

Facility Name & ID Number Heather Health Care Center

0023945 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	173	Skilled (SNF)	173	63,318	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	173	TOTALS	173	63,318	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	5,247	21	1,817	7,085	8
9	SNF/PED					9
10	ICF	38,193	560		38,753	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	43,440	581	1,817	45,838	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 72.39%

D. How many bed-hold days during this year were paid by the Department? N/A (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)
N/A

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 4/1/78

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 173 and days of care provided 796

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.

STATE OF ILLINOIS

Facility Name & ID Number Heather Health Care Center # 0023945 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				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
A. General Services											
1	Dietary	231,200	34,720	10,800	276,720	1,039	277,759	3,511	281,270		1
2	Food Purchase		329,664		329,664	(27,958)	301,706	(41,412)	260,294		2
3	Housekeeping	193,341	33,879		227,220	932	228,152	3,695	231,847		3
4	Laundry	55,703	30,807		86,510	244	86,754		86,754		4
5	Heat and Other Utilities			162,708	162,708		162,708	(2,515)	160,193		5
6	Maintenance	61,169		126,950	188,119	126	188,245	38,791	227,036		6
7	Other (specify):* Security&Rel Party	87		192	279		279	5,516	5,795		7
8	TOTAL General Services	541,500	429,070	300,650	1,271,220	(25,617)	1,245,603	7,586	1,253,189		8
B. Health Care and Programs											
9	Medical Director			29,500	29,500		29,500		29,500		9
10	Nursing and Medical Records	1,652,135	92,265	4,577	1,748,977	29,019	1,777,996	46,442	1,824,438		10
10a	Therapy	6,029			6,029		6,029		6,029		10a
11	Activities	327,846	16,433	2,791	347,070	28	347,098		347,098		11
12	Social Services	1,088			1,088		1,088		1,088		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Related Party Benef							7,103	7,103		15
16	TOTAL Health Care and Programs	1,987,098	108,698	36,868	2,132,664	29,047	2,161,711	53,545	2,215,256		16
C. General Administration											
17	Administrative	81,908			81,908		81,908	66,161	148,069		17
18	Directors Fees										18
19	Professional Services			542,839	542,839	(16,571)	526,268	(459,465)	66,803		19
20	Dues, Fees, Subscriptions & Promotions			61,644	61,644		61,644	(50,196)	11,448		20
21	Clerical & General Office Expenses	151,883	18,499	44,089	214,471	445	214,916	217,083	431,999		21
22	Employee Benefits & Payroll Taxes			434,284	434,284	17,628	451,912	(8,712)	443,200		22
23	Inservice Training & Education										23
24	Travel and Seminar			5,947	5,947		5,947	2,813	8,760		24
25	Other Admin. Staff Transportation			4,230	4,230		4,230	11,099	15,329		25
26	Insurance-Prop.Liab.Malpractice			189,147	189,147	(1,498)	187,649	4,300	191,949		26
27	Other (specify):* Bad Debt&Relat Party Benef			93,211	93,211		93,211	(48,012)	45,199		27
28	TOTAL General Administration	233,791	18,499	1,375,391	1,627,681	4	1,627,685	(264,929)	1,362,756		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,762,389	556,267	1,712,909	5,031,565	3,434	5,034,999	(203,797)	4,831,202		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

Heather Health Care Center

#0023945

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			90,127	90,127		90,127	57,861	147,988			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			93,257	93,257	(8,310)	84,947	136,665	221,612			32
33	Real Estate Taxes			572,353	572,353	(572,353)		566,674	566,674			33
34	Rent-Facility & Grounds			141,257	141,257	572,353	713,610	(713,610)				34
35	Rent-Equipment & Vehicles			17,401	17,401		17,401	34,777	52,178			35
36	Other (specify):* MIP							7,512	7,512			36
37	TOTAL Ownership			914,395	914,395	(8,310)	906,085	89,879	995,964			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		118,546	53,336	171,882	4,876	176,758	30,314	207,072			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			94,978	94,978		94,978		94,978			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers		118,546	148,314	266,860	4,876	271,736	30,314	302,050			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,762,389	674,813	2,775,618	6,212,820		6,212,820	(83,604)	6,129,216			45

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

Heather Health Care Center
 Reclassifications on Pgs 3 & 4 - Column 5

IDPH Facility ID Number: #0023945

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		(27,957.92)	Employee Meals
	22	27,957.92	Employee Meals
22		(10,330.05)	Uniforms
	10	7,516.36	Uniforms
	1	1,039.27	Uniforms
	3	931.65	Uniforms
	4	244.31	Uniforms
	6	125.75	Uniforms
	11	27.51	Uniforms
	21	445.20	Uniforms
26		(1,498.00)	Interest - old policy/curr yr portion
	32	1,498.00	Interest - old policy/curr yr portion
26			Interest - new policy/curr yr portion
	32		Interest - new policy/curr yr portion
10		(4,876.30)	Oxygen - to appropriate cost center
	39	4,876.30	Oxygen - to appropriate cost center
33		(572,353.00)	Rent - Real Estate Tax on associated landowner (Pg 6)
	34	572,353.00	Rent - Real Estate Tax on associated landowner (Pg 6)
<u>Others, if any:</u>			
19		(16,570.74)	Reclass Clinical Coordinators to Ln 10
	10	16,570.74	Reclass Clinical Coordinators to Ln 10
32		(9,807.90)	Reclass Settlement from Dept of Labor to Nursing
	10	9,807.90	Reclass Settlement from Dept of Labor to Nursing

Net _____
 -

Facility Name & ID Number Heather Health Care Center

0023945

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 Amount	2 Refer- ence	3 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	61,116	30		9
10	Interest and Other Investment Income	(318)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(167)	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	(655)	21		17
18	Fines and Penalties	(16,308)	32		18
19	Entertainment	(1,509)	20		19
20	Contributions	(8,455)	20		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(12,736)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(93,211)	27		24
25	Fund Raising, Advertising and Promotional	(11,791)	20		25
26	Income Taxes and Illinois Personal				26
27	Property Replacement Tax				27
28	CNA Training for Non-Employees				28
29	Yellow Page Advertising				29
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (84,034)		\$	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 Amount	2 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)	959	Various	34
35	Other- Attach Schedule	(529)	See Pg 5A	35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ 430		36
(sum of SUBTOTALS)				
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (83,604)		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 Yes	2 No	3 Amount	4 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

Heather Health Care Center

ID# 0023945

Report Period Beginning: 1/1/08

Ending: 12/31/08

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	
1	Late Fees on Utilities	\$ (5,294)	5	1
2	Intercompany Interest not Allowed	(74,913)	32	2
3	Miscellaneous Income - Food Vendor Rebate	(714)	2	3
4	Miscellaneous Income - Medical Records	(650)	10	4
5	Miscellaneous Income - Jury Duty Receipt	(17)	21	5
6	Miscellaneous Income - Garnishment Processing	(26)	22	6
7				7
8	Marketing Manager & Aides	(22,808)	21	8
9	Back out % of Employee Benefits	(8,686)	22	9
10	Vendor Settlements - Relational Technology Solutions	(800)	21	10
11	Vendor Settlements - Relational Technology Solutions	800	6	11
12				12
13	Back Out 29.31% (for 2008) of PAC Dues	(3,085)	20	13
14				14
15	Back out Fines & Penalties	(33,783)	32	15
16				16
17	Reduce deprec exp on Pg 13 items under \$2,500	(3,325)	30	17
18	Reduce deprec exp on Pg 12 items under \$2,500	(4,111)	30	18
19	Expense capital items > \$2,500 on Pg 13 Items	17,820	6	19
20	Expense capital items > \$2,500 on Pg 12 Items	8,557	6	20
21	Expense Related Party Items < \$2,500	774	6	21
22				22
23	Eliminate Interest related to ;06 build.Purchase	(3,855)	32	23
24	Mortgage Interest	127,598	32	24
25	Mortgage Insurance	7,512	36	25
26	Eliminate Late Fees on Unpaid Real Estate Taxes	(9,868)	33	26
27				27
28	Adjust Deferred Maintenance to Actual	474	6	28
29	Deming Related Costs	(420)	24	29
30				30
31	Eliminate Americans for Job Security	(1,509)	20	31
32				32
33	Adj for ABC Related Party Profit - Pg 12	(6)	30	33
34	Adj for ABC Related Party Profit - Pg 13	(3)	30	34
35				35
36	Add DOL Settlement	9,808	32	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	(529)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Heather Health Care Center

0023945

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	5,263	(1,752)	0	0	0	0	0	0	0	3,511	1
2	Food Purchase	(881)	0	0	(40,531)	0	0	0	0	0	0	0	(41,412)	2
3	Housekeeping	0	0	3,695	0	0	0	0	0	0	0	0	3,695	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	(5,294)	0	2,779	0	0	0	0	0	0	0	0	(2,515)	5
6	Maintenance	28,425	0	10,515	0	0	0	(149)	0	0	0	0	38,791	6
7	Other (specify):*	0	0	4,986	530	0	0	0	0	0	0	0	5,516	7
8	TOTAL General Services	22,250	0	27,238	(41,753)	0	0	(149)	0	0	0	0	7,586	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	(650)	0	42,149	3,251	1,692	0	0	0	0	0	0	46,442	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	7,103	0	0	0	0	0	0	0	0	7,103	15
16	TOTAL Health Care and Programs	(650)	0	49,252	3,251	1,692	0	0	0	0	0	0	53,545	16
	C. General Administration													
17	Administrative	0	0	66,161	0	0	0	0	0	0	0	0	66,161	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(12,736)	0	(446,729)	0	0	0	0	0	0	0	0	(459,465)	19
20	Fees, Subscriptions & Promotions	(26,349)	250	(24,097)	0	0	0	0	0	0	0	0	(50,196)	20
21	Clerical & General Office Expenses	(24,280)	0	220,354	14,295	6,714	0	0	0	0	0	0	217,083	21
22	Employee Benefits & Payroll Taxes	(8,712)	0	0	0	0	0	0	0	0	0	0	(8,712)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	(420)	0	3,233	0	0	0	0	0	0	0	0	2,813	24
25	Other Admin. Staff Transportation	0	0	11,099	0	0	0	0	0	0	0	0	11,099	25
26	Insurance-Prop.Liab.Malpractice	0	4,118	182	0	0	0	0	0	0	0	0	4,300	26
27	Other (specify):*	(93,211)	0	43,823	1,519	(143)	0	0	0	0	0	0	(48,012)	27
28	TOTAL General Administration	(165,708)	4,368	(125,974)	15,814	6,571	0	0	0	0	0	0	(264,929)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(144,107)	4,368	(49,484)	(22,688)	8,263	0	(149)	0	0	0	0	(203,797)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Heather Health Care Center

0023945

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 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)	
	D. Ownership													
30	Depreciation	53,671	0	2,842	0	1,348	0	0	0	0	0	0	57,861	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	8,229	38,287	89,634	0	515	0	0	0	0	0	0	136,665	32
33	Real Estate Taxes	(9,868)	572,353	4,159	0	30	0	0	0	0	0	0	566,674	33
34	Rent-Facility & Grounds	0	(713,610)	0	0	0	0	0	0	0	0	0	(713,610)	34
35	Rent-Equipment & Vehicles	0	0	34,777	0	0	0	0	0	0	0	0	34,777	35
36	Other (specify):*	7,512	0	0	0	0	0	0	0	0	0	0	7,512	36
37	TOTAL Ownership	59,544	(102,970)	131,412	0	1,893	0	0	0	0	0	0	89,879	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	(21,191)	4,674	46,831	0	0	0	0	0	30,314	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	(21,191)	4,674	46,831	0	0	0	0	0	30,314	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(84,563)	(98,602)	81,928	(43,879)	14,830	46,831	(149)	0	0	0	0	(83,604)	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:
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 Rent Income	\$ 713,610	Heather Health Care Center II, LLC		\$	\$ (713,610) 1
2	V	20 Licenses & Inspections		Heather Health Care Center II, LLC		250	250 2
3	V	32 Fines & Penalties		Heather Health Care Center II, LLC		33,783	33,783 3
4	V	33 Real Estate Tax Expense		Heather Health Care Center II, LLC		572,353	572,353 4
5	V	26 General Insurance Expense		Heather Health Care Center II, LLC		4,118	4,118 5
6	V	32 Interest - Other		Heather Health Care Center II, LLC		3,855	3,855 6
7	V	32 Amortizations Expense		Heather Health Care Center II, LLC		649	649 7
8	V						
9	V						
10	V						
11	V						
12	V						
13	V						
14	Total		\$ 713,610			\$ 615,008	\$ * (98,602) 14

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	5 Utilities	\$	Alden Management Services, Inc.	0.00%	\$ 2,779	\$ 2,779	15
16	V	24 Travel & Seminar		Alden Management Services, Inc.		3,233	3,233	16
17	V	25 Other Admin Travel		Alden Management Services, Inc.		11,099	11,099	17
18	V	26 Insurance		Alden Management Services, Inc.		182	182	18
19	V	20 Dues/Subscriptions	24,600	Alden Management Services, Inc.		503	(24,097)	19
20	V	30 Depreciation		Alden Management Services, Inc.		2,842	2,842	20
21	V	32 Amortization		Alden Management Services, Inc.		57	57	21
22	V	33 Real Estate Tax		Alden Management Services, Inc.		4,159	4,159	22
23	V	35 Rent-Equip/Vehic		Alden Management Services, Inc.		34,777	34,777	23
24	V	32 Interest		Alden Management Services, Inc.		89,577	89,577	24
25	V	1 Dietary Salary		Alden Management Services, Inc.		5,263	5,263	25
26	V	3 Housekeeping Salary		Alden Management Services, Inc.		3,695	3,695	26
27	V	7 Employee Benef-Gen'l Servs		Alden Management Services, Inc.		4,986	4,986	27
28	V	10 Nurs/Med Rec Salary		Alden Management Services, Inc.		42,149	42,149	28
29	V	15 Employee Benef-Health Care		Alden Management Services, Inc.		7,103	7,103	29
30	V	17 Administrative Salary		Alden Management Services, Inc.		66,161	66,161	30
31	V	27 Employee Benef-Administrative		Alden Management Services, Inc.		43,823	43,823	31
32	V	19 Professional Fees	483,600	Alden Management Services, Inc.		36,871	(446,729)	32
33	V	21 Gen'l & Admin		Alden Management Services, Inc.		220,354	220,354	33
34	V	6 Repair & Mainten.	20,816	Alden Management Services, Inc.		31,331	10,515	34
35	V							35
36	V							36
37	V							37
38	V							38
39	Total		\$ 529,016			\$ 610,944	\$ * 81,928	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 Dietary Consultant	\$ 10,800	Prism Health Care Services, Inc.	0.00%	\$ 2,733	\$ (8,067)
16	V	1 Dietary Salary		Prism Health Care Services, Inc.		6,315	6,315
17	V	2 Tube Feeding	54,671	Prism Health Care Services, Inc.		14,140	(40,531)
18	V	10 Equipment Rental	6,660	Prism Health Care Services, Inc.		9,911	3,251
19	V	39 Supplies	45,762	Prism Health Care Services, Inc.		24,571	(21,191)
20	V	21 Salary G & A		Prism Health Care Services, Inc.		8,590	8,590
21	V	27 Employee Benefits		Prism Health Care Services, Inc.		1,519	1,519
22	V	7 Employee Benefits		Prism Health Care Services, Inc.		530	530
23	V	21 G & A		Prism Health Care Services, Inc.		5,705	5,705
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		\$ 117,893			\$ 74,014	\$ * (43,879)

* 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 Drugs	\$ 43,489	Forum Extended Care Services II, Inc.	0.00%	\$ 63,228	\$ 19,739	15
16	V	39 IV	15,692	Forum Extended Care Services II, Inc.		2,288	(13,404)	16
17	V	39 Wound Care	8,196	Forum Extended Care Services II, Inc.		6,535	(1,661)	17
18	V	10 House Stock	4,535	Forum Extended Care Services II, Inc.		4,277	(258)	18
19	V	10 Pharmacy Consultant	4,577	Forum Extended Care Services II, Inc.		6,527	1,950	19
20	V	27 Employee Vaccinations	708	Forum Extended Care Services II, Inc.		565	(143)	20
21	V	21 Employee Benefit: G & A		Forum Extended Care Services II, Inc.		440	440	21
22	V	21 Salary: G & A		Forum Extended Care Services II, Inc.		3,793	3,793	22
23	V	21 General & Administrative		Forum Extended Care Services II, Inc.		2,481	2,481	23
24	V	32 Interest		Forum Extended Care Services II, Inc.		515	515	24
25	V	33 Real Estate Tax		Forum Extended Care Services II, Inc.		30	30	25
26	V	30 Depreciation		Forum Extended Care Services II, Inc.		1,348	1,348	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		\$ 77,197			\$ 92,027	\$ * 14,830	39

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

VII. RELATED PARTIES (continued)

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

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

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	39	Therapy Revenue	\$ 51,063	Community Physical Therapy & Associates, Ltd.	0.00%	\$ 97,894	\$ 46,831	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		\$ 51,063			\$ 97,894	\$ *	46,831	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 Repairs & Maintenance	\$ 26,176	Alden Bennett Construction Company, Inc.	0.00%	\$ 26,027	\$	(149)	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		\$ 26,176			\$ 26,027	\$ *	(149)	39

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

STATE OF ILLINIOS

Facility Name & ID Number Heather Health Care Center

Provider No. 0023945

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 Heather Health Care Center # 0023945 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	173,218	150.8	3.77	Salary	\$ 6,782	17-7	1
2	Lauren Magnusson	Dir. Of Clinical Servi	Technical Nursing	0.00	64,673	150.8	3.77	Salary	2,532	10-7	2
3	Terry Magnusson	Dir. of Purchasing	Supervise Mainten	0.00	37,626	150.8	3.77	Salary	1,473	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	\$ 10,787		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 Heather Health Care Center # 0023945 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*	30	\$ 73,771	\$	45,838	\$ 2,779	1
2	24	Travel/Seminar	patient days*	30	85,812		45,838	3,233	2
3	25	Other Admin Travel	patient days*	30	294,582		45,838	11,099	3
4	26	Insurance	patient days*	30	4,828		45,838	182	4
5	20	Dues/Subscriptions	patient days*	30	13,344		45,838	503	5
6	30	Depreciation	no. of providers	30	98,652		1	2,842	6
7	32	Amortization	patient days*	30	1,500		45,838	57	7
8	33	Real Estate Tax	patient days*	30	125,958		45,838	4,159	8
9	35	Rent-Equip/Vehic	patient days*	30	923,032		45,838	34,777	9
10	32	Interest	patient days*	30	1,783,086		45,838	89,577	10
11	1	Dietary Salary	patient days*	30	139,689	139,689	45,838	5,263	11
12	3	Housekeeping Salary	patient days*	30	98,076	98,076	45,838	3,695	12
13	7	Employee Benef-Gen'l Servs	patient days*	30	132,325		45,838	4,986	13
14	10	Nurs/Med Rec Salary	patient days*	30	1,256,694	1,256,694	45,838	42,149	14
15	15	Employee Benef-Health Care	patient days*	30	188,531		45,838	7,103	15
16	17	Administrative Salary	patient days*	30	2,118,865	2,118,865	45,838	66,161	16
17	27	Employee Benef-Administrative	patient days*	30	1,163,122		45,838	43,823	17
18	19	Professional Fees	patient days*	30	978,599	605,253	45,838	36,871	18
19	21	Gen'l & Admin	patient days*	30	5,848,424	5,104,656	45,838	220,354	19
20	6	Repair & Mainten.	patient days*	30	831,505	644,276	45,838	31,331	20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 16,160,395	\$ 9,967,509		\$ 610,944	25

Facility Name & ID Number Heather Health Care Center# 0023945

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	
						Original	Balance					
	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									
	A. Directly Facility Related											
	Long-Term											
1	Proforma Allocation of Mortgage						\$	\$			\$	1
2	Interest due to Sale/Leaseback		X	Mortgage	\$17,353.57	6/1/80	2,430,000	1,502,411	12/31/2019	8.2500	127,598	2
3												3
4												4
5	Insurance Reclass (Interest)		X	Malpractice Insurance							3,535	5
	Working Capital											
6												6
7	Related Party-AMS		X	Working Capital							89,577	7
8	Related Party-FECII		X	Working Capital							515	8
9	TOTAL Facility Related				\$17,353.57		\$ 2,430,000	\$ 1,502,411			\$ 221,225	9
	B. Non-Facility Related*											
10	Interest Income										(318)	10
11												11
12	Amortization of Finance Fees										705	12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ 387	14
15	TOTALS (line 9+line14)						\$ 2,430,000	\$ 1,502,411			\$ 221,612	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ 7,512 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.)

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,

2007 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Heather Health Care Center COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0023945

CONTACT PERSON REGARDING THIS REPORT Steven M. Kroll

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

A. Summary of Real Estate Tax Costs

Enter the tax index number and real estate tax assessed for 2007 on the lines provided below. Enter only the portion of total 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 Services</u>	<u>\$ 295,853.00</u>	<u>\$ 4,159.00</u>
2. <u>See attached supplement</u>	<u>Related Party-Forum Extended Care</u>	<u>\$ 13,851.00</u>	<u>\$ 30.00</u>
3. <u>29-18-410-054-0000</u>	<u>Nursing Home Facility</u>	<u>\$ 1,090.10</u>	<u>\$ 1,090.10</u>
4. <u>29-18-410-063-0000</u>	<u>Nursing Home Facility</u>	<u>\$ 482,994.50</u>	<u>\$ 482,994.50</u>
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ 793,788.60	\$ 488,273.60

B. Real Estate Tax Cost Allocation:

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 Heather Health Care Center

0023945 Report Period Beginning:

1/1/08 Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:A. Square Feet: 48,971 B. General Construction Type: Exterior Brick/Concrete Frame Steel Number of Stories 1, Partial 2C. 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 ground (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	Patient Care	62,115	2005	\$ 187,500	1
2					2
3	TOTALS	62,115		\$ 187,500	3

Facility Name & ID Number Heather Health Care Center

0023945

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	49	1978	1975	\$ 496,626	\$	27	\$	\$	\$ 496,626	4
5	123	1980	1980	1,789,311		30	59,644	59,644	1,741,418	5
6	addition	1979	1979	38,500		30	1,283	1,283	36,789	6
7										7
8	Related Party-Forum		1978	14,056		25			14,056	8
	Improvement Type**									
9	LAND IMPROVEMENT/ROFFING/HVAC		1980	168,496		10-27	189	189	168,307	9
10	PAVING/PAINTING/DRAINAGE TILE		1981	13,153		10-30			13,153	10
11	ROOFING		1983	3,100		12			3,100	11
12	DOOR WINDOW/BEARING ASSEMBLE/WATER PUMP		1984	15,805		5			15,805	12
13	ROOFING/HEAT EXCHANGE/MOTOR/BASEBOARD		1985	17,603		8-10			17,603	13
14	ROOF REPAIR/SEAL PARKING LOT/HEAT EXCHANGE		1986	40,170		2-10			40,170	14
15	COMPRESSOR REPR/INSTLL FLOW/SWTCH/REWIRE ALARM		1988	15,385		5 & 10			15,385	15
16	REPL HEAT EXCHANGE/ROOFTOP EXHST/RE-BRICK WALL		1991	22,663	486	5-25	486		21,021	16
17	HOT WATER TANK/SEWER REPAIR		1992	15,092		5 & 15			15,092	17
18	SEWAGE EJECTOR/VALVE/MOTOR		1993	12,871		5 & 10			12,871	18
19	ROOF REPAIR/BOILER/PUMP REPAIR/ALARM REPAIR		1994	32,136		3			32,136	19
20	ALARM REPAIR/LOCK SET & KEYS/FLOOR REPAIR		1995	43,408		3-20			43,408	20
21	TILE INSTALLED & REPAIR CORRIDOR		1996	1,558		10			1,558	21
22	REMOVED & REPLACED NEW MOTOR		1996	3,292		10			3,292	22
23	REMOVED & INSTALLED NEW MOTOR		1996	1,714		10			1,714	23
24	ELECTRICAL REPAIR		1996	3,127	156	20	156		1,979	24
25	WINDOW REPAIR		1996	6,466	323	20	323		4,067	25
26	VALVE REPAIR		1996	1,523	102	15	102		1,280	26
27	BOILER LEAKING		1996	6,876	458	15	458		5,614	27
28	WINDOW REPAIR		1996	2,713	136	20	136		1,641	28
29	WINDOW REPAIR		1993	7,441		5			7,441	29
30	WINDOW REPAIR		1994	13,715		5			13,715	30
31	FLOOR TILE & BASE		1995	788	39	20	39		494	31
32	INSTALL ASPHALT		1996	16,215		10			16,215	32
33	INSTALL DOOR FRAME		1997	2,517	86	10	86		2,517	33
34	INSTALL VENT PIPE FOR DRYER		1997	6,180		5			6,180	34
35	INSTALL TILE		1997	1,706		5			1,706	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 Heather Health Care Center

0023945

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	REPLACE BOILER ROOM- TOP A/C	1997	\$ 6,000	\$	5	\$	\$	6,000	37
38	INSTALL GAS PIPE	1997	4,220		5			4,220	38
39	INSTALL NEW VALVE AND RECOPPER	1998	1,864		5			1,864	39
40	PIPING	1998	7,104		25			7,104	40
41	ROOF REPAIR	1998	2,920	49	10	49		2,920	41
42	REPAIR & CHECK VOLTAGE OUTPUT	1998	1,780		5			1,780	42
43	REPLACED VALVE - HOT WATER	1998	3,270		5			3,270	43
44	REMODELED & DECORATED ROOMS	1998	28,760	1,917	15	1,917		20,450	44
45	WHIRLPOOL TURBINE	1998	1,599		5			1,599	45
46	REPLACE EXHAUST FAN	1998	1,950	130	15	130		1,387	46
47	FIX FLOOR TILE	1998	3,626	89	10	89		3,626	47
48	INSTALL DOOR MONITORING SYSTEM	1998	1,587	92	10	92		1,587	48
49	INSTALL SECURITRON ANNUNCIATOR	1998	1,764	104	10	104		1,764	49
50	REPLACE BOILER ON STEAMER	1998	4,283	180	10	180		4,283	50
51	INSTALL RESET CONTROL ON BOILER	1998	3,900	195	20	195		2,031	51
52	WRAP CHILLER PIPES	1998	2,682	134	20	134		1,229	52
53	REPLACE PUMP MOTOR	1998	4,425	295	15	295		2,999	53
54	PAINT	1998	7,845	392	20	392		3,313	54
55	CLIMATE SERICE (CLEANED BOILER, VALVE)	1999	1,374	69	20	69		688	55
56	CLIMATE SERVICE (REPLACE MISING VALVE	1999	3,317	221	15	221		2,211	56
57	CLIMATE SERVICE (INSTALLL HOT WATER HEATER)	1999	7,391	493	15	493		4,886	57
58	CLIMATE SERVICE (INSTALL ROOF TOP REPLACEMENT)	1999	9,935	994	10	994		9,854	58
59	CLIMATE SERVICE (REPAIR HEATING UNIT)	1999	1,643	110	15	110		689	59
60	ENVIRON VISION ENVIRONMENT	1999	2,919	292	10	292		2,895	60
61	CHICAGO COOLING CORP (SHUTDOWN BOILER & AC	1999	2,117	212	10	212		2,030	61
62	ABC CARPENTRY	1999	2,031	203	10	203		1,946	62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 2,934,512	\$ 7,957		\$ 69,073	\$ 61,116	\$ 2,852,978	70

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

STATE OF ILLINOIS

Facility Name & ID Number Heather Health Care Center

0023945

Report Period Beginning:

1/1/08

Ending:

Page 12B

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	\$ 2,934,512	\$ 7,957		\$ 69,073	\$ 61,116	\$ 2,852,978		1
2	ABC WINDOW SCREENS	1999 3,916	392	10	392		3,755		2
3	ABC INSULATION	1999 3,203	214	10	214		1,070		3
4	CLIMATE SERVICE, INC. (INSTALL CONDENSER)	1999 4,565	304	15	304		2,890		4
5	WIGDAHL ELECTRIC (RECEPTACLES INSTALLED)	1999 5,457	273	20	273		2,593		5
6	CLIMATE SERVICE, INC. (REPLACE MOTOR ON FAN)	1999 2,772	277	10	277		2,633		6
7	CLIMATED SERVICE, INC. - REPLACE FAN MOTOR	1999 1,693	169	10	169		1,607		7
8	ADVANCED PARTS -GARBAGE DISPOSAL	1999 6,515		5			6,515		8
9	THE FLOOR SOURCE -INSTALL CARPET	1999 2,469		5			2,469		9
10	FOX VALLEY FIRE & SAFETY-DOOR ALARM SYSTEM	1999 2,540	169	15	169		1,551		10
11	CLIMATE SERVICE, INC.-BOILER	1999 8,437	422	20	422		3,832		11
12	ABC - GENERAL	1999 4,099	410	10	410		3,724		12
13									13
14	ABC ROOF	1999 2,501	250	10	250		2,271		14
15	ABC HARDWARE	1999 1,793	179	10	179		1,627		15
16	CLIMATE SERVICE, INC. REPAIR BURNER	1999 1,615	162	10	162		1,469		16
17	FOX VALLEY FIRE & SAFETY -SMOKE DETECTORS	1999 7,500	750	10	750		6,750		17
18	DELETE ABOVE ITEM	2000 (7,500)	(750)	10	(750)		(6,750)		18
19	ABC-BUILDING CONSTRUCTION/VARIOUS	2000 3,244	324	10	324		2,431		19
20	FOX VALLEY -SMOKE DETECTORS	2000 7,500	750	10	750		6,750		20
21	FOX VALLEY-DOOR ALARMS	2000 1,931	193	10	193		1,738		21
22	LONG ELEVATOR-ATTACHMENTS	2000 1,751	88	20	88		790		22
23	CLIMATE SERVICES-BOILER ROOM	2000 4,422	221	20	221		1,971		23
24	CI-SERVICE DRAPES/RODS	2000 9,460		5			9,460		24
25	ADJUST 1999 TOTAL TO CORRECT AMOUNTS	2000 10	1	10	1		9		25
26	ABC-BUILDING MAINT CONSTRUCT-VARIOUS	2000 19,015	1,901	10	1,901		16,161		26
27	NEW HORIZONS-TELEPHONE SYSTEM	2000 1,670	167	10	167		1,433		27
28	ABC-SEAL & STRIPE PARK. LOT	2000 4,154	415	10	415		3,391		28
29	CSI CORKER SERVICE	2001 4,773	239	20	239		1,791		29
30	ABC-TIME & MATERIAL BILLING (JULY 2001)	2001 6,028	603	10	603		4,421		30
31	ABC-TIME & MATERIAL BILLING (OCT 2001)	2001 7,272	727	10	727		5,150		31
32	CAPPS PLUMBING	2001 12,236	1,223	10	1,223		8,864		32
33	GT MECHANICAL - WATER HEATER	2001 4,559	304	15	304		2,204		33
34	TOTAL (lines 1 thru 33)	\$ 3,074,112	\$ 18,334		\$ 79,450	\$ 61,116	\$ 2,957,548		34

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

Facility Name & ID Number Heather Health Care Center

0023945

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		\$ 3,074,112	\$ 18,334		\$ 79,450	\$ 61,116	\$ 2,957,548	1
2	Retile Basement Corridor 1	2002	3,650	365	10	365		2,433	2
3	Retile Basement Corridor 2	2002	3,650	365	10	365		2,372	3
4	Replace 4 Windows	2002	782	78	10	78		508	4
5	Replace 10 Windows	2002	2,204	220	10	220		1,541	5
6	Repiping 15' 2" galv pipe	2002	1,165	47	25	47		312	6
7	Replace RPZ Valve main Boiler Room	2002	545	36	15	36		247	7
8	Replace RPZ Valves 1 small Boiler Room	2002	1,865	124	15	124		848	8
9	Replace 3 outside valves	2002	1,165	78	15	78		500	9
10	ABC - Replace doors	2002	4,103	410	10	410		2,495	10
11	Security Services - Keypad entry svstem	2002	1,575	105	15	105		639	11
12	Security Services - Door Alarm System	2002	2,035	136	15	136		827	12
13	CAPPS Replace Drain Line	2002	2,965	148	20	148		1,012	13
14	GT Mechanical - replace chiller condensor motor	2002	2,876	192	15	192		1,231	14
15	GT Mechanical - Replace Bearing assem. Big Boiler	2002	1,357	90	15	90		624	15
16	GT Mechanical - Hot water circ pump lg. Boiler room	2002	698	47	15	47		328	16
17	CSI - Replace valves, steamer & timer on ovens	2002	1,761	117	15	117		820	17
18	Healthcare Products - Repair wheelchairs	2002	2,282		3			2,282	18
19	CAPPS - Repair Sprinkler Svstem	2002	1,165	78	15	78		500	19
20	GT Mechanical - Repair Heater	2002	1,658	111	15	111		693	20
21	A&B Custom Cabel install 21 cable outlets	2003	1,731	173	10	173		1,009	21
22	ABC - New floor in PT Room	2003	3,896	390	10	390		2,242	22
23	A&B Custom Cabel install 27 cable outlets	2003	2,318	232	10	232		1,295	23
24	A&B Custom Cabel install 97 cable outlets	2003	6,969	697	10	697		3,891	24
25	Security Service - Door alarm service	2003	2,284	152	15	152		836	25
26	Capps - Repair 1st floor drains	2003	1,553	155	10	155		918	26
27	GT Mech- Repair water pump	2003	1,674		5			1,674	27
28	CSI - Repair Dishwasher	2003	1,953	391	5	391		2,182	28
29	Capps - Repair Sewer	2003	3,755	250	15	250		1,396	29
30	New Horizons Comm - Repair Phone svstem	2003	1,908	158	5	158		1,908	30
31	Capps - New Laundry Tub 1of2	2003	1,800	180	10	180		990	31
32	Capps - New Laundry Tub 2of2	2003	2,214	221	10	221		1,216	32
33	New Horizons Comm - Repair Phone svstem	2003	2,897	291	5	291		2,897	33
34	TOTAL (lines 1 thru 33)		\$ 3,146,565	\$ 24,371		\$ 85,487	\$ 61,116	\$ 3,000,214	34

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

Facility Name & ID Number Heather Health Care Center

0023945

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		\$ 3,146,565	\$ 24,371		\$ 85,487	\$ 61,116	\$ 3,000,214	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 Improvem	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 Renovator	2003	1,583	157	10	157		950	13
14	Leasehold Improvement-Plumbing, Construct, Concrete, Doors, et	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 bas	1980	69		23			69	18
19	Leasehold Improvement-Add-on Improvement, lighting bas	2001	119		5			119	19
20	Leasehold Improvements-fire extinguisher	2007	22	4	5	4		6	20
21	Leasehold Improvements-paving/glasswork/hvac/carpe	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 impro	1999	9,295	232	30	232		2,372	30
31									31
32									32
33	Adj for ABC Related Party Profit	2008	(73)	(6)		(6)		(6)	33
34	TOTAL (lines 1 thru 33)		\$ 3,223,485	\$ 27,021		\$ 88,137	\$ 61,116	\$ 3,065,721	34

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

Facility Name & ID Number Heather Health Care Center

0023945

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	\$ 3,223,485	\$ 27,021		\$ 88,137	\$ 61,116	\$ 3,065,721		1
2	ABC - Repair Roof	2003 10,191	1,019	10	1,019		5,520		2
3	CSI - Repair Drain	2003 1,768	146	5	146		1,768		3
4	CAPPS - CLEAR BASIN & CLEAN DRAIN	2004 975	195	5	195		845		4
5	CAPPS - POWER RODDED MAIN SEWER	2004 1,720	344	5	344		1,491		5
6	CSI - WATER HEATER PARTS AND REPAIR	2004 1,760	352	5	352		1,540		6
7	ABC - REPAIR LEAKY ROOF	2004 3,203	641	5	641		2,778		7
8	TNS/TERMINX - PEST CONTROL DRVC OF 6 LOCATIONS	2004 2,028	406	5	406		1,962		8
9	ABC - HVAC WORK/INSULATION	2004 7,090	709	10	709		3,309		9
10	ABC - WATER HEATER	2004 8,891	889	10	889		4,297		10
11	Top Notch - Door & Frame w/Hardware	2005 3,595	180	10	180		720		11
12	ABC - Bathroom Repairs	2005 4,307	431	10	431		1,724		12
13	CAPPS - Install new Basin, backflow valave in manhole	2005 4,200	770	5	770		3,080		13
14	CAPPS - Replaced Pipe, Power Rodded	2005 2,400	440	5	440		1,760		14
15	ABC - Bathroom Repairs	2005 10,661	1,066	10	1,066		4,086		15
16	GT Mechanical - Repair Boiler	2005 4,334	433	10	433		1,624		16
17	CAPPS - New RPZ	2005 1,965	196	10	196		735		17
18	GT Mechanical - Bell and Gosset Bearing Assembly/GE Motor	2005 2,398	239	10	239		857		18
19	Cybor Fire Protection - Sprinkler System Pipe Work	2005 2,985	597	5	597		2,090		19
20	Oak Fire - Alarm Repair (new pit, connect Ansul to Fire Alarm, In	2005 4,980	498	10	498		1,743		20
21	ABC - Bathroom Repairs	2005 14,900	1,490	10	1,490		4,967		21
22	Long Elevator - Repairs to electric eve	2005 1,509	75	20	75		244		22
23	ABC - New Outdoor Sign Install	2005 1,637	136	12	136		419		23
24	ABC - New Mental Institution Unit	2006 32,303	1,615	20	1,615		3,230		24
25	GT MECH - new thermostats-repair	2006 3,355	671	5	671		1,398		25
26	Top Notch- Replace Sink Heater	2006 2,975	298	10	298		869		26
27	Roof Repairs	2006 3,060	306	10	306		714		27
28	GT MECH - Repair thermostat and replaced blower	2006 5,077	508	10	508		1,016		28
29	AMS-Generator Install remote Annunicator	2006 3,192	213	15	213		621		29
30	AC Compressor and Repair	2006 10,386	692	15	692		1,615		30
31	ABC - Fire ID plate and sprinkler system repairs	2006 10,563	704	15	704		1,467		31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 3,391,892	\$ 43,279		\$ 104,395	\$ 61,116	\$ 3,124,210		34

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

Facility Name & ID Number Heather Health Care Center

0023945

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	\$ 3,391,892	\$ 43,279		\$ 104,395	\$ 61,116	\$ 3,124,210		1
2	New MI Unit	2007 9,497	950	10	950	(0)	1,583		2
3	Masonry	2007 43,549	2,903	15	2,903	0	3,387		3
4	Hot Water Storage	2007 5,984	598	10	598	0	1,147		4
5	Compressor Contractor	2007 7,052	470	15	470		901		5
6	Heating/Vent	2007 9,645	965	10	965		1,849		6
7	Cubicle Repair	2007 3,015	302	10	302		578		7
8	Lockset Replacement	2007 2,538	254	10	254		466		8
9	Roof Replacements	2007 3,556	356	10	356		623		9
10	Duct Work	2007 3,201	160	20	160		280		10
11	Fan Motor and Compressor	2007 3,696	370	10	370		586		11
12	New Paving	2007 14,960	1,870	8	1,870		2,649		12
13	New Carpet	2007 3,101	620	5	620		878		13
14	New Roof Installation	2007 4,956	496	10	496		702		14
15	Refrigeration Leak Repair	2007 5,864	586	10	586		830		15
16	Circulation Pump	2007 6,842	684	10	684		912		16
17	New Hot Water Heater	2007 8,605	861	10	861		1,004		17
18									18
19	ABC-Key Pad Replacements	2008 3,798	633	5	633		633		19
20	GT Mechanical-Dining Area	2008 3,933	328	10	328		328		20
21	Top Notch - Evaporator Assembly w/parts	2008 2,892	169	10	169		169		21
22	ABC - Repair south wing Roof	2008 6,404	320	10	320		320		22
23	Top Notch - Condensing Unit	2008 3,919	131	15	131		131		23
24	GT Mechanical - Dining Room Compressor Motor	2008 3,069	153	10	153		153		24
25	GT Mechanical - Motor & Bearing Assembly	2008 2,960	148	10	148		148		25
26	GT Mechanical - New Oil Pump	2008 2,802	140	5	140		140		26
27	ABC- New Plumbing Fixtures/35 New Windows	2008 2,630	22	20	22		22		27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)	\$ 3,560,359	\$ 57,768		\$ 118,884	\$ 61,116	\$ 3,144,628		34

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

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	\$ 297,668	\$ 24,421	\$ 24,421	\$		\$ 155,945	71
72	Current Year Purchases	104,152	1,875	1,875			1,875	72
73	Fully Depreciated Assets	313,792	2,808	2,808			313,792	73
74								74
75	TOTALS	\$ 715,612	\$ 29,104	\$ 29,104	\$		\$ 471,612	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	2	
	Reference	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)	\$ 4,468,034	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 86,872	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 147,988	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 61,116	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 3,620,803	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	New MI Unit	\$ 36,050	92
93			93
94			94
95		\$ 36,050	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.

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. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER CNA _____</p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER CNA _____</p>
--	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility			Total
		1 Drop-outs	2 Completed	3 Contract	
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)	\$			

- (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.

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	

- (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	1 Schedule V Line & Column Reference	2		3		4		5		6 Supplies (Actual or Allocated)	7 Total Units (Column 2 + 4)	8	
			Units of Service	Cost	Outside Practitioner (other than consultant)		Total Cost (Col. 3 + 5 + 6)							
					Units	Cost								
1	Licensed Occupational Therapist	39-3	hrs	\$				\$	12,563	\$		\$	12,563	1
2	Licensed Speech and Language Development Therapist	39-3	hrs						3,241				3,241	2
3	Licensed Recreational Therapist		hrs											3
4	Licensed Physical Therapist	39-3	hrs						35,259				35,259	4
5	Physician Care		visits											5
6	Dental Care		visits											6
7	Work Related Program		hrs											7
8	Habilitation		hrs											8
9	Pharmacy	See Pg 16A	# of prescripts							63,228			63,228	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							46,831	45,950			92,781	13
14	TOTAL			\$				\$	97,894	\$	109,178	\$	207,072	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	\$0.00	\$12,563.42
2. ST	39-3	To Col 5	0.00	3,240.95
3.				
4. PT	39-3	To Col 5	0.00	35,258.82
5.				
6.				
7.				
8.				
Pharmacy Supplies per GL			0.00	43,488.76
Manual Input from Related Party- Forum Drugs				19,739.00
9. Total to line 9 Pharmacy	See Pg 16A	To Col 6	0.00	63,227.76
10.				
11.				
12. Exceptional Care-Salaries:	See pg 16A	To Col. 3	0.00	0.00
12. Exceptional Care-Supplies:	See pg 16A	To Col. 6	0.00	0.00
Total Exceptional Care (Line 12, Col 8)			0.00	0.00
13. Other:	See Pg 16A			
13. Col 5: Manual Input: Related Party - CPT		To Col 5		46,831.00
Other			0.00	77,330.01
Manual Input: Related Party - Prism				(21,191.00)
Manual Input: Related Party FECII - I.V.				(13,404.00)
Manual Input: Related Party Wound Care				(1,661.00)
Oxygen, from reclass worksheet				4,876.00
13. Col 6: Supplies Total		To Col 6	0.00	45,950.01
13. Total Line 13, Column 8			0.00	92,781.01
14. Total			0.00	207,071.96

STATE OF ILLINOIS

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Facility Name & ID Number Heather Health Care Center

0023945

Report 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	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 (28,000))	897,110	3
4	Supply Inventory (priced at)		4
5	Short-Term Investments		5
6	Prepaid Insurance		6
7	Other Prepaid Expenses	3,735	7
8	Accounts Receivable (owners or related parties)		8
9	Other(specify): Due to 3rd Parties	34,399	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 935,244	10
B. Long-Term Assets			
11	Long-Term Notes Receivable		11
12	Long-Term Investments		12
13	Land	197,659	13
14	Buildings, at Historical Cost		14
15	Leasehold Improvements, at Historical Cost	1,090,793	15
16	Equipment, at Historical Cost	642,312	16
17	Accumulated Depreciation (book methods)	(1,107,870)	17
18	Deferred Charges		18
19	Organization & Pre-Operating Costs		19
20	Accumulated Amortization - Organization & Pre-Operating Costs		20
21	Restricted Funds		21
22	Other Long-Term Assets (spt CIP)	36,051	22
23	Other(specify):		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 661,286	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,596,530	25

	1	2	
	Operating	After Consolidation*	
C. Current Liabilities			
26	Accounts Payable	\$ 636,423	26
27	Officer's Accounts Payable		27
28	Accounts Payable-Patient Deposits	132,130	28
29	Short-Term Notes Payable		29
30	Accrued Salaries Payable	217,636	30
31	Accrued Taxes Payable (excluding real estate taxes)	38,676	31
32	Accrued Real Estate Taxes(Sch.IX-B)		32
33	Accrued Interest Payable		33
34	Deferred Compensation		34
35	Federal and State Income Taxes		35
Other Current Liabilities(specify):			
36	Accr Ins,EXPS,IDPA,Sales Tax	122,681	36
37			37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,147,546	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	Due to Affiliates	11,806,146	43
44			44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 11,806,146	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 12,953,692	46
47	TOTAL EQUITY(page 18, line 24)	\$ (11,357,162)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 1,596,530	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (10,488,351)	1
2	Restatements (describe):		2
3	External Audit Adjustments made after 2007 cost report	(139,586)	3
4	was submitted. These have no effect on prior years report:		4
5	Bad Debt, Medicare Revenues (Non-Allowables)		5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (10,627,937)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(729,225)	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)	\$ (729,225)	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)	\$ (11,357,162)	24 *

* This must agree with page 17, line 47.

STATE OF ILLINOIS

Facility Name & ID Number Heather Health Care Center

0023945

Report Period Beginning: 1/1/08

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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	\$ 5,467,226	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 5,467,226	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	14,002	6
7	Oxygen	588	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 14,590	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		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	54	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 54	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	318	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 318	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>See Pg 19A</u>	1,408	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,408	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 5,483,595	30

2			
	Expenses	Amount	
A. Operating Expenses			
31	General Services	1,271,220	31
32	Health Care	2,132,664	32
33	General Administration	1,627,681	33
B. Capital Expense			
34	Ownership	914,395	34
C. Ancillary Expense			
35	Special Cost Centers	171,882	35
36	Provider Participation Fee	94,978	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 6,212,820	40
41	Income before Income Taxes (line 30 minus line 40)**	(729,225)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (729,225)	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 Heather Health Care Center

0023945

Report Period Beginning:

1/1/08

Ending:

12/31/08

Details of Page 19, Line 28

Miscellaneous Income- Food Vendor Rebate	714.40
Miscellaneous Income- Medical Records	650.00
Miscellaneous Income- Jury Duty Receipt	17.20
Miscellaneous Income- Garnishment	26.00
	1,407.60

Facility Name & ID Number Heather Health Care Center # 0023945

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	2,080	2,080	\$ 77,978	\$ 37.49	1
2	Assistant Director of Nursing	2,080	2,080	68,322	32.85	2
3	Registered Nurses	5,517	5,990	174,836	29.19	3
4	Licensed Practical Nurses	29,980	31,403	752,074	23.95	4
5	CNAs & Orderlies	47,298	51,414	535,142	10.41	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	2,080	2,080	34,076	16.38	9
10	Activity Assistants	8,301	8,715	80,980	9.29	10
11	Social Service Workers	64	64	1,088	17.00	11
12	Dietician					12
13	Food Service Supervisor	2,080	2,080	33,493	16.10	13
14	Head Cook	5,605	6,105	73,880	12.10	14
15	Cook Helpers/Assistants	10,975	12,073	123,827	10.26	15
16	Dishwashers					16
17	Maintenance Workers	2,072	2,080	61,169	29.41	17
18	Housekeepers	18,112	19,106	193,341	10.12	18
19	Laundry	5,366	5,714	55,703	9.75	19
20	Administrator	2,080	2,080	81,908	39.38	20
21	Assistant Administrator					21
22	Other Administrative	5,153	5,281	110,079	20.84	22
23	Office Manager	2,080	2,080	35,108	16.88	23
24	Clerical	1,529	1,563	12,725	8.14	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator	1,834	1,834	43,783	23.87	29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care Behavioral Clin Di	11,078	11,583	212,790	18.37	32
33	Other(specify Security	8	8	87	10.88	33
34	TOTAL (lines 1 - 33)	165,372	175,413	\$ 2,762,389 *	\$ 15.75	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		29,500	10-3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	4,152	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	41	2,416	11-3	44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	41	\$ 46,868		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

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

1	2	3	4	5	6	7	8	9	10	11	12	13
Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
1		\$		\$								
2	Painting/HVAC	1995	32,616	3-15	513	513	513	513	513	513	513	
3	Painting/HVAC	1996	38,397	3-15	831	676	494	494	494	494	494	
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20	TOTALS		\$ 71,013		\$ 1,344	\$ 1,189	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$ 1,007	\$

Facility Name & ID Number Heather Health Care Center# 0023945

Report Period Beginning:

1/1/08

Ending:

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. Il. Health Care Assn. \$ 6,465
- (3) Did the nursing home make political contributions or payments to a political organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? _____
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 yrs
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 15,741 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. \$ 94,978
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ 27,958 Has any meal income been offset against related costs? _____ Indicate the amount. \$ _____
- (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? Yes
Attach invoices and a summary of services for all architect and appraisal fees.