

		FOR BHF USE					

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2008
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2008)

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

I. IDPH License ID Number: 0042036

Facility Name: Alden of Waterford

Address: 2021 Randi Drive Aurora 60504
 Number City Zip Code

County: Kane

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

HFS ID Number: 36-4322410001

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

Type of Ownership:

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

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

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/08 to 12/31/08 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

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

Officer or Administrator of Provider	(Signed) _____	(Date) _____
	(Type or Print Name) <u>Joan Carl</u>	
	(Title) <u>Vice-President</u>	
Paid Preparer	(Signed) _____	(Date) _____
	(Print Name and Title) _____	
	(Firm Name & Address) _____	
	(Telephone) <u>()</u> Fax # <u>()</u>	

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
 201 S. Grand Avenue East
 Springfield, IL 62763-0001 Phone # (217) 782-1630

Facility Name & ID Number Alden of Waterford

0042036 Report Period Beginning: 1/1/08 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	99	Skilled (SNF)	99	36,234	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	99	TOTALS	99	36,234	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	3,309	5,065	11,968	20,342	8
9	SNF/PED					9
10	ICF	5,502	3,495		8,997	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	8,811	8,560	11,968	29,339	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 80.97%

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

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

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)

None

F. Does the facility maintain a daily midnight census?

Yes

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

YES NO

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

YES NO

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

Date started 12/29/2001

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

YES Date _____ NO

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

YES NO If YES, enter number of beds certified 99 and days of care provided 11,243

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 of Waterford # 0042036 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	447,546	30,825	10,800	489,171	596	489,767	1,617	491,384		1
2	Food Purchase		245,510		245,510	(20,485)	225,025	(29,973)	195,052		2
3	Housekeeping	116,046	24,369		140,415	781	141,196	2,365	143,561		3
4	Laundry	32,446	11,695	46	44,187	94	44,281		44,281		4
5	Heat and Other Utilities			279,682	279,682		279,682	(4,437)	275,245		5
6	Maintenance	49,861		239,604	289,465	(9)	289,456	29,188	318,644		6
7	Other (specify):* Security/Related party ben			1,312	1,312		1,312	3,902	5,214		7
8	TOTAL General Services	645,899	312,399	531,444	1,489,742	(19,023)	1,470,719	2,662	1,473,381		8
	B. Health Care and Programs										
9	Medical Director			58,400	58,400		58,400		58,400		9
10	Nursing and Medical Records	2,209,946	185,778	3,830	2,399,554	1,852	2,401,406	30,838	2,432,244		10
10a	Therapy										10a
11	Activities	83,059	3,768	5,958	92,785	119	92,904		92,904		11
12	Social Services	40,601			40,601		40,601		40,601		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Rel party benefits							4,547	4,547		15
16	TOTAL Health Care and Programs	2,333,606	189,546	68,188	2,591,340	1,971	2,593,311	35,385	2,628,696		16
	C. General Administration										
17	Administrative	100,549			100,549		100,549	45,216	145,765		17
18	Directors Fees										18
19	Professional Services			486,455	486,455	(13,821)	472,634	(423,707)	48,927		19
20	Dues, Fees, Subscriptions & Promotions			87,135	87,135		87,135	(75,400)	11,735		20
21	Clerical & General Office Expenses	248,647	28,392	70,146	347,185	596	347,781	137,901	485,682		21
22	Employee Benefits & Payroll Taxes			530,501	530,501	14,935	545,436	(14,907)	530,529		22
23	Inservice Training & Education										23
24	Travel and Seminar			7,745	7,745		7,745	1,078	8,823		24
25	Other Admin. Staff Transportation			7,173	7,173		7,173	7,104	14,277		25
26	Insurance-Prop.Liab.Malpractice			111,243	111,243	(857)	110,386	9,879	120,265		26
27	Other (specify):* Bad debt/Rel party benef			159,140	159,140		159,140	(126,196)	32,944		27
28	TOTAL General Administration	349,196	28,392	1,459,538	1,837,126	853	1,837,979	(439,032)	1,398,947		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,328,701	530,337	2,059,170	5,918,208	(16,199)	5,902,009	(400,985)	5,501,024		29

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

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

Facility Name & ID Number

Alden of Waterford

#0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

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			15,943	15,943		15,943	276,999	292,942			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			133,169	133,169	857	134,026	644,703	778,729			32
33	Real Estate Taxes			47,954	47,954	(47,954)		50,843	50,843			33
34	Rent-Facility & Grounds			1,297,384	1,297,384	47,954	1,345,338	(1,345,338)				34
35	Rent-Equipment & Vehicles			10,724	10,724		10,724	22,260	32,984			35
36	Other (specify):* MIP							55,857	55,857			36
37	TOTAL Ownership			1,505,174	1,505,174	857	1,506,031	(294,676)	1,211,355			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		710,694	1,209,180	1,919,874	15,342	1,935,216	(249,438)	1,685,778			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,352	54,352		54,352		54,352			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		710,694	1,263,532	1,974,226	15,342	1,989,568	(249,438)	1,740,130			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,328,701	1,241,031	4,827,876	9,397,608		9,397,608	(945,099)	8,452,509			45

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

Alden of Waterford

IDPH Facility ID Number: #0042036

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		(20,485.00)	Employee Meals
	22	20,485.00	Employee Meals
22		(5,550.00)	Uniforms
	10	3,873.00	Uniforms
	1	596.00	Uniforms
	3	781.00	Uniforms
	4	94.00	Uniforms
	6	(9.00)	Uniforms
	11	119.00	Uniforms
	21	96.00	Uniforms
26		(857.00)	Interest - old policy/curr yr portion
	32	857.00	Interest - old policy/curr yr portion
10		(15,342.00)	Oxygen - to appropriate cost center
	39	15,342.00	Oxygen - to appropriate cost center
33		(47,954.00)	Rent - Real Estate Tax on associated landowner (Pg 6)
	34	47,954.00	Rent - Real Estate Tax on associated landowner (Pg 6)
19		(13,321.00)	Clinical Coordinators (Pathway)
	10	13,321.00	Clinical Coordinators (Pathway)
19		(500.00)	Prepay misc court expense (AMS Legal)
	21	500.00	Prepay misc court expense (AMS Legal)

Net

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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	(130)	2		4
5	Telephone, TV & Radio in Resident Rooms	(1,022)	6		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(193,644)	30		9
10	Interest and Other Investment Income	(1,522)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(2,464)	2		13
14	Non-Care Related Interest	(8,550)	32		14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees	(3,040)	21		17
18	Fines and Penalties				18
19	Entertainment	(2,439)	20		19
20	Contributions	(5,270)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(10,327)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(159,140)	27		24
25	Fund Raising, Advertising and Promotional	(39,300)	20		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (426,848)		\$	30

BHF USE ONLY							
48		49		50		51	
							52

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(105,461)	various	34
35	Other- Attach Schedule	(412,790)	Pg5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (518,251)		36
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (945,099)		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

Alden of Waterford

ID# 0042036

Report Period Beginning: 1/1/08

Ending: 12/31/08

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Late fees on utilities	\$ (6,216)	5	1
2	Other nursing income-flu shots (gl 4621)	(184)	21	2
3	Misc inc-record copies (g/1 4977-100-001)	(382)	10	3
4	Misc inc-wage service fee (g/1 4977-100-006)	(98)	21	4
5	Misc inc-food rebate (g/1 4977-100-005)	(2,318)	2	5
6	Marketing Mgr & aides (g/1 6701sub 009&015)	(67,955)	21	6
7	Mktg Mgr & aides employee benefits deduction	(14,907)	22	7
8	IL Health Care Assoc dues (32.30%)	(1,765)	20	8
9	Leadership (Deming) training cost [4,717 x .21]	(991)	24	9
10	Add back credit posted for prior yr legal fees	552	19	10
11	Back out prior yr legal fees	(375)	19	11
12	Back out PAC-related (Amer for Job Security)	(863)	20	12
13	Back out PAC-related (Alliance for Qual Nursing)	(1,485)	20	13
14	Back out bank fees charged LP	(60)	21	14
15	Back out LP mtge int in excess of CON asset limit	(318,652)	32	15
16	Back out LP MIP in excess of CON asset limit	(20,437)	36	16
17	Add back related party (AMS) f/a's < \$2,500	774	6	17
18				18
19	Expense fixed assets < \$2,500 [SNF]	1,819	6	19
20	Back out depreciation on assets < \$2,500 [SNF]	(61)	30	20
21	Expense fixed assets < \$2,500 [LP]	2,296	6	21
22	Back out depreciation on assets < \$2,500 [LP]	(406)	30	22
23	Expense fixed assets < \$2,500 [Pg 13]	21,534	6	23
24	Back out depreciation on assets < \$2,500 [Pg 13]	(4,697)	30	24
25	Adjust depreciation to equal Pg 13's	2,090	30	25
26	Adj for ABC related party profit-Pg 13	(3)	30	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	(412,790)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Alden of Waterford

0042036

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	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	3,369	(1,752)	0	0	0	0	0	0	0	1,617	1
2	Food Purchase	(4,912)	0	0	(25,061)	0	0	0	0	0	0	0	(29,973)	2
3	Housekeeping	0	0	2,365	0	0	0	0	0	0	0	0	2,365	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(6,216)	0	1,779	0	0	0	0	0	0	0	0	(4,437)	5
6	Maintenance	25,401	0	5,349	0	0	0	(106)	(1,456)	0	0	0	29,188	6
7	Other (specify):*	0	0	3,191	711	0	0	0	0	0	0	0	3,902	7
8	TOTAL General Services	14,273	0	16,053	(26,102)	0	0	(106)	(1,456)	0	0	0	2,662	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	(382)	0	26,978	3,251	991	0	0	0	0	0	0	30,838	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	CNA Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	4,547	0	0	0	0	0	0	0	0	4,547	15
16	TOTAL Health Care and Programs	(382)	0	31,525	3,251	991	0	0	0	0	0	0	35,385	16
	C. General Administration													
17	Administrative	0	0	45,216	0	0	0	0	0	0	0	0	45,216	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(10,150)	9,729	(423,286)	0	0	0	0	0	0	0	0	(423,707)	19
20	Fees, Subscriptions & Promotions	(51,122)	0	(24,278)	0	0	0	0	0	0	0	0	(75,400)	20
21	Clerical & General Office Expenses	(71,337)	1,125	141,039	19,190	47,884	0	0	0	0	0	0	137,901	21
22	Employee Benefits & Payroll Taxes	(14,907)	0	0	0	0	0	0	0	0	0	0	(14,907)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(991)	0	2,069	0	0	0	0	0	0	0	0	1,078	24
25	Other Admin. Staff Transportation	0	0	7,104	0	0	0	0	0	0	0	0	7,104	25
26	Insurance-Prop.Liab.Malpractice	0	9,763	116	0	0	0	0	0	0	0	0	9,879	26
27	Other (specify):*	(159,140)	0	28,050	2,039	2,855	0	0	0	0	0	0	(126,196)	27
28	TOTAL General Administration	(307,647)	20,617	(223,970)	21,229	50,739	0	0	0	0	0	0	(439,032)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(293,756)	20,617	(176,392)	(1,622)	51,730	0	(106)	(1,456)	0	0	0	(400,985)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Alden of Waterford# 0042036

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	(196,721)	469,530	2,842	0	1,348	0	0	0	0	0	0	276,999	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(328,724)	962,273	7,223	0	3,931	0	0	0	0	0	0	644,703	32
33	Real Estate Taxes	0	47,954	2,662	0	227	0	0	0	0	0	0	50,843	33
34	Rent-Facility & Grounds	0	(1,345,338)	0	0	0	0	0	0	0	0	0	(1,345,338)	34
35	Rent-Equipment & Vehicles	0	0	22,260	0	0	0	0	0	0	0	0	22,260	35
36	Other (specify):*	(20,437)	76,294	0	0	0	0	0	0	0	0	0	55,857	36
37	TOTAL Ownership	(545,882)	210,713	34,987	0	5,506	0	0	0	0	0	0	(294,676)	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	(54,983)	(98,339)	(96,116)	0	0	0	0	0	(249,438)	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	(54,983)	(98,339)	(96,116)	0	0	0	0	0	(249,438)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(839,638)	231,330	(141,405)	(56,605)	(41,103)	(96,116)	(106)	(1,456)	0	0	0	(945,099)	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
<u>Alden of Waterford Investments, LLC</u> <u>See Pg6L</u>	<u>100</u>	<u>See Pg 6K</u>		<u>See Pg 6K</u>		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
1	V	34	Rental income	\$ 1,345,338	Alden of Waterford Limited Partnership	100.00%	\$	\$ (1,345,338)	1
2	V	32	Interest income-R/R	23,418	Alden of Waterford Limited Partnership			(23,418)	2
3	V	32	Interest income	71,331	Alden of Waterford Limited Partnership			(71,331)	3
4	V	19	Accounting fees		Alden of Waterford Limited Partnership		9,449	9,449	4
5	V	19	Professional fees		Alden of Waterford Limited Partnership		280	280	5
6	V	21	Bank Charges		Alden of Waterford Limited Partnership		60	60	6
7	V	21	Other administrative		Alden of Waterford Limited Partnership		1,065	1,065	7
8	V	33	Real estate taxes		Alden of Waterford Limited Partnership		47,954	47,954	8
9	V	26	Property & liability insurance		Alden of Waterford Limited Partnership		9,763	9,763	9
10	V	36	Mortgage insurance premium		Alden of Waterford Limited Partnership		76,294	76,294	10
11	V	32	Mortgage interest		Alden of Waterford Limited Partnership		1,055,216	1,055,216	11
12	V	30	Depreciation		Alden of Waterford Limited Partnership		469,530	469,530	12
13	V	32	Amortization		Alden of Waterford Limited Partnership		1,806	1,806	13
14	Total		\$ 1,440,087			\$	1,671,417	\$ * 231,330	14

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/08

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	5 Utilities	\$	Alden Management Services, Inc.	0.00%	\$ 1,779	\$ 1,779
16	V	24 Trav & Seminar		Alden Management Services, Inc.		2,069	2,069
17	V	25 Other Admin Travel		Alden Management Services, Inc.		7,104	7,104
18	V	26 Insurance		Alden Management Services, Inc.		116	116
19	V	20 Dues & Subscriptions	24,600	Alden Management Services, Inc.		322	(24,278)
20	V	30 Depreciation		Alden Management Services, Inc.		2,842	2,842
21	V	32 Amortization		Alden Management Services, Inc.		36	36
22	V	33 Real Estate Tax		Alden Management Services, Inc.		2,662	2,662
23	V	35 Rent-Equip & Vehicles		Alden Management Services, Inc.		22,260	22,260
24	V	32 Interest		Alden Management Services, Inc.		7,187	7,187
25	V	1 Dietary		Alden Management Services, Inc.		3,369	3,369
26	V	3 Housekeeping		Alden Management Services, Inc.		2,365	2,365
27	V	7 Employee Benefits-Gen'l Servs		Alden Management Services, Inc.		3,191	3,191
28	V	10 Nurs & Med Records Salary		Alden Management Services, Inc.		26,978	26,978
29	V	15 Employee Benefits-Health Care		Alden Management Services, Inc.		4,547	4,547
30	V	17 Administrative Salary		Alden Management Services, Inc.		45,216	45,216
31	V	27 Employee Benefits-Admin.		Alden Management Services, Inc.		28,050	28,050
32	V	19 Professional Fees	446,886	Alden Management Services, Inc.		23,600	(423,286)
33	V	21 Gen'l & Admin.		Alden Management Services, Inc.		141,039	141,039
34	V	6 Repair & Maint.	14,703	Alden Management Services, Inc.		20,052	5,349
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 486,189			\$ 344,784	\$ * (141,405)

* 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)
16	V	1 Dietarty Salary		Prism Health Care Services, Inc.		6,315	6,315
17	V	2 Tube Feeding	33,173	Prism Health Care Services, Inc.		8,112	(25,061)
18	V	10 Equip. Rental	6,660	Prism Health Care Services, Inc.		9,911	3,251
19	V	39 Ancillary Supplies	107,617	Prism Health Care Services, Inc.		52,634	(54,983)
20	V	21 Gen'l & Admin Salary		Prism Health Care Services, Inc.		11,531	11,531
21	V	27 Employee Benefits		Prism Health Care Services, Inc.		2,039	2,039
22	V	7 Employee Benefits		Prism Health Care Services, Inc.		711	711
23	V	21 Gen'l & Admin.		Prism Health Care Services, Inc.		7,659	7,659
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 158,250			\$ 101,645	\$ * (56,605)

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	39 <u>Drugs</u>	\$ 301,558	Forum Extended Care Services II, Inc.	0.00%	\$ 438,431	\$ 136,873
16	V	39 <u>IV</u>	275,222	Forum Extended Care Services II, Inc.		40,128	(235,094)
17	V	39 <u>Wound Care</u>	582	Forum Extended Care Services II, Inc.		464	(118)
18	V	10 <u>House Stock</u>	6,177	Forum Extended Care Services II, Inc.		5,826	(351)
19	V	10 <u>Pharmacy Consultant</u>	3,151	Forum Extended Care Services II, Inc.		4,493	1,342
20	V	27 <u>Employee Vaccin.</u>	2,504	Forum Extended Care Services II, Inc.		1,997	(507)
21	V	27 <u>Employee Benefits: G&A</u>		Forum Extended Care Services II, Inc.		3,362	3,362
22	V	21 <u>Gen'l & Admin. Salary</u>		Forum Extended Care Services II, Inc.		28,947	28,947
23	V	21 <u>Gen'l & Admin.</u>		Forum Extended Care Services II, Inc.		18,937	18,937
24	V	32 <u>Interest</u>		Forum Extended Care Services II, Inc.		3,931	3,931
25	V	33 <u>Real Estate Tax</u>		Forum Extended Care Services II, Inc.		227	227
26	V	30 <u>Depreciation</u>		Forum Extended Care Services II, Inc.		1,348	1,348
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 589,194			\$ 548,091	\$ * (41,103)

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

Facility Name & ID Number Alden of Waterford

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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 Therapy	\$ 1,153,321	Community Physical Therapy & Associates, Ltd.	0.00%	\$ 1,057,205	\$ (96,116)
16	V						
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 1,153,321			\$ 1,057,205	\$ * (96,116)

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/08

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	6 Repairs & Maintenance	\$ 18,463	Alden Bennett Construction Company, Inc.	0.00%	\$ 18,357	\$	(106)	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		\$ 18,463			\$ 18,357	\$ *	(106)	39

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	6 Grounds maintenance	\$ 100,980	Waterford Management Services, Inc	0.00%	\$ 99,524	\$ (1,456)
16	V						
17	V						
18	V						
19	V						
20	V						
21	V						
22	V						
23	V						
24	V						
25	V						
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 100,980			\$ 99,524	\$ * (1,456)

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

Facility Name & ID Number Alden of Waterford

Provider No. 0042036

Report Period Beginning:

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Ending: 12/31/08

RELATED NURSING HOMES		OTHER RELATED BUSINESS ENTITIES		
Name	City	Name	City	Type of Business
		The Forum Professional Center, LP	Chicago	Home Office rental
Heather Health Care Center, Inc.	Harvey			
Alden-Long Grove Rehabilitation and Health Care Center, Inc.	Long Grove	Forum Extended Care Services II, Inc.	Chicago	Pharmacy
Alden-Lincoln Park Rehabilitation and Health Care Center, Inc.	Chicago	Alden Management Services, Inc.	Chicago	Management
Alden-Northmoor Rehabilitation and Health Care Center, Inc.	Chicago			
Alden-Lakeland Rehabilitation and Health Care Center, Inc.	Chicago			
Alden of Old Town East, Inc.	Bloomingtondale	Alden Garden Courts of DesPlaines, LLC	DesPlaines	Assisted Living/Alzheimers Facility
Alden Terrace of McHenry Rehabilitation and Health Care Center, Inc.	McHenry	Alden Courts of Waterford, LLC	Aurora	Alzheimers Facility
Alden - Wentworth Rehabilitation and Health Care Center, Inc.	Chicago	Alden Gardens of Waterford, LLC	Aurora	Assisted Living
Alden 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	Waterford Management Services, Inc	Chicago	Maintenance
Alden - Princeton Rehabilitation and Health Care Center, Inc.	Chicago			
Alden of Old Town West, Inc.	Bloomingtondale			
Alden - Town Manor Rehabilitation and Health Care Center, Inc.	Cicero			
Alden Trails, Inc.	Bloomingtondale			
Alden - Poplar Creek Rehabilitation and Health Care Center, Inc.	Hoffman Estates			
Alden - North Shore Rehabilitation and Health Care Center, Inc.	Skokie			
Alden - Des Plaines Rehabilitation and Health Care Center, Inc.	Des Plaines			
Alden Estates of Evanston, Inc.	Evanston			
Alden - Alma Nelson Manor, Inc.	Rockford			
Alden - Park Strathmoor, Inc.	Rockford			
Alden - Meadow Park Health Care Center, Inc.	Clinton, WI			
Alden Estates of Barrington, Inc.	Barrington			
Alden of Waterford, LLC	Aurora			
Alden Springs, Inc.	Bloomingtondale			
Alden Village North, Inc.	Chicago			

Alden of Waterford LLC
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Owners of Alden of Waterford Investments, LLC

1	Floyd Schlossberg		40.72%
2	AMS		26.00%
3	Hilda Dworiki	Class "B" Partner	2.08%
4	Josef Dembo	Class "B" Partner	3.12%
5	Edward & Paulina Osser	Class "B" Partner	3.12%
6	Robert & Charlotte Traverso Family Trust	Class "B" Partner	6.24%
7	Max Fisch	Class "B" Partner	2.08%
8	Joan & Sam Carl	Class "B" Partner	3.12%
9	David Sezonov	Class "B" Partner	3.12%
10	Joe & Goldie Dembo	Class "B" Partner	1.04%
11	Edward & Paulina Osser	Class "B" Partner	1.04%
12	Joe & Goldie Dembo	Class "B" Partner	1.04%
13	Edward & Paulina Osser	Class "B" Partner	1.04%
14	Joan & Sam Carl	Class "B" Partner	3.12%
15	John Vercillo	Class "B" Partner	3.12%
			<hr/>
			100.00%

Facility Name & ID Number

Alden of Waterford

#

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Report Period Beginning:

1/1/08

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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	40.72	175,659	0.964	2.41	Salary	\$ 4,341	17-7	1
2	Lauren Magnusson	Dir. Of Clinical Servi	Technical Nursing	0.00	65,584	0.964	2.41	Salary	1,621	10-7	2
3	Terry Magnusson	Dir. of Purchasing	Supervise Mainten	0.00	38,156	0.964	2.41	Salary	943	6-7	3
4	Joan Carl	Secretary	Vice-President	6.24	175,659	0.964	2.41	Salary	4,341	17-7	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	D. Joan Carl is the Secretary of Alden Management Services and all nursing facilities. She has an equity interest in Waterford. She has an equity interest in										9
10	the real estate of Alma Nelson, Park Strathmoor and Meadow Park.										10
11											11
12											12
13								TOTAL	\$ 11,246		13

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

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

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VIII. ALLOCATION OF INDIRECT COSTS

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

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

Name of Related Organization 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

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	\$ 29,339	\$ 1,779	1
2	24	Trav & Seminar	Patient Days	1,216,590	30	85,812	29,339	2,069	2
3	25	Other Admin Travel	Patient Days	1,216,590	30	294,582	29,339	7,104	3
4	26	Insurance	Patient Days	1,216,590	30	4,828	29,339	116	4
5	20	Dues & Subscriptions	Patient Days	1,216,590	30	13,344	29,339	322	5
6	30	Depreciation	No. of Providers	30	30	98,652	1	2,842	6
7	32	Amortization	Patient Days	1,216,590	30	1,500	29,339	36	7
8	33	Real Estate Tax	Patient Days	1,216,590	30	125,958	29,339	2,662	8
9	35	Rent-Equip & Vehicles	Patient Days	1,216,590	30	923,032	29,339	22,260	9
10	32	Interest	Patient Days	1,216,590	30	1,783,086	29,339	7,187	10
11	1	Dietary	Patient Days	1,216,590	30	139,689	139,689	3,369	11
12	3	Housekeeping	Patient Days	1,216,590	30	98,076	98,076	2,365	12
13	7	Employee Benefits-Gen'l Servs	Patient Days	1,216,590	30	132,325	29,339	3,191	13
14	10	Nurs & Med Records Salary	Patient Days	1,216,590	30	1,256,694	1,256,694	26,978	14
15	15	Employee Benefits-Health Care	Patient Days	1,216,590	30	188,531	29,339	4,547	15
16	17	Administrative Salary	Patient Days	1,216,590	30	2,118,865	2,118,865	45,216	16
17	27	Employee Benefits-Admin.	Patient Days	1,216,590	30	1,163,122	29,339	28,050	17
18	19	Professional Fees	Patient Days	1,216,590	30	978,599	605,253	23,600	18
19	21	Gen'l & Admin.	Patient Days	1,216,590	30	5,848,424	5,104,656	141,039	19
20	6	Repair & Maint.	Patient Days	1,216,590	30	831,505	644,276	20,052	20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 16,160,395	\$ 9,967,509	\$ 344,784	25

Facility Name & ID Number

Alden of Waterford

0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

1	2	3	4	5	6	7	8	9	10											
										Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
											YES	NO				Original	Balance			
A. Directly Facility Related																				
Long-Term																				
1	Heatland Bank of IL		X	Mortgage	\$79,386.00	1/1/02	\$ 12,667,104	\$ 12,230,396	4/1/41	7.7500	\$ 950,854	1								
2	Int related to f/a >CON limit			Mortgage							(318,652)	2								
3	Cambridge Realty		X	Operating loss loan (OLL)	\$16,318.00	5/1/08	2,870,233	2,855,303	4/1/41	5.7800	104,362	3								
4	First Bank		X	Working capital	Varies	6/1/08	890,000	800,000	5/31/09	Varies	52,122	4								
5	Amortization-Financing fees		X	Operating loss loan (OLL)							1,806	5								
Working Capital																				
6	Related Party-AMS		X								7,223	6								
7	Related Party-FECH		X								3,931	7								
8	Insurance interest		X	Malpractice insurance							2,023	8								
9	TOTAL Facility Related				\$95,704.00		\$ 16,427,337	\$ 15,885,699			\$ 803,669	9								
B. Non-Facility Related*																				
10	Interest inc on LLC		X	Patient interest income							(1,522)	10								
11	Waterford LP revenue		X	Replacement Reserve int							(23,418)	11								
12												12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$ (24,940)	14								
15	TOTALS (line 9+line14)						\$ 16,427,337	\$ 15,885,699			\$ 778,729	15								

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 55,857 Line # 36

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

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

B. Real Estate Taxes

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

1. Real Estate Tax accrual used on 2007 report.		\$	<u>45,000</u>	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		\$	<u>45,794</u>	2
3. Under or (over) accrual (line 2 minus line 1).		\$	<u>794</u>	3
4. Real Estate Tax accrual used for 2008 report. (Detail and explain your calculation of this accrual on the lines below.)		\$	<u>47,160</u>	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		\$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		\$		6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		\$	<u>47,954</u>	7
			Plus: Related Party Taxes - See Pg 10A	
Real Estate Tax History:		\$	<u>2889</u>	
		\$	<u>50,843</u>	

Real Estate Tax Bill for Calendar Year:	2003	<u>50,212</u>	8
	2004	<u>82,054</u>	9
	2005	<u>87,598</u>	10
	2006	<u>72,841</u>	11
	2007	<u>76,324</u>	12

The current year accrual is based on an estimated 3% increase of the prior year tax.
Bill reflects total cost. In this case, the bill is split between two entities (shared bill).
\$76,323.66 x 60% = \$45,794.20.

	FOR BHF USE ONLY	
13	FROM R. E. TAX STATEMENT FOR 2007 \$	13
14	PLUS APPEAL COST FROM LINE 5 \$	14
15	LESS REFUND FROM LINE 6 \$	15
16	AMOUNT TO USE FOR RATE CALCULATION \$	16

NOTES:

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

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 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 of Waterford COUNTY Kane

FACILITY IDPH LICENSE NUMBER 0042036

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

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

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 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>15-36-202-005*</u>	<u>Nursing home facility</u>	\$ <u>76,323.66</u>	\$ <u>45,794.20</u>
2. _____	_____	\$ _____	\$ _____
3. <u>See attached supplement</u>	<u>Related Party-Alden Management Ser</u>	\$ <u>295,853.00</u>	\$ <u>2,662.00</u>
4. <u>See attached supplement</u>	<u>Related Party-Forum Extended Care S</u>	\$ <u>28,917.00</u>	\$ <u>207.00</u>
5. _____	_____	\$ _____	\$ _____
6. <u>* Only 60% is applicable to</u>	_____	\$ _____	\$ _____
7. <u>the provider</u>	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>401,093.66</u>	\$ <u>48,663.20</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 of Waterford

0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:

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

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

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

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

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

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

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

XI. OWNERSHIP COSTS:

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

Facility Name & ID Number Alden of Waterford

0042036

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		
Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	99		2001	\$ 11,880,012	\$ 297,000	40	\$ 171,168	\$ (125,832)	\$ 1,420,267	4
5	Adjustment to correct to CON costs (net=6,846,713)			(5,033,299)						5
6										6
7										7
8	Related Party-Forum		1978	14,056		25			14,056	8
	Improvement Type**									
9	storm/sewer-ltd p/s		2001	218,336	8,733	25	8,733		64,043	9
10	concrete/curbs/gutters-ltd p/s		2001	21,491	1,433	15	1,433		10,508	10
11	concrete walks-ltd p/s		2001	46,391	3,093	15	3,093		22,682	11
12	asphalt paving-ltd p/s		2001	40,929	4,093	10	4,093		30,015	12
13	street lighting-ltd p/s		2001	129,677	8,645	15	8,645		63,397	13
14	wrought iron fencing-ltd p/s		2001	60,821	2,433	25	2,433		17,842	14
15	piers-ltd p/s		2001	64,296	4,286	15	4,286		31,431	15
16	exterior signs-ltd p/s		2001	20,853	1,738	12	1,738		12,745	16
17	brick pavers-ltd p/s		2001	5,213	521	10	521		3,821	17
18	waterfalls-ltd p/s		2001	53,870	2,693	20	2,693		19,749	18
19	gate house-ltd p/s		2001	26,066	1,738	15	1,738		12,745	19
20	retaining walls-ltd p/s		2001	19,115	956	20	956		7,010	20
21	external roads-ltd p/s		2001	261,213	26,121	10	26,121		191,554	21
22										22
23	storm/sewer-ltd p/s		2003	16,853	674	25	674		4,044	23
24	concrete/curbs/gutters-ltd p/s		2003	1,659	111	15	111		666	24
25	concrete walks-ltd p/s		2003	3,581	239	15	239		1,434	25
26	asphalt paving-ltd p/s		2003	3,159	316	10	316		1,896	26
27	street lighting-ltd p/s		2003	10,009	667	15	667		4,002	27
28	wrought iron fencing-ltd p/s		2003	4,695	188	25	188		975	28
29	piers-ltd p/s		2003	4,963	331	15	331		1,986	29
30	exterior signs-ltd p/s		2003	1,610	134	12	134		804	30
31	brick pavers-ltd p/s		2003	402	40	10	40		240	31
32	waterfalls-ltd p/s		2003	4,158	208	20	208		1,248	32
33	gate house-ltd p/s		2003	2,012	134	15	134		804	33
34	retaining walls-ltd p/s		2003	1,475	74	20	74		444	34
35	external roads-ltd p/s		2003	20,163	2,016	10	2,016		12,096	35
36										36

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

See Page 12A, Line 70 for total

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

Facility Name & ID Number Alden of Waterford

0042036

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	Mech. Projects- install exhaust,gas line, electric to steamer-corp	2002	4,254	213	20	213		1,489	37
38	Long elevator- correct elevator problem-corp	2001	882	88	10	88		624	38
39	Affcus- repair fire alarm-corp	2002	1,552		5			1,552	39
40	GT Mech- chiller repair-corp	2002	1,924		5			1,924	40
41	ISS replace nurses station	2003	1,956	65	5	65		1,956	41
42	CSI Coker-filter system (boiler)	2004	1,723	86	20	86		423	42
43	ABC-medical gas repair	2004	2,291	229	10	229		1,126	43
44	CSI Coker-filter system (boiler)	2004	2,050	103	20	103		496	44
45	ABC-sod yards/parkway/etc	2004	9,189	919	10	919		4,288	45
46	ISS/Chicago Sound-power supply call light	2004	2,084	139	15	139		602	46
47	Central States-Adapters/valve caps	2005	1,243	83	15	83		325	47
48	ABC [Stripe-It-Right] - Sealcoat, crackfill & stripe asphalt	2005	3,079	308	10	308		1,052	48
49	Cybor Fire Protection - Sprinkler head replacement	2005	2,900	193	15	193		660	49
50	ABC [ISS/Chicago Sound]-8 Jeron provider 680 vent alarms	2005	3,381	225	15	225		751	50
51	GT Mechanical - Compressor & chiller circuit	2005	8,600	573	15	573		1,815	51
52	ABC - Replace ceiling tiles	2005	952	79	12	79		237	52
53	ABC - Emergency outlets vent	2007	4,268	213	20	213		426	53
54	Wtrfd Inv - Montgomery Road expansion	2006	16,186	405	40	405		844	54
55									55
56									56
57	ABC-[Cobra Concrete&Stripe It]-Replace walk/curb concrete with wire i	2007	1,694	113	15	113		169	57
58	ABC [Amer Bldg Serv]-Replace worn locksets	2007	4,325	433	10	433		757	58
59	ABC [Amer Bldg Serv]-Replace worn locksets	2007	4,325	433	10	433		685	59
60	GT Mechanical-HVAC parts(bearing assembliescouplemotor)	2008	5,171	359	10	359		359	60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 7,987,806	\$ 373,874		\$ 248,042	\$ (125,832)	\$ 1,975,064	70

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

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	
1		\$ 7,987,806	\$ 373,874		\$ 248,042	\$ (125,832)	\$ 1,975,064	1
2								2
3								3
4	1980	10,666		15			10,666	4
5	1980	16,708		20			16,708	5
6	1987	864		13			864	6
7	1988	13,861		10			13,861	7
8	1994	3,097	194	16	194		2,711	8
9	1996	1,092	68	16	68		884	9
10	2000	85		3			85	10
11	2001	149	15	10	15		107	11
12	2002	645	58	7	58		436	12
13	2003	1,583	157	10	157		950	13
14	2004	1,982	375	7	375		1,546	14
15	2007	102	20	5	20		41	15
16	2007	94	19	5	19		37	16
17	2007	813	116	5	116		232	17
18	1980	69		23			69	18
19	2001	119		5			119	19
20	2007	22	4	5	4		6	20
21	2008	392	24	5	24		24	21
22								22
23								23
24								24
25	1993	5,740		7			5,740	25
26	2002	4,699	671	7	671		3,944	26
27	2003	4,915	702	7	702		4,110	27
28								28
29								29
30	1999	9,295	232	30	232		2,372	30
31								31
32								32
33								33
34		\$ 8,064,799	\$ 376,530		\$ 250,698	\$ (125,832)	\$ 2,040,576	34

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

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

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	\$ 475,853	\$ 107,759	\$ 39,947	\$ (67,812)	Various	\$ 267,685	71
72	Current Year Purchases	48,554	1,714	1,714		Various	1,714	72
73	Fully Depreciated Assets	81,288	583	583		Various	81,288	73
74								74
75	TOTALS	\$ 605,695	\$ 110,056	\$ 42,244	\$ (67,812)		\$ 350,687	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Passenger bus	2001 Ford Eldorado	2001	\$ 50,888	\$	\$	\$	4	\$ 50,888	76
77										77
78										78
79	Related party - AMS	Various	98-'04	4,563				3	4,563	79
80	TOTALS			\$ 55,451	\$	\$	\$		\$ 55,451	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 9,388,678	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 486,586	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 292,942	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (193,644)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 2,446,714	85

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

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

G. Construction-in-Progress

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

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

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

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

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

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

If NO, see instructions. YES NO

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

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

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

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

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

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 19,367 Description: Copy machine lease + postage meter rental & 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			\$	\$	17
18					18
19	<u>Related party-AMS</u>	<u>Various</u>	<u>#####</u>	<u>12,788</u>	19
20					20
21	TOTAL		\$ <u>#####</u>	\$ <u>12,788</u>	21

10. Effective dates of current rental agreement:

Beginning 5/1/2001

Ending 4/30/2011

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

Fiscal Year Ending Annual Rent

12. /2009 \$ Varies

13. /2010 \$ Varies

14. /2011 \$ Varies

* 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	\$		\$ 459,654	\$		\$ 459,654	1
2	Licensed Speech and Language Development Therapist	39-3	hrs			91,315			91,315	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39-3	hrs			602,281			602,281	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				438,431		438,431	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				(96,116)	190,213		94,097	13
14	TOTAL			\$		\$ 1,057,134	\$ 628,644		\$ 1,685,778	14

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

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

XIV. Special Services (Direct Cost)

Service Description	Col. 1: Ref. No.	To Pg 16: Col. No.	
1. OT	39-3	To Col 5	\$459,653.85
2. ST	39-3	To Col 5	91,315.49
3.			
4. PT	39-3	To Col 5	602,280.36
5.			
6.			
7.			
8.			
Pharmacy Supplies per GL			301,557.78
Manual Input from Related Party- Forum Drugs			136,873.00 See PG 6C
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	438,430.78
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	(96,116.00) See PG 6D
Other			465,066.29
Manual Input: Related Party - Prism			(54,983.00) See PG 6B
Manual Input: Related Party FECII - I.V.			(235,094.00) See PG 6C
Manual Input: Related Party FECII - Wound Care			(118.00) See PG 6C
Oxygen, from reclass worksheet			15,342.00 See PG 4A
13. Col 6: Supplies Total		To Col 6	190,213.29
13. Total Line 13, Column 8			94,097.29
14. Total			1,685,777.77

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning: 1/1/08

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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	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>105,000</u>)	1,416,365	1,416,365	3
4	Supply Inventory (priced at _____)			4
5	Short-Term Investments		89,359	5
6	Prepaid Insurance	1,968	22,834	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Due from 3rd parties</u>	71,098	71,098	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,489,431	\$ 1,599,656	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		662,733	13
14	Buildings, at Historical Cost		11,880,012	14
15	Leasehold Improvements, at Historical Cost	76,000	1,119,086	15
16	Equipment, at Historical Cost	194,589	1,759,249	16
17	Accumulated Depreciation (book methods)	(128,659)	(3,536,061)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds		1,086,935	21
22	Other Long-Term Assets (specify: <u>Finance fees (net)</u>)		86,696	22
23	Other(specify): _____			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 141,930	\$ 13,058,650	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,631,361	\$ 14,658,306	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,604,774	\$ 1,481,285	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	119,811	119,811	28
29	Short-Term Notes Payable	800,000	800,000	29
30	Accrued Salaries Payable	273,505	273,505	30
31	Accrued Taxes Payable (excluding real estate taxes)	66,498	66,498	31
32	Accrued Real Estate Taxes(Sch.IX-B)		47,160	32
33	Accrued Interest Payable	9,410	102,151	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>Accr'd exp/ins/sales tax/s.t mort&note</u>	54,248	175,796	36
37	<u>Due from affiliates</u>	6,106,386	4,141,677	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 9,034,632	\$ 7,207,883	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable		2,823,681	39
40	Mortgage Payable		12,140,470	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	_____			43
44	<u>Shareholder Loans/Others</u>	55,000	55,000	44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 55,000	\$ 15,019,151	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 9,089,632	\$ 22,227,034	46
47	TOTAL EQUITY(page 18, line 24)	\$ (7,458,271)	\$ (7,568,728)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,631,361	\$ 14,658,306	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (7,060,924)	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (7,060,924)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(397,347)	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)	\$ (397,347)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (7,458,271)	24 *

* This must agree with page 17, line 47.

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

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

1

	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 8,868,122	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 8,868,122	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	89,729	6
7	Oxygen	12,140	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 101,869	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	2,619	13
14	Non-Patient Meals	130	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	444	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	11,587	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 14,780	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	1,522	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,522	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See PG 19A	13,968	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 13,968	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 9,000,261	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,489,742	31
32	Health Care	2,591,340	32
33	General Administration	1,837,126	33
	B. Capital Expense		
34	Ownership	1,505,174	34
	C. Ancillary Expense		
35	Special Cost Centers	1,919,874	35
36	Provider Participation Fee	54,352	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 9,397,608	40
41	Income before Income Taxes (line 30 minus line 40)**	(397,347)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (397,347)	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.

STATE OF ILLINOIS

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

Ending:

12/31/08

Details of Page 19, Line 28

Ref Line

Record Copies (g/l 4977-100-001)	382.50	10
Food Rebate (g/l 4977-100-005)	2,317.87	2
Wage/Service Fees (g/l 4977-100-006)	98.00	21
Adjustments to prior year costs (g/l 4983)	6,841.04	
Gain on sale of assets (g/l 4985)	4,328.96	
Total of PG 19, Line 28	<u>13,968.37</u>	

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

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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	2,080	2,080	\$ 92,165	\$ 44.31	1
2	Assistant Director of Nursing	1,896	1,908	74,016	38.79	2
3	Registered Nurses	24,463	25,356	841,442	33.19	3
4	Licensed Practical Nurses	15,617	16,389	463,124	28.26	4
5	CNAs & Orderlies	46,354	49,133	608,659	12.39	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,840	1,840	34,769	18.90	9
10	Activity Assistants	5,322	5,605	48,290	8.62	10
11	Social Service Workers	1,776	1,923	40,601	21.11	11
12	Dietician					12
13	Food Service Supervisor	199	199	4,049	20.35	13
14	Head Cook	3,515	3,520	63,142	17.94	14
15	Cook Helpers/Assistants	33,783	35,881	380,356	10.60	15
16	Dishwashers					16
17	Maintenance Workers	2,032	2,056	49,861	24.25	17
18	Housekeepers	11,070	12,194	116,046	9.52	18
19	Laundry	3,251	3,471	32,446	9.35	19
20	Administrator	2,080	2,080	100,549	48.34	20
21	Assistant Administrator					21
22	Other Administrative	8,456	8,477	193,671	22.85	22
23	Office Manager	1,952	1,976	27,641	13.99	23
24	Clerical	2,984	3,040	27,335	8.99	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,871	1,881	61,307	32.59	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	52	52	1,553	29.87	31
32	Other Health C: Unit Director	4,176	4,176	67,679	16.21	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	174,769	183,237	\$ 3,328,701 *	\$ 18.17	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	58,400	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	monthly	2,376	10-3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	27	1,656	11-3	44
45	Social Service Consultant	12	792	11-3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	39	\$ 74,024		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

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XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Nora K O'Gorman	Administrator	0	\$ 100,549	Workers' Compensation Insurance	\$ 82,375	IDPH License Fee	\$	
				Unemployment Compensation Insurance	72,616	Advertising: Employee Recruitment	2,425	
				FICA Taxes	233,388	Health Care Worker Background Check		
				Employee Health Insurance	52,592	(Indicate # of checks performed 74)	740	
				Employee Meals	20,485	Patient Background Checks	336 3,360	
				Illinois Municipal Retirement Fund (IMRF)*		IL Health Care Assoc (less PAC portion)	3,700	
				Union Health & Welfare	52,477	IL Assoc Health Care Facilities	1,188	
				Pension	19,459			
				Dental/life/401k match	1,783			
				Empl relations/misc p/r costs	3,997	Related party-AMS	322	
				Mktg Mgr benefit deduction	(14,907)	Less: Public Relations Expense	()	
				Employee drug tests & vaccinations	6,264	Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 100,549	TOTAL (agree to Schedule V, line 22, col.8)		\$ 11,735		
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description			Amount	Description	Line #	Amount	Description	Amount
			\$			\$	Out-of-State Travel	\$
							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$				Related party-AMS	2,069
C. Professional Services							Seminar Expense	
Vendor/Payee	Type		Amount				Leadership training	
Alden Mgmt Serv Inc	Management fees		\$ 446,886				M Waldron/Life Service	
Virchow Krause/Ava Daley	Accounting/Audit fees		8,598				IHCA updates/shows	
Kenneth Fisch	Legal fees: collections		10,327				Entertainment Expense	
Kenneth Fisch	Legal fees: non-collections		4,050				()	
Mayer Brown	R/E tax appeal		223				(agree to Sch. V, line 24, col. 8)	
Ungaretti & Harris	Legal fees: non-collections		1,729				\$ 8,823	
Medicom/First Advantage	Consulting:billing/tax credit		537					
Ives/Ryan Group	Landscape architect		836					
Pathways-reclassified to Nursing	Clinical fees		13,321					
Clausen Miller	Prior yr legal fees		(552)					
AMS Legal -reclassified to Clerical	Prepay misc court costs		500					
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 486,455	TOTAL				

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Alden of Waterford

0042036

Report Period Beginning:

1/1/08

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12/31/08

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. ILHealthCareAssoc \$5,465
- (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. \$ 21,677 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 54,352
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. \$ 20,485 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? _____ If no, please explain. Not required
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees