

Facility Name & ID Number Walnut Grove Village

0047753 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 N/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	99	Skilled (SNF)	99	36,135	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5	24	Sheltered Care (SC)	24	8,760	5
6		ICF/DD 16 or Less			6
7	123	TOTALS	123	44,895	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF	7,034	5,408	5,637	18,079	8
9	SNF/PED					9
10	ICF	7,187	12,849	302	20,338	10
11	ICF/DD					11
12	SC		2,882	39	2,921	12
13	DD 16 OR LESS					13
14	TOTALS	14,221	21,139	5,978	41,338	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 92.08%

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

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 03/21/2006

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

YES Date 03/21/2006 NO

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

YES NO If YES, enter number of beds certified 35 and days of care provided 4,979

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/2007 Fiscal Year: 12/31/2007

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

Facility Name & ID Number Walnut Grove Village # 0047753 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
	A. General Services										
1	Dietary	181,537	18,194	9,455	209,186		209,186		209,186	1	
2	Food Purchase		168,047		168,047		168,047	(1,082)	166,965	2	
3	Housekeeping	93,054	17,608		110,662		110,662		110,662	3	
4	Laundry	77,804	15,982		93,786		93,786		93,786	4	
5	Heat and Other Utilities			147,162	147,162		147,162	906	148,068	5	
6	Maintenance	87,253	4,771	78,175	170,199		170,199	34	170,233	6	
7	Other (specify):*									7	
8	TOTAL General Services	439,648	224,602	234,792	899,042		899,042	(142)	898,900	8	
	B. Health Care and Programs										
9	Medical Director			8,500	8,500		8,500		8,500	9	
10	Nursing and Medical Records	1,546,254	48,858	7,272	1,602,384		1,602,384	17,060	1,619,444	10	
10a	Therapy			379,188	379,188		379,188		379,188	10a	
11	Activities	58,612	1,210		59,822		59,822		59,822	11	
12	Social Services	36,497	3,169	3,332	42,998		42,998		42,998	12	
13	CNA Training									13	
14	Program Transportation									14	
15	Other (specify):* Home Office Benefit A							2,509	2,509	15	
16	TOTAL Health Care and Programs	1,641,363	53,237	398,292	2,092,892		2,092,892	19,569	2,112,461	16	
	C. General Administration										
17	Administrative	78,122		122,382	200,504		200,504	80,675	281,179	17	
18	Directors Fees									18	
19	Professional Services			236,911	236,911		236,911	(173,953)	62,958	19	
20	Dues, Fees, Subscriptions & Promotions			9,631	9,631		9,631	270	9,901	20	
21	Clerical & General Office Expenses	94,569	15,068	41,941	151,578		151,578	(49,714)	101,864	21	
22	Employee Benefits & Payroll Taxes			538,373	538,373		538,373		538,373	22	
23	Inservice Training & Education							792	792	23	
24	Travel and Seminar			1,159	1,159		1,159	11,649	12,808	24	
25	Other Admin. Staff Transportation			13,778	13,778		13,778	1,753	15,531	25	
26	Insurance-Prop.Liab.Malpractice			90,248	90,248		90,248	1,819	92,067	26	
27	Other (specify):* Home Office Benefit A							17,060	17,060	27	
28	TOTAL General Administration	172,691	15,068	1,054,423	1,242,182		1,242,182	(109,649)	1,132,533	28	
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,253,702	292,907	1,687,507	4,234,116		4,234,116	(90,222)	4,143,894	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.

Facility Name & ID Number

Walnut Grove Village

#0047753

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

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			10,115	10,115		10,115	5,606	15,721			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			12,549	12,549		12,549	(1,022)	11,527			32
33	Real Estate Taxes			96,419	96,419		96,419		96,419			33
34	Rent-Facility & Grounds			984,546	984,546		984,546	9,211	993,757			34
35	Rent-Equipment & Vehicles			4,880	4,880		4,880	2,453	7,333			35
36	Other (specify):*											36
37	TOTAL Ownership			1,108,509	1,108,509		1,108,509	16,248	1,124,757			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		175,703		175,703		175,703		175,703			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):* Non-allowable Cos	146,746	1,686	41,438	189,870		189,870	(189,870)				43
44	TOTAL Special Cost Centers	146,746	177,389	95,641	419,776		419,776	(189,870)	229,906			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,400,448	470,296	2,891,657	5,762,401		5,762,401	(263,844)	5,498,557			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	(1,082)	2		4
5	Telephone, TV & Radio in Resident Rooms	(1,929)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	3,310	30		9
10	Interest and Other Investment Income	(1,022)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				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	(8,190)	43		18
19	Entertainment				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				24
25	Fund Raising, Advertising and Promotional				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	(181,311)	Vari.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (190,224)		\$	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)			34
35	Other- Attach Schedule See Pg 6A	(73,620)	Vari.	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (73,620)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (263,844)		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	TOTAL (C): (sum of lines 38-46)			\$	47

BHF USE ONLY					
48		49		50	
				51	
					52

SEE ACCOUNTANTS' COMPILATION REPORT

Walnut Grove Village

ID# 0047753
 Report Period Beginning: 01/01/2007
 Ending: 12/31/2007

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Marketing Cost	\$ (49,975)	43	1
2	Independent living units costs	(108,369)	43	2
3	Lab Expenses	(4,770)	43	3
4	Diagnostic Imaging Expenses	(16,637)	43	4
5	Misc Income	(200)	21	5
6	IL-LTC Non-Allow Expense	(1,360)	20	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				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	(181,311)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Walnut Grove Village# 0047753

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

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)	
1	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(1,082)	0	0	0	0	0	0	0	0	0	0	(1,082)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	0	906	0	0	0	0	0	0	0	0	906	5
6	Maintenance	0	0	34	0	0	0	0	0	0	0	0	34	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(1,082)	0	940	0	(142)	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	0	0	17,060	0	0	0	0	0	0	0	0	17,060	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	2,509	0	0	0	0	0	0	0	0	2,509	15
16	TOTAL Health Care and Programs	0	0	19,569	0	19,569	16							
	C. General Administration													
17	Administrative	0	0	80,675	0	0	0	0	0	0	0	0	80,675	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	0	(173,953)	0	0	0	0	0	0	0	0	(173,953)	19
20	Fees, Subscriptions & Promotions	(1,360)	0	1,630	0	0	0	0	0	0	0	0	270	20
21	Clerical & General Office Expenses	(200)	0	(49,514)	0	0	0	0	0	0	0	0	(49,714)	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	792	0	0	0	0	0	0	0	0	792	23
24	Travel and Seminar	0	0	11,649	0	0	0	0	0	0	0	0	11,649	24
25	Other Admin. Staff Transportation	0	0	1,569	0	0	0	0	0	0	0	0	1,569	25
26	Insurance-Prop.Liab.Malpractice	0	0	1,819	0	0	0	0	0	0	0	0	1,819	26
27	Other (specify):*	0	0	17,060	0	0	0	0	0	0	0	0	17,060	27
28	TOTAL General Administration	(1,560)	0	(108,273)	0	(109,833)	28							
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(2,642)	0	(87,764)	0	(90,406)	29							

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

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 TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	3,310	0	2,296	0	0	0	0	0	0	0	0	5,606	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(1,022)	0	0	0	0	0	0	0	0	0	0	(1,022)	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	9,211	0	0	0	0	0	0	0	0	9,211	34
35	Rent-Equipment & Vehicles	0	0	2,637	0	0	0	0	0	0	0	0	2,637	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	2,288	0	14,144	0	16,432	37							
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(189,870)	0	0	0	0	0	0	0	0	0	0	(189,870)	43
44	TOTAL Special Cost Centers	(189,870)	0	0	0	0	0	0	0	0	0	0	(189,870)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(190,224)	0	(73,620)	0	(263,844)	45							

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Suzanne Koenig	100	See Attached Sch 6A		See Attached Sch 6B		

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	See Page 6A.	\$			\$	\$	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.

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	5 Utilities	\$	SAK Management Services, LLC	100.00%	\$ 906	\$	906	15
16	V	6 Maintenance		SAK Management Services, LLC	100.00%	34		34	16
17	V	10 Nursing - Salaries		SAK Management Services, LLC	100.00%	17,060		17,060	17
18	V	17 Administrative		SAK Management Services, LLC	100.00%	80,675		80,675	18
19	V	21 Clerical & General	122,382	SAK Management Services, LLC	100.00%	29,176		(93,206)	19
20	V	19 Professional Services	183,574	SAK Management Services, LLC	100.00%	9,621		(173,953)	20
21	V	20 Dues, Fees & Subscriptions		SAK Management Services, LLC	100.00%	1,630		1,630	21
22	V	21 Clerical & General		SAK Management Services, LLC	100.00%	8,366		8,366	22
23	V	21 Clerical & General - Salaries		SAK Management Services, LLC	100.00%	35,326		35,326	23
24	V	23 Inservice Training & Education		SAK Management Services, LLC	100.00%	792		792	24
25	V	24 Travel & Seminar		SAK Management Services, LLC	100.00%	8,210		8,210	25
26	V	25 Other Admin. Staff Transportation		SAK Management Services, LLC	100.00%	1,569		1,569	26
27	V	26 Insurance - Property & Liability		SAK Management Services, LLC	100.00%	1,819		1,819	27
28	V	27 Employee Benefits - Mgmt. Co.		SAK Management Services, LLC	100.00%	17,060		17,060	28
29	V	30 Depreciation		SAK Management Services, LLC	100.00%	2,296		2,296	29
30	V	34 Rent - Facility & Grounds		SAK Management Services, LLC	100.00%	9,211		9,211	30
31	V	35 Rent - Equipment & Vehicles		SAK Management Services, LLC	100.00%	2,453		2,453	31
32	V								32
33	V	15 Employee Benefits - Nursing		SAK Management Services, LLC	100.00%	2,509		2,509	33
34	V	24 Travel & Seminar		SAK Management Services, LLC	100.00%	3,439		3,439	34
35	V	35 Rent - Equipment & Vehicles		SAK Management Services, LLC	100.00%	184		184	35
36	V								36
37	V								37
38	V								38
39	Total		\$ 305,956			\$ 232,336	\$ *	(73,620)	39

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

Facility Name & ID Number

Walnut Grove Village

0047753

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	Suzanne Koenig	Owner	Administrative	100.00	See Attached	10	16.63	Comp	29,176	L17, C7	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	\$ 29,176		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 Walnut Grove Village

0047753

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

Name of Related Organization SAK Management Services, LLC
 Street Address 4055 W. Peterson, Suite 101
 City / State / Zip Code Chicago, IL 60646
 Phone Number (773) 202-0000
 Fax Number (773) 267-0111

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	SAK Managment Fees	1,890,235	8	\$ 5,596	\$ 305,956	\$ 906	1
2	6	Maintenance	SAK Managment Fees	1,890,235	8	211	305,956	34	2
3	10	Nursing	SAK Managment Fees	1,890,235	8	105,396	305,956	17,060	3
4	17	Administrative	SAK Managment Fees	1,890,235	8	498,418	305,956	80,675	4
5	17	Administrative	SAK Managment Fees	1,890,235	8	180,250	305,956	29,176	5
6	19	Professional Services	SAK Managment Fees	1,890,235	8	59,442	305,956	9,621	6
7	20	Dues, Fees & Subscriptions	SAK Managment Fees	1,890,235	8	10,072	305,956	1,630	7
8	21	Clerical & General	SAK Managment Fees	1,890,235	8	51,688	305,956	8,366	8
9	21	Clerical & General - Salaries	SAK Managment Fees	1,890,235	8	218,250	305,956	35,326	9
10	23	Inservice Training & Education	SAK Managment Fees	1,890,235	8	4,891	305,956	792	10
11	24	Travel & Seminar	SAK Managment Fees	1,890,235	8	50,720	305,956	8,210	11
12	25	Other Admin. Staff Transportation	SAK Managment Fees	1,890,235	8	9,694	305,956	1,569	12
13	26	Insurance - Prop & Liability	SAK Managment Fees	1,890,235	8	11,235	305,956	1,819	13
14	27	Employee Benefits - Mgmt. Co.	SAK Managment Fees	1,890,235	8	120,902	305,956	19,569	14
15	30	Depreciation	SAK Managment Fees	1,890,235	8	14,188	305,956	2,296	15
16	34	Rent - Facility & Grounds	SAK Managment Fees	1,890,235	8	56,907	305,956	9,211	16
17	35	Rent - Equipment & Vehicles	SAK Managment Fees	1,890,235	8	15,154	305,956	2,453	17
18									18
19									19
20	24	Travel & Seminar	Direct Cost			18,959		3,439	20
21	35	Rent - Equipment & Vehicles	Direct Cost			966		184	21
22									22
23									23
24									24
25	TOTALS					\$ 1,432,939	\$ 822,064	\$ 232,336	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Walnut Grove Village

0047753

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

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																				
2																				
3																				
4																				
5																				
Working Capital																				
6	Capital Source		Line of Credit	Various	4/2006	25,000	85,169	3/2009	Prime +1	12,109										
7	CBC Holdings		Startup Capital Loan	\$5,925.75	3/2006	55,639		2/2007	Prime +4	440										
8																				
9	TOTAL Facility Related			\$5,925.75		\$ 80,639	\$ 85,169			\$ 12,549										
B. Non-Facility Related*																				
10								Less Interest Income Offset		(1,022)										
11																				
12																				
13																				
14	TOTAL Non-Facility Related					\$	\$			\$ (1,022)										
15	TOTALS (line 9+line14)					\$ 80,639	\$ 85,169			\$ 11,527										

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 Walnut Grove Village COUNTY Grundy

FACILITY IDPH LICENSE NUMBER 0047753

CONTACT PERSON REGARDING THIS REPORT Suzanne Koenig

TELEPHONE (773) 202-0000 FAX #: (773) 267-0111

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>02-33-301-006</u>	<u>Long Term Care Property</u>	\$ <u>538.00</u>	\$ <u>538.00</u>
2. _____	_____	\$ _____	\$ _____
3. <u>Real Estate Tax Bills not received before filling cost report:</u>	_____	\$ _____	\$ _____
4. <u>02-33-301-005</u>	<u>Long Term Care Property</u>	\$ _____	\$ _____
5. <u>02-33-301-002</u>	<u>Long Term Care Property</u>	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>538.00</u>	\$ <u>538.00</u>

B. Real Estate Tax Cost Allocations

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

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

C. Tax Bills

Attach a copy of the original 2006 tax bills which were listed in Section A to this statement. Be sure to use the 2006 tax bill which is normally paid during 2007.

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning:

01/01/2007 Ending:

12/31/2007

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 46,744 B. General Construction Type: Exterior Brick Frame Wood Number of Stories One

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).
30 Cottages - Cost not included in Cost Report

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

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1			<u>N/A</u>	\$	1
2					2
3	TOTALS			\$	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Walnut Grove Village

0047753

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		
Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4				\$	\$		\$	\$	\$	4
5										5
6										6
7										7
8										8
Improvement Type**										
9	Laundry Drain Repair		2007	12,535	1,791	7	1,791		1,791	9
10	Foyer Renovation - Sprinklers, Canopy, Fire Doors		2007	7,314	1,045	7	1,045		1,045	10
11	Kitchen Repairs - Leaking pipes, & Coil		2007	3,275	468	7	468		468	11
12	A/C Repairs		2007	6,413	1,283	5	1,283		1,283	12
13	Fire System		2007	15,871	3,174	5	3,174		3,174	13
14										14
15										15
16	Lessor Leasehold Improvements									16
17	-- Purchase and Install new heat pump		2006	5,130		5	1,539	1,539	1,539	17
18	-- Purchase and install new water heater		2006	7,025		5	2,108	2,108	2,108	18
19										19
20										20
21										21
22										22
23										23
24										24
25										25
26										26
27										27
28										28
29										29
30										30
31										31
32										32
33										33
34										34
35										35
36										36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37		\$	\$		\$	\$	\$	37
38								38
39								39
40								40
41								41
42								42
43								43
44								44
45								45
46								46
47								47
48								48
49								49
50								50
51								51
52								52
53								53
54								54
55								55
56								56
57								57
58								58
59								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)	\$	\$ 57,563		\$ 11,408	\$ 3,647	\$ 11,408	70

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	\$ 8,399	\$	\$ 840	\$ 840	10	\$ 2,796	71
72	Current Year Purchases	11,768	2,354	1,177	(1,177)	10	1,177	72
73	Fully Depreciated Assets							73
74	Alloc-SAK Management			2,296	2,296			74
75	TOTALS	\$ 20,167	\$ 2,354	\$ 4,313	\$ 1,959		\$ 3,973	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		N/A		\$	\$	\$	\$		\$	76
77										77
78										78
79										79
80	TOTALS			\$	\$	\$	\$		\$	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)	\$ 77,730	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 10,115	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 15,721	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 5,606	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 15,381	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	N/A				87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	N/A	\$	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.

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:	<u>123</u>		\$ <u>984,546</u>			3
4	Additions						4
5							5
6	<u>Home Office Allocations</u>			<u>9,211</u>			6
7	TOTAL	123		\$ <u>993,757</u>			7

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

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: 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: \$ 7,333 Description: Dishwasher 2534; Lift 88; Carpet Machine 22; Nursing Equip 2236; SAK Alloc. 2453

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

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

10. Effective dates of current rental agreement:

Beginning _____
Ending _____

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

	Fiscal Year Ending	Annual Rent
12.	<u>/2008</u>	\$ _____
13.	<u>/2009</u>	\$ _____
14.	<u>/2010</u>	\$ _____

* 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>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. <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.
- SEE ACCOUNTANTS' COMPILATION REPORT**

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10A, C3	hrs	\$	2,656	\$ 159,390	\$	2,656	\$ 159,390	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		629	37,767		629	37,767	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		3,034	182,031		3,034	182,031	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescrpts				170,395		170,395	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): <u>Oxygen</u>	L39, C2					5,308		5,308	13
14	TOTAL			\$	6,319	\$ 379,188	\$ 175,703	6,319	\$ 554,891	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 Walnut Grove Village

0047753

Report Period Beginning: 01/01/2007

Ending:

12/31/2007

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2007

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 38,952	\$ 38,952	1
2	Cash-Patient Deposits	16,712	16,712	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>None</u>)	840,968	840,968	3
4	Supply Inventory (priced at _____)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	63,599	63,599	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>See Sch 17A</u>	730,194	730,194	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,690,425	\$ 1,690,425	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	23,124	57,563	15
16	Equipment, at Historical Cost	34,052	20,167	16
17	Accumulated Depreciation (book methods)	(10,114)	(15,381)	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 <u>Capital Maint. Escrow</u>)	73,800	73,800	22
23	Other(specify): _____			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 120,862	\$ 136,149	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,811,287	\$ 1,826,574	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 859,400	\$ 859,400	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	16,712	16,712	28
29	Short-Term Notes Payable	85,169	85,169	29
30	Accrued Salaries Payable	139,030	139,030	30
31	Accrued Taxes Payable (excluding real estate taxes)	11,746	11,746	31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	_____			36
37	_____			37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,112,057	\$ 1,112,057	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	_____			43
44	_____			44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,112,057	\$ 1,112,057	46
47	TOTAL EQUITY(page 18, line 24)	\$ 699,230	\$ 714,517	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,811,287	\$ 1,826,574	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Walnut Grove Village

Provider #: 0047753

1/1/2007 to 12/31/2007

Schedule 17A

XV. Balance Sheet

	<u>Operating</u>	<u>After Consolidation</u>
Other Current Assets - Line 9		
Due From WG Cottages	139,141	139,141
Due From Coventry Living	565,307	565,307
Due From Prior Owner	25,746	25,746
	<u>730,194</u>	<u>730,194</u>

SEE ACCOUNTANTS' COMPILATION REPORT

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 340,098	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 340,098	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	359,129	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) Rounding	3	15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 359,132	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)	\$ 699,230	24 *

* 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	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 4,656,969	1
2	Discounts and Allowances for all Levels	145,299	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 4,802,268	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,153,264	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,153,264	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals	1,082	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	163,591	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 164,673	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	1,022	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,022	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Misc Income</u>	303	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 303	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 6,121,530	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	899,042	31
32	Health Care	2,092,892	32
33	General Administration	1,242,182	33
	B. Capital Expense		
34	Ownership	1,108,509	34
	C. Ancillary Expense		
35	Special Cost Centers	365,573	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)*	\$ 5,762,401	40
41	Income before Income Taxes (line 30 minus line 40)**	359,129	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 359,129	43

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

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

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

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

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning:

01/01/2007

Ending:

12/31/2007

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	1,864	2,000	\$ 50,369	\$ 25.18	1
2	Assistant Director of Nursing	264	280	7,024	25.08	2
3	Registered Nurses	12,572	13,254	328,579	24.79	3
4	Licensed Practical Nurses	13,414	13,962	303,300	21.72	4
5	CNAs & Orderlies	59,721	62,755	681,100	10.85	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	5,447	5,829	58,612	10.06	10
11	Social Service Workers	1,928	2,080	36,497	17.55	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	18,672	19,649	181,537	9.24	15
16	Dishwashers					16
17	Maintenance Workers	6,594	7,023	87,253	12.42	17
18	Housekeepers	11,190	11,991	93,054	7.76	18
19	Laundry	7,724	8,372	77,804	9.29	19
20	Administrator	2,016	2,080	78,122	37.56	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	6,413	6,668	94,569	14.18	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	1,860	2,001	23,218	11.60	31
32	Other Health C: See Sch20A	7,493	8,067	152,665	18.92	32
33	Other(specify) See Sch20A	10,921	11,625	146,746	12.62	33
34	TOTAL (lines 1 - 33)	168,093	177,636	\$ 2,400,448 *	\$ 13.51	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	\$ 9,455	L1, C3	35
36	Medical Director	Monthly	8,500	L9, C3	36
37	Medical Records Consultant	Monthly	828	L10, C3	37
38	Nurse Consultant	Monthly	2,244	L10, C3	38
39	Pharmacist Consultant	Monthly	4,200	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant	Monthly	3,332	L12, C3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)		\$ 28,559		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

SEE ACCOUNTANTS' COMPILATION REPORT

Walnut Grove Village
Provider #: 0047753
1/1/2007 to 12/31/2007

Schedule 20A

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

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages
Other Health Care - Line 32			
Care Plan Coordinator	2,177	2,241	66,980
Restorative Nurse	82	82	1,870
Restorative Aide	5,234	5,744	83,815
	<u>7,493</u>	<u>8,067</u>	<u>152,665</u>
Other - Line 33			
Marketing	2,024	2,080	37,939
Villa Aid	8,897	9,545	108,807
	<u>10,921</u>	<u>11,625</u>	<u>146,746</u>

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number **Walnut Grove Village**

0047753

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

Ending: **12/31/2007**

XIX. SUPPORT SCHEDULES

A. Administrative Salaries			Ownership	D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	%	Amount	Description	Amount	Description	Amount	
Linda Shannon	Administrator		\$ 7,917	Workers' Compensation Insurance	\$ 160,188	IDPH License Fee	\$ 995	
Barbara Alderts	Administrator		70,205	Unemployment Compensation Insurance	61,480	Advertising: Employee Recruitment	931	
				FICA Taxes	180,415	Health Care Worker Background Check (Indicate # of checks performed <u>23</u>)	1,350	
				Employee Health Insurance	130,767	Patient Background Checks	0	
				Employee Meals		Dues - ICLTC	5,762	
				Illinois Municipal Retirement Fund (IMRF)*		Licenses and Fees	318	
				Employee Benefits	5,523	Alloc-SAK Management	1,630	
						IL-LCT Non-Allow Exp	(1,360)	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 78,122			Misc Subscrip.	275	
B. Administrative - Other						Less: Public Relations Expense	()	
Description			Amount			Non-allowable advertising	()	
SAK Management - Management Fee (Adjusted on Page 6A)			\$ 0			Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$	TOTAL (agree to Schedule V, line 22, col.8)	\$ 538,373	TOTAL (agree to Sch. V, line 20, col. 8)	\$ 9,901	
C. Professional Services				E. Schedule of Non-Cash Compensation Paid to Owners or Employees		G. Schedule of Travel and Seminar**		
Vendor/Payee	Type		Amount	Description	Line #	Amount	Description	Amount
SAK Management	Bookkeeping		\$ 183,574	N/A			Out-of-State Travel	\$
Aronberg Goldgehn Davis & Garmis	Legal		1,180					
Gary A. Weintraub, P.C.	Legal		1,960					
LTC Solutions INC.	Computer		1,320				In-State Travel	
HDSI-Health Data Systems, INC.	Billing Service		5,498					
Alpha Data Services, LLC	Bookkeeping		5,165					
FR&R	Accounting		4,200				Seminar Expense	1,159
Joseph Abramchik	Consulting		22,800				Alloc-SAK Management	11,649
Personnel Planners, Inc.	Unemployment Consulting		1,700					
Richard Peelo & Associates, Inc.	Consulting		4,200					
Sharon Haugh	Billing Service		4,800					
Small Misc Fees	Consulting		514				Entertainment Expense	()
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 236,911	TOTAL		\$	TOTAL (agree to Sch. V, line 24, col. 8)	\$ 12,808

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Walnut Grove Village

Provider #: 0047753

01/01/2007 to 12/31/2007

Schedule 21A

XIX. SUPPORT SCHEDULE

C. Professional Services

Total (agree to Schedule V, line 19, column 3) 236,911

Allocation from Management Company:

Management Fee - Accounting	(183,574)
Legal	5,194
Accounting	1,451
Consultant	1,618
Computer Services	1,358

Total (agree to Schedule V, line 19, column 8) 62,958

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		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2	N/A						N/A					
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20	TOTALS	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Walnut Grove Village# 0047753

Report Period Beginning:

01/01/2007

Ending:

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. ICLTC - \$4,402
- (3) Did the nursing home make political contributions or payments to a political action 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? 10 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 874 Line 10, 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. \$ 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. \$ N/A Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,082
- (16) Travel and Transportation
- a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
- b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
- c. What percent of all travel expense relates to transportation of nurses and patients? N/A
- d. Have vehicle usage logs been maintained? N/A
- 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. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? N/A
Attach invoices and a summary of services for all architect and appraisal fees

SEE ACCOUNTANTS' COMPILATION REPORT