

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691 Report Period Beginning: 1/1/08 Ending: 12/31/08

III. STATISTICAL DATA

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

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	316	Skilled (SNF)	316	115,656	1
2		Skilled Pediatric (SNF/PED)		0	2
3		Intermediate (ICF)		0	3
4		Intermediate/DD		0	4
5		Sheltered Care (SC)		0	5
6		ICF/DD 16 or Less		0	6
7	316	TOTALS	316	115,656	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	5,409	1,443	10,938	17,790	8
9	SNF/PED					9
10	ICF	38,201	7,653	811	46,665	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	43,610	9,096	11,749	64,455	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 55.73%

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

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

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

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

None

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

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

YES NO

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

YES NO

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

Date started 03/01/95

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

YES Date 03/01/95 NO

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

YES NO If YES, enter number of beds certified 316 and days of care provided 7,400

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: 12/31/08 Fiscal Year: 12/31/08

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

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 1/1/08 Ending: 12/31/08

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	289,390	37,189	10,800	337,379	469	337,848	5,649	343,497			1
2	Food Purchase		452,780		452,780	(40,782)	411,998	(21,265)	390,733			2
3	Housekeeping	198,830	64,266		263,096	1,734	264,830	5,196	270,026			3
4	Laundry	81,498	36,742	763	119,003	336	119,339		119,339			4
5	Heat and Other Utilities			258,458	258,458		258,458	(3,348)	255,110			5
6	Maintenance	34,988		151,604	186,592	144	186,736	65,650	252,386			6
7	Other (specify):* Related Party Ben.							7,516	7,516			7
8	TOTAL General Services	604,706	590,977	421,625	1,617,308	(38,099)	1,579,209	59,398	1,638,607			8
	B. Health Care and Programs											
9	Medical Director			14,620	14,620		14,620		14,620			9
10	Nursing and Medical Records	3,288,462	256,609	6,234	3,551,305	(39,510)	3,511,795	65,134	3,576,929			10
10a	Therapy	79,856			79,856		79,856		79,856			10a
11	Activities	75,659	3,164	5,160	83,983	94	84,077		84,077			11
12	Social Services	62,846			62,846		62,846		62,846			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):* Related Party Ben.							9,988	9,988			15
16	TOTAL Health Care and Programs	3,506,823	259,773	26,014	3,792,610	(39,416)	3,753,194	75,122	3,828,316			16
	C. General Administration											
17	Administrative	83,633			83,633		83,633	89,795	173,428			17
18	Directors Fees											18
19	Professional Services			829,047	829,047	(13,759)	815,288	(746,698)	68,590			19
20	Dues, Fees, Subscriptions & Promotions			66,691	66,691		66,691	(52,673)	14,018			20
21	Clerical & General Office Expenses	133,302	26,585	58,027	217,914	264	218,178	351,960	570,138			21
22	Employee Benefits & Payroll Taxes			551,675	551,675	32,958	584,633		584,633			22
23	Inservice Training & Education											23
24	Travel and Seminar			6,397	6,397		6,397	4,021	10,418			24
25	Other Admin. Staff Transportation			6,557	6,557		6,557	15,607	22,164			25
26	Insurance-Prop.Liab.Malpractice			353,990	353,990	(2,735)	351,255	256	351,511			26
27	Other (specify):* bad debt			165,966	165,966		165,966	(101,174)	64,792			27
28	TOTAL General Administration	216,935	26,585	2,038,350	2,281,870	16,728	2,298,598	(438,906)	1,859,692			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,328,464	877,335	2,485,989	7,691,788	(60,787)	7,631,001	(304,386)	7,326,615			29

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

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

Facility Name & ID Number Alden Terrace of McHenry Rehab #0040691 Report Period Beginning: 1/1/08 Ending: 12/31/08

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclassification 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			108,734	108,734		108,734	(4,775)	103,959		30
31	Amortization of Pre-Op. & Org.										31
32	Interest			150,847	150,847	2,735	153,582	(20,748)	132,834		32
33	Real Estate Taxes			227,001	227,001		227,001	5,990	232,991		33
34	Rent-Facility & Grounds			1,742,690	1,742,690		1,742,690		1,742,690		34
35	Rent-Equipment & Vehicles			11,542	11,542		11,542	48,902	60,444		35
36	Other (specify):*										36
37	TOTAL Ownership			2,240,814	2,240,814	2,735	2,243,549	29,369	2,272,918		37
	Ancillary Expense										
	E. Special Cost Centers										
38	Medically Necessary Transportation										38
39	Ancillary Service Centers		402,267	498,740	901,007	58,052	959,059	(112,594)	846,465		39
40	Barber and Beauty Shops										40
41	Coffee and Gift Shops										41
42	Provider Participation Fee			173,484	173,484		173,484		173,484		42
43	Other (specify):*										43
44	TOTAL Special Cost Centers		402,267	672,224	1,074,491	58,052	1,132,543	(112,594)	1,019,949		44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,328,464	1,279,602	5,399,027	11,007,093		11,007,093	(387,611)	10,619,482		45

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

Alden Terrace of McHenry Rehab

IDPH Facility ID Number: #0040691

Reclassifications on Pgs 3 & 4 - Column 5

Report Period Beginning: 1/1/2008

Report Period Ending: 12/31/2008

<u>From Line</u>	<u>To Line</u>	<u>Amount</u>	<u>Description</u>
2		(40,781.87)	Employee Meals
	22	40,781.87	Employee Meals
22		(7,823.52)	Uniforms
	10	4,783.09	Uniforms
	1	469.29	Uniforms
	3	1,733.98	Uniforms
	4	335.60	Uniforms
	6	144.02	Uniforms
	11	93.45	Uniforms
	21	264.09	Uniforms
26		(2,735.00)	Interest - old policy/curr yr portion
	32	2,735.00	Interest - old policy/curr yr portion
10		(58,052.09)	Oxygen - to appropriate cost center
	39	58,052.09	Oxygen - to appropriate cost center
<u>Others, if any:</u>			
19		(13,759.44)	Clinical Coordinators (Pathway Billing)
	10	13,759.44	Clinical Coordinators (Pathway Billing)
Net		<hr/>	-

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 1/1/08

Ending: 12/31/08

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.

In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				9
10	Interest and Other Investment Income	(2,107)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,941)	2		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	32	21		17
18	Fines and Penalties				18
19	Entertainment	(418)	20		19
20	Contributions	(8,071)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(19,606)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(165,966)	27		24
25	Fund Raising, Advertising and Promotional	(11,392)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(640)	20		28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (210,109)		\$	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)	(38,487)	various	34
35	Other- Attach Schedule	(139,015)	Pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (177,502)		36
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (387,611)		37

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

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

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

BHF USE ONLY						
48		49		50		51
						52

Alden Terrace of McHenry Rehab

ID# 0040691

Report Period Beginning: 1/1/08

Ending: 12/31/08

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	
1	Late fees on utilites	\$ (7,256)	5	1
2	Other nursing income	(165)	10	2
3	Intercompany interest not allowed	(147,126)	32	3
4				4
5	Misc Income (Med Records)	(563)	21	5
6	Misc Income (Food Rebate)	(375)	2	6
7	Misc Income (Donation)	(10)	2	7
8	Vendor Settlement (Relational Funding)	(800)	21	8
9	Vendor Settlement (Relational Funding)	800	6	9
10	Back out 32.30% for 2008 PAC fees	(3,923)	20	10
11	Adj Deming Training (0.21%)	(525)	24	11
12				12
13	Eliminated Americans for Job Security cost	(2,756)	20	13
14	Eliminated Alliance for Quality Nursing cost	(1,580)	20	14
15				15
16				16
17	Correct YTD Depreciation	(199)	30	17
18	Reduce deprec exp on Pg 13 items under \$2500	(5,730)	30	18
19	Reduce deprec exp on Pg 12 items under \$2500	(3,030)	30	19
20	Expense capital items < \$2500 on Pg 13 items	25,788	6	20
21	Expense capital items < \$2500 on Pg 12 items	7,668	6	21
22	Expense Related Party items < \$2,500	774	6	22
23				23
24	Adj for ABC related party profit - Page 12	(7)	30	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	(139,015)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	7,401	(1,752)	0	0	0	0	0	0	0	5,649	1
2	Food Purchase	(2,326)	0	0	(18,939)	0	0	0	0	0	0	0	(21,265)	2
3	Housekeeping	0	0	5,196	0	0	0	0	0	0	0	0	5,196	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(7,256)	0	3,908	0	0	0	0	0	0	0	0	(3,348)	5
6	Maintenance	35,030	0	30,783	0	0	0	(163)	0	0	0	0	65,650	6
7	Other (specify):*	0	0	7,011	505	0	0	0	0	0	0	0	7,516	7
8	TOTAL General Services	25,448	0	54,299	(20,186)	0	0	(163)	0	0	0	0	59,398	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	(165)	0	59,268	3,251	2,780	0	0	0	0	0	0	65,134	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	9,988	0	0	0	0	0	0	0	0	9,988	15
16	TOTAL Health Care and Programs	(165)	0	69,256	3,251	2,780	0	0	0	0	0	0	75,122	16
	C. General Administration													
17	Administrative	0	0	89,795	0	0	0	0	0	0	0	0	89,795	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(19,606)	0	(727,092)	0	0	0	0	0	0	0	0	(746,698)	19
20	Fees, Subscriptions & Promotions	(28,780)	0	(23,893)	0	0	0	0	0	0	0	0	(52,673)	20
21	Clerical & General Office Expenses	(1,331)	0	309,850	13,638	29,803	0	0	0	0	0	0	351,960	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	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(525)	0	4,546	0	0	0	0	0	0	0	0	4,021	24
25	Other Admin. Staff Transportation	0	0	15,607	0	0	0	0	0	0	0	0	15,607	25
26	Insurance-Prop.Liab.Malpractice	0	0	256	0	0	0	0	0	0	0	0	256	26
27	Other (specify):*	(165,966)	0	61,622	1,449	1,721	0	0	0	0	0	0	(101,174)	27
28	TOTAL General Administration	(216,208)	0	(269,309)	15,087	31,524	0	0	0	0	0	0	(438,906)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(190,925)	0	(145,754)	(1,848)	34,304	0	(163)	0	0	0	0	(304,386)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
30	Depreciation	(8,966)	0	2,842	0	1,349	0	0	0	0	0	0	(4,775)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(149,233)	0	126,038	0	2,447	0	0	0	0	0	0	(20,748)	32
33	Real Estate Taxes	0	0	5,849	0	141	0	0	0	0	0	0	5,990	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	34
35	Rent-Equipment & Vehicles	0	0	48,902	0	0	0	0	0	0	0	0	48,902	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(158,199)	0	183,631	0	3,937	0	0	0	0	0	0	29,369	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	(17,214)	(44,209)	(51,171)	0	0	0	0	0	(112,594)	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	TOTAL Special Cost Centers	0	0	0	(17,214)	(44,209)	(51,171)	0	0	0	0	0	(112,594)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(349,124)	0	37,877	(19,062)	(5,968)	(51,171)	(163)	0	0	0	0	(387,611)	45

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
The Alden Group, Ltd.	100	See Pg 6K		See Pg 6K		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: 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		\$			\$	\$ *	0 14

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

Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691Report Period Beginning: 1/1/08Ending: 12/31/08

VII. RELATED PARTIES (continued)

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

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

1 Schedule V	2 Line	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
		Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	5	Utilities	\$	Alden Management Services, Inc.	0.00%	\$ 3,908	\$ 3,908	15
16	V	24	Trav & Seminar		Alden Management Services, Inc.		4,546	4,546	16
17	V	25	Other Admin Travel		Alden Management Services, Inc.		15,607	15,607	17
18	V	26	Insurance		Alden Management Services, Inc.		256	256	18
19	V	20	Dues & Subscriptions	24,600	Alden Management Services, Inc.		707	(23,893)	19
20	V	30	Depreciation		Alden Management Services, Inc.		2,842	2,842	20
21	V	32	Amortization		Alden Management Services, Inc.		79	79	21
22	V	33	Real Estate Tax		Alden Management Services, Inc.		5,849	5,849	22
23	V	35	Rent-Equip & Vehicles		Alden Management Services, Inc.		48,902	48,902	23
24	V	32	Interest		Alden Management Services, Inc.		125,959	125,959	24
25	V	1	Dietary		Alden Management Services, Inc.		7,401	7,401	25
26	V	3	Housekeeping		Alden Management Services, Inc.		5,196	5,196	26
27	V	7	Employee Benefits-Gen'l Servs		Alden Management Services, Inc.		7,011	7,011	27
28	V	10	Nurs & Med Records Salary		Alden Management Services, Inc.		59,268	59,268	28
29	V	15	Employee Benefits-Health Care		Alden Management Services, Inc.		9,988	9,988	29
30	V	17	Administrative Salary		Alden Management Services, Inc.		89,795	89,795	30
31	V	27	Employee Benefits-Admin		Alden Management Services, Inc.		61,622	61,622	31
32	V	19	Professional Fees	778,938	Alden Management Services, Inc.		51,846	(727,092)	32
33	V	21	Gen'l & Admin		Alden Management Services, Inc.		309,850	309,850	33
34	V	6	Repair & Maint	13,271	Alden Management Services, Inc.		44,054	30,783	34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 816,809				\$ 854,686	\$ * 37,877	39

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

VII. RELATED PARTIES (continued)

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	1	Diet. Consultant	\$ 10,800	Prism Health Care Services, Inc.	0.00%	\$ 2,733	\$ (8,067)	15
16	V	1	Dietary Salary		Prism Health Care Services, Inc.		6,315	6,315	16
17	V	2	Tube Feeding	56,713	Prism Health Care Services, Inc.		37,774	(18,939)	17
18	V	10	Equip Rental	6,660	Prism Health Care Services, Inc.		9,911	3,251	18
19	V	39	Ancillary Supplies	38,298	Prism Health Care Services, Inc.		21,084	(17,214)	19
20	V	21	Gen'l & Admin Salary		Prism Health Care Services, Inc.		8,195	8,195	20
21	V	27	Employee Benefits		Prism Health Care Services, Inc.		1,449	1,449	21
22	V	7	Employee Benefits		Prism Health Care Services, Inc.		505	505	22
23	V	21	Gen'l & Admin		Prism Health Care Services, Inc.		5,443	5,443	23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 112,471				\$ 93,409	\$ * (19,062)	39

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 1/1/08

Ending: 12/31/08

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	39	Drugs	\$ 183,924	Forum Extended Care Services II, Inc.	0.00%	\$ 267,404	\$ 83,480	15
16	V	39	IV	146,109	Forum Extended Care Services II, Inc.		21,303	(124,806)	16
17	V	39	Wound Care	14,226	Forum Extended Care Services II, Inc.		11,343	(2,883)	17
18	V	10	House Stock	12,442	Forum Extended Care Services II, Inc.		11,735	(707)	18
19	V	10	Pharmacy Consultant	8,184	Forum Extended Care Services II, Inc.		11,671	3,487	19
20	V	27	Employee Vaccin.	1,832	Forum Extended Care Services II, Inc.		1,461	(371)	20
21	V	27	Employee Benefits: G&A		Forum Extended Care Services II, Inc.		2,092	2,092	21
22	V	21	Gen'l & Admin. Salary		Forum Extended Care Services II, Inc.		18,017	18,017	22
23	V	21	Gen'l & Admin		Forum Extended Care Services II, Inc.		11,786	11,786	23
24	V	32	Interest		Forum Extended Care Services II, Inc.		2,447	2,447	24
25	V	33	Real Estate Tax		Forum Extended Care Services II, Inc.		141	141	25
26	V	30	Depreciation		Forum Extended Care Services II, Inc.		1,349	1,349	26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 366,717				\$ 360,749	\$ * (5,968)	39

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

Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691Report Period Beginning: 1/1/08Ending: 12/31/08**VII. RELATED PARTIES (continued)**

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	39	Therapy	\$ 481,689	Community Physical Therapy & Associates, Ltd.	0.00%	\$ 430,518	\$	(51,171)	15
16	V									16
17	V									17
18	V									18
19	V									19
20	V									20
21	V									21
22	V									22
23	V									23
24	V									24
25	V									25
26	V									26
27	V									27
28	V									28
29	V									29
30	V									30
31	V									31
32	V									32
33	V									33
34	V									34
35	V									35
36	V									36
37	V									37
38	V									38
39	Total			\$ 481,689			\$ 430,518	\$ *	(51,171)	39

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

VII. RELATED PARTIES (continued)

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	6	Repair & Maintenance	\$ 28,486	Alden Bennett Construction Company, Inc.	0.00%	\$ 28,323	\$ (163)	15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$ 28,486			\$ 28,323	\$ *	(163) 39

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

VII. RELATED PARTIES (continued)

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V			\$			\$		15
16	V								16
17	V								17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			\$			\$ 0	\$ *	0 39

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

STATE OF ILLINIOS

Facility Name & ID Number Alden Terrace of McHenry Rehab

Provider No. 0040691

Report Period Beginning:

1/1/08

Ending: 12/31/08

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

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 1/1/08 Ending: 12/31/08

VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Floyd A. Schlossberg	President	CEO	100.00	170,464	2.152	0.05	Salary	\$ 9,536	17-7	1
2	Lauren Magnusson	Dir. Of Clinical Servi	Technical Nursing	0.00	63,644	2.152	0.05	Salary	3,561	10-7	2
3	Terry Magnusson	Dir. of Purchasing	Supervise Mainten	0.00	37,028	2.152	0.05	Salary	2,071	6-7	3
4											4
5											5
6	A. Floyd Schlossberg is the President and sole stockholder of Alden Management Services, Inc.										6
7	B. Lauren Magnusson is the daughter of Floyd Schlossberg. Lauren is the Director of Clinical Services and provides technical support for the entire nursing staff.										7
8	C. Terry Magnusson is the son-in-law of Floyd Schlossberg. Terry coordinates the purchase of all building maintenance items as well as supervise building engineers.										8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 15,168		13

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

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending: 12/31/08

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	5	Utilities	patient days	1,216,590	30	\$ 73,771	\$ 64,455	\$ 3,908	1
2	24	Trav & Seminar	patient days	1,216,590	30	85,812	64,455	4,546	2
3	25	Other Admin Travel	patient days	1,216,590	30	294,582	64,455	15,607	3
4	26	Insurance	patient days	1,216,590	30	4,828	64,455	256	4
5	20	Dues & Subscriptions	patient days	1,216,590	30	13,344	64,455	707	5
6	30	Depreciation	patient days	30	30	98,652	1	2,842	6
7	32	Amortization	patient days	1,216,590	30	1,500	64,455	79	7
8	33	Real Estate Tax	patient days	1,216,590	30	125,958	64,455	5,849	8
9	35	Rent-Equip & Vehicles	patient days	1,216,590	30	923,032	64,455	48,902	9
10	32	Interest	patient days	1,216,590	30	1,783,086	64,455	125,959	10
11	1	Dietary	patient days	1,216,590	30	139,689	139,689	7,401	11
12	3	Housekeeping	patient days	1,216,590	30	98,076	98,076	5,196	12
13	7	Employee Benefits-Gen'l Servs	patient days	1,216,590	30	132,325	64,455	7,011	13
14	10	Nurs & Med Records Salary	patient days	1,216,590	30	1,256,694	1,256,694	59,268	14
15	15	Employee Benefits-Health Care	patient days	1,216,590	30	188,531	64,455	9,988	15
16	17	Administrative Salary	patient days	1,216,590	30	2,118,865	2,118,865	89,795	16
17	27	Employee Benefits-Admin	patient days	1,216,590	30	1,163,122	64,455	61,622	17
18	19	Professional Fees	patient days	1,216,590	30	978,599	605,253	51,846	18
19	21	Gen'l & Admin	patient days	1,216,590	30	5,848,424	5,104,656	309,850	19
20	6	Repair & Maint	patient days	1,216,590	30	831,505	644,276	44,054	20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 16,160,395	\$ 9,967,509	\$ 854,686	25

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	Amortization Finance Fees		X	working capital			\$	\$		\$ 79	1									
2											2									
3											3									
4											4									
5	Insurance Reclass see Pg 4A		X	malpractice insurance						6,455	5									
Working Capital																				
6											6									
7	Related Party-AMS		X	working capital						125,959	7									
8	Related Party-FECII		X	working capital						2,447	8									
9	TOTAL Facility Related						\$	\$		\$ 134,940	9									
B. Non-Facility Related*																				
10	Interest Income on Corp									(2,106)	10									
11											11									
12											12									
13											13									
14	TOTAL Non-Facility Related						\$	\$		\$ (2,106)	14									
15	TOTALS (line 9+line14)						\$	\$		\$ 132,834	15									

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

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

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

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2007 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 2007 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2007.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2007 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 2008 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.

2007 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Alden Terrace of McHenry Rehab COUNTY McHenry

FACILITY IDPH LICENSE NUMBER 0040691

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

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

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2007 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 2007.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>See attached supplement</u>	<u>Related Party-Alden Management Serv</u>	\$ <u>295,853.00</u>	\$ <u>5,849.00</u>
2. <u>See attached supplement</u>	<u>Related Party-Forum Extended Care</u>	\$ <u>28,917.00</u>	\$ <u>141.00</u>
3. <u>09-34-177-009</u>	<u>Nursing home facility</u>	\$ <u>237,668.52</u>	\$ <u>237,668.52</u>
4. <u>09-34-177-006</u>	<u>Nursing home facility</u>	\$ <u>289.46</u>	\$ <u>289.46</u>
5. <u>09-34-177-010</u>	<u>Nursing home facility</u>	\$ <u>3,943.24</u>	\$ <u>3,943.24</u>
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>566,671.22</u>	\$ <u>247,891.22</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 2007 tax bills which were listed in Section A to this statement. Be sure to use the 2007 tax bill which is normally paid during 2008.

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691 Report Period Beginning:

1/1/08 Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 9,000 B. General Construction Type: Exterior Masonry Frame _____ Number of Stories 3

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

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

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

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

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

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

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

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

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1				\$	1
2					2
3	TOTALS			\$	3

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

XI. OWNERSHIP COSTS (continued)

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

	1 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4					\$	\$		\$	\$	\$	4
5											5
6											6
7											7
8		Related Party-Forum								14,056	8
		Improvement Type**									
9		Climate Service (Ventilation)		1995	1,828	122	15	122		1,656	9
10		Climate Service (Ventilation)		1995	1,915	128	15	128		1,725	10
11		Climate Service _Controls		1995	2,885	192	15	192		2,595	11
12		Climate Service-Controls		1995	1,251	83	15	83		1,125	12
13		Climate Service (A?C Motors,Transfomer)		1995	1,840	123	15	123		1,647	13
14		climate Services _Controls		1995	1,200	80	15	80		1,067	14
15		JD & Sons-Roofing		1995	7,500		10			7,500	15
16		Grat Lakes Plumbing _Discahrge Pump		1995	3,563	238	15	238		3,169	16
17		Midwest Wlectrical		1995	3,332		5			3,332	17
18		Climate Services, Inc.-Ventilation		1995	2,295	153	15	153		2,015	18
19		CSI-New Pump		1995	1,483		10			1,483	19
20		Eagle Flag & Banner		1995	680		12			680	20
21		Equipment International _Repair Dishwasher		1996	1,793		5			1,793	21
22		JD & Sons-Roofing		1996	7,700		10			7,700	22
23		ABC _Roof top Condensor		1996	8,668		10			8,668	23
24		Install Walk in refrigeratror		1997	2,177		5			2,177	24
25		Install Ceramic Tile		1997	1,535		5			1,535	25
26		Engine/generator repaired		1997	3,099		5			3,099	26
27		New Cylinder		1997	12,800		5			12,800	27
28		Instll new condenser		1997	8,166		5			8,166	28
29		Install new cylinder		1997	15,300		5			15,300	29
30		Install Floor tile		1997	4,102		5			4,102	30
31		HVAC Boiler		1997	5,888		5			5,888	31
32		Custom wall plates		1997	386		10			386	32
33		A&B Custom Cable Wall plates		1997	1,918		10			1,918	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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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	Wigdahl Electric (install new fixtures, relocate outlets)	1998	\$ 1,759	\$	5	\$	\$	\$ 1,759	37
38	Wigdahl Electric (repair lighting, timeclock)	1998	1,853		5			1,853	38
39	Climate Service (repaired boiler)	1998	16,029	133	10	133		16,029	39
40	Atash (repair sprinkler system)	1998	1,558	156	10	156		1,558	40
41	J.D. & Son (roof repair)	1998	10,000	500	10	500		10,000	41
42	CSI (dietary refrigerator)	1998	1,670	83	10	83		1,670	42
43	CSI (sump cover)	1998	4,900	327	10	327		4,900	43
44	Patten (generator repairs)	1998	3,856	193	20	193		2,009	44
45	CSI (insulate duct on air handler)	1998	2,750	183	15	183		1,893	45
46	CSI (repair air conditioner)	1998	1,698	113	10	113		1,698	46
47	CSI (replace gaskets on hot water coil)	1998	3,934	197	20	197		2,001	47
48	North Town Food Service (repair dish machine)	1999	1,861	186	10	186		1,861	48
49	Alden Bennet Construction (tank replacement)	1999	8,649	346	25	346		3,402	49
50	Patten (Fuel Tank Repairs, need invoice)	1999	1,724	172	10	172		1,636	50
51	Chicago Cooling Corp. (repair of unit 5, and inspection)6/99	1999	2,367	237	10	237		2,269	51
52	Climate Service, Inc. (replace 15 ton condenser)	1999	9,374	625	15	625		5,937	52
53	Climate Service, Inc. (replace 10 ton condenser)	1999	7,100	473	15	473		4,495	53
54	Climate Service, Inc. (compressor)	1999	7,466	498	15	498		4,688	54
55	Climate Service, Inc. (vac pump)	1999	1,644	110	15	110		1,025	55
56	Climate Service, Inc. (compressor maintenance)	1999	1,728	115	15	115		1,065	56
57	Capps Plumbing & Sewer (install trap & rodded pipes)	1999	1,835	184	10	184		1,699	57
58	Climate Service, Inc. (tank repair and maintenance)	1999	2,380	95	25	95		864	58
59	Shine Rite Maintenance (refinish tile floors)	1999	4,805	481	10	481		4,367	59
60	Alden Bennet Construction (tile/roofing)	2000	8,214	821	10	821		7,254	60
61	Alden Bennet Construction (tile/roofing)	2000	11,459	1,146	10	1,146		9,550	61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 223,917	\$ 8,493		\$ 8,493	\$	\$ 211,064	70

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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		\$ 223,917	\$ 8,493		\$ 8,493	\$	\$ 211,064	1
2	Fox Valley Fire & Safety (replace smoke detectors)	2000	3,731	373	10	373		3,264	2
3	CSI Coker Service (repair dishwasher)	2000	3,299	330	10	330		2,887	3
4	Welding Supply Inc (repair alarm system)	2000	2,750	275	10	275		2,383	4
5	Welding Supply Inc (repair alarm system)	2000	6,649	665	10	665		5,763	5
6	System Electric Inc (new controls for oxygen system)	2000	1,785	75	8	75		1,785	6
7	GT Mechanical (repair laundry compressor)	2000	2,700	270	10	270		2,295	7
8	CSI Coker Service (repair dishwasher)	2000	1,536	154	10	154		1,307	8
9	Equipment International (repair laundry equipment)	2000	1,670	167	10	167		1,406	9
10	GT Mechanical (repair pneumatic system compressor)	2000	2,431	243	10	243		2,046	10
11	Advanced Parts & Service (repair food processor)	2000	2,026	203	10	203		1,707	11
12	CSI Coker Service (repair boiler)	2000	5,985	599	10	599		4,890	12
13		2000			10				13
14		2000			10				14
15	Capps -Plumbing &2670(install new bolt flange checkvalve)	2001	1,865	124	15	124		993	15
16	Sentry Protection Systems (annual maintenance on the fire alarm a	2001	2,151	143	15	143		1,122	16
17	CSI- Coker Service, 039721	2001	1,523	152	10	152		1,192	17
18	Patten (replace with updated phase monitor)	2001	1,898	190	10	190		1,503	18
19	Rockford Steam(hvac work)	2001	6,562	656	10	656		5,030	19
20					15				20
21	GT Mechanical(replace compressor)	2001	4,947	330	15	330		2,474	21
22	Alden Bennett Const. (lock install./repair)	2001	2,017	202	10	202		1,548	22
23	GT Mechanical, Inc (replace high pressure switch)	2001	2,516	168	15	168		1,245	23
24	CSI Coker (bldng. Improvement)	2001	1,708	114	15	114		864	24
25	Alden Bennett Const. (invoice to follow)	2001	20,742	2,074	10	2,074		16,247	25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 304,409	\$ 16,000		\$ 16,000	\$	\$ 273,015	34

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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		\$ 304,409	\$ 16,000		\$ 16,000	\$	\$ 273,015	1
2	<u>EQUINT Equipment International (gas dryer)</u>	2002	3,240	324	10	324		2,025	2
3	<u>AQUSER .REBUILD 2 WATER SOFTNE</u>	2002	2,500	250	10	250		1,563	3
4	<u>ALDBEN Alden Bennett Construct (need invoice)</u>	2002	18,173	1,212	15	1,212		8,483	4
5	<u>ENGSEC Engineered Security Sys</u>	2002	3,091	206	15	206		1,322	5
6	<u>ALDBEN Alden Bennett Construct</u>	2002	25,143	1,676	15	1,676		10,895	6
7	<u>ALDBEN Alden Bennett Construct (building improvement)</u>	2002	3,391	226	15	226		1,507	7
8	<u>TTIRRI T & T Irrigation Inc.(lawn sprinkler system)</u>	2002	15,000	600	25	600		3,950	8
9	<u>PATTEN (replace batteries of radiator & install crank case)</u>	2002	1,517	101	15	101		682	9
10	<u>FEMORA (REPLACED 50 SMOKE DETEC)</u>	2002	8,364	836	10	836		5,714	10
11	<u>FEMORA (REPAIR FIRE ALARM)</u>	2002	3,374	337	10	337		2,332	11
12	<u>GTMECH Gt Mechanical Inc (install new shaft & bearing).</u>	2002	2,216	148	15	148		1,023	12
13	<u>ALDBEN Alden Bennett Construct(install radar,painting & fire dr</u>	2002	12,850	857	15	857		5,284	13
14									14
15	<u>Aqua Service-overhaul-water softener units</u>	2002	2,490		5			2,490	15
16	<u>ABC various repairs</u>	2002	54,669	2,733	20	2,733		17,082	16
17	<u>ABC-various reopairs</u>	2002	23,660	1,577	15	1,577		9,725	17
18	<u>Aurora Tri State Fire-smoke detectors</u>	2002	4,322	432	10	432		2,664	18
19	<u>Aurora Tri State Fire-smoke detectors</u>	2002	6,200	620	10	620		3,875	19
20	<u>Aurora Tri State Fire-install alarms</u>	2002	6,559	656	10	656		4,100	20
21	<u>Simplex Grinnell-remove old andsul dry clean unit</u>	2002	2,987	299	10	299		1,818	21
22	<u>A&B Custom Cable-install cable/outlets</u>	2003	4,908	286	10	286		1,716	22
23	<u>GT Mechanical-boiler repair</u>	2003	4,892	489	11	489		2,934	23
24	<u>ABC-receiving door/sensor</u>	2003	6,623	662	10	662		3,972	24
25	<u>ABC-ceiling heaters installed</u>	2003	4,570	457	10	457		2,247	25
26	<u>ABC-aluminum outdoor fencing</u>	2003	5,137	342	15	342		1,995	26
27	<u>Real Green sprinkler maintenance</u>	2003	3,730	311	5	311		3,730	27
28	<u>GT Mechanical- HVAC air handler repairs</u>	2003	1,533	177	5	177		1,533	28
29	<u>Action Fence Contractor-rail pipe railings</u>	2003	1,875	188	10	188		987	29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 537,422	\$ 32,002		\$ 32,002	\$	\$ 378,663	34

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 537,422	\$ 32,002		\$ 32,002	\$	\$ 378,663	1
2									2
3	Related Party-Forum Prof Center Building:								3
4	Leasehold Improvement-Remodeling	1980	10,666		15			10,666	4
5	Leasehold Improvement-Remodeling	1980	16,708		20			16,708	5
6	Leasehold Improvement-Tenant Improvement	1987	864		13			864	6
7	Leasehold Improvement-AMS Remodel	1988	13,861		10			13,861	7
8	Leasehold Improvement-Roof	1994	3,097	194	16	194		2,711	8
9	Leasehold Improvement-Build.Improv.	1996	1,092	68	16	68		884	9
10	Leasehold Improvement-Asphalting	2000	85		3			85	10
11	Leasehold Improvement-DAI	2001	149	15	10	15		107	11
12	Leasehold Improvement-Bathrooms	2002	645	58	7	58		436	12
13	Leasehold Improvement-Suite Renovation	2003	1,583	157	10	157		950	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, etc	2004	1,982	375	7	375		1,546	14
15	Leasehold Improvement-sidewalks-City of Chic.	2007	102	20	5	20		41	15
16	Leasehold Improvement-Carpet: Superior Install.	2007	94	19	5	19		37	16
17	Leasehold Improvement-Condensing Unit: Suite 140	2007	813	116	5	116		232	17
18	Leasehold Improvement-Add-on Improvement, fixture base	1980	69		23			69	18
19	Leasehold Improvement-Add-on Improvement, lighting base	2001	119		5			119	19
20	Leasehold Improvements-fire extinguishers	2007	22	4	5	4		6	20
21	Leasehold Improvements-paving/glasswork/hvac/carpet	2008	392	24	5	24		24	21
22									22
23									23
24	Related Party-AMS:								24
25	Leasehold Improvement-Remodeling	1993	5,740		7			5,740	25
26	Leasehold Improvement-Remodeling	2002	4,699	671	7	671		3,944	26
27	Leasehold Improvement-Remodeling	2003	4,915	702	7	702		4,110	27
28									28
29									29
30	Forum Extended Care, LLC-building/building improv	1999	9,295	232	30	232		2,372	30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 614,415	\$ 34,658		\$ 34,658	\$	\$ 444,175	34

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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 12D, Carried Forward		\$ 614,415	\$ 34,658		\$ 34,658	\$	\$ 444,175	1
2	Alden Bennett Const.-Roof repair	2004	16,439	1,644	10	1,644		7,672	2
3	Alden Bennett Const.-Floor repair	2004	2,429	243	10	243		1,134	3
4	Alden Bennett Const.-Roof repair	2004	1,854	185	10	185		648	4
5	CSI Coker-install thermostats	2004	1,853	371	5	371		1,638	5
6	GT Mechanical-replace motor pump	2004	1,362	272	5	272		1,202	6
7	Alden Bennett Const. Repair control valves	2004	2,643	529	5	529		2,292	7
8	GT Mechanical-receiver,controller/gauge	2004	2,165	217	10	217		922	8
9	Capps Plumbing-repair toilets,dishwasher	2004	1,635	164	10	164		697	9
10	Capps Plumbing-repair/rod main kitchen	2004	4,375	438	10	438		1,861	10
11	Alden Bennett Cons.lock setrs	2004	5,110	1,022	5	1,022		4,173	11
12	CSI Coker-replace A/C system	2004	5,103	510	10	510		2,253	12
13	Insinc Tellnet-DSL cable	2004	1,334	133	10	133		654	13
14	Alden Bennett Cons. Bathroom upgrades	2004	10,405	1,041	10	1,041		4,944	14
15	Alden Bennett Cons.-fire exit	2004	6,638	332	20	332		1,522	15
16	Alden Bennett Cons.-fire exit,stairwell,locks	2004	11,234	562	20	562		2,529	16
17	Alden Bennett Cons. Bathroom upgrades	2004	7,281	728	10	728		3,397	17
18	ABC - New window casement	2005	2,820	282	10	282		846	18
19	ABC - Time & Material Job# 8020	2005	1,756	176	10	176		704	19
20	GT Mechanical - Boiler repairs (Bearing assembly, Coupler, 3/4 hp	2005	2,242	224	10	224		878	20
21	ABC - Time & Material Job# 8020	2005	5,676	567	10	567		2,174	21
22	EWS Welding - Equip Repair (Repair Oxvgen back up system)	2005	3,429	429	8	429		1,644	22
23	New Horizons - (34) Install Cable/Jacks Connect CO Lines	2005	3,314	331	10	331		1,242	23
24	ABC - Time & Material Job# 8020	2005	19,770	1,977	10	1,977		7,414	24
25	EWS Welding - Equip Repair (Rebuilt wall oxygen units in 4 rooms	2005	2,317	290	8	290		1,087	25
26	Patten CAT - Paid thru AMS Repair Generator	2005	1,313	66	20	66		242	26
27	GT Mechanical - Replace Compressor	2005	6,460	431	15	431		1,580	27
28	ABC - Time & Material Job# 8020	2005	14,550	1,455	10	1,455		5,214	28
29	GT Mechanical - Condenser Fan Motor, Capacitor 705 mfd, Fan H	2005	2,054	137	15	137		491	29
30	A&B Custom Cable - 103 rms Cable TV Svc and Install master ant	2005	10,094	1,009	10	1,009		3,448	30
31	AMS Generator Repairs	2006	5,006	1,001	5	1,001		2,836	31
32	TOPNOT Replace Freezer Door 1 of 2	2006	4,100	410	10	410		1,059	32
33	TOPNOT Replace Freezer Door 2 of 2	2006	4,100	410	10	410		1,059	33
34	TOTAL (lines 1 thru 33)		\$ 785,276	\$ 52,242		\$ 52,242	\$	\$ 513,631	34

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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 12E, Carried Forward		\$ 785,276	\$ 52,242		\$ 52,242	\$	\$ 513,631	1
2	A&B Custom Cable - 33 rms new cable TV Svc installed	2005	3,328	333	10	333		1,138	2
3	AMS - (Patten) Remove/Install Voltage Regulator	2005	2,650	265	10	265		883	3
4	A&B Custom Cable - paid by LG	2005	6,250	625	10	625		2,083	4
5	Oak Fire - Repaired System	2005	2,715	272	10	272		884	5
6	GTMECH Replace Shaft and Bearings	2006	2,646	265	10	265		662	6
7	MG Mechincal - Heat Pump Mini-split system	2006	4,850	485	10	485		1,091	7
8	ABC - raise floor	2006	2,750	275	10	275		573	8
9	ABC - flooring and paint	2006	2,652	265	10	265		530	9
10	Water Filter Steamer	2007	16,815	1,682	10	1,682		2,102	10
11	New Blacktop Paving and seal coat	2007	66,518	6,652	10	6,652		7,761	11
12	ABC Concrete and steel work-fire protection	2006	20,329	2,033	10	2,033		4,235	12
13	ABC Fire Protection	2006	25,647	1,282	20	1,282		2,564	13
14									14
15	ABC New roof	2008	29,424	1,226	10	1,226		1,226	15
16	GTMECH Repaired boiler2	2008	6,034	50	10	50		50	16
17									17
18	Adj for ABC related party profit	2008	(168)	(7)		(7)		(7)	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	TOTAL (lines 1 thru 33)		\$ 977,715	\$ 67,944		\$ 67,944	\$	\$ 539,406	34

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

Facility Name & ID Number Alden Terrace of McHenry Rehab # 0040691 Report Period Beginning: 1/1/08 Ending: 12/31/08

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	\$ 269,170	\$ 31,292	\$ 31,292	\$		\$ 173,503	71
72	Current Year Purchases	78,900	2,809	2,809			2,809	72
73	Fully Depreciated Assets	172,054	1,914	1,914			172,054	73
74								74
75	TOTALS	\$ 520,124	\$ 36,015	\$ 36,015	\$		\$ 348,366	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				\$	\$	\$	\$		\$	76
77										77
78										78
79	Related party - AMS	Various	98-04	4,563					4,563	79
80	TOTALS			\$ 4,563	\$	\$	\$		\$ 4,563	80

E. Summary of Care-Related Assets

	1 Description	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)	\$ 1,502,402	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 103,959	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 103,959	83
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 892,335	85

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

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

G. Construction-in-Progress

	Description	Cost	
92	Renovation (GL#1802)	\$ 63,073	92
93			93
94			94
95		\$ 63,073	95

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

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

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: T.L Enterprise Inc.

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>1,742,690</u>			3
4	Additions							4
5								5
6								6
7	TOTAL				\$ <u>1,742,690</u>			7

10. Effective dates of current rental agreement:

Beginning 1995

Ending 2010

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

Fiscal Year Ending Annual Rent

12.	<u>/2009</u>	\$ <u>2,685,500</u>
13.	<u>/2010</u>	\$ <u>448,865</u>
14.		\$

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

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

9. Option to Buy: YES NO Terms: 80,000/bed until 2010 *

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: \$ 17,760 Description: Copy Machine lease & various office equipment

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	<u>Related Party - AMS</u>	<u>Various</u>	\$ <u>#####</u>	\$ <u>28,093</u>	17
18					18
19					19
20					20
21	TOTAL		\$ <u>#####</u>	\$ <u>28,093</u>	21

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

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

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

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

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

B. EXPENSES

ALLOCATION OF COSTS (d)

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

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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

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

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39-3	hrs	\$		\$ 191,420	\$		\$ 191,420	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			50,393			50,393	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			239,590			239,590	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	See Pg 16A	# of prescrpts				267,404		267,404	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify):	39-1, 39-3, if any								12
13	Other (specify): See Pg 16A					(51,171)	148,829		97,658	13
14	TOTAL			\$		\$ 430,232	\$ 416,233		\$ 846,465	14

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

	Page 16
XIV. Special Services (Direct Cost)	Col 5: PT,OT, & ST Col 6: Supplies

Service Description	Col. 1: Ref. No.	To Pg 16: Col. No.	
1. OT	39-3	To Col 5	\$191,419.96
2. ST	39-3	To Col 5	50,392.90
3.			
4. PT	39-3	To Col 5	239,590.21
5.			
6.			
7.			
8.			
Pharmacy Supplies per GL			183,924.19
Manual Input from Related Party- Forum Drugs			83,480.00
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	267,404.19
10.			
11.			
12. Exceptional Care-Salaries:	See pg 16A	To Col. 3	0.00
12. Exceptional Care-Supplies:	See pg 16A	To Col. 6	0.00
Total Exceptional Care (Line 12, Col 8)			0.00
13. Other:	See Pg 16A		
13. Col 5: Manual Input: Related Party - CPT		To Col 5	(51,171.00)
Other			235,678.82
Manual Input: Related Party - Prism			(17,213.00)
Manual Input: Related Party FECII - I.V.			(124,806.00)
Manual Input: Related Party FECII - Wound Care			(2,883.00)
Oxygen, from reclass worksheet			58,052.00
13. Col 6: Supplies Total		To Col 6	148,828.82
13. Total Line 13, Column 8			148,828.82
14. Total (should equal to Page 4, LN 39, Col 8)			846,465.08

Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691Report Period Beginning: 1/1/08

Ending:

12/31/08

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/08

(last day of reporting year)

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

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 2,211,419	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>0</u>)			3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	8,934		6
7	Other Prepaid Expenses	924		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Dues from 3rd Parties</u>	172,413		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,393,690	\$	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	1,050,009		15
16	Equipment, at Historical Cost	492,965		16
17	Accumulated Depreciation (book methods)	(867,885)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	211,359		21
22	Other Long-Term Assets (spe CIP)	63,073		22
23	Other(specify): <u>Purchase Option</u>	948,000		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,897,521	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,291,211	\$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,784,468	\$	26
27	Officer's Accounts Payable	194,636		27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	319,957		30
31	Accrued Taxes Payable (excluding real estate taxes)	57,627		31
32	Accrued Real Estate Taxes(Sch.IX-B)	249,200		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>accr ins, exps, idpa, sales tax, etc</u>	836,057		36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 3,441,945	\$	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	<u>Due to Affiliates</u>	10,116,684		43
44	<u>Shareholder Loans/Others</u>			44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 10,116,684	\$	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 13,558,629	\$	46
47	TOTAL EQUITY (page 18, line 24)	\$ (9,267,418)	\$	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,291,211	\$	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (8,694,381)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (8,694,381)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(573,037)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (573,037)	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)	\$ (9,267,418)	24 *

* This must agree with page 17, line 47.

Facility Name & ID Number Alden Terrace of McHenry Rehab# 0040691Report Period Beginning: 1/1/08Ending: 12/31/08**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	\$ 10,284,996	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 10,284,996	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	57,915	6
7	Oxygen	61,126	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 119,040	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	49	12
13	Barber and Beauty Care	2,963	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	24,005	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 27,017	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	2,107	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 2,107	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See Page 19A</u>	896	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 896	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 10,434,056	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,617,308	31
32	Health Care	3,792,610	32
33	General Administration	2,281,870	33
B. Capital Expense			
34	Ownership	2,240,814	34
C. Ancillary Expense			
35	Special Cost Centers	901,007	35
36	Provider Participation Fee	173,484	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 11,007,093	40
41	Income before Income Taxes (line 30 minus line 40)**	(573,037)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (573,037)	43

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

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

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

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

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

(This schedule must cover the entire reporting period.)

	1	2**	3	4		
	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage		
1	Director of Nursing	2,073	2,089	\$ 81,397	\$ 38.96	1
2	Assistant Director of Nursing	280	280	8,214	29.34	2
3	Registered Nurses	34,638	37,188	1,152,699	31.00	3
4	Licensed Practical Nurses	20,258	22,398	577,632	25.79	4
5	CNAs & Orderlies	83,343	88,285	1,233,892	13.98	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,936	1,936	28,887	14.92	9
10	Activity Assistants	3,733	4,000	46,606	11.65	10
11	Social Service Workers	3,525	3,689	63,012	17.08	11
12	Dietician					12
13	Food Service Supervisor	2,080	2,080	41,329	19.87	13
14	Head Cook	239	239	2,600	10.88	14
15	Cook Helpers/Assistants	22,544	24,185	245,460	10.15	15
16	Dishwashers					16
17	Maintenance Workers	2,080	2,080	34,988	16.82	17
18	Housekeepers	20,880	21,719	198,830	9.15	18
19	Laundry	8,447	8,959	81,498	9.10	19
20	Administrator	2,040	2,080	63,589	30.57	20
21	Assistant Administrator	712	720	20,044	27.84	21
22	Other Administrative	6,248	6,440	167,813	26.06	22
23	Office Manager	2,080	2,080	24,060	11.57	23
24	Clerical	2,514	2,593	21,285	8.21	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	4,031	4,039	137,256	33.98	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care Aides/Alzheimers Aides	8,424	8,787	97,373	11.08	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	232,105	245,866	\$ 4,328,464 *	\$ 17.60	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	\$ 10,800	1-3	35
36	Medical Director	Monthly	14,620	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	7,584	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	12	2,792	11-3	44
45	Social Service Consultant	12	1,048	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	24	\$ 36,844		49

C. CONTRACT NURSES

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

Alden Terrace of McHenry Rehabilitation and Health Care Center, Inc.
Legal Fee Support PG 21A
2008

Legal Fees Reported on Pg 21, Section C: \$ 23,785.00

Less: Collection, estates, & other non-allowable legal fees
listed on Pg 5, Line 22 (19,606.00)

Less: Non-allowable legal fees, if any, deducted on
Pg 5A -

Allowable Legal Fees \$ 4,179.00

Facility Name & ID Number Alden Terrace of McHenry Rehab

0040691

Report Period Beginning: 1/1/08

Ending: 12/31/08

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

(See instructions.)

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	Amount of Expense Amortized Per Year								
					5 FY2005	6 FY2006	7 FY2007	8 FY2008	9 FY2009	10 FY2010	11 FY2011	12 FY2012	13 FY2013
1	ABC - Painting Ceiling Ti	4/26/06	\$ 2,004	3	\$	\$ 445	\$ 668	\$ 668	\$ 223	\$	\$	\$	
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$ 2,004		\$	\$ 445	\$ 668	\$ 668	\$ 223	\$	\$	\$	

Facility Name & ID Number Alden Terrace of McHenry Rehab

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? Yes
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. Il. Health Care Assoc. \$8,221
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 7.5 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 46,326 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 173,484
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. \$ 40,782 Has any meal income been offset against related costs? No Indicate the amount. \$ N/A
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? No
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? No
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ 0
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: _____ The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? No If no, please explain. Audit is of The Alden Group, Ltd
- (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? No
Attach invoices and a summary of services for all architect and appraisal fees.