LP revenue	X		Replacement Reserve int							(24,634)	11								
12												12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$ (26,074)	14								
15	TOTALS (line 9+line14)						\$ 13,567,104	\$ 13,203,637			\$ 694,543	15								

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 40,813 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.)

Facility Name & ID Number Alden of Waterford

0042036 Report Period Beginning: 1/1/07

Ending: 12/31/07

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

B. Real Estate Taxes

<p>Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.</p>																																											
1. Real Estate Tax accrual used on 2006 report.		\$ 54,120	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.)		\$ 43,705	2																																								
3. Under or (over) accrual (line 2 minus line 1).		\$ (10,415)	3																																								
4. Real Estate Tax accrual used for 2007 report. (Detail and explain your calculation of this accrual on the lines below.)		\$ 45,000	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.		\$ 34,585	7																																								
<p>Real Estate Tax History:</p> <table border="1"> <tr> <td>Real Estate Tax Bill for Calendar Year:</td> <td>2002</td> <td>62,733</td> <td>8</td> </tr> <tr> <td></td> <td>2003</td> <td>50,212</td> <td>9</td> </tr> <tr> <td></td> <td>2004</td> <td>82,054</td> <td>10</td> </tr> <tr> <td></td> <td>2005</td> <td>87,598</td> <td>11</td> </tr> <tr> <td></td> <td>2006</td> <td>72,841</td> <td>12</td> </tr> </table> <p><u>The current year accrual is based on an estimated 3% increase of the prior year tax.</u> <u>Bill reflects total cost. In this case, the bill is split between two entities (shared bill).</u> <u>\$72,840.92 x 60% = \$43,704.55.</u></p>		Real Estate Tax Bill for Calendar Year:	2002	62,733	8		2003	50,212	9		2004	82,054	10		2005	87,598	11		2006	72,841	12	<p>Plus: Related Party Taxes Adjusted Total</p> <table border="1"> <tr> <td colspan="2">FOR BHF USE ONLY</td> <td></td> <td></td> </tr> <tr> <td>13</td> <td>FROM R. E. TAX STATEMENT FOR 2006</td> <td>\$</td> <td>13</td> </tr> <tr> <td>14</td> <td>PLUS APPEAL COST FROM LINE 5</td> <td>\$</td> <td>14</td> </tr> <tr> <td>15</td> <td>LESS REFUND FROM LINE 6</td> <td>\$</td> <td>15</td> </tr> <tr> <td>16</td> <td>AMOUNT TO USE FOR RATE CALCULATION</td> <td>\$</td> <td>16</td> </tr> </table>		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
Real Estate Tax Bill for Calendar Year:	2002	62,733	8																																								
	2003	50,212	9																																								
	2004	82,054	10																																								
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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 of Waterford COUNTY Kane

FACILITY IDPH LICENSE NUMBER 0042036

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>15-36-202-005*</u>	<u>Nursing home facility</u>	<u>\$ 72,840.92</u>	<u>\$ 43,704.55</u>
2. _____	_____	\$ _____	\$ _____
3. <u>See Attached (12 Pg Supplement)</u>	<u>Related Party-Alden Management Serv</u>	<u>\$ 241,399.00</u>	<u>\$ 2,406.00</u>
4. <u>See Attached (12 Pg Supplement)</u>	<u>Related Party-Forum Professional Cen</u>	<u>\$ 37,806.00</u>	<u>\$ 644.00</u>
5. _____	_____	\$ _____	\$ _____
6. <u>*Only 60% is applicable to</u>	_____	\$ _____	\$ _____
7. <u>the provider</u>	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
	TOTALS	\$ 352,045.92	\$ 46,754.55

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 of Waterford

0042036 Report Period Beginning:

1/1/07 Ending:

12/31/07

X. BUILDING AND GENERAL INFORMATION:

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

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

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

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

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

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

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

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

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

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	<u>Nursing facility</u>	<u>152,896</u>	<u>1994</u>	<u>\$ 662,733</u>	1
2					2
3	TOTALS	152,896		\$ 662,733	3

Facility Name & ID Number Alden of Waterford

0042036

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	99			2001	\$ 11,880,012	\$ 297,000	40	\$ 171,168	\$ (125,832)	\$ 1,249,099	4
5	Adjustment to correct to CON costs (net=6,846,713)				(5,033,299)						5
6											6
7											7
8	Related Party-Forum			1978	14,541		25			14,541	8
	Improvement Type**										
9	storm/sewer-ltd p/s			2001	218,336	8,733	25	8,733		55,310	9
10	concrete/curbs/gutters-ltd p/s			2001	21,491	1,433	15	1,433		9,075	10
11	concrete walks-ltd p/s			2001	46,391	3,093	15	3,093		19,589	11
12	asphalt paving-ltd p/s			2001	40,929	4,093	10	4,093		25,922	12
13	street lighting-ltd p/s			2001	129,677	8,645	15	8,645		54,752	13
14	wrought iron fencing-ltd p/s			2001	60,821	2,433	25	2,433		15,409	14
15	piers-ltd p/s			2001	64,296	4,286	15	4,286		27,145	15
16	exterior signs-ltd p/s			2001	20,853	1,738	12	1,738		11,007	16
17	brick pavers-ltd p/s			2001	5,213	521	10	521		3,300	17
18	waterfalls-ltd p/s			2001	53,870	2,693	20	2,693		17,056	18
19	gate house-ltd p/s			2001	26,066	1,738	15	1,738		11,007	19
20	retaining walls-ltd p/s			2001	19,115	956	20	956		6,054	20
21	external roads-ltd p/s			2001	261,213	26,121	10	26,121		165,433	21
22											22
23	storm/sewer-ltd p/s			2003	16,853	674	25	674		3,370	23
24	concrete/curbs/gutters-ltd p/s			2003	1,659	111	15	111		555	24
25	concrete walks-ltd p/s			2003	3,581	239	15	239		1,195	25
26	asphalt paving-ltd p/s			2003	3,159	316	10	316		1,580	26
27	street lighting-ltd p/s			2003	10,009	667	15	667		3,335	27
28	wrought iron fencing-ltd p/s			2003	4,695	188	25	188		787	28
29	piers-ltd p/s			2003	4,963	331	15	331		1,655	29
30	exterior signs-ltd p/s			2003	1,610	134	12	134		670	30
31	brick pavers-ltd p/s			2003	402	40	10	40		200	31
32	waterfalls-ltd p/s			2003	4,158	208	20	208		1,040	32
33	gate house-ltd p/s			2003	2,012	134	15	134		670	33
34	retaining walls-ltd p/s			2003	1,475	74	20	74		370	34
35	external roads-ltd p/s			2003	20,163	2,016	10	2,016		10,080	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

Facility Name & ID Number Alden of Waterford

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	Mech. Projects- install exhaust,gas line, electric to steamer-corp	2002	4,254	213	20	213		1,276	37
38	Long elevator- correct elevator problem-corp	2001	882	88	10	88		536	38
39	Affcus- repair fire alarm-corp	2002	1,552		5			1,552	39
40	GT Mech- chiller repair-corp	2002	1,924	1	5	1		1,924	40
41	ISS replace nurses station	2003	1,956	391	5	391		1,891	41
42	CSI Coker-filter system (boiler)	2004	1,723	86	20	86		337	42
43	ABC-medical gas repair	2004	2,291	229	10	229		897	43
44	CSI Coker-filter system (boiler)	2004	2,050	103	20	103		393	44
45	ABC-sod yards/parkway/etc	2004	9,189	919	10	919		3,369	45
46	ISS/Chicago Sound-power supply call light	2004	2,084	139	15	139		463	46
47	Central States-Adapters/valve caps	2005	1,243	83	15	83		242	47
48	ABC [Stripe-It-Right] - Sealcoat, crackfill & stripe asphalt	2005	3,079	308	10	308		744	48
49	Cybor Fire Protection - Sprinkler head replacement	2005	2,900	193	15	193		467	49
50	ABC [ISS/Chicago Sound]-8 Jeron provider 680 vent alarms	2005	3,381	225	15	225		526	50
51	GT Mechanical - Compressor & chiller circuit	2005	8,600	573	15	573		1,242	51
52	ABC - Replace ceiling tiles	2005	952	79	12	79		158	52
53	ABC - Emergency outlets vent	2007	4,268	213	20	213		213	53
54	Wtrfd Inv - Montgomery Road expansion	2006	16,186	405	40	405		439	54
55									55
56									56
57	ABC-[Cobra Concrete&Stripe It]-Replace walk/curb concrete with	2007	1,694	56	15	56		56	57
58	ABC [Amer Bldg Serv]-Replace worn locksets	2007	4,325	324	10	324		324	58
59	ABC [Amer Bldg Serv]-Replace worn locksets	2007	4,325	252	10	252		252	59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 7,983,120	\$ 373,495		\$ 247,663	\$ (125,832)	\$ 1,727,507	70

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

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		\$ 7,983,120	\$ 373,495		\$ 247,663	\$ (125,832)	\$ 1,727,507	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)		\$ 8,063,219	\$ 376,306		\$ 250,474	\$ (125,832)	\$ 1,792,783	34

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

Facility Name & ID Number Alden of Waterford # 0042036 Report Period Beginning: 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	\$ 528,068	\$ 108,074	\$ 40,262	\$ (67,812)	Various	\$ 234,461	71
72	Current Year Purchases	16,744	1,829	1,829		Various	1,829	72
73	Fully Depreciated Assets	82,211	1,056	1,056		Various	82,211	73
74								74
75	TOTALS	\$ 627,023	\$ 110,959	\$ 43,147	\$ (67,812)		\$ 318,501	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Passenger bus	2001 Ford Eldorado	2001	\$ 50,888	\$	\$	\$	4	\$ 50,888	76
77										77
78										78
79	Related Party-AMS	Lumina/Chev/2004	2004	117	29	29		3	117	79
80	TOTALS			\$ 51,005	\$ 29	\$ 29	\$		\$ 51,005	80

E. Summary of Care-Related Assets

	1 Reference	2 Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 9,403,980	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 487,294	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 293,650	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (193,644)	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 2,162,289	85

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

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

G. Construction-in-Progress

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

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

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

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: Related party - cost is backed out

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

If NO, see instructions. YES NO

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

10. Effective dates of current rental agreement:

Beginning 5/1/2001

Ending 4/30/2011

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

Fiscal Year Ending Annual Rent

12.	<u>/2008</u>	\$ <u>varies</u>
13.	<u>/2009</u>	\$ <u>varies</u>
14.	<u>/2010</u>	\$ <u>varies</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 _____.

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: \$ 11,744 Description: Copy machine lease + postage meter rental

(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	<u>Related Party-AMS</u>	<u>Various</u>	<u>943.75</u>	<u>11,325</u>	19
20					20
21	TOTAL		\$ <u>943.75</u>	\$ <u>11,325</u>	21

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

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

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

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

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p> <p><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.

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/07

Ending:

12/31/07

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	\$		\$ 448,780	\$		\$ 448,780	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			84,284			84,284	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			469,638			469,638	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				404,033		404,033	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					(171,939)	138,613		(33,326)	13
14	TOTAL			\$		\$ 830,763	\$ 542,646		\$ 1,373,409	14

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

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

XIV. Special Services (Direct Cost)

Service Description	Col. 1: Ref. No.	To Pg 16: Col. No.	
1. OT	39-3	To Col 5	\$448,780.15
2. ST	39-3	To Col 5	84,284.05
3.			
4. PT	39-3	To Col 5	469,637.64
5.			
6.			
7.			
8.			
Pharmacy Supplies per GL			272,402.92
Manual Input from Related Party- Forum Drugs			131,630.00 See Pg 6C
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	404,032.92
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	(171,939.00) See Pg 6D
Other			396,240.07
Manual Input: Related Party - Pyramid-Prism			(51,320.00) See Pg 6B
Manual Input: Related Party FECII - I.V.			(217,085.00) See Pg 6C
Manual Input: Related Party FECII - Wound Care			(425.00) See Pg 6C
Vendor settlement [Midwest X-Ray]			(1,492.00) See Pg 5A
Oxygen, from reclass worksheet			12,695.00 See Pg 4A
13. Col 6: Supplies Total		To Col 6	138,613.07
13. Total Line 13, Column 8			(33,325.93)
14. Total			1,373,408.83

Facility Name & ID Number Alden of Waterford

0042036

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 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 55,115	\$ 65,668	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance 200,000)	1,204,884	1,204,884	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments		83,067	5
6	Prepaid Insurance		14,136	6
7	Other Prepaid Expenses	5,232	5,232	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Due from 3rd parties</u>	134,577	134,577	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,399,808	\$ 1,507,564	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		662,733	13
14	Buildings, at Historical Cost		11,880,012	14
15	Leasehold Improvements, at Historical Cost	75,304	1,124,973	15
16	Equipment, at Historical Cost	158,696	1,687,658	16
17	Accumulated Depreciation (book methods)	(117,044)	(3,054,916)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds		850,500	21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 116,956	\$ 13,150,960	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,516,764	\$ 14,658,524	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 642,196	\$ 642,294	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	146,101	146,101	28
29	Short-Term Notes Payable	890,000	890,000	29
30	Accrued Salaries Payable	379,003	379,003	30
31	Accrued Taxes Payable (excluding real estate taxes)	28,867	28,867	31
32	Accrued Real Estate Taxes(Sch.IX-B)		45,000	32
33	Accrued Interest Payable	292	79,818	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>Accr'd exp/idpa/sales tax/s.t. mortgage</u>	41,134	124,375	36
37	<u>Due to affiliates</u>	6,320,095	6,996,565	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,447,688	\$ 9,332,023	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		12,230,396	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	<u>Due to affiliates</u>			43
44	<u>Member loan</u>	130,000	130,000	44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 130,000	\$ 12,360,396	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 8,577,688	\$ 21,692,419	46
47	TOTAL EQUITY(page 18, line 24)	\$ (7,060,924)	\$ (7,033,895)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,516,764	\$ 14,658,524	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (6,639,554)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (6,639,554)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(421,370)	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)	\$ (421,370)	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)	\$ (7,060,924)	24 *

* This must agree with page 17, line 47.

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/07

Ending: 12/31/07

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	\$ 8,181,494	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 8,181,494	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	50,060	6
7	Oxygen	14,606	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 64,666	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	765	12
13	Barber and Beauty Care	2,518	13
14	Non-Patient Meals	56	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	22,067	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	1,196	19
20	Radiology and X-Ray		20
21	Other Medical Services	28,500	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 55,102	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	1,440	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,440	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Various - See Pg 19A	19,665	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 19,665	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 8,322,367	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,382,767	31
32	Health Care	2,379,382	32
33	General Administration	1,895,818	33
B. Capital Expense			
34	Ownership	1,360,222	34
C. Ancillary Expense			
35	Special Cost Centers	1,671,345	35
36	Provider Participation Fee	54,203	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 8,743,737	40
41	Income before Income Taxes (line 30 minus line 40)**	(421,370)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (421,370)	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 of Waterford LLC
IDPH Facility ID Number 004-2036
Period Beginning 1/1/2007
Period End 12/31/2007

Page 19A

Misc Income (G/L 4977)

Ref Line

Food rebate (g/l 4977-100-005)	2,484.59	2
Wage service fee (g/l 4977-100-006)	24.00	21
Record copies (g/l 4977-100-001)	<u>331.75</u>	10
Total G/L 4977	2,840.34	
Gain on sale of assets (g/l 4983-100-000)	3,323.59	
Adjustments to prior yr costs (g/l 4983-100-000)	<u>13,501.42</u>	
Total of Page 19, Line 28	<u><u>19,665.35</u></u>	

Facility Name & ID Number Alden of Waterford

0042036

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	1,888	2,120	\$ 86,219	\$ 40.67	1
2	Assistant Director of Nursing	928	944	36,498	38.66	2
3	Registered Nurses	19,397	20,649	679,020	32.88	3
4	Licensed Practical Nurses	15,235	16,010	441,730	27.59	4
5	CNAs & Orderlies	45,595	48,336	616,566	12.76	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	2,000	2,088	34,623	16.58	9
10	Activity Assistants	5,158	5,626	50,390	8.96	10
11	Social Service Workers	2,000	2,080	50,154	24.11	11
12	Dietician					12
13	Food Service Supervisor	325	325	7,488	23.04	13
14	Head Cook	3,682	3,858	65,484	16.97	14
15	Cook Helpers/Assistants	31,409	33,260	338,308	10.17	15
16	Dishwashers					16
17	Maintenance Workers	1,944	2,048	48,150	23.51	17
18	Housekeepers	11,041	11,615	112,828	9.71	18
19	Laundry	3,791	3,964	35,496	8.95	19
20	Administrator	1,888	2,192	107,524	49.05	20
21	Assistant Administrator	632	667	21,678	32.50	21
22	Other Administrative	8,344	8,984	222,291	24.74	22
23	Office Manager	1,544	1,568	20,817	13.28	23
24	Clerical	4,510	4,768	67,449	14.15	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,705	1,817	59,418	32.70	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care Unit Director	3,688	3,928	61,970	15.78	32
33	Other(specify) Clinical S.S.	872	920	27,103	29.46	33
34	TOTAL (lines 1 - 33)	167,576	177,767	\$ 3,191,204 *	\$ 17.95	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	68,400	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	monthly	2,376	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	20	1,240	11-3	44
45	Social Service Consultant	16	1,024	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	36	\$ 85,040		49

C. CONTRACT NURSES

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

Facility Name & ID Number Alden of Waterford

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. Il. Health Care Assoc \$5,807
- (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. \$ 13,723 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 54,203
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 18,592 Has any meal income been offset against related costs? _____ Indicate the amount. \$ 56
- (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? _____ 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.