

Facility Name & ID Number Meadowbrook Manor LaGrange

0047274 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	94	Skilled (SNF)	94	34,404	1
2		Skilled Pediatric (SNF/PED)			2
3	103	Intermediate (ICF)	103	37,698	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	197	TOTALS	197	72,102	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	2,018	50	6,719	8,787	8
9	SNF/PED					9
10	ICF	24,182	4,753	50	28,985	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	26,200	4,803	6,769	37,772	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 52.39%

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

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

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

None

F. Does the facility maintain a daily midnight census?

Yes

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

YES NO

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

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

YES NO

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

Date started 08/25/05

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

YES Date 08/25/05 NO

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

YES NO If YES, enter number of beds certified 94 and days of care provided 6,719

Medicare Intermediary Wisconsin Physicians Service

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 LaGrange # 0047274 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	244,052	27,265	16,238	287,555		287,555		287,555		1
2	Food Purchase		200,309		200,309		200,309	(1,371)	198,938		2
3	Housekeeping	197,288	28,350		225,638		225,638		225,638		3
4	Laundry			132,153	132,153		132,153		132,153		4
5	Heat and Other Utilities			267,259	267,259		267,259	1,004	268,263		5
6	Maintenance	106,567	10,475	153,719	270,761		270,761	1,055	271,816		6
7	Other (specify):* Mgmt Co - EE Bene										7
8	TOTAL General Services	547,907	266,399	569,369	1,383,675		1,383,675	688	1,384,363		8
	B. Health Care and Programs										
9	Medical Director			24,750	24,750		24,750		24,750		9
10	Nursing and Medical Records	2,586,853	236,252	10,395	2,833,500		2,833,500		2,833,500		10
10a	Therapy	394,999	8,205	30,317	433,521		433,521		433,521		10a
11	Activities	100,131	15,190	2,368	117,689		117,689	(138)	117,551		11
12	Social Services	48,000		2,072	50,072		50,072		50,072		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co - EE Bene										15
16	TOTAL Health Care and Programs	3,129,983	259,647	69,902	3,459,532		3,459,532	(138)	3,459,394		16
	C. General Administration										
17	Administrative	89,813			89,813		89,813	202,083	291,896		17
18	Directors Fees										18
19	Professional Services			154,093	154,093		154,093	24,483	178,576		19
20	Dues, Fees, Subscriptions & Promotions			37,039	37,039		37,039	1,696	38,735		20
21	Clerical & General Office Expenses	163,690	32,263	40,595	236,548		236,548	17,840	254,388		21
22	Employee Benefits & Payroll Taxes			748,351	748,351		748,351		748,351		22
23	Inservice Training & Education			1,689	1,689		1,689		1,689		23
24	Travel and Seminar			4,226	4,226		4,226	3,553	7,779		24
25	Other Admin. Staff Transportation			812	812		812	2,289	3,101		25
26	Insurance-Prop.Liab.Malpractice			194,107	194,107		194,107	26,534	220,641		26
27	Other (specify):* Mgmt Co - EE Bene							34,717	34,717		27
28	TOTAL General Administration	253,503	32,263	1,180,912	1,466,678		1,466,678	313,195	1,779,873		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	3,931,393	558,309	1,820,183	6,309,885		6,309,885	313,745	6,623,630		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 LaGrange

#0047274

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			51,843	51,843		51,843	142,642	194,485			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			52,197	52,197		52,197	277,216	329,413			32
33	Real Estate Taxes							318,028	318,028			33
34	Rent-Facility & Grounds			1,320,000	1,320,000		1,320,000	(1,312,994)	7,006			34
35	Rent-Equipment & Vehicles			70,521	70,521		70,521	3,592	74,113			35
36	Other (specify):*											36
37	TOTAL Ownership			1,494,561	1,494,561		1,494,561	(571,516)	923,045			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation			9,023	9,023		9,023		9,023			38
39	Ancillary Service Centers		366,808	78,970	445,778		445,778		445,778			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			108,154	108,154		108,154		108,154			42
43	Other (specify):* Non-allowable cost			148,535	148,535		148,535	(148,535)				43
44	TOTAL Special Cost Centers		366,808	344,682	711,490		711,490	(148,535)	562,955			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	3,931,393	925,117	3,659,426	8,515,936		8,515,936	(406,306)	8,109,630			45

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL

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

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

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,371)	2		4
5	Telephone, TV & Radio in Resident Rooms	(5,676)	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	1,149	30		9
10	Interest and Other Investment Income	(12,826)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(644)	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	(7,275)	43		18
19	Entertainment				19
20	Contributions	(425)	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	(106,604)	43		24
25	Fund Raising, Advertising and Promotional	(350)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(1,001)	43		28
29	Other-Attach Schedule See Pg. 5A	(37,945)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (172,968)		\$	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)	(233,338)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (233,338)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (406,306)		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	

SEE ACCOUNTANTS' COMPILATION REPORT

Meadowbrook Manor LaGrange

ID# 0047274

Report Period Beginning: 01/01/08

Ending: 12/31/08

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Radiology	\$ (8,438)	43	1
2	Laboratory	(2,543)	43	2
3	Consolidated billing fees	(5,865)	43	3
4	Marketing Expense	(9,521)	43	4
5	Resident Clothing	(293)	43	5
6	Political Rally Food	100	43	6
7	Offset activities income	(138)	11	7
8	Offset miscellaneous income	(572)	21	8
9	Disallow out of period & non-allowable legal fees	(10,675)	19	9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(37,945)		49

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Meadowbrook Manor LaGrange# 0047274

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	(1,371)	0	0	0	0	0	0	0	0	0	0	(1,371)	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	1,004	0	0	0	0	0	0	0	0	0	1,004	5
6	Maintenance	0	1,055	0	0	0	0	0	0	0	0	0	1,055	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(1,371)	2,059	0	0	0	0	0	0	0	0	0	688	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	(138)	0	0	0	0	0	0	0	0	0	0	(138)	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	(138)	0	0	0	0	0	0	0	0	0	0	(138)	16
	C. General Administration													
17	Administrative	0	202,083	0	0	0	0	0	0	0	0	0	202,083	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(10,675)	29,383	5,775	0	0	0	0	0	0	0	0	24,483	19
20	Fees, Subscriptions & Promotions	0	893	803	0	0	0	0	0	0	0	0	1,696	20
21	Clerical & General Office Expenses	(572)	18,412	0	0	0	0	0	0	0	0	0	17,840	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	3,553	0	0	0	0	0	0	0	0	0	3,553	24
25	Other Admin. Staff Transportation	0	2,289	0	0	0	0	0	0	0	0	0	2,289	25
26	Insurance-Prop.Liab.Malpractice	0	0	26,534	0	0	0	0	0	0	0	0	26,534	26
27	Other (specify):*	0	34,717	0	0	0	0	0	0	0	0	0	34,717	27
28	TOTAL General Administration	(11,247)	291,330	33,112	0	313,195	28							
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(12,756)	293,389	33,112	0	313,745	29							

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Meadowbrook Manor LaGrange# 0047274

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	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
30	Depreciation	1,149	16,170	125,323	0	0	0	0	0	0	0	0	142,642	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(12,826)	1,944	288,098	0	0	0	0	0	0	0	0	277,216	32
33	Real Estate Taxes	0	0	318,028	0	0	0	0	0	0	0	0	318,028	33
34	Rent-Facility & Grounds	0	7,006	(1,320,000)	0	0	0	0	0	0	0	0	(1,312,994)	34
35	Rent-Equipment & Vehicles	0	3,592	0	0	0	0	0	0	0	0	0	3,592	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(11,677)	28,712	(588,551)	0	(571,516)	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):*	(148,535)	0	0	0	0	0	0	0	0	0	0	(148,535)	43
44	TOTAL Special Cost Centers	(148,535)	0	0	0	0	0	0	0	0	0	0	(148,535)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(172,968)	322,101	(555,439)	0	(406,306)	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
		Butterfield Health Care II, Inc. d/b/a	Naperville	J&D Partners, LP	Bolingbrook	Lessor
See Schedule 6A	See Sch 6A	Meadowbrook Manor of Naperville		MMN Partners, LP	Naperville	Lessor
				Butterfield Health		Management Co.
		Butterfield Health Care, Inc. d/b/a	Bolingbrook	Care Group, Inc.	Bolingbrook	
		Meadowbrook Manor		MML Properties LLC	LaGrange	Lessor
				Seneca Building LP	Des Plaines	Lessor
		Seneca Nursing Home, Inc. d/b/a Lee Manor	Des Plaines			

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	\$		100.00%	\$ 1,004	\$	1,004	1
2	V	6 Repairs & Maintenance		Butterfield Health Care Group, Inc.	100.00%	1,055		1,055	2
3	V	17 Administrative Costs		Butterfield Health Care Group, Inc.	100.00%	202,083		202,083	3
4	V	19 Professional Services		Butterfield Health Care Group, Inc.	100.00%	29,383		29,383	4
5	V	20 Dues, Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	893		893	5
6	V	21 Clerical & General - Office Exp.		Butterfield Health Care Group, Inc.	100.00%	18,412		18,412	6
7	V	24 Travel & Seminars		Butterfield Health Care Group, Inc.	100.00%	3,553		3,553	7
8	V	25 Other Admin. Staff Transport.		Butterfield Health Care Group, Inc.	100.00%	2,289		2,289	8
9	V	27 EE Benefits - General Services		Butterfield Health Care Group, Inc.	100.00%	34,717		34,717	9
10	V	30 Depreciation		Butterfield Health Care Group, Inc.	100.00%	16,170		16,170	10
11	V	32 Interest		Butterfield Health Care Group, Inc.	100.00%	1,944		1,944	11
12	V	34 Rent - Building		Butterfield Health Care Group, Inc.	100.00%	7,006		7,006	12
13	V	35 Rent - Equipment		Butterfield Health Care Group, Inc.	100.00%	3,592		3,592	13
14	Total		\$			\$ 322,101	\$ *	322,101	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care VIII, LLC
D/B/A Meadowbrook Manor of LaGrange
Provider #0047274
12/31/2008

Schedule 6A

VII. Section A. - Related parties - col. 1 - Owners

<u>Name</u>	<u>Ownership %</u>
RBJ Investments, LP	25%
Jafari Family LLC	25%
Louis William Dimas Family Limited Partnership	15%
Nicholas & Dorothy Vangel	25%
Christopher Vangel Descendant's GST Exempt Trusd U/A D 6/21/99	5%
Katherine Hocuk Descendant's GST Exempt Trusd U/A D 6/21/99	5%
	<u>100%</u>

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 Fees	\$	MML Properties, LLC	100.00%	\$ 5,775	\$	5,775	15
16	V	20 Fees & Subscriptions		MML Properties, LLC	100.00%	803		803	16
17	V	26 Insurance-Prop., Liab., Malpr.		MML Properties, LLC	100.00%	26,534		26,534	17
18	V	30 Depreciation		MML Properties, LLC	100.00%	125,323		125,323	18
19	V	32 Interest Expense		MML Properties, LLC	100.00%	274,626		274,626	19
20	V	32 Amort of Mortgage Costs		MML Properties, LLC	100.00%	13,472		13,472	20
21	V	33 Real Estate Taxes		MML Properties, LLC	100.00%	318,028		318,028	21
22	V	34 Rent	1,320,000	MML Properties, LLC	100.00%			(1,320,000)	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		\$ 1,320,000			\$ 764,561	\$ *	(555,439)	39

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

Facility Name & ID Number Meadowbrook Manor LaGrange # 0047274 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 Supv.	Administrative	5.00	67,500	5	17.00	Mgt Salaries	\$ 12,139	17(7)	1
2	Kianoosh Jafari	Operating Supv.	Administrative	25.00	0	4	17.00	Mgt Salaries	2,215	17(7)	2
3	Sean Dimas	Stockholder	Administrative	6.67	59,261	0	0.00	N/A	0	N/A	3
4	Kathy Hocuk	Empl. Benefits Admin	Administrative	5.00	0	5	17.00	Mgt Salaries	1,844	17(7)	4
5	Robert Jafari	Consultant	Administrative	25.00	0	0	0.00	Prof Fees	7,340	19(7)	5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 23,538		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 LaGrange

0047274

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, 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	\$ 37,772	\$ 1,004	1
2	6	Repairs & Maintenance	Resident Days	221,281	3	6,178	37,772	1,055	2
3	17	Administrative Services	Resident Days	221,281	3	1,183,871	1,183,871	202,083	3
4	19	Professional Services	Resident Days	221,281	3	172,133	37,772	29,383	4
5	20	Dues, Fees & Subscriptions	Resident Days	221,281	3	5,230	37,772	893	5
6	21	Clerical & General - Office Exp	Resident Days	221,281	3	107,866	37,772	18,412	6
7	24	Travel & Seminar	Resident Days	221,281	3	20,815	37,772	3,553	7
8	25	Other Admin. Staff Transport.	Resident Days	221,281	3	13,410	37,772	2,289	8
9	27	EE Benefits - General Services	Resident Days	221,281	3	203,386	37,772	34,717	9
10	30	Depreciation	Resident Days	221,281	3	94,727	37,772	16,170	10
11	32	Interest	Resident Days	221,281	3	11,388	37,772	1,944	11
12	34	Rent - Building	Resident Days	221,281	3	41,044	37,772	7,006	12
13	35	Rent - Equipment	Resident Days	221,281	3	21,043	37,772	3,592	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	\$ 322,101	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Meadowbrook Manor LaGrange

0047274

Report Period Beginning:

01/01/08

Ending:

12/31/08

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

1	2	3	4	5	6	7	8	9	10											
										Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
											YES	NO				Original	Balance			
A. Directly Facility Related																				
Long-Term																				
1	JP Morgan Chase		X	Mortgage	\$28,630.00	08/25/08	\$ 3,600,000	\$ 3,184,509	08/25/10	0.0735	\$ 274,626	1								
2	JP Morgan Chase		X	Amortization of Loan Costs							13,472	2								
3												3								
4												4								
5												5								
Working Capital																				
6	JP Morgan Chase		X	Working Capital	\$7,804.00	10/31/05	1,500,000	1,475,000	07/01/08	0.0525	52,197	6								
7	JP Morgan Chase		X	Working Capital	N/A	08/25/05	1,357,500	1,107,500	08/25/08	Prime-.5	1,944	7								
8												8								
9	TOTAL Facility Related				\$36,434.00		\$ 6,457,500	\$ 5,767,009			\$ 342,239	9								
B. Non-Facility Related*																				
10												10								
11											Offset Interest Income	(12,826)	11							
12												12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$ (12,826)	14								
15	TOTALS (line 9+line14)						\$ 6,457,500	\$ 5,767,009			\$ 329,413	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.		\$	290,421	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	\$	300,449	2
3. Under or (over) accrual (line 2 minus line 1).		\$	10,028	3
4. Real Estate Tax accrual used for 2008 report. (Detail and explain your calculation of this accrual on the lines below.)		\$	308,000	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.		\$	318,028	7
Real Estate Tax History:				
Real Estate Tax Bill for Calendar Year:	2003		8	
	2004	348,925	9	
	2005	287,843	10	
	2006	294,178	11	
	2007	300,450	12	
Calculated by building entity - \$308,000				
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.

Facility Name & ID Number Meadowbrook Manor LaGrange

0047274

Report Period Beginning:

01/01/08

Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 74,985 B. General Construction Type: Exterior Brick Frame Wood 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.

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

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

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO

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.

Table with 5 columns: Use, Square Feet, Year Acquired, Cost, and an index column. Row 1: Resident Care, 178,272, 2005, \$1,561,408, 1. Row 2: (blank), (blank), (blank), (blank), 2. Row 3: TOTALS, 178,272, (blank), \$1,561,408, 3.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor LaGrange

0047274

Report Period Beginning:

01/01/08

Ending:

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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	203		2005	1911	\$ 2,646,175	\$	40	\$ 66,154	\$ 66,154	\$ 231,539	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9		Install compressor	2005		1,750	175	10	175		612	9
10		Elevator overhaur	2005		4,245	424	10	424		1,484	10
11		Front porch carpeting	2005		2,086	209	10	209		732	11
12		Remodel 1st floor - tile & paint	2005		26,770	2,677	10	2,677		9,296	12
13		Refurbish boiler	2005		21,650	2,165	10	2,165		7,578	13
14		Furnish & install boiler feed pump	2005		2,750	275	10	275		963	14
15		Furnish & install condensate pump	2005		2,565	256	10	256		896	15
16		Furnish & install extrol & relief valve	2005		1,729	173	10	173		605	16
17											17
18		Sign	2006		8,725	873	10	873		2,182	18
19		Remodel 1st floor - tile, paint & draperies	2006		37,805	3,781	10	3,781		9,452	19
20		Remodel 1st floor - carpet	2006		6,831	683	10	683		1,708	20
21		Fire Department standpipe connections	2006		1,443	144	10	144		360	21
22		Furnish & install new heating coil on MUA unit	2006		5,595	560	10	560		1,400	22
23		Repair MUA	2006		3,300	330	10	330		825	23
24		Repair water line/pipe	2006		4,800	480	10	480		1,200	24
25		Dialysis room	2006		57,470	5,747	10	5,747		14,158	25
26		Replace faulty fuses	2006		3,590	359	10	359		898	26
27		Install panic exit door devices	2006		8,400	840	10	840		2,100	27
28											28
29		Electrical Repairs	2007		4,590	459	10	459		689	29
30		Wiremold, covers, cables & supplies for Satellite TV	2007		15,787	1,579	10	1,579		2,368	30
31		Cable & Phone Lines - Installation & Termination	2007		58,250	5,825	10	5,825		8,738	31
32		Remove, repair & replace tile & wood, repair downspouts	2007		2,569	257	10	257		385	32
33		Install 5 new 2 1/2 fire hose valves	2007		4,160	416	10	416		624	33
34		Demolition & removal of house and garage - 339 S. Ninth St.	2007		11,225	1,122	10	1,122		1,683	34
35											35
36											36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

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

1	3	4	5	6	7	8	9		
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
37	New doors, hardware, laminating & refinishing for Dementia	2008	\$ 7,540	\$	10	\$ 377	\$ 377	\$ 377	37
38	Repair parking lot lights (ballasts, cutting asphalt, trenching								38
39	& running new wiring)	2008	4,989		10	249	249	249	39
40	Roof Repairs (rear emergency room entrance & front entrance)	2008	3,949		10	197	197	197	40
41	Wiring - Therapy room	2008	5,879		10	294	294	294	41
42	Chimney Cap & Tuckpointing	2008	11,993		10	600	600	600	42
43	Rebuilt compressor for HVAC unit	2008	19,864		10	993	993	993	43
44									44
45	R&M Reclasses								45
46	- Emergency service for steam leak on heating system-								46
47	furnished & installed new diaphragm & steam trap.	2008	4,699		10	235	235	235	47
48	- Emergency service for no heat - furnished & installed								48
49	new fluid head & valve body.	2008	3,045		10	152	152	152	49
50	- tile flooring for facility	2008	14,637		10	732	732	732	50
51									51
52									52
53									53
54									54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 3,020,855	\$ 29,809		\$ 99,792	\$ 69,983	\$ 306,304	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 LaGrange

0047274

Report Period Beginning:

01/01/08

Ending:

12/31/08

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 748,366	\$ 22,034	\$ 77,546	\$ 55,512	5-10	\$ 257,070	71
72	Current Year Purchases	19,539		977	977	10	977	72
73	Fully Depreciated Assets							73
74	Allocated from Management Company			16,170	16,170			74
75	TOTALS	\$ 767,905	\$ 22,034	\$ 94,693	\$ 72,659		\$ 258,047	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		N/A								77
78										78
79										79
80	TOTALS			\$	\$	\$	\$		\$	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 5,350,168	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 51,843	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 194,485	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 142,642	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 564,351	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	New Building	\$ 510,195	92
93			93
94			94
95		\$ 510,195	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>7,006</u>			6
7	TOTAL			\$ 7,006			7

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

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

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

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

15. Is Movable equipment rental included in building rental?

YES NO

16. Rental Amount for movable equipment: \$ 74,113 Description: Mattress & Beds - \$45,482; Copier - \$12,182; Maint. Eqpt (fencing) - \$16,449

(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.)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?</p> <p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. 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		3	4
		1	2		
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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

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

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

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

	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	10A(1,3)	3786 hrs	\$ 124,796		\$	\$	3,786	\$ 124,796	1
2	Licensed Speech and Language Development Therapist	10A(1,3)	270 hrs	8,902				270	8,902	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(1,3)	4528 hrs	149,234	500	29,997	8,205	5,028	187,436	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				311,126		311,126	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): Resp. Therapy Wages	10A(1,3)	501	16,517				501	16,517	12
13	Other (specify): Dialysis Svcs & Oxygen	39(2,3)			1,316	78,970	55,682	1,316	134,652	13
14	TOTAL			\$ 299,449	1,816	\$ 108,967	\$ 375,013	10,901	\$ 783,429	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 LaGrange

0047274

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	\$ 151,565	\$ 144,597	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 589,448)	2,119,203	2,119,203	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	138,102	147,150	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	263,026	263,026	8
9	Other(specify): <u>Due from Related Party</u>	1,294	1,294	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,673,190	\$ 2,675,270	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		1,561,408	13
14	Buildings, at Historical Cost		2,646,175	14
15	Leasehold Improvements, at Historical Cost	350,892	374,680	15
16	Equipment, at Historical Cost	189,924	767,905	16
17	Accumulated Depreciation (book methods)	(124,571)	(564,351)	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): <u>New Building Costs</u>		510,195	22
23	Other(specify): <u>Mortgage Costs - Net</u>		22,260	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 416,245	\$ 5,318,272	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,089,435	\$ 7,993,542	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 1,114,241	\$ 1,120,016	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	1,475,000	1,475,000	29
30	Accrued Salaries Payable	91,682	91,682	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)		308,000	32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>Payroll Liabilities</u>	12,522	12,522	36
37	<u>Due to Related Parties</u>	5,435,342	4,074,710	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,128,787	\$ 7,081,930	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	1,107,500	1,107,500	39
40	Mortgage Payable		3,184,509	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	<u>Note Payable - Vendor Liability</u>	96,864	96,864	43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 1,204,364	\$ 4,388,873	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 9,333,151	\$ 11,470,803	46
47	TOTAL EQUITY (page 18, line 24)	\$ (6,243,716)	\$ (3,477,261)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,089,435	\$ 7,993,542	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (4,756,260)	1
2	Restatements (describe):		2
3			3
4	Prior Period Adjustment	42,002	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (4,714,258)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,529,457)	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	(1)	15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (1,529,458)	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)	\$ (6,243,716)	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	\$ 6,147,573	1
2	Discounts and Allowances for all Levels	(232,216)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 5,915,357	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	673,833	6
7	Oxygen	37,535	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 711,368	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals	1,371	14
15	Telephone, Television and Radio	16	15
16	Rental of Facility Space		16
17	Sale of Drugs	257,314	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	2,886	19
20	Radiology and X-Ray	8,415	20
21	Other Medical Services	69,826	21
22	Laundry	5,638	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 345,466	23
	D. Non-Operating Revenue		
24	Contributions	80	24
25	Interest and Other Investment Income***	12,826	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 12,906	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Vending Commission & Miscellaneous Income	1,244	28
28a	Activities Income	138	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,382	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 6,986,479	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,383,675	31
32	Health Care	3,459,532	32
33	General Administration	1,466,678	33
	B. Capital Expense		
34	Ownership	1,494,561	34
	C. Ancillary Expense		
35	Special Cost Centers	603,336	35
36	Provider Participation Fee	108,154	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 8,515,936	40
41	Income before Income Taxes (line 30 minus line 40)**	(1,529,457)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,529,457)	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.
This 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 LaGrange

0047274

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	1,912	\$ 83,619	\$ 39.44	1
2	Assistant Director of Nursing	1,996	71,697	34.08	2
3	Registered Nurses	5,354	252,208	32.22	3
4	Licensed Practical Nurses	38,949	1,071,738	19.40	4
5	CNAs & Orderlies	71,178	921,782	9.23	5
6	CNA Trainees				6
7	Licensed Therapist	7,635	299,449	32.96	7
8	Rehab/Therapy Aides	6,898	95,550	13.02	8
9	Activity Director	1,941	27,958	13.16	9
10	Activity Assistants	7,769	72,173	8.80	10
11	Social Service Workers	1,904	48,000	23.08	11
12	Dietician				12
13	Food Service Supervisor	2,513	57,944	19.90	13
14	Head Cook	5,332	56,176	10.11	14
15	Cook Helpers/Assistants	12,923	129,932	9.04	15
16	Dishwashers				16
17	Maintenance Workers	8,186	106,567	12.72	17
18	Housekeepers	20,412	197,288	8.84	18
19	Laundry				19
20	Administrator	1,911	89,813	41.81	20
21	Assistant Administrator				21
22	Other Administrative				22
23	Office Manager				23
24	Clerical	12,325	13,264	12.34	24
25	Vocational Instruction				25
26	Academic Instruction				26
27	Medical Director				27
28	Qualified MR Prof. (QMRP)				28
29	Resident Services Coordinator				29
30	Habilitation Aides (DD Homes)				30
31	Medical Records	1,958	25,985	12.49	31
32	Other Health C: See Sch 20A	8,393	159,824	17.90	32
33	Other(specify)				33
34	TOTAL (lines 1 - 33)	219,489	\$ 3,931,393 *	\$ 14.25	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	313	\$ 16,238	1(3) 35
36	Medical Director	473	24,750	9(3) 36
37	Medical Records Consultant	6	1,188	10(3) 37
38	Nurse Consultant	11	3,625	10(3) 38
39	Pharmacist Consultant	28	5,582	10(3) 39
40	Physical Therapy Consultant			40
41	Occupational Therapy Consultant			41
42	Respiratory Therapy Consultant	7	320	10A(3) 42
43	Speech Therapy Consultant			43
44	Activity Consultant	28	2,368	11(3) 44
45	Social Service Consultant	7	2,072	12(3) 45
46	Other(specify)			46
47				47
48				48
49	TOTAL (lines 35 - 48)	873	\$ 56,143	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
Nursing Administration	4,679	4,977	105,617	21.22
Central Supply	2,091	2,224	32,672	14.69
Ward Clerks	1,623	1,727	21,535	12.47
Total Line 32 - Other	8,393	8,928	159,824	17.90

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	
David Shires	Administrator	0	\$ 89,813	Workers' Compensation Insurance	\$ 111,878	IDPH License Fee	\$	
				Unemployment Compensation Insurance	122,746	Advertising: Employee Recruitment	4,155	
				FICA Taxes	296,744	Health Care Worker Background Check (Indicate # of checks performed 83)	1,000	
				Employee Health Insurance	157,832	Patient Background Checks 83	1,000	
				Employee Meals				
				Illinois Municipal Retirement Fund (IMRF)*				
				Employee Retirement	15,728	See Schedule 21A	32,580	
				Employment Fees	13,700			
				Other Employee Benefits	29,723			
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 89,813	TOTAL (agree to Schedule V, line 22, col.8)		\$ 748,351		
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
N/A			\$	N/A		\$	Out-of-State Travel	\$
							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$	TOTAL		\$	Seminar Expense	4,226
C. Professional Services							Allocated from Home Office	
Vendor/Payee	Type		Amount				3,553	
See Schedule 21A			\$ 154,093				Entertainment Expense ()	
							(agree to Sch. V, line 24, col. 8)	
							TOTAL	
							\$ 7,779	
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 154,093					

* Attach copy of IMRF notifications
 SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Butterfield Health Care VII, LLC
Meadowbrook Manor LaGrange
Provider # 0047274
12/31/2008

Schedule 21A

Schedule XIX (C) - Professional Fees.

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Morgan & Lewis	Legal	5,853
Foley & Lardner	Legal	25,756
Weinstein & Zimmerman	Appraisal Fee	5,000
Polsinelli Shalton	Legal	5,355
Crane & Norcross	Legal	10,849
Schain, Burney, Ross & Citron	Legal	438
McGladrey & Pullen LLP	Accounting	18,491
RSM McGladrey	Accounting	11,410
Health Data Systems	Computer Services	1,262
Midwest Laser Specialists	Computer Services	89
Wescomm Solutions Inc	Computer Services	11,725
Mutual of Omaha	Computer Services	7
Wisconsin Physicians Service	Computer Services	43
Titan Electronics Inc	Computer Services	172
Pathway Health Services	Operations	729
Rehab Management Services	Billing Service	39,850
Paylocity	Payroll Services	5,969
Innovative LTC Solutions	Billing Service	7,149
Cardiac Diagnostics	Billing Service	394
Caroline MacGruder Management	Operations	<u>3,552</u>
TOTAL (agree to Schedule V, line 19, column 3)		154,093
Allocation from MML Properties - Accounting		5,775
Allocation from Butterfield Health Care Group - Accounting & Other Prof Svcs		29,383
Less: Disallowed legal fees		<u>(10,675)</u>
TOTAL (agree to Schedule V, line 19, column 8)		<u><u>178,576</u></u>

F. Dues, Fees, Subscriptions and Promotions

<u>Description</u>	<u>Amount</u>
Illinois Council on Long Term Care	15,563
E Health Data	4,365
Miscellaneous Dues	329
Miscellaneous Licenses	2,112
Miscellaneous Subscriptions	8,515
Allocated from Butterfield Health Care Group	893
Allocated from MML Properties	803
SUBTOTAL	<u><u>32,580</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
Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
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 LaGrange

0047274

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. IL. Council on Long Term Care - \$15,563
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 yrs.
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 36,375 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. \$ 108,154
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? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ N/A Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,371
- (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? N/A
- f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
- g. Does the facility transport residents to and from day training? No**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees