

Facility Name & ID Number Meadowbrook Manor

0037366 Report Period Beginning: 01/01/08 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 N/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	298	Skilled (SNF)	298	109,068	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	298	TOTALS	298	109,068	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment				5 Total	
		3 Medicaid Recipient	4 Private Pay	Other	Total		
8	SNF	2,810	19	15,297	18,126	8	
9	SNF/PED					9	
10	ICF	72,059	7,930	184	80,173	10	
11	ICF/DD					11	
12	SC					12	
13	DD 16 OR LESS					13	
14	TOTALS	74,869	7,949	15,481	98,299	14	

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.13%

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)

Day Care

F. Does the facility maintain a daily midnight census?

Yes

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

YES NO

Note: Non-allowable costs have been eliminated in Schedule V, Column 7.

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

YES NO

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

Date started 11/05/91

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

YES Date 11/05/91 NO

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

YES NO If YES, enter number of beds certified 280 and days of care provided 15,297

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 Meadowbrook Manor # 0037366 Report Period Beginning: 01/01/08 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	500,204	99,577	18,115	617,896		617,896		617,896		1
2	Food Purchase		601,858		601,858		601,858	(1,149)	600,709		2
3	Housekeeping	340,784	105,290		446,074		446,074		446,074		3
4	Laundry	102,235	57,828		160,063		160,063		160,063		4
5	Heat and Other Utilities			455,287	455,287		455,287	2,613	457,900		5
6	Maintenance	118,306	43,132	258,646	420,084		420,084	(55,453)	364,631		6
7	Other (specify):* Emp Ben.-Mgmt Co.										7
8	TOTAL General Services	1,061,529	907,685	732,048	2,701,262		2,701,262	(53,989)	2,647,273		8
	B. Health Care and Programs										
9	Medical Director			52,500	52,500		52,500		52,500		9
10	Nursing and Medical Records	5,633,295	594,669	33,045	6,261,009		6,261,009		6,261,009		10
10a	Therapy	1,262,117	3,892	27,418	1,293,427		1,293,427		1,293,427		10a
11	Activities	180,775	22,810	2,472	206,057		206,057		206,057		11
12	Social Services	169,853	1,020	2,394	173,267		173,267		173,267		12
13	CNA Training	37,057			37,057		37,057		37,057		13
14	Program Transportation										14
15	Other (specify):* Emp Ben.-Mgmt Co.										15
16	TOTAL Health Care and Programs	7,283,097	622,391	117,829	8,023,317		8,023,317		8,023,317		16
	C. General Administration										
17	Administrative	104,035		988,267	1,092,302		1,092,302	(462,360)	629,942		17
18	Directors Fees										18
19	Professional Services			190,374	190,374		190,374	90,716	281,090		19
20	Dues, Fees, Subscriptions & Promotions			45,093	45,093		45,093	2,573	47,666		20
21	Clerical & General Office Expenses	215,790	60,177	68,011	343,978		343,978	48,060	392,038		21
22	Employee Benefits & Payroll Taxes			1,251,311	1,251,311		1,251,311	(1,542)	1,249,769		22
23	Inservice Training & Education			6,700	6,700		6,700		6,700		23
24	Travel and Seminar			1,221	1,221		1,221	9,247	10,468		24
25	Other Admin. Staff Transportation			2,656	2,656		2,656	5,957	8,613		25
26	Insurance-Prop.Liab.Malpractice			300,304	300,304		300,304	130,864	431,168		26
27	Other (specify):* Emp Ben.-Mgmt Co.							90,350	90,350		27
28	TOTAL General Administration	319,825	60,177	2,853,937	3,233,939		3,233,939	(86,135)	3,147,804		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	8,664,451	1,590,253	3,703,814	13,958,518		13,958,518	(140,124)	13,818,394		29

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number

Meadowbrook Manor

#0037366

Report Period Beginning:

01/01/08

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			142,255	142,255		142,255	370,635	512,890			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			78,568	78,568		78,568	1,045,795	1,124,363			32
33	Real Estate Taxes							289,000	289,000			33
34	Rent-Facility & Grounds			3,263,100	3,263,100		3,263,100	(3,244,868)	18,232			34
35	Rent-Equipment & Vehicles			29,406	29,406		29,406	9,348	38,754			35
36	Other (specify):*											36
37	TOTAL Ownership			3,513,329	3,513,329		3,513,329	(1,530,090)	1,983,239			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation			4,451	4,451		4,451		4,451			38
39	Ancillary Service Centers		918,770	86,300	1,005,070		1,005,070		1,005,070			39
40	Barber and Beauty Shops			3,687	3,687		3,687		3,687			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			163,602	163,602		163,602		163,602			42
43	Other (specify):* Non-allowable cost	10,690		564,612	575,302		575,302	(575,302)				43
44	TOTAL Special Cost Centers	10,690	918,770	822,652	1,752,112		1,752,112	(575,302)	1,176,810			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	8,675,141	2,509,023	8,039,795	19,223,959		19,223,959	(2,245,516)	16,978,443			45

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

Ending:

12/31/08

VI. ADJUSTMENT DETAIL

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

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

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,149)	2		4
5	Telephone, TV & Radio in Resident Rooms	(8,685)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(460)	30		9
10	Interest and Other Investment Income	(1,974)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,728)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment	(215)	43		19
20	Contributions	(142)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(483,251)	43		24
25	Fund Raising, Advertising and Promotional	(5,280)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(8,952)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg. 5A	(135,740)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (647,576)		\$	30

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,597,940)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,597,940)		36
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (2,245,516)		37

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

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

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

BHF USE ONLY							
48		49		50		51	
							52

SEE ACCOUNTANTS' COMPILATION REPORT

Meadowbrook Manor

Report Period Beginning: ID# 0037366
 Ending: 01/01/08
 12/31/08

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Non-allowable Day Care P/R Benefits & Taxes	\$ (1,542)	22	1
2	Disallow Medicare A Lab	(9,393)	43	2
3	Disallow Medicare A Radiology	(24,159)	43	3
4	Disallow physician fees	(24,830)	43	4
5	Disallwo Day Care Wages	(10,690)	43	5
6	Disallow patient clothing expense	(629)	43	6
7	Disallow non-allowable political rally food	(75)	43	7
8	Unreconciled real estate tax	75	43	8
9	Reclass R&M per HFS guidelines	(58,197)	6	9
10	Reclass insurance costs	(2,500)	19	10
11	Reclass insurance costs	2,500	26	11
12	Disallow marketing expense	(6,300)	43	12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(135,740)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Meadowbrook Manor# 0037366

Report Period Beginning:

01/01/08

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	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(1,149)	0	0	0	0	0	0	0	0	0	0	(1,149)	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	2,613	0	0	0	0	0	0	0	0	0	2,613	5
6	Maintenance	(58,197)	2,744	0	0	0	0	0	0	0	0	0	(55,453)	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(59,346)	5,357	0	0	0	0	0	0	0	0	0	(53,989)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	(462,360)	0	0	0	0	0	0	0	0	0	(462,360)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(2,500)	76,466	16,750	0	0	0	0	0	0	0	0	90,716	19
20	Fees, Subscriptions & Promotions	0	2,323	250	0	0	0	0	0	0	0	0	2,573	20
21	Clerical & General Office Expenses	0	47,917	143	0	0	0	0	0	0	0	0	48,060	21
22	Employee Benefits & Payroll Taxes	(1,542)	0	0	0	0	0	0	0	0	0	0	(1,542)	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	9,247	0	0	0	0	0	0	0	0	0	9,247	24
25	Other Admin. Staff Transportation	0	5,957	0	0	0	0	0	0	0	0	0	5,957	25
26	Insurance-Prop.Liab.Malpractice	2,500	0	128,364	0	0	0	0	0	0	0	0	130,864	26
27	Other (specify):*	0	90,350	0	0	0	0	0	0	0	0	0	90,350	27
28	TOTAL General Administration	(1,542)	(230,100)	145,507	0	(86,135)	28							
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(60,888)	(224,743)	145,507	0	(140,124)	29							

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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	(460)	42,081	329,014	0	0	0	0	0	0	0	0	370,635	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(1,974)	5,059	1,042,710	0	0	0	0	0	0	0	0	1,045,795	32
33	Real Estate Taxes	0	0	289,000	0	0	0	0	0	0	0	0	289,000	33
34	Rent-Facility & Grounds	0	18,232	(3,263,100)	0	0	0	0	0	0	0	0	(3,244,868)	34
35	Rent-Equipment & Vehicles	0	9,348	0	0	0	0	0	0	0	0	0	9,348	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(2,434)	74,720	(1,602,376)	0	(1,530,090)	37							
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(584,254)	0	8,952	0	0	0	0	0	0	0	0	(575,302)	43
44	TOTAL Special Cost Centers	(584,254)	0	8,952	0	(575,302)	44							
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(647,576)	(150,023)	(1,447,917)	0	(2,245,516)	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
See Schedule 6C	See Sch 6C	Butterfield Health Care II, Inc. d/b/a	Naperville	J&D Partners, L.P.	Bolingbrook	Lessor
		Meadowbrook Manor of Naperville		MMN Partners, L.P.	Naperville	Lessor
		Butterfield Health Care VII, LLC d/b/a	LaGrange	Butterfield Health		
		Meadowbrook Manor of LaGrange		Care Group, Inc.	Bolingbrook	Management Co.
				MML Properties, LLC	LaGrange	Lessor
		Seneca Nursing Home, Inc. d/b/a Lee Manor	Des Plaines	Seneca Building, LP	Des Plaines	Lessor

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	5 Utilities	\$	Butterfield Health Care Group, Inc.	100.00%	\$ 2,613	\$ 2,613	1
2	V	6 Maintenance - Other		Butterfield Health Care Group, Inc.	100.00%	2,744	2,744	2
3	V	17 Administrative Costs	988,267	Butterfield Health Care Group, Inc.	100.00%	525,907	(462,360)	3
4	V	19 Professional Services		Butterfield Health Care Group, Inc.	100.00%	76,466	76,466	4
5	V	20 Dues, Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	2,323	2,323	5
6	V	21 Clerical & General Office Exp.		Butterfield Health Care Group, Inc.	100.00%	47,917	47,917	6
7	V	24 Travel & Seminar		Butterfield Health Care Group, Inc.	100.00%	9,247	9,247	7
8	V	25 Other Admin. Staff Transp.		Butterfield Health Care Group, Inc.	100.00%	5,957	5,957	8
9	V	27 Employee Benefits - Gen & Adm		Butterfield Health Care Group, Inc.	100.00%	90,350	90,350	9
10	V	30 Depreciation		Butterfield Health Care Group, Inc.	100.00%	42,081	42,081	10
11	V	32 Interest		Butterfield Health Care Group, Inc.	100.00%	5,059	5,059	11
12	V	34 Rent - Building		Butterfield Health Care Group, Inc.	100.00%	18,232	18,232	12
13	V	35 Rent - Equipment		Butterfield Health Care Group, Inc.	100.00%	9,348	9,348	13
14	Total		\$ 988,267			\$ 838,244	\$ * (150,023)	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

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	19 Professional Services	\$	J&D Partners, L.P.	100.00%	\$ 16,750	\$ 16,750
16	V	20 Dues, Fees & Subscriptions		J&D Partners, L.P.	100.00%	250	250
17	V	21 Clerical - Other		J&D Partners, L.P.	100.00%	143	143
18	V	26 Insurance - Prop & Liability		J&D Partners, L.P.	100.00%	128,364	128,364
19	V	30 Depreciation		J&D Partners, L.P.	100.00%	329,014	329,014
20	V	32 Interest	871	J&D Partners, L.P.	100.00%	1,043,581	1,042,710
21	V	33 Real Estate Taxes		J&D Partners, L.P.	100.00%	289,000	289,000
22	V	34 Rent - Facility & Grounds	3,263,100	J&D Partners, L.P.	100.00%		(3,263,100)
23	V	43 Non-Allowable costs		J&D Partners, L.P.	100.00%	8,952	8,952
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		\$ 3,263,971			\$ 1,816,054	\$ * (1,447,917)

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

Butterfield Health Care, Inc.
D/B/A Meadowbrook Manor
Provider # 0037366
12/31/2008

Schedule 6A

VII. Section A. - Related Parties - Column 1 (Owners)

<u>Name</u>	<u>Ownership %</u>
Robert Jafari	25.00%
Kianoosh Jafari	25.00%
Descendants S Corp Trust F/B/O Sean William Dimas	6.67%
Descendants S Corp Trust F/B/O Sasha Eva Dimas	6.67%
Descendants S Corp Trust F/B/O Ashley Maria Dimas	6.66%
Nicholas Vangel	20.00%
Dorothy Vangel QSS Trust	7.50%
Descendants Non GST Exempt S-Corp Trust F/B/O Ashley Maria Dimas	0.50%
Descendants Non GST Exempt S-Corp Trust F/B/O Sasha Eva Dimas	0.50%
Descendants Non GST Exempt S-Corp Trust F/B/O Sean William Dimas	0.50%
Descendants GST Exempt S-Corp Trust F/B/O Katherine Hocuk	0.50%
Descendants GST Exempt S-Corp Trust F/B/O Christoper Vangel	0.50%
	<u>100.00%</u>

Facility Name & ID Number Meadowbrook Manor # 0037366 Report Period Beginning: 01/01/08 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	Christopher Vangel	Operating Supvrs.	Administrative	0.50	67,500			Mgt Salaries	\$ 30,428	17(7)	1
2	Nicholas Vangel	Operating Supvrs.	Administrative	20.00	0			Mgt Salaries	6,195	17(7)	2
3	Sean Dimas	Stockholder	Administrative	6.67	59,261			N/A	0	N/A	3
4	Kathy Hocuk	Empl Benefits Admin	Administrative	0.50	0			Mgt Salaries	5,460	17(7)	4
5	Robert Jafari	Consultant	Administrative	25.00	0			Prof Fees	19,100	19(7)	5
6											6
7	Note 1-	Christopher Vangel received compensation from Seneca Nursing Home, Inc d/b/a Lee Manor of \$67,500.									7
8	Note 2-	Sean Dimas received compensation from Seneca Nursing Home, Inc. d/b/a Lee Manor of \$59,261									8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 61,183		13

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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

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

Name of Related Organization Butterfield Health Care Group, Inc.
 Street Address 18 W. 140 Butterfield Road, Suite 1670
 City / State / Zip Code Oak Brook Terrace, IL 60181
 Phone Number (630) 932-3220
 Fax Number (630) 759-4406

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	Resident Days	221,281	3	\$ 5,882	\$ 98,299	\$ 2,613	1
2	6	Maintenance - Other	Resident Days	221,281	3	6,178	98,299	2,744	2
3	17	Administrative Costs	Resident Days	221,281	3	1,183,871	98,299	525,907	3
4	19	Professional Services	Resident Days	221,281	3	172,133	98,299	76,466	4
5	20	Dues, Fees & Subscriptions	Resident Days	221,281	3	5,230	98,299	2,323	5
6	21	Clerical & General Office Exp.	Resident Days	221,281	3	107,866	98,299	47,917	6
7	24	Travel & Seminar	Resident Days	221,281	3	20,815	98,299	9,247	7
8	25	Other Admin. Staff Transp.	Resident Days	221,281	3	13,410	98,299	5,957	8
9	27	Employee Benefits - Gen & Adm	Resident Days	221,281	3	203,386	98,299	90,350	9
10	30	Depreciation	Resident Days	221,281	3	94,727	98,299	42,080	10
11	32	Interest	Resident Days	221,281	3	11,388	98,299	5,059	11
12	34	Rent - Building	Resident Days	221,281	3	41,044	98,299	18,233	12
13	34	Rent - Facility & Grounds	Resident Days	221,281	3	21,043	98,299	9,348	13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 1,886,973	\$ 1,183,871	\$ 838,244	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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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	GMAC		X	Mortgage	\$145,302.25	05/22/03	\$ 20,876,000	\$ 19,549,655	06/01/38	0.0525	\$ 1,037,827	1								
2	GMAC		X	Amortization of Loan Costs							4,883	2								
3												3								
4												4								
5												5								
Working Capital																				
6	JP Morgan Chase		X	Working Capital	N/A	05/31/05	3,000,000	2,376,844	05/31/07	Prime-.5	78,568	6								
7	Avaya Financial Services		X	Capital Lease	\$1,391.84	01/01/06	58,100	33,255	01/01/11	0.0800		7								
8			X									8								
9	TOTAL Facility Related				\$146,694.09		\$ 23,934,100	\$ 21,959,754			\$ 1,121,278	9								
B. Non-Facility Related*																				
10												10								
11											(1,974)	11								
12											5,059	12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$ 3,085	14								
15	TOTALS (line 9+line14)						\$ 23,934,100	\$ 21,959,754			\$ 1,124,363	15								

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

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

(See instructions.)

SEE ACCOUNTANTS' COMPILATION REPORT

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

(See instructions.)

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.		\$	280,838	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.)	2007	\$	280,838	2
3. Under or (over) accrual (line 2 minus line 1).		\$		3
4. Real Estate Tax accrual used for 2008 report. (Detail and explain your calculation of this accrual on the lines below.)		\$	289,000	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.		\$	289,000	7
Real Estate Tax History:				
Real Estate Tax Bill for Calendar Year:	2003	273,529	8	
	2004	287,889	9	
	2005	286,196	10	
	2006	272,174	11	
	2007	280,838	12	
2007 Tax Bill	280,838			
Estimated Increase	.03			
Total	289,263			
Use	289,000			
				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.

SEE ACCOUNTANTS' COMPILATION REPORT

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 Meadowbrook Manor COUNTY Will

FACILITY IDPH LICENSE NUMBER 0037366

CONTACT PERSON REGARDING THIS REPORT Scott Gabrys

TELEPHONE (630) 759-1112 FAX #: (630) 759-4406

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>12-02-22-102-031-0000</u>	<u>Nursing Home</u>	\$ <u>280,838.38</u>	\$ <u>280,838.38</u>
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>280,838.38</u>	\$ <u>280,838.38</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.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366 Report Period Beginning:

01/01/08 Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 109,175 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).

Day Care

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

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

Nature of Costs: N/A

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

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	<u>Resident Care</u>	<u>270,508</u>	<u>1991</u>	<u>\$ 404,280</u>	<u>1</u>
2	<u>Resident Care</u>	<u>21,286</u>	<u>1996</u>	<u>287,781</u>	<u>2</u>
3	TOTALS	291,794		\$ 692,061	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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	235	1991	1991	\$ 8,276,993	\$	40	\$ 206,925	\$ 206,925	\$ 3,552,213	4
5	10	1994	1994	31,090	987	40	777	(210)	11,655	5
6	53	1996	1996	2,505,079		40	62,627	62,627	782,838	6
7										7
8										8
	Improvement Type**									
9	1992 Improvements		1992	32,614	1,035	20	1,631	596	26,785	9
10	1993 Improvements		1993	2,750	88	20	138	50	2,139	10
11	1993 Improvements		1993	4,822	156	40	121	(35)	1,875	11
12	1994 Improvements		1994	6,432		10			6,432	12
13	1994 Improvements		1994	18,192		20	910	910	12,285	13
14	1995 Improvements		1995	12,681					12,681	14
15	Electric Exterior Sign		1995	7,820					7,820	15
16	New Doors		1996	1,475					1,475	16
17	Hot Water Tank		1996	3,847					3,847	17
18	Landscaping		1996	13,490					13,490	18
19	Repaving Parking Lot		1996	7,412					7,412	19
20	Replace Irrigation System		1996	27,077					27,077	20
21	Walk in Freezer		1996	29,923					29,923	21
22	Landscaping		1996	17,283					17,283	22
23	Outside Parking Lot Lighting		1997	2,102					2,102	23
24	Nurse Call Station Extension Work		1997	3,310					3,310	24
25	Remodeling Work - Windsor Hall		1997	3,500					3,500	25
26	Basement Remodeling - Street Village Decor		1997	31,614	1,622	39	790	(832)	8,295	26
27	Remodeling Work - Day Care Area		1998	16,638	426	39		(426)		27
28	Remodeling - Ice Cream Parlor		1999	3,624	93	39	93		790	28
29	Remodeling Work - 3rd Floor Hamilton Unit		2000	16,421	421	39	421		3,579	29
30	Remodeling Work - Nurse Station (All Floors)		2000	20,103	515	39	515		4,378	30
31	Plumbing Electrical Work - Boiler Room (Basement)		2000	4,587	118	39	118		1,003	31
32	Remodeling Work - Dialysis Room		2000	7,253	186	39	186		1,581	32
33										33
34										34
35										35
36										36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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	Parking Lot Paving	2001	\$ 48,629	\$ 2,431	20	\$ 2,431		\$ 18,233	37
38	Remodeling Work	2001	13,319	342	39	342		2,564	38
39	Window Treatments	2001	45,531	1,166	39	1,166		8,746	39
40	Double Door Insulation	2001	6,860	176	39	176		1,320	40
41	Carpeting - 1st Floor	2002	33,778	1,688	20	1,688		10,973	41
42	Reconstruct Front Entrance Awning	2002	11,915	596	20	596		3,874	42
43	Window Treatments	2002	4,672	234	20	234		1,521	43
44	Ceiling Tiles	2002	2,306	115	20	115		748	44
45	Exterior Signs	2002	18,832	942	20	942		6,123	45
46	Ceiling Tiles	2003	2,029		10	203	203	913	46
47	Ceiling Tiles	2003	916	46	20	46		304	47
48	Exterior Signs	2003	12,600	630	20	630		3,465	48
49	Install 16 Horizontal Tubes in Stairwell	2003	1,600	80	20	80		440	49
50	Electric Work for Dialysis Room	2003	6,736	337	20	337		1,852	50
51	Install 9 Motors on Fire Dampers	2003	3,651	182	20	182		1,001	51
52	Plumbing for Dialysis Room	2003	10,989		10	1,099	1,099	4,945	52
53	Exterior Concrete Patchwork	2003	3,200	160	20	160		832	53
54	Ductwork for New Oxygen Room	2003	4,490		10	449	449	2,021	54
55	New Hot Water Storage Tank	2003	8,290		10	829	829	3,730	55
56	Installed 5 Fire Dampers	2003	7,091		10	709	709	3,191	56
57	Installed 5 Smoke Detectors	2003	2,581	2	10	258	256	1,161	57
58	Installation of Sprinklers in Awning	2003	9,624		10	962	962	4,329	58
59	Installed 4 Fire Dampers	2003	3,467		10	346	346	1,557	59
60	Installation of Fence around Dumpster	2003	1,658		10	166	166	747	60
61	Sealcoat Parking Lot	2003	5,500		10	550	550	2,475	61
62	Air Conditioner Overhaul	2004	3,769		10	377	377	1,696	62
63	Replace Water Pump	2004	1,473		10	147	147	662	63
64	Install 4 Doors	2004	1,348		10	134	134	603	64
65	Electrical Wiring to Garbage Compactor	2004	2,070		10	207	207	932	65
66	Install Sprinkler System - Front Canopy	2004	10,375		10	1,038	1,038	4,671	66
67	Install New Seal on Water Pump	2004	1,793		10	179	179	806	67
68	Install Motor on Boiler	2004	1,053		10	105	105	473	68
69	Ceiling Tiles	2004	5,620	281	20	281		1,263	69
70	TOTAL (lines 4 thru 69)		\$ 11,405,897	\$ 15,055		\$ 292,416	\$ 277,361	\$ 4,643,939	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

Ending:

12/31/08

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 11,405,897	\$ 15,055		\$ 292,416	\$ 277,361	\$ 4,643,939	1
2	Install Blinds	2004	5,002	250	20	250		1,125	2
3	Exterior Lighting	2004	3,808	190	20	190		855	3
4	Sealing on Roof	2004	2,300	115	20	115		518	4
5	Install Drainage for Roof	2004	5,000	250	20	250		1,125	5
6	Ceramic Tile for Kitchen	2004	6,221	312	20	312		1,404	6
7	Plant 3 Trees	2004	1,125	56	20	56		252	7
8	Butterfly Garden	2004	3,423	171	20	171		770	8
9	Expand Phone System	2005	2,175	108	20	108		378	9
10	Replace Boiler	2005	23,894	1,195	20	1,195		4,182	10
11	Install new Compressor	2005	7,652	383	20	383		1,340	11
12	Install new Coil	2005	7,230	362	20	362		1,267	12
13	Replace fire doors	2005	3,116	156	20	156		546	13
14	Install carpeting in 3 offices	2005	1,608	80	20	80		280	14
15	Install wheelchair access ramp	2005	10,310	516	20	516		1,806	15
16	Sealcoat asphalt	2005	9,650	483	20	483		1,690	16
17	Furnish and install new taco pump - pavilion	2005	5,986	299	20	299		1,047	17
18	Install Blinds	2005	2,242	112	20	112		392	18
19	Exterior Lighting	2005	18,515	926	20	926		3,241	19
20	Furnish and Install new motors, belts & capacitors	2005	3,345	167	20	167		585	20
21	Furnish and install glycol to HVAC system	2005	10,925	546	20	546		1,911	21
22	Install patio	2005	15,232	762	20	762		2,667	22
23	Install wiring for new television	2006	37,345	1,867	20	1,867		4,668	23
24	Install new cabinets and countertops in supply room	2006	4,365	218	20	218		545	24
25	New flooring in dining room	2006	14,451	723	20	723		1,807	25
26	Remove and replace sidewalk section	2006	4,928	246	20	246		615	26
27	Replacement parts for air conditioner	2006	9,985	499	20	499		1,248	27
28	Interior signage	2006	13,720	686	20	686		1,715	28
29	Furnish and install new seals, triple duty valves	2006	7,495	375	20	375		937	29
30	Furnish and install new compressor	2006	14,500	725	20	725		1,812	30
31	Install new lighting in rehab room	2006	3,825	191	20	191		478	31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 11,665,270	\$ 28,024		\$ 305,385	\$ 277,361	\$ 4,685,145	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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		\$ 11,665,270	\$ 28,024		\$ 305,385	\$ 277,361	\$ 4,685,145	1
2	Tuckpointing on Building Exterior	2007	10,150	1,015	10	1,015		1,523	2
3	Granite Countertops for Lounge	2007	2,575	257	10	257		386	3
4	Purchase & Installation of vinyl & wood flooring	2007	47,794	4,779	10	4,779		7,169	4
5	Rebuild Fire Pump	2007	15,174	1,517	10	1,517		2,276	5
6	Purchase & Installation of cabinets	2007	23,509	2,351	10	2,351		3,526	6
7	Drywall	2007	4,200	420	10	420		630	7
8	Replace doors on 3rd floor service elevator & lounge	2007	11,931	1,193	10	1,193		1,790	8
9	Soffit over nurses station, install cleat base & wall cabinets	2007	21,900	2,190	10	2,190		3,285	9
10	Replace lockers in lower level locker room	2007	7,769	777	10	777		1,165	10
11	Electrical work - nurses station, 3rd floor & exterior sign	2007	10,310	1,031	10	1,031		1,547	11
12	Millwork, shop drawings & delivery	2007	4,240	424	10	424		636	12
13	Central A/C upgrade	2007	5,806	581	10	581		871	13
14									14
15	Window Treatments throughout facility	2008	46,409		10	2,320	2,320	2,320	15
16	Route 53 sign repair	2008	2,900		10	145	145	145	16
17	Therapy room, nutrition room, ice cream parlor, beauty shop	2008	85,060		10	4,253	4,253	4,253	17
18	& Physicians lounge renovations:								18
19	- Remove & install new cabinets, countertops, plumbing,								19
20	doors, electrical (install new outlets), replace drywall								20
21									21
22	R&M Reclass								22
23	- Repair pump #1 & #2 on air conditioning unit (furnish &	2008	6,067		10	303	303	303	23
24	install new seal kit, o-rings, water gauges, retainer cap,								24
25	gaskets & wood coupler)								25
26	- Plumbing repairs (schlage)	2008	5,123		10	256	256	256	26
27	- Repair main air conditioner (install new valve rebuilt	2008	7,736		10	387	387	387	27
28	kit, solenoid coil, relief valves, transducer, adaptor,								28
29	gaskets & drier cores for system # 1)								29
30	- Repair two boilers due to low pressure in system	2008	2,568		10	128	128	128	30
31	- Replace shaft coupler & head and manifold gasket on								31
32	main chiller	2008	2,944		10	147	147	147	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 11,989,435	\$ 44,559		\$ 329,859	\$ 285,300	\$ 4,717,888	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		\$ 11,989,435	\$ 44,559		\$ 329,859	\$ 285,300	\$ 4,717,888	1
2	R&M Reclass								2
3	- Building Sprinkler system repair (clear main feed	2008	4,256		10	213	213	213	3
4	blockage, check sprinkler heads on basement - 3rd floor,								4
5	alter pipe pitch per Life safety survey)								5
6	- Fire alarm (restor basement audio/visual, trace basement	2008	2,641		10	132	132	132	6
7	circuitry to locate disconnect, replace defective motherboard								7
8	reprogram lable changes for all buildings)								8
9	- Patching work - hot pour rubberized crack sealing, seal	2008	9,500		10	475	475	475	9
10	coating asphalt, striping parking lot								10
11	- Seating wall on patio area, repair sidewalk leading to	2008	3,300		10	165	165	165	11
12	patio area.								12
13	- Vinyl flooring	2008	14,062		10	703	703	703	13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 12,023,194	\$ 44,559		\$ 331,547	\$ 286,988	\$ 4,719,576	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 1,221,896	\$ 97,696	\$ 130,887	\$ 33,191	5-10	\$ 828,839	71
72	Current Year Purchases	167,505		8,375	8,375	10	8,375	72
73	Fully Depreciated Assets	1,635,767					1,635,767	73
74	Allocated from Management Co.			42,081	42,081			74
75	TOTALS	\$ 3,025,168	\$ 97,696	\$ 181,343	\$ 83,647		\$ 2,472,981	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	Resident Van	1998 Ford E350 Van	1998	\$ 40,790	\$	\$	\$		\$ 40,790	76
77	Resident Passenger Car	2000 Chevrolet Express Van	2000	29,261					29,261	77
78										78
79										79
80	TOTALS			\$ 70,051	\$	\$	\$		\$ 70,051	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)	\$ 15,810,474	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 142,255	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 512,890	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 370,635	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 7,262,608	85

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

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

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93	N/A		93
94			94
95		\$	95

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

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

If NO, see instructions. YES NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6	<u>Allocated from Management Company</u>				<u>18,232</u>			6
7	TOTAL				\$ <u>18,232</u>			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 N/A
by the length of the lease N/A.

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: \$ 38,754 Description: Office Eqpt - \$19,804; Mattress Rental - \$18,950

(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>N/A</u>		19
20					20
21	TOTAL		\$	\$	21

10. Effective dates of current rental agreement:

Beginning _____

Ending _____

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

Fiscal Year Ending Annual Rent

12. _____ /2009 \$ _____

13. _____ /2010 \$ _____

14. _____ /2011 \$ _____

* 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.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	2. CLASSROOM PORTION: IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> COMMUNITY COLLEGE <input checked="" type="checkbox"/> HOURS PER CNA <u>40</u>	3. CLINICAL PORTION: IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input checked="" type="checkbox"/> HOURS PER CNA <u>80</u>
---	--	--	---

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		Contract	Total
		1 Drop-outs	2 Completed		
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)		37,057		37,057
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$ 37,057	\$	\$ 37,057
10	SUM OF line 9, col. 1 and 2 (e)	\$	37,057		

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	82
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	82

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

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	10A(1)	12043 hrs	\$ 455,368		\$		12,043	\$ 455,368	1
2	Licensed Speech and Language Development Therapist	10A(1,2,3)	3994 hrs	151,009	2	116	3,892	3,996	155,017	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(1)	11438 hrs	432,461				11,438	432,461	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39(2)	# of prescrpts				825,876		825,876	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Oxygen</u>	39(2)					92,894		92,894	12
13	Other (specify): <u>Dialysis</u>	39(3)			406	86,300		406	86,300	13
14	TOTAL			\$ 1,038,838	408	\$ 86,416	\$ 922,662	27,883	\$ 2,047,916	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning: 01/01/08

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	\$ 553,425	\$ 774,969	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 455,403)	5,129,404	5,129,404	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	429,692	559,005	6
7	Other Prepaid Expenses	32,510	32,510	7
8	Accounts Receivable (owners or related parties)	113,969	113,969	8
9	Other(specify): See Sch 17A	2,308,430	2,414,900	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 8,567,430	\$ 9,024,757	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		692,061	13
14	Buildings, at Historical Cost		8,310,509	14
15	Leasehold Improvements, at Historical Cost	1,061,487	3,712,685	15
16	Equipment, at Historical Cost	1,957,932	3,095,219	16
17	Accumulated Depreciation (book methods)	(1,728,648)	(7,262,608)	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 (specify):			22
23	Other(specify): Mortgage Costs - Net		143,120	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,290,771	\$ 8,690,986	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 9,858,201	\$ 17,715,743	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 2,499,328	\$ 2,504,078	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	2,376,844	2,376,844	29
30	Accrued Salaries Payable	434,682	434,682	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)		289,000	32
33	Accrued Interest Payable		85,530	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	Payroll Liabilities	21,417	21,417	36
37	See Sch 17A	5,579,745	824,349	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 10,912,016	\$ 6,535,900	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable	33,255	19,582,910	39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43	Nursing Supplies Liability	172,668	172,668	43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 205,923	\$ 19,755,578	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 11,117,939	\$ 26,291,478	46
47	TOTAL EQUITY(page 18, line 24)	\$ (1,259,738)	\$ (8,575,735)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 9,858,201	\$ 17,715,743	48

Butterfield Health Care, Inc.
D/B/A Meadowbrook Manor
Provider #0037366
12/31/2008

Schedule 17A

XV. BALANCE SHEET - Unrestricted Operating Fund.

A. Current Assets

9. Other (specify)

	<u>Operating</u>	<u>Consolidating</u>
Real Estate Tax - Escrow	-	106,470
Credit Union	5,355	5,355
Due from LaGrange	2,303,075	2,303,075
	<u>2,308,430</u>	<u>2,414,900</u>

C. Current Liabilities

37. Other Current Liabilities (specify)

	<u>Operating</u>	<u>Consolidating</u>
Accrued Rent	4,755,396	-
N/P - State	64,003	64,003
Due to Related Party	760,346	760,346
	<u>5,579,745</u>	<u>824,349</u>

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (393,643)	1
2	Restatements (describe):		2
3			3
4	Prior Period Adjustment	(159,050)	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (552,693)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(707,045)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe) ROUNDING		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (707,045)	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)	\$ (1,259,738)	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

1

	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 15,961,124	1
2	Discounts and Allowances for all Levels	(789,652)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 15,171,472	3
	B. Ancillary Revenue		
4	Day Care	2,006	4
5	Other Care for Outpatients		5
6	Therapy	2,121,909	6
7	Oxygen	48,447	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 2,172,362	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	4,430	13
14	Non-Patient Meals	1,149	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	800,055	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	7,908	19
20	Radiology and X-Ray	31,690	20
21	Other Medical Services	323,241	21
22	Laundry	2,706	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,171,179	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	1,103	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,103	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Vending Commission & Miscellaneous Income	798	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 798	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 18,516,914	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	2,701,262	31
32	Health Care	8,023,317	32
33	General Administration	3,233,939	33
	B. Capital Expense		
34	Ownership	3,513,329	34
	C. Ancillary Expense		
35	Special Cost Centers	1,588,510	35
36	Provider Participation Fee	163,602	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 19,223,959	40
41	Income before Income Taxes (line 30 minus line 40)**	(707,045)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (707,045)	43

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

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

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

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

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

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	1,968	2,080	\$ 123,455	\$ 59.35	1
2	Assistant Director of Nursing	2,954	3,338	150,005	44.94	2
3	Registered Nurses	36,931	50,180	1,239,799	24.71	3
4	Licensed Practical Nurses	50,746	72,526	1,326,418	18.29	4
5	CNAs & Orderlies	185,554	258,974	2,277,144	8.79	5
6	CNA Trainees	2,947	3,387	37,057	10.94	6
7	Licensed Therapist	24,807	27,474	1,038,838	37.81	7
8	Rehab/Therapy Aides	18,387	21,835	223,279	10.23	8
9	Activity Director	2,008	2,260	32,931	14.57	9
10	Activity Assistants	12,698	13,407	147,844	11.03	10
11	Social Service Workers	10,855	11,807	169,853	14.39	11
12	Dietician	1,900	2,112	56,716	26.85	12
13	Food Service Supervisor	2,016	2,200	41,661	18.94	13
14	Head Cook	2,464	2,560	28,659	11.19	14
15	Cook Helpers/Assistants	36,958	39,233	373,168	9.51	15
16	Dishwashers					16
17	Maintenance Workers	9,595	10,369	118,306	11.41	17
18	Housekeepers	34,190	37,068	340,784	9.19	18
19	Laundry	12,112	12,881	102,235	7.94	19
20	Administrator	1,880	2,080	104,035	50.02	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	15,706	16,467	215,790	13.10	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	3,885	4,216	53,588	12.71	31
32	Other Health C: See Sch 20A	22,460	23,742	462,886	19.50	32
33	Other(specify) <u>Day Care</u>	1,119	1,139	10,690	9.39	33
34	TOTAL (lines 1 - 33)	494,140	621,335	\$ 8,675,141 *	\$ 13.96	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	307	\$ 18,115	1(3)	35
36	Medical Director	1,537	52,500	9(3)	36
37	Medical Records Consultant	5	1,185	10(3)	37
38	Nurse Consultant	56	23,160	10(3)	38
39	Pharmacist Consultant	53	8,460	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant	607	27,302	10A(3)	42
43	Speech Therapy Consultant				43
44	Activity Consultant	14	2,472	12(3)	44
45	Social Service Consultant	9	2,394	13(3)	45
46	Other(specify) <u>Quality Assurance</u> Monthly		240	10(3)	46
47					47
48					48
49	TOTAL (lines 35 - 48)	2,588	\$ 135,828		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	N/A			51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)		\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care, Inc.
d/b/a Meadowbrook Manor
Provider # 0037366
12/31/2008

Schedule 20A

XVII. Staffing and Salary Costs
Line 32 - Other

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Rate
Ward Clerks	6,757	7,038	96,067	13.65
Central Supply	1,236	1,315	21,787	16.57
Nursing Administration	14,467	15,389	345,032	22.42
Total Line 32 - Other	22,460	23,742	462,886	19.50

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning: 01/01/08

Ending: 12/31/08

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					
	Administrator	0	\$ 104,035	Workers' Compensation Insurance	\$ 211,350	IDPH License Fee	\$ 1,990					
				Unemployment Compensation Insurance	108,467	Advertising: Employee Recruitment	982					
				FICA Taxes	654,725	Health Care Worker Background Check (Indicate # of checks performed 246)	2,950					
				Employee Health Insurance	214,467	Patient Background Checks	2,240					
				Employee Meals								
				Illinois Municipal Retirement Fund (IMRF)*								
				401(k) Company Contributions	36,929	See Schedule 21A	36,931					
				Employee Lab Tests	1,935							
				Employee Morale	23,438							
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 104,035	TOTAL (agree to Schedule V, line 22, col.8)			\$ 1,249,769	TOTAL (agree to Sch. V, line 20, col. 8)		\$ 47,666		
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				
Management Fees (Eliminated in Column 7)			\$ 988,267	N/A			Out-of-State Travel	\$				
							In-State Travel					
							Seminar Expense					
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 988,267	TOTAL			\$	See Attached Schedule	1,221			
C. Professional Services												
Vendor/Payee	Type		Amount									
See Schedule 21A			\$ 190,374					Allocated from Home Office				9,247
								Entertainment Expense (agree to Sch. V, line 24, col. 8)				
								TOTAL				\$ 10,468
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 190,374									

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Butterfield Health Care, LLC
Meadowbrook Manor
Provider # 0037366
12/31/2008

Schedule 21A

Schedule XIX (C) - Professional Fees.

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
IVANS	Computer Services	1,018
Health Data Systems	Computer Services	1,501
Interactive Care Network	Computer Services	714
WesComm	Computer Services	22,971
Precision Repair	Computer Services	185
Peelo & Associates	Accounting	6,000
McKesson	Billing Service	1,220
Rehab Management Systems	Billing Service	40,200
Talx Corporation	Benefits Administrator	6,712
Paylocity	Payroll Services	11,082
Systematic Management Systems	Billing Service	8,775
Pathway Health Systems	Operations	258
Cardiac Diagnostics	Billing Service	249
Innovative LTC Solutions	Billing Service	18,922
McGladrey & Pullen	Accounting	24,091
Peterek & Howse	Accounting	3,500
RSM McGladrey	Accounting	7,535
Morgan, Lewis & Bokius	Legal	15,396
Foley & Lardner	Legal	9,409
Michael R. Naughton	Legal	773
Hamilton Thies Lorch & Hagnell	Legal	311
Polsinelli Shalton	Legal	9,552
	TOTAL (agree to Schedule V, line 19, column 3)	<u>190,374</u>
	Allocation from J&D Partners - Accounting	16,750
	Allocation from Butterfield Health Care Group	76,466
	Less: Reclassed insurance costs	<u>(2,500)</u>
	TOTAL (agree to Schedule V, line 19, column 8)	<u><u>281,090</u></u>

F. Dues, Fees, Subscriptions and Promotions

<u>Description</u>	<u>Amount</u>
Illinois Council on Long Term Care	23,106
E Health Data	6,120
Miscellaneous Dues & Subscriptions	1,920
Miscellaneous Licenses	2,215
Miscellaneous Subscriptions	3,570
SUBTOTAL	<u><u>36,931</u></u>

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										
													Amount of Expense Amortized Per Year									
													Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
1		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$										
2																						
3																						
4	N/A																					
5																						
6																						
7																						
8																						
9																						
10																						
11																						
12																						
13																						
14																						
15																						
16																						
17																						
18																						
19																						
20	TOTALS	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$										

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor

0037366

Report Period Beginning:

01/01/08

Ending:

12/31/08

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? Yes
If YES, give association name and amount. ILCLTC - \$23,106
- (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? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? _____
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 106,201 Line 10(2)
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 163,602
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.

SEE ACCOUNTANTS' COMPILATION REPORT

- (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? Yes 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. \$ 0 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,149
- (16) Travel and Transportation
- a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
- b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
- c. What percent of all travel expense relates to transportation of nurses and patients? N/A
- d. Have vehicle usage logs been maintained? Adequate records have been maintained.
- e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
- f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
- g. Does the facility transport residents to and from day training? No**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees