



Facility Name & ID Number Bethesda Home & Retirement Center

# 0012229 Report Period Beginning: 01/01/2007 Ending: 12/31/2007

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 03/15/2007

	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	46	Skilled (SNF)	46	16,790	1
2		Skilled Pediatric (SNF/PED)			2
3	67	Intermediate (ICF)	67	25,842	3
4		Intermediate/DD			4
5	49	Sheltered Care (SC)	49	16,498	5
6		ICF/DD 16 or Less			6
7	162	TOTALS	162	59,130	7

B. Census-For the entire report period.

	1 Level of Care	3 Patient Days by Level of Care and Primary Source of Payment			5 Total	
		2 Medicaid Recipient	Private Pay	4 Other		
8	SNF	1,381	3,622	4,025	9,028	8
9	SNF/PED					9
10	ICF	4,724	12,062		16,786	10
11	ICF/DD					11
12	SC		7,464		7,464	12
13	DD 16 OR LESS					13
14	TOTALS	6,105	23,148	4,025	33,278	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 56.28%

D. How many bed-hold days during this year were paid by the Department? 0 (Do not include bed-hold days in Section B.)

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

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

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?  
YES  NO  Note: Non-allowable costs have been eliminated in Schedule V, Column 7.

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

I. On what date did you start providing long term care at this location?  
Date started 1925

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 26 and days of care provided 4,025

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.

SEE ACCOUNTANTS' COMPILATION REPORT

**Norwegian Lutheran Bethesda**

**Provider: 0012229**

**Schedule 2A**

**Beds and Bed Days Available**

Dates of Service

01/01/07- 03/15/07

Level of Care

	Beds	Days	Bed Days
SNF	46	73	3,358
ICF	86	73	6,278
SC	30	73	2,190
Total	<u>162</u>		<u>11,826</u>

03/16/07 - 12/31/07

Level of Care

	Beds	Days	Bed Days
SNF	46	292	13,432
ICF	67	292	19,564
SC	49	292	14,308
Total	<u>162</u>		<u>47,304</u>

Total Bed Days available

SNF	16,790
ICF	<u>25,842</u>
SC	<u>16,498</u>
Total	<u>59,130</u>

Facility Name & ID Number Bethesda Home & Retirement Center # 0012229 Report Period Beginning: 01/01/2007 Ending: 12/31/2007

**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
<b>A. General Services</b>											
1	Dietary	353,809	40,211	157,695	551,715		551,715		551,715		1
2	Food Purchase		223,952		223,952		223,952	(8,792)	215,160		2
3	Housekeeping	194,626	34,135		228,761		228,761		228,761		3
4	Laundry	36,133	10,051		46,184		46,184	(153)	46,031		4
5	Heat and Other Utilities			194,505	194,505		194,505		194,505		5
6	Maintenance	123,376	22,182	112,953	258,511		258,511	1,531	260,042		6
7	Other (specify):*										7
8	<b>TOTAL General Services</b>	707,944	330,531	465,153	1,503,628		1,503,628	(7,414)	1,496,214		8
<b>B. Health Care and Programs</b>											
9	Medical Director			12,563	12,563		12,563		12,563		9
10	Nursing and Medical Records	2,020,658	184,349	224,051	2,429,058		2,429,058		2,429,058		10
10a	Therapy		1,729	344,377	346,106		346,106		346,106		10a
11	Activities	159,783	17,154	14,260	191,197		191,197		191,197		11
12	Social Services	46,055		1,815	47,870		47,870		47,870		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):*										15
16	<b>TOTAL Health Care and Programs</b>	2,226,496	203,232	597,066	3,026,794		3,026,794		3,026,794		16
<b>C. General Administration</b>											
17	Administrative	123,356			123,356		123,356		123,356		17
18	Directors Fees										18
19	Professional Services			141,778	141,778		141,778	(74,967)	66,811		19
20	Dues, Fees, Subscriptions & Promotions			13,225	13,225		13,225		13,225		20
21	Clerical & General Office Expenses	304,642	22,188	115,683	442,513		442,513	(15,565)	426,948		21
22	Employee Benefits & Payroll Taxes			769,065	769,065		769,065		769,065		22
23	Inservice Training & Education										23
24	Travel and Seminar			8,459	8,459		8,459		8,459		24
25	Other Admin. Staff Transportation			2,692	2,692		2,692		2,692		25
26	Insurance-Prop.Liab.Malpractice			151,450	151,450		151,450		151,450		26
27	Other (specify):*										27
28	<b>TOTAL General Administration</b>	427,998	22,188	1,202,352	1,652,538		1,652,538	(90,532)	1,562,006		28
29	<b>TOTAL Operating Expense (sum of lines 8, 16 &amp; 28)</b>	3,362,438	555,951	2,264,571	6,182,960		6,182,960	(97,946)	6,085,014		29

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

## V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification 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	
30	D. Ownership											
	Depreciation			443,605	443,605		443,605	63,040	506,645			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			196,359	196,359		196,359	(25,762)	170,597			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			10,076	10,076		10,076		10,076			35
36	Other (specify):*											36
37	<b>TOTAL Ownership</b>			650,040	650,040		650,040	37,278	687,318			37
	<b>Ancillary Expense</b>											
	<b>E. Special Cost Centers</b>											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		196,554		196,554		196,554		196,554			39
40	Barber and Beauty Shops			13,023	13,023		13,023	(13,023)				40
41	Coffee and Gift Shops			6,570	6,570		6,570	(6,570)				41
42	Provider Participation Fee			63,947	63,947		63,947		63,947			42
43	Other (specify):* <b>Non-allowable Cos</b>			234,810	234,810		234,810	(234,810)				43
44	<b>TOTAL Special Cost Centers</b>		196,554	318,350	514,904		514,904	(254,403)	260,501			44
45	<b>GRAND TOTAL COST</b> (sum of lines 29, 37 & 44)	3,362,438	752,505	3,232,961	7,347,904		7,347,904	(315,071)	7,032,833			45

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

\*\*See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL

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

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(8,792)	2		4
5	Telephone, TV & Radio in Resident Rooms	(2,302)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients	(153)	4		8
9	Non-Straightline Depreciation	63,219	30		9
10	Interest and Other Investment Income	(25,762)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(819)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(2,983)	43		18
19	Entertainment	(4,886)	43		19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(40,687)	43		24
25	Fund Raising, Advertising and Promotional	(12,177)	43		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 See Pg. 5A	(279,729)			29
30	<b>SUBTOTAL (A): (Sum of lines 1-29)</b>	\$ (315,071)		\$	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)			34
35	Other- Attach Schedule			35
36	<b>SUBTOTAL (B): (sum of lines 31-35)</b>	\$		36
	(sum of SUBTOTALS)			
37	<b>TOTAL ADJUSTMENTS (A) and (B)</b>	\$ (315,071)		37

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

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

## Bethesda Home &amp; Retirement Center

ID# 0012229

Report Period Beginning: 01/01/2007

Ending: 12/31/2007

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Disallowed marketing retainer	\$ (3,000)	43	1
2	Non-allowable legal retainer	(15,000)	19	2
3	Capitalize architecture & strategic planning costs	(55,453)	19	3
4	Out of period legal fees	(1,651)	19	4
5	Jury duty revenue	(69)	21	5
6	Thrift Shop Revenue	(536)	21	6
7	Barber/Beauty revenue	(13,023)	40	7
8	Gift shop revenue	(6,570)	41	8
9	X-Ray & lab services	(16,689)	43	9
10	Real estate taxes - Florida property	(1,405)	43	10
11	Depreciation - rental houses	(44,261)	43	11
12	Real estate taxes - rental houses	(30,920)	43	12
13	Repairs and maintenance - rental houses	(12,730)	43	13
14	Utilities - rental houses	(8,595)	43	14
15	Other expenses - rental houses	(777)	43	15
16	Out of period architect expense	(2,863)	19	16
17	Prior period adjustment	1,653	43	17
18	Miscellaneous revenue	(14,960)	21	18
19	Volunteer Expense	(1,518)	43	19
20	Community Events	(273)	43	20
21	Relationship Development	(1,606)	43	21
22	100th Anniversary Celebration	(48,585)	43	22
23	Direct Mail	(2,250)	43	23
24	Adjust to properly expense repairs	1,531		24
25	Adjust to remove expensed depreciation	(179)		25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	<b>Total</b>	(279,729)		49

SEE ACCOUNTANTS' COMPILATION REPORT

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
N/A						

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
1	V		\$			\$	\$	1
2	V							2
3	V							3
4	V							4
5	V							5
6	V							6
7	V							7
8	V							8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$			\$	\$ *	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Bethesda Home & Retirement Center # 0012229 Report Period Beginning: 01/01/2007 Ending: 12/31/2007

## VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	N/A								\$		1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$		13

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Bethesda Home & Retirement Center**

# **0012229** Report Period Beginning: **01/01/2007**

Ending: **2/31/2007**

VIII. ALLOCATION OF INDIRECT COSTS

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

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

Name of Related Organization \_\_\_\_\_  
 Street Address \_\_\_\_\_  
 City / State / Zip Code \_\_\_\_\_  
 Phone Number ( ) \_\_\_\_\_  
 Fax Number ( ) \_\_\_\_\_

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1					\$	\$		\$	1
2									2
3									3
4									4
5									5
6									6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	<b>TOTALS</b>				\$	\$		\$	25

SEE ACCOUNTANTS' COMPILATION REPORT

**IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE**

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

1	2	3	4	5	6	7	8	9	10										
										Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
										YES	NO				Original	Balance			
<b>A. Directly Facility Related</b>																			
<b>Long-Term</b>																			
1	IHFA Revenue Bonds 1999A		X	Renovations/Improvements	Interest-Var.	11/1/99	\$ 3,880,000	\$ 2,770,000	9/1/14	0.0549	\$ 191,815	1							
2	Coach Capital, LLC		X	Revita Light Therapeutic Sys		12/1/04	5,295		11/1/07	0.1709	165	2							
3												3							
4												4							
5												5							
<b>Working Capital</b>																			
6	Fifth Third Bank		X	Line of Credit	Interest	1/30/05	250,000	200,000	N/A	Variable	4,379	6							
7												7							
8												8							
9	<b>TOTAL Facility Related</b>						\$ 4,135,295	\$ 2,970,000			\$ 196,359	9							
<b>B. Non-Facility Related*</b>																			
10							Interest Income Offset				(25,762)	10							
11												11							
12												12							
13												13							
14	<b>TOTAL Non-Facility Related</b>						\$	\$			\$ (25,762)	14							
15	<b>TOTALS (line 9+line14)</b>						\$ 4,135,295	\$ 2,970,000			\$ 170,597	15							

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

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

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



**IMPORTANT NOTICE**

**TO:** Long Term Care Facilities with Real Estate Tax Rates **RE:** 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 Bethesda Home & Retirement Center COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0012229

CONTACT PERSON REGARDING THIS REPORT Terri Rizzo

TELEPHONE (773) 836-3208 FAX #: (773) 622-8261

**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>N/A</u>	<u>N/A</u>	\$ <u>          </u>	\$ <u>          </u>
2.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
3.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
4.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
5.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
6.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
7.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
8.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
9.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
10.	<u>          </u>	<u>          </u>	\$ <u>          </u>	\$ <u>          </u>
		<b>TOTALS</b>	\$ <u>          </u>	\$ <u>          </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            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.

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 67,403 B. General Construction Type: Exterior Brick Frame \_\_\_\_\_ Number of Stories Four

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

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

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

Apartment Buildings 13 Units  
5 Rental Homes

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

1. Total Amount Incurred: N/A 2. Number of Years Over Which it is Being Amortized: N/A

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

Nature of Costs: N/A  
 (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	Facility		1919	\$ 11,395	1
2					2
3	TOTALS			\$ 11,395	3

SEE ACCOUNTANTS' COMPILATION REPORT



Facility Name &amp; ID Number Bethesda Home &amp; Retirement Center

# 0012229

Report Period Beginning:

01/01/2007 Ending: 12/31/2007

## 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	Improvements - Office	2001	\$ 4,721	\$ 1	5	\$ 1		\$ 4,721	37
38	Carpeting	2001	810		5			810	38
39	Stair Landing	2001	7,180	718	10	718		4,966	39
40	Door Replacement	2001	18,583	1,858	10	1,858		12,543	40
41	Stair Landing	2001	1,260	63	20	63		425	41
42	Fire Alarm Study	2001	5,000	250	20	250		1,625	42
43	4th Floor Door Replacement	2001	4,972	249	20	249		1,575	43
44	Center Bldg Nurses Station	2001	11,803	1,180	10	1,180		7,474	44
45	3N Nurse Call System	2001	2,109	211	10	211		1,336	45
46	Roof Repair	2001	6,830	683	10	683		4,313	46
47	Signage	2001	2,270	227	10	227		1,437	47
48	Roof Repair	2001	19,407	1,941	10	1,941		12,130	48
49	Faucets	2001	9,116	912	10	912		5,623	49
50	Ceiling Repair	2001	1,563	156	10	156		963	50
51	Telephone Wiring	2001	1,535	154	10	154		935	51
52	Concrete Landing	2001	8,900	297	30	297		2,078	52
53	Boiler Replacement	2001	900	30	30	30		210	53
54	Boiler Replacement	2001	4,053	135	30	135		934	54
55	Ceiling	2001	405	14	30	14		95	55
56	Boiler Project	2001	582	19	30	19		125	56
57	Viking Room Lighting	2001	2,191	219	10	219		1,424	57
58	Draperies	2001	1,155	116	10	116		810	58
59	Fire Alarm	2001	1,297	130	10	130		898	59
60	Walk-in Freezer	2001	942	94	10	94		580	60
61	Carpeting	2001	3,580	537	5	537		3,580	61
62	Draperies	2001	1,968	229	5	229		1,968	62
63	Floor Coverings	2001	4,595	459	5	459		4,595	63
64	Carpeting	2001	7,160	477	5	477		7,160	64
65	Draperies	2001	1,088		3			1,088	65
66	Carpeting	2001	2,770	462	5	462		2,770	66
67	Security Camera	2001	160	24	5	24		160	67
68	Security System	2001	13,500		5			13,500	68
69									69
70	TOTAL (lines 4 thru 69)		\$ 8,494,867	\$ 297,886		\$ 297,886	\$	\$ 4,765,869	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name &amp; ID Number Bethesda Home &amp; Retirement Center

# 0012229

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

## 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	\$ 8,494,867	\$ 297,886		\$ 297,886		\$ 4,765,869		1
2	Faucets	2002 8,805	881	10	881		5,285		2
3	Plumbing Work	2002 810	162	5	162		810		3
4	Carpet/Vinyl Flooring	2002 2,095	419	5	419		2,095		4
5	Major Repairs	2002 1,558	311	5	311		1,558		5
6	Combination Locks	2002 5,092	1,018	5	1,018		5,092		6
7	Safety Gate	2002 1,383		10	138	138	276		7
8	Wall Rails	2002 1,387		10	139	139	278		8
9	Architect Fees	2002 643		10	64	64	128		9
10	Improvements-Activity Room	2002 54,789		10	5,479	5,479	10,958		10
11	Improvements-Activity Room	2002 811		10	81	81	162		11
12	1st Floor Flooring	2002 1,680	168	10	168		1,008		12
13	Flooring 1N	2002 11,650	2,330	5	2,330		11,650		13
14	Flooring 2N	2002 4,965	993	5	993		4,965		14
15	Electrical Work	2002 594		10	59	59	118		15
16	Brick Work	2002 1,020		10	102	102	204		16
17	Door Electrical Work	2002 510		10	51	51	102		17
18	Drywall and Hardware	2002 921		10	92	92	184		18
19	Ceiling Tile	2002 639		10	64	64	128		19
20	Access Control	2002 637		10	64	64	128		20
21	Access Control	2002 955		10	96	96	192		21
22	Dampers	2002 1,174		10	117	117	234		22
23	Freezer Repairs	2002 1,040		10	104	104	208		23
24	Elevator Repairs	2002 705		10	71	71	142		24
25	Sprinkler Repairs	2002 565		10	57	57	114		25
26	Freezer Repairs	2002 1,023		10	102	102	204		26
27	Freezer Repairs	2002 1,030		10	103	103	206		27
28	Landscaping	2003 62,514	4,168	15	4,168		18,408		28
29	Landscaping	2003 108	7	15	7		31		29
30	Landscaping	2003 40,940	2,729	15	2,729		12,054		30
31	Landscaping	2003 22,495	1,500	15	1,500		6,650		31
32	Auditorium Construction	2003 385,633	25,709	15	25,709		128,545		32
33	Fire Alarm	2003 58,250	3,883	15	3,883		16,503		33
34	TOTAL (lines 1 thru 33)	\$ 9,171,288	\$ 342,164		\$ 349,147	\$ 6,983	\$ 4,994,489		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name &amp; ID Number Bethesda Home &amp; Retirement Center

# 0012229

Report Period Beginning:

01/01/2007 Ending: 12/31/2007

## XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1	Totals from Page 12B, Carried Forward	\$ 9,171,288	\$ 342,164		\$ 349,147	\$ 6,983	\$ 4,994,489		1
2	Construction Monitoring	2003 18,954	1,264	15	1,264		5,372		2
3	Fire Alarm	2003 344,942	22,996	15	22,996		105,849		3
4	Auditorium Sound System	2003 1,840	368	5	368		1,595		4
5	Chiller	2003 12,733	849	15	849		3,750		5
6	Chiller	2003 25,467	1,698	15	1,698		7,499		6
7	A/C's	2003 4,840	968	5	968		4,437		7
8	A/C's	2003 1,234	247	5	247		1,132		8
9	Parking Lot resurfacing	2003 1,542		10	154	154	308		9
10	Smoke Detectors	2003 599		10	60	60	120		10
11	Circulator Pump	2003 1,071		10	107	107	214		11
12	Valve Bodies & Actuators	2003 1,017		10	102	102	204		12
13	Elevator Door Lock	2003 521		10	52	52	104		13
14	Faucets	2003 551		10	55	55	110		14
15	Walk-in Freezer Repair	2003 1,093		10	109	109	218		15
16	Carpet/Vinyl Flooring	2003 1,610		10	161	161	322		16
17	Carpet/Vinyl Flooring	2003 1,405		10	141	141	282		17
18	Roof/Gutter Repair	2003 15,190		10	1,519	1,519	3,038		18
19									19
20	Insolar Windows	2004 17,900	1,790	10	1,790		5,818		20
21	Nexus Technologies	2004 2,340	156	15	156		624		21
22	Convergint Technologies	2004 3,250	217	15	217		868		22
23	Studio One	2004 9,876	988	10	988		3,952		23
24	Noland Sales - Carpeting	2004 37,170	6,195	6	6,195		24,780		24
25									25
26	Elevator Upgrade	2006 203,667	5,092	20	5,092		5,275		26
27	Hot Water Heater Repairs	2006 27,730	2,773	5	2,773		8,319		27
28	Repair of Water Booster Pumps	2006 13,557	1,356	5	1,356		4,067		28
29	Fire Alarm Upgrade	2006 2,600	260	5	260		780		29
30	Elevator Electrical Repair	2006 7,871	332	12	332		988		30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 9,931,858	\$ 389,713		\$ 399,156	\$ 9,443	\$ 5,184,514		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

**XI. OWNERSHIP COSTS (continued)**

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

1	2	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
1	<b>Totals from Page 12C, Carried Forward</b>	\$ 9,931,858	\$ 389,713		\$ 399,156	\$ 9,443	\$ 5,184,514		1
2									2
3	Major repairs to Boiler	2007 13,099	192	10	192		192		3
4	Re-key Administrative Wing	2007 3,607	60	5	60		60		4
5	Tuckpointing West and North Buildings	2007 4,500	75	10	75		75		5
6	Garbage Disposal	2007 4,303	72	5	72		72		6
7									7
8									8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	<b>TOTAL (lines 1 thru 33)</b>	\$ 9,957,367	\$ 390,112		\$ 399,555	\$ 9,443	\$ 5,184,913		34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 508,032	\$ 44,562	\$ 98,338	\$ 53,776	5-10	\$ 499,783	71
72	Current Year Purchases	67,153	8,752	8,752		5	8,752	72
73	Fully Depreciated Assets							73
74								74
75	TOTALS	\$ 575,185	\$ 53,314	\$ 107,090	\$ 53,776		\$ 508,535	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	Patient Care	Shuttle Van	1994	\$ 34,300	\$	\$	\$	5	\$ 34,300	76
77	Patient Care	Ford Windstar	1999	22,065				5	22,065	77
78										78
79										79
80	TOTALS			\$ 56,365	\$	\$	\$		\$ 56,365	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)	\$ 10,600,312	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 443,426	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 506,645	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 63,219	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,749,813	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	East Building Renovation-Prior	\$ 1,478,812	\$ 28,870	\$ 642,188	86
87	Furnishings	6,074	1,215	5,568	87
88					88
89	See Schedule 13A	1,057,345	35,020	119,718	89
90					90
91	TOTALS	\$ 2,542,231	\$ 65,105	\$ 767,474	91

G. Construction-in-Progress

	Description	Cost	
92	Strat Plan Capitalized Expense	\$ 14,831	92
93			93
94			94
95		\$ 14,831	95

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Provider: Norwegian Luthern Bethesda D/B/A Bethesda Home and Retirement Center  
Provider #: 0012229  
Dates of Service: 1/1/2007 to 12/31/2007

Schedule 13A

XI. Ownership Costs

F. Depreciable Non-Care Assets Included in General Ledger

<u>Description &amp; Year Acquired</u>	<u>Cost</u>	<u>Current Book Depreciation</u>	<u>Accumulated Depreciation</u>
2834 & 2856 Sayre Houses - 2002	416,646	12,095	63,305
2854 Sayre House - 2004	175,000	5,000	16,668
2838 & 2850 Sayre Houses - 2005	425,375	17,925	39,745
Sayre House - 2006	40,324		
	<u>1,057,345</u>	<u>35,020</u>	<u>119,718</u>

**SEE ACCOUNTANTS' COMPILATION REPORT**

**XII. RENTAL COSTS**

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

1. Name of Party Holding Lease: N/A

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

If NO, see instructions.  YES  NO

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

10. Effective dates of current rental agreement:

Beginning \_\_\_\_\_

Ending \_\_\_\_\_

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

Fiscal Year Ending Annual Rent

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

by the length of the lease N/A.

9. Option to Buy:  YES  NO Terms: N/A \*

**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: \$ 10,076 Description: Therapy Equipment-\$10,076

(Attach a schedule detailing the breakdown of movable equipment)

**C. Vehicle Rental (See instructions.)**

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

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

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>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. CLASSROOM PORTION:</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. CLINICAL PORTION:</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			
	1	2	3	4
	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)	
<b>TOTAL TRAINED</b>	

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

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

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

1	Service	Schedule V Line & Column Reference	2 Staff		4 Outside Practitioner (other than consultant)		6 Supplies (Actual or) Allocated	7 Total Units (Column 2 + 4)	8 Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	5					
					Units	Cost				
1	Licensed Occupational Therapist	10A (3)	hrs	\$	10,026	\$ 145,879	\$	10,026	\$ 145,879	1
2	Licensed Speech and Language Development Therapist	10A (3)	hrs		2,269	33,021		2,269	33,021	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A (3)	hrs		10,306	160,128	1,729	10,306	161,857	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39 (2)	# of prescripts				196,554		196,554	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	<b>TOTAL</b>			\$	22,601	\$ 339,028	\$ 198,283	22,601	\$ 537,311	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Bethesda Home & Retirement Center

XV. BALANCE SHEET - Unrestricted Operating Fund.

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

	1	2	
	Operating	After Consolidation*	
<b>A. Current Assets</b>			
1 Cash on Hand and in Banks	\$ 627,839	\$ 627,839	1
2 Cash-Patient Deposits			2
3 Accounts & Short-Term Notes Receivable-Patients (less allowance 118,500 )	974,038	974,038	3
4 Supply Inventory (priced at )	13,949	13,949	4
5 Short-Term Investments			5
6 Prepaid Insurance	7,402	7,402	6
7 Other Prepaid Expenses	23,107	23,107	7
8 Accounts Receivable (owners or related parties)			8
9 Other(specify):			9
<b>TOTAL Current Assets (sum of lines 1 thru 9)</b>	<b>\$ 1,646,335</b>	<b>\$ 1,646,335</b>	<b>10</b>
<b>B. Long-Term Assets</b>			
11 Long-Term Notes Receivable			11
12 Long-Term Investments	124,312	124,312	12
13 Land	479,042	11,395	13
14 Buildings, at Historical Cost	3,174,978	3,227,006	14
15 Leasehold Improvements, at Historical Cos	9,322,563	6,730,361	15
16 Equipment, at Historical Cost	531,985	631,550	16
17 Accumulated Depreciation (book methods)	(5,795,423)	(5,749,813)	17
18 Deferred Charges			18
19 Organization & Pre-Operating Costs			19
20 Accumulated Amortization - Organization & Pre-Operating Costs			20
21 Restricted Funds			21
22 Other Long-Term Assets (spec See Schedule 17A)	(114,128)	(58,675)	22
23 Other(specify): See Schedule 17A	71,850	71,850	23
<b>TOTAL Long-Term Assets (sum of lines 11 thru 23)</b>	<b>\$ 7,795,179</b>	<b>\$ 4,987,986</b>	<b>24</b>
<b>TOTAL ASSETS (sum of lines 10 and 24)</b>	<b>\$ 9,441,514</b>	<b>\$ 6,634,321</b>	<b>25</b>

	1	2	
	Operating	After Consolidation*	
<b>C. Current Liabilities</b>			
26 Accounts Payable	\$ 220,530	\$ 220,530	26
27 Officer's Accounts Payable			27
28 Accounts Payable-Patient Deposits	358,751	358,751	28
29 Short-Term Notes Payable			29
30 Accrued Salaries Payable	259,807	259,807	30
31 Accrued Taxes Payable (excluding real estate taxes)	10,092	10,092	31
32 Accrued Real Estate Taxes(Sch.IX-B)			32
33 Accrued Interest Payable	57,188	57,188	33
34 Deferred Compensation			34
35 Federal and State Income Taxes			35
<b>Other Current Liabilities(specify):</b>			
36 See Schedule 17A	408,700	408,700	36
37 Other Accrued Expenses	124,402	124,402	37
<b>TOTAL Current Liabilities (sum of lines 26 thru 37)</b>	<b>\$ 1,439,470</b>	<b>\$ 1,439,470</b>	<b>38</b>
<b>D. Long-Term Liabilities</b>			
39 Long-Term Notes Payable	200,000	200,000	39
40 Mortgage Payable			40
41 Bonds Payable	2,770,000	2,770,000	41
42 Deferred Compensation			42
<b>Other Long-Term Liabilities(specify):</b>			
43			43
44 Deferred Apts Entrance fees	127,654	127,654	44
<b>TOTAL Long-Term Liabilities (sum of lines 39 thru 44)</b>	<b>\$ 3,097,654</b>	<b>\$ 3,097,654</b>	<b>45</b>
<b>TOTAL LIABILITIES (sum of lines 38 and 45)</b>	<b>\$ 4,537,124</b>	<b>\$ 4,537,124</b>	<b>46</b>
47 <b>TOTAL EQUITY</b> (page 18, line 24)	<b>\$ 4,904,390</b>	<b>\$ 2,097,197</b>	<b>47</b>
<b>TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)</b>	<b>\$ 9,441,514</b>	<b>\$ 6,634,321</b>	<b>48</b>

SEE ACCOUNTANTS' COMPILATION REPORT

\*(See instructions.)

Norwegian Lutheran Bethesda D/B/A Bethesda Home and Retirement Center

Provider #: 0012229

1/1/2007 to 12/31/2007

Schedule 17A

XV. BALANCE SHEET - Unrestricted Operating Fund.

Line 22 - Other Long Term Assets

Description	Amount	Adjusted
Construction in Progress	-	(55,453)
A/D-Rental Houses	128,959	128,959
Strategic Planning-CIP	(14,831)	(14,831)
<b>Total</b>	<u>114,128</u>	<u>58,675</u>

Line 23-Other

Description	Amount	Adjusted
Bond Issuance Fees	(237,909)	(237,909)
Bond Issuance Fees-Allow for Amort	175,779	175,779
Bond Discount	(37,229)	(37,229)
Accum Amort-Bond Discount	27,509	27,509
<b>Total</b>	<u>(71,850)</u>	<u>(71,850)</u>

Line 36-Other Current Liabilities

Description	Amount	Adjusted
Flex Med Liability	(50)	(50)
Due to HRA	8,750	8,750
Due to Endowment-Strategic Planning	400,000	400,000
<b>Total</b>	<u>408,700</u>	<u>408,700</u>

**SEE ACCOUNTANTS' COMPILATION REPORT**

**XVI. STATEMENT OF CHANGES IN EQUITY**

		1 Total	
<b>1</b>	<b>Balance at Beginning of Year, as Previously Reported</b>	\$ <b>5,215,638</b>	<b>1</b>
<b>2</b>	Restatements (describe):		<b>2</b>
<b>3</b>	<b>Non-Care Entity</b>	<b>(11,141)</b>	<b>3</b>
<b>4</b>			<b>4</b>
<b>5</b>			<b>5</b>
<b>6</b>	<b>Balance at Beginning of Year, as Restated (sum of lines 1-5)</b>	\$ <b>5,204,497</b>	<b>6</b>
	<b>A. Additions (deductions):</b>		
<b>7</b>	NET Income (Loss) (from page 19, line 43)	<b>(300,107)</b>	<b>7</b>
<b>8</b>	Aquisitions of Pooled Companies		<b>8</b>
<b>9</b>	Proceeds from Sale of Stock		<b>9</b>
<b>10</b>	Stock Options Exercised		<b>10</b>
<b>11</b>	Contributions and Grants		<b>11</b>
<b>12</b>	Expenditures for Specific Purposes		<b>12</b>
<b>13</b>	Dividends Paid or Other Distributions to Owners	( )	<b>13</b>
<b>14</b>	Donated Property, Plant, and Equipment		<b>14</b>
<b>15</b>	Other (describe)		<b>15</b>
<b>16</b>	Other (describe)		<b>16</b>
<b>17</b>	<b>TOTAL Additions (deductions) (sum of lines 7-16)</b>	\$ <b>(300,107)</b>	<b>17</b>
	<b>B. Transfers (Itemize):</b>		
<b>18</b>			<b>18</b>
<b>19</b>			<b>19</b>
<b>20</b>			<b>20</b>
<b>21</b>			<b>21</b>
<b>22</b>			<b>22</b>
<b>23</b>	<b>TOTAL Transfers (sum of lines 18-22)</b>	\$	<b>23</b>
<b>24</b>	<b>BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)</b>	\$ <b>4,904,390</b>	<b>24</b> *

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

SEE ACCOUNTANTS' COMPILATION REPORT

**XVII. INCOME STATEMENT** (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1

Revenue		Amount	
<b>A. Inpatient Care</b>			
1	Gross Revenue -- All Levels of Care	\$ 6,908,619	1
2	Discounts and Allowances for all Levels	(1,656,043)	2
3	<b>SUBTOTAL Inpatient Care (line 1 minus line 2)</b>	\$ 5,252,576	3
<b>B. Ancillary Revenue</b>			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	752,597	6
7	Oxygen		7
8	<b>SUBTOTAL Ancillary Revenue (lines 4 thru 7)</b>	\$ 752,597	8
<b>C. Other Operating Revenue</b>			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop	9,917	12
13	Barber and Beauty Care	14,217	13
14	Non-Patient Meals	13,786	14
15	Telephone, Television and Radic	18,332	15
16	Rental of Facility Space		16
17	Sale of Drugs	192,738	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	11,801	19
20	Radiology and X-Ray	1,978	20
21	Other Medical Services	255,238	21
22	Laundry		22
23	<b>SUBTOTAL Other Operating Revenue (lines 9 thru 22)</b>	\$ 518,007	23
<b>D. Non-Operating Revenue</b>			
24	Contributions	296,332	24
25	Interest and Other Investment Income***	34,333	25
26	<b>SUBTOTAL Non-Operating Revenue (lines 24 and 25)</b>	\$ 330,665	26
<b>E. Other Revenue (specify):****</b>			
27	<b>Settlement Income (Insurance, Legal, Etc.)</b>		27
28	See Schedule 19A	57,189	28
28a	See Schedule 19A	136,763	28a
29	<b>SUBTOTAL Other Revenue (lines 27, 28 and 28a)</b>	\$ 193,952	29
30	<b>TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)</b>	\$ 7,047,797	30

2

Expenses		Amount	
<b>A. Operating Expenses</b>			
31	General Services	1,503,628	31
32	Health Care	3,026,794	32
33	General Administration	1,652,538	33
<b>B. Capital Expense</b>			
34	Ownership	650,040	34
<b>C. Ancillary Expense</b>			
35	Special Cost Centers	450,957	35
36	Provider Participation Fee	63,947	36
<b>D. Other Expenses (specify):</b>			
37			37
38			38
39			39
40	<b>TOTAL EXPENSES (sum of lines 31 thru 39)*</b>	\$ 7,347,904	40
41	<b>Income before Income Taxes (line 30 minus line 40)**</b>	(300,107)	41
42	<b>Income Taxes</b>		42
43	<b>NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)</b>	\$ (300,107)	43

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

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

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

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

Norwegian Lutheran Bethesda D/B/A Bethesda Home and Retirement Center

Provider #: 0012229

01/01/07 to 12/31/07

Schedule 19A

XVII. INCOME STATEMENT

E. Other Revenue (specify):

Line 28	Description	Amount
	MISCELLANEOUS INCOME	14,960
	APARTMENT LAUNDRY	153
	JURY DUTY INCOME	69
	THRIFT SHOP INCOME	536
	REVENUE-100TH ANNIVERSARY CELEBRATION	40,304
	VENDING INCOME	1,167
	<b>Total</b>	<u>57,189</u>

Line 28a	Description	Amount
	MAINTENANCE FEE - APARTMENTS	53,740
	AMORT OF DEF ENTRANCE FEE	14,834
	RESIDENT FINANCE FEE	4,465
	INCOME - RENTAL HOUSES - 2834 SAYRE	13,290
	INCOME - RENTAL HOUSE - 2854 SAYRE	6,250
	INCOME RENTAL HOUSE - 2856 SAYRE	19,610
	INCOME RENTAL HOUSE - 2850 SAYRE	6,210
	INCOME RENTAL HOUSE - 2838 SAYRE	16,800
	INCOME RENTAL HOUSE - 2840 SAYRE	1,564
	<b>Total</b>	<u>136,763</u>

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Bethesda Home & Retirement Center

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	1,716	2,080	\$ 79,124	\$ 38.04	1
2	Assistant Director of Nursing	1,742	2,080	61,321	29.48	2
3	Registered Nurses	19,137	20,934	638,490	30.50	3
4	Licensed Practical Nurses	11,525	12,733	285,072	22.39	4
5	CNAs & Orderlies	67,222	73,286	788,986	10.77	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,692	2,080	52,330	25.16	9
10	Activity Assistants	8,740	9,661	107,453	11.12	10
11	Social Service Workers	1,940	2,080	46,055	22.14	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook	1,849	2,097	37,218	17.75	14
15	Cook Helpers/Assistants	25,944	27,290	295,547	10.83	15
16	Dishwashers	1,887	2,097	21,044	10.04	16
17	Maintenance Workers	5,433	5,839	123,376	21.13	17
18	Housekeepers	17,417	19,547	194,626	9.96	18
19	Laundry	3,785	4,263	36,133	8.48	19
20	Administrator	1,828	2,080	123,356	59.31	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	14,695	16,632	400,558	24.08	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,926	2,177	30,563	14.04	31
32	Other Health Care Plan Coord.	2,314	2,686	41,186	15.33	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	190,792	209,642	\$ 3,362,438 *	\$ 16.04	34

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	3,447	\$ 157,695	L1, C3	35
36	Medical Director	Monthly	12,563	L9, C3	36
37	Medical Records Consultant	22	1,170	L10, C3	37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant	42	2,495	L10A, C3	40
41	Occupational Therapy Consultant	48	2,854	L10A, C3	41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	17	880	L11, C3	44
45	Social Service Consultant	34	1,815	L12, C3	45
46	Other(specify) Chaplain Consultant	Monthly	13,380	L11, C3	46
47					47
48					48
49	TOTAL (lines 35 - 48)	3,610	\$ 192,852		49

C. CONTRACT NURSES

	1	2	3		
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference		
50	Registered Nurses	699	\$ 37,613	10(3)	50
51	Licensed Practical Nurses	3,920	152,243	10(3)	51
52	Certified Nurse Assistants/Aides	1,436	33,025	10(3)	52
53	TOTAL (lines 50 - 52)	6,055	\$ 222,881		53

SEE ACCOUNTANTS' COMPILATION REPORT

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

\*\* See instructions.



**Norwegian Lutheran Bethesda D/B/A Bethesda Home and Retirement Center**

**Provider #: 0012229**

**1/1/2007 to 12/31/2007**

**Schedule 21A**

XIX. SUPPORT SCHEDULE

C. Professional Services Line 19

Zeigler Capital Markets	Bond Trust Fees	1,395
Illinois Finance Authority	Bond Trust Fees	443
Bank of New York	Bond Trust Fees	5,439
Fitch	Bond Trust Fees	1,200
Grant Thornton	Bond Trust Fees	7,500
Subtotal Page 21A		<u>15,977</u>
Total (agree to Schedule V, line 19, column 3)		<u><u>141,778</u></u>
Disallow out of period legal fees		(1,651)
Disallow legal retainer		(15,000)
Disallow out of period architect		(2,863)
To capitalize architect and strategic planning		<u>(55,453)</u>
Total (agree to Schedule V, line 19, column 8)		<u><u>66,811</u></u>

**SEE ACCOUNTANTS' COMPILATION REPORT**

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

1	2	3	4	5	6	7	8	9	10	11	12	13
Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
1	N/A	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2												
3												
4												
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15												
16												
17												
18												
19												
20	<b>TOTALS</b>	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Bethesda Home & Retirement Center# 0012229Report Period Beginning: 01/01/2007Ending: 12/31/2007**XX. GENERAL INFORMATION:**

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? Yes  
If YES, give association name and amount. Life Services Network \$5,783; Health Resource Alliance \$2,500
- (3) Did the nursing home make political contributions or payments to a political organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes  
What was the average life used for new equipment added during this period? 5 Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 43,725 Line L10, C2
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No  
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 63,947  
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 benefit on Schedule V. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 8,792
- (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. \$ 0  
c. What percent of all travel expense relates to transportation of nurses and patients? N/A  
d. Have vehicle usage logs been maintained? Adequate records have been maintained.  
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? N/A  
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A  
g. Does the facility transport residents to and from day training? No  
Indicate the amount of income earned from providing such transportation during this reporting period. \$ 0
- (17) Has an audit been performed by an independent certified public accounting firm? Yes  
Firm Name: Crowe, Chizek and Company, LLC 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. Audit in Progress
- (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 service performed been attached to this cost report? Yes  
Attach invoices and a summary of services for all architect and appraisal fees.

**SEE ACCOUNTANTS' COMPILATION REPORT**