

Facility Name & ID Number Walnut Grove Village

0047753 Report Period Beginning: 1/1/08 Ending: 12/31/08

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds 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	99	Skilled (SNF)	99	36,234	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5	24	Sheltered Care (SC)	24	8,784	5
6		ICF/DD 16 or Less			6
7	123	TOTALS	123	45,018	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	878	1,911	4,897	7,686	8
9	SNF/PED					9
10	ICF	13,248	14,664	3,211	31,123	10
11	ICF/DD					11
12	SC		2,592	53	2,645	12
13	DD 16 OR LESS					13
14	TOTALS	14,126	19,167	8,161	41,454	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 92.08%

D. How many bed-hold days during this year were paid by the Department? 0 (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 03/21/06

J. Was the facility purchased or leased after January 1, 1978?
YES Date 3/21/06 NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 35 and days of care provided 4,550

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRAUAL 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 Walnut Grove Village # 0047753 Report Period Beginning: 1/1/08 Ending: 12/31/08

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR BHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	183,499	20,143	10,393	214,035		214,035		214,035		1
2	Food Purchase		187,173		187,173		187,173	(151)	187,022		2
3	Housekeeping	111,900	20,564		132,464		132,464		132,464		3
4	Laundry	79,920	13,395		93,315		93,315		93,315		4
5	Heat and Other Utilities			186,522	186,522		186,522	879	187,401		5
6	Maintenance	96,068	5,517	72,109	173,694		173,694		173,694		6
7	Other (specify):*										7
8	TOTAL General Services	471,387	246,792	269,024	987,203		987,203	728	987,931		8
	B. Health Care and Programs										
9	Medical Director			15,600	15,600		15,600		15,600		9
10	Nursing and Medical Records	1,812,557	64,177	7,793	1,884,527		1,884,527	327	1,884,854		10
10a	Therapy			411,258	411,258		411,258		411,258		10a
11	Activities	63,707	2,504	1,114	67,325		67,325		67,325		11
12	Social Services	38,904	898	1,549	41,351		41,351		41,351		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	1,915,168	67,579	437,314	2,420,061		2,420,061	327	2,420,388		16
	C. General Administration										
17	Administrative	53,424		125,537	178,961		178,961	(125,537)	53,424		17
18	Directors Fees										18
19	Professional Services			239,762	239,762		239,762	(187,666)	52,096		19
20	Dues, Fees, Subscriptions & Promotions			14,804	14,804		14,804	(2,695)	12,109		20
21	Clerical & General Office Expenses	143,787	15,463	58,292	217,542		217,542	9,564	227,106		21
22	Employee Benefits & Payroll Taxes			605,369	605,369		605,369		605,369		22
23	Inservice Training & Education							2,091	2,091		23
24	Travel and Seminar			2,654	2,654		2,654	17,662	20,316		24
25	Other Admin. Staff Transportation			29,026	29,026		29,026	1,435	30,461		25
26	Insurance-Prop.Liab.Malpractice			112,100	112,100		112,100	1,798	113,898		26
27	Other (specify):* Home Office Benefit A							56,936	56,936		27
28	TOTAL General Administration	197,211	15,463	1,187,544	1,400,218		1,400,218	(226,412)	1,173,806		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,583,766	329,834	1,893,882	4,807,482		4,807,482	(225,357)	4,582,125		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

Walnut Grove Village

#0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR BHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			32,847	32,847		32,847	(1,208)	31,639			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			22,065	22,065		22,065	(334)	21,731			32
33	Real Estate Taxes			57,188	57,188		57,188		57,188			33
34	Rent-Facility & Grounds			1,021,949	1,021,949		1,021,949	10,280	1,032,229			34
35	Rent-Equipment & Vehicles			9,087	9,087		9,087	2,729	11,816			35
36	Other (specify):*											36
37	TOTAL Ownership			1,143,136	1,143,136		1,143,136	11,467	1,154,603			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		189,170		189,170		189,170		189,170			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			54,352	54,352		54,352		54,352			42
43	Other (specify):* Non-allowable cost	157,914	1,663	175,212	334,789		334,789	(334,789)				43
44	TOTAL Special Cost Centers	157,914	190,833	229,564	578,311		578,311	(334,789)	243,522			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,741,680	520,667	3,266,582	6,528,929		6,528,929	(548,679)	5,980,250			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	(151)	2		4
5	Telephone, TV & Radio in Resident Rooms	(1,970)	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	(3,135)	30		9
10	Interest and Other Investment Income	(334)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				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	(17,550)	43		18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(114,630)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg. 5A	(210,050)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (347,820)		\$	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)	(200,859)	Vari.	34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (200,859)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (548,679)		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

Walnut Grove Village

ID# 0047753

Report Period Beginning: 1/1/08

Ending: 12/31/08

NON-ALLOWABLE EXPENSES		Amount	Reference	Sch. V Line
1	Independent Living Unit Costs	\$ (107,643)	43	1
2	Marketing	(66,282)	43	2
3	Lab Expenses	(8,817)	43	3
4	Diagnostic Imaging Expenses	(17,897)	43	4
5	Miscellaneous Income	(245)	21	5
6	IL-LTC Non-Allow Expense	(4,166)	20	6
7	Disallow Non-Allowable Legal Expense	(5,000)	19	7
8				8
9				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	(210,050)		49

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(151)	0	0	0	0	0	0	0	0	0	0	(151)	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	0	879	0	0	0	0	0	0	0	0	879	5
6	Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(151)	0	879	0	728	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	327	0	0	0	0	0	0	0	0	327	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	327	0	327	16							
	C. General Administration													
17	Administrative	0	0	(125,537)	0	0	0	0	0	0	0	0	(125,537)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	(5,000)	0	(182,666)	0	0	0	0	0	0	0	0	(187,666)	19
20	Fees, Subscriptions & Promotions	(4,166)	0	1,471	0	0	0	0	0	0	0	0	(2,695)	20
21	Clerical & General Office Expenses	(245)	0	9,809	0	0	0	0	0	0	0	0	9,564	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	2,091	0	0	0	0	0	0	0	0	2,091	23
24	Travel and Seminar	0	0	17,662	0	0	0	0	0	0	0	0	17,662	24
25	Other Admin. Staff Transportation	0	0	1,435	0	0	0	0	0	0	0	0	1,435	25
26	Insurance-Prop.Liab.Malpractice	0	0	1,798	0	0	0	0	0	0	0	0	1,798	26
27	Other (specify):*	0	0	56,936	0	0	0	0	0	0	0	0	56,936	27
28	TOTAL General Administration	(9,411)	0	(217,001)	0	(226,412)	28							
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(9,562)	0	(215,795)	0	(225,357)	29							

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Walnut Grove Village # 0047753 Report Period Beginning: 1/1/08 Ending: 12/31/08

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

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	TOTALS	
													(to Sch V, col.7)	
30	Depreciation	(3,135)	0	1,927	0	0	0	0	0	0	0	0	(1,208)	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(334)	0	0	0	0	0	0	0	0	0	0	(334)	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	10,280	0	0	0	0	0	0	0	0	10,280	34
35	Rent-Equipment & Vehicles	0	0	2,729	0	0	0	0	0	0	0	0	2,729	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(3,469)	0	14,936	0	11,467	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):*	(334,789)	0	0	0	0	0	0	0	0	0	0	(334,789)	43
44	TOTAL Special Cost Centers	(334,789)	0	0	0	0	0	0	0	0	0	0	(334,789)	44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	(347,820)	0	(200,859)	0	(548,679)	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
Suzanne Koenig	100	See Attached Sch 6A		See Attached Sch 6B		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
1	V	See Page 6A	\$			\$	\$	1
2	V							2
3	V							3
4	V							4
5	V							5
6	V							6
7	V							7
8	V							8
9	V							9
10	V							10
11	V							11
12	V							12
13	V							13
14	Total		\$			\$	\$ *	14

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
15	V	5 Utilities	\$	SAK Management Services, LLC	100.00%	\$ 879	\$	879	15
16	V	10 Nursing - Salaries		SAK Management Services, LLC	100.00%	327		327	16
17	V	17 Administrative	125,537	SAK Management Services, LLC	100.00%			(125,537)	17
18	V	19 Professional Services	188,306	SAK Management Services, LLC	100.00%	5,640		(182,666)	18
19	V	20 Dues, Fees & Subscriptions		SAK Management Services, LLC	100.00%	1,471		1,471	19
20	V	21 Clerical & General		SAK Management Services, LLC	100.00%	9,809		9,809	20
21	V	23 Inservice Training & Education		SAK Management Services, LLC	100.00%	2,091		2,091	21
22	V	24 Travel & Seminar		SAK Management Services, LLC	100.00%	14,002		14,002	22
23	V	25 Other Admin. Staff Transportation		SAK Management Services, LLC	100.00%	1,435		1,435	23
24	V	26 Insurance - Property & Liability		SAK Management Services, LLC	100.00%	1,798		1,798	24
25	V	27 Employee Benefits - Mgmt. Co.		SAK Management Services, LLC	100.00%	56,936		56,936	25
26	V	30 Depreciation		SAK Management Services, LLC	100.00%	1,927		1,927	26
27	V	34 Rent - Facility & Grounds		SAK Management Services, LLC	100.00%	10,280		10,280	27
28	V	35 Rent - Equipment & Vehicles		SAK Management Services, LLC	100.00%	2,729		2,729	28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V	24 Travel & Seminar		SAK Management Services, LLC	100.00%	3,660		3,660	34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$ 313,843			\$ 112,984	\$ *	(200,859)	39

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

Facility Name & ID Number Walnut Grove Village # 0047753 Report Period Beginning: 1/1/08 Ending: 12/31/08

VII. RELATED PARTIES (continued)

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

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

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference
						Hours	Percent	Description	Amount	
1									\$	1
2			N/A							2
3										3
4										4
5										5
6										6
7										7
8										8
9										9
10										10
11										11
12										12
13								TOTAL	\$	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 Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending: 12/31/08

VIII. ALLOCATION OF INDIRECT COSTS

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

Name of Related Organization SAK Management Services, LLC
 Street Address 4055 W. Peterson, Suite 101
 City / State / Zip Code Chicago, IL 60646
 Phone Number (773) 202-0000
 Fax Number (773) 267-0111

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	5	Utilities	SAK Managment Fees	1,915,081	8	\$ 5,361	\$ 313,843	\$ 879	1
2	10	Nursing - Salaries	SAK Managment Fees	1,915,081	8	1,998	1,998	313,843	327
3	17	Administrative	SAK Managment Fees	1,915,081	8		313,843	0	3
4	19	Professional Services	SAK Managment Fees	1,915,081	8	34,415	313,843	5,640	4
5	20	Dues, Fees & Subscriptions	SAK Managment Fees	1,915,081	8	8,974	313,843	1,471	5
6	21	Clerical & General	SAK Managment Fees	1,915,081	8	59,856	313,843	9,809	6
7	23	Inservice Training & Education	SAK Managment Fees	1,915,081	8	12,762	313,843	2,091	7
8	24	Travel & Seminar	SAK Managment Fees	1,915,081	8	85,442	313,843	14,002	8
9	25	Other Admin. Staff Transportatio	SAK Managment Fees	1,915,081	8	8,757	313,843	1,435	9
10	26	Insurance - Property & Liability	SAK Managment Fees	1,915,081	8	10,969	313,843	1,798	10
11	27	Employee Benefits - Mgmt. Co.	SAK Managment Fees	1,915,081	8	347,424	313,843	56,936	11
12	30	Depreciation	SAK Managment Fees	1,915,081	8	11,758	313,843	1,927	12
13	34	Rent - Facility & Grounds	SAK Managment Fees	1,915,081	8	62,727	313,843	10,280	13
14	35	Rent - Equipment & Vehicles	SAK Managment Fees	1,915,081	8	16,653	313,843	2,729	14
15									15
16									16
17	24	Travel & Seminar	Direct Cost			20,014		3,660	17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 687,110	\$ 1,998	\$ 112,984	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

1	2	3	4	5	6	7	8	9	10											
										Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
											YES	NO				Original	Balance			
A. Directly Facility Related																				
Long-Term																				
1																				
2																				
3																				
4																				
5																				
Working Capital																				
6	Capital Source		X	Line of Credit	Various	4/2006	25,000	96,889	3/2009	Prime + 1	22,065									
7	SAK Management Services	X		Working Capital	None	6/30/08	96,000	96,000	06/30/09	Zero										
8																				
9	TOTAL Facility Related						\$ 121,000	\$ 192,889			\$ 22,065									
B. Non-Facility Related*																				
10							Less Interest Income Offset				(334)									
11																				
12																				
13																				
14	TOTAL Non-Facility Related						\$	\$			\$ (334)									
15	TOTALS (line 9+line14)						\$ 121,000	\$ 192,889			\$ 21,731									

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.			\$		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	\$	112,501	2
3. Under or (over) accrual (line 2 minus line 1).			\$	112,501	3
4. Real Estate Tax accrual used for 2008 report. (Detail and explain your calculation of this accrual on the lines below.)			\$		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.				Unreconciled Difference (55,313)	
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.			\$	57,188	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2003	81,316	8	FOR BHF USE ONLY	
	2004	91,651	9	13	FROM R. E. TAX STATEMENT FOR 2007 \$ 13
	2005	99,433	10	14	PLUS APPEAL COST FROM LINE 5 \$ 14
	2006	538	11	15	LESS REFUND FROM LINE 6 \$ 15
	2007	112,501	12	16	AMOUNT TO USE FOR RATE CALCULATION \$ 16
Real Estate Tax Accrual not recorded in current year.					

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 Walnut Grove Village COUNTY Grundy

FACILITY IDPH LICENSE NUMBER 0047753

CONTACT PERSON REGARDING THIS REPORT Suzanne Koenig

TELEPHONE (773) 202-0000 FAX #: (773) 267-0111

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>02-33-301-013</u>	<u>Long Term Care Property</u>	\$ <u>112,501.04</u>	\$ <u>112,501.04</u>
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>112,501.04</u>	\$ <u>112,501.04</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 Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 46,744 B. General Construction Type: Exterior Brick Frame Wood Number of Stories One

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).
30 Cottages - Cost not included in Cost Report

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

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1			<u>N/A</u>	\$	1
2					2
3	TOTALS			\$	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
Beds*	FOR BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4				\$	\$		\$	\$	\$
5									
6									
7									
8									
	Improvement Type**								
9	Laundry Drain Repair		2007	12,535	1,791	7	1,791		3,582
10	Foyer Renovation - Sprinklers, Canopy, Fire Doors		2007	7,314	1,045	7	1,045		2,090
11	Kitchen Repairs - Leaking pipes & coil		2007	3,275	468	7	468		936
12	A/C Repairs		2007	6,413	1,283	5	1,283		2,566
13	Fire System		2007	15,871	3,174	5	3,174		6,348
14	Sidewalk Repair & Removal		2008	3,387	484	7	484		484
15	Architect & Interior Design		2008	7,185	1,027	7	1,027		1,027
16	Fire System, Security System		2008	8,079	1,155	7	1,155		1,155
17	Ceiling tile, Mount Ceiling Heaters		2008	3,264	466	7	466		466
18	Boiler & Compressor		2008	5,142	1,028	5	1,028		1,028
19	Repair Boiler & Main Chiller		2008	8,820	1,764	5	1,764		1,764
20	A/C System		2008	2,595	519	5	519		519
21	Plumbing		2008	5,576	1,055	7	1,055		1,055
22	Condenser Motor		2008	4,761	952	5	952		952
23	Boiler Burners & Pilot Assembly		2008	9,458	1,892	5	1,892		1,892
24	Emergency Generator Block Heater, Heat pumps		2008	4,048	697	5	697		697
25									
26	Lessor Leasehold Improvements								
27	-- Purchase and Install new heat pump		2006	5,130	1,539	5	1,539		3,078
28	-- Purchase and Install new water heater		2006	7,025	2,108	5	2,108		4,216
29									
30									
31									
32									
33									
34									
35									
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		\$	\$		\$	\$	\$	37		
38								38		
39								39		
40								40		
41								41		
42								42		
43								43		
44								44		
45								45		
46								46		
47								47		
48								48		
49								49		
50								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)	\$	119,878	\$	22,447	\$	22,447	\$	33,855	70

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	\$ 20,167	\$ 5,152	\$ 2,017	\$ (3,135)	10	\$ 5,990	71
72	Current Year Purchases	18,741	3,748	3,748		5	3,748	72
73	Fully Depreciated Assets							73
74	Alloc-SAK Management			1,927	1,927			74
75	TOTALS	\$ 38,908	\$ 8,900	\$ 7,692	\$ (1,208)		\$ 9,738	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	Facility Use	97 Ford F350 4x4 Plow Truck	2008	\$ 7,500	\$ 1,500	\$ 1,500	\$	5	\$ 1,500	76
77										77
78										78
79										79
80	TOTALS			\$ 7,500	\$ 1,500	\$ 1,500	\$		\$ 1,500	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)	\$ 166,286	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 32,847	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 31,639	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (1,208)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 45,093	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: Wakefield-Gemsa

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

If NO, see instructions. YES NO

	1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:	<u>123</u>		\$ <u>1,021,949</u>			3
4	Additions						4
5							5
6	<u>Home Office Allocations</u>			<u>10,280</u>			6
7	TOTAL	123		\$ <u>1,032,229</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 by the length of the lease N/A

9. Option to Buy: YES NO Terms: N/A *

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: \$ 11,816 Description: Nursing Supplies-\$5,389; Dishwasher-\$2,483; Oxygen-\$460; Lift-\$315; Tools-\$440; SAK Alloc-\$2,729

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$ <u>N/A</u>	\$	17
18					18
19					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	L10A, C3	hrs	\$	2,537	\$ 163,172	\$	2,537	\$ 163,172	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		393	30,210		393	30,210	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		3,456	217,876		3,456	217,876	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescrpts				181,951		181,951	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Oxygen</u>	L39, C2					7,219		7,219	12
13	Other (specify): _____									13
14	TOTAL			\$	6,386	\$ 411,258	\$ 189,170	6,386	\$ 600,428	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 Walnut Grove Village
 XV. BALANCE SHEET - Unrestricted Operating Fund.

0047753
 As of 12/31/08

Report Period Beginning: 1/1/08
 (last day of reporting year)

Ending: 12/31/08

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

		1 Operating	2 After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 49,619	\$ 49,619	1
2	Cash-Patient Deposits	22,157	22,157	2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance 114,630)	707,561	707,561	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	71,795	71,795	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Sch 17A	1,181,927	1,181,927	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,033,059	\$ 2,033,059	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	48,054	119,878	15
16	Equipment, at Historical Cost	97,677	46,408	16
17	Accumulated Depreciation (book methods)	(42,962)	(45,093)	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 (spec Capital Maint Escrow	43,152	43,152	22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 145,921	\$ 164,345	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,178,980	\$ 2,197,404	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 1,303,378	\$ 1,303,378	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	22,157	22,157	28
29	Short-Term Notes Payable	96,889	96,889	29
30	Accrued Salaries Payable	208,888	208,888	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)			32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36				36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,631,312	\$ 1,631,312	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable	96,000	96,000	39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 96,000	\$ 96,000	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,727,312	\$ 1,727,312	46
47	TOTAL EQUITY (page 18, line 24)	\$ 451,668	\$ 470,092	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,178,980	\$ 2,197,404	48

Walnut Grove Village

Provider #: 0047753

1/1/2008 to 12/31/2008

Schedule 17A

XV. Balance Sheet

	<u>Operating</u>	<u>After Consolidation</u>
Other Current Assets - Line 9		
Cost Report Settlement	111,483	111,483
Due from WG Cottages	238,278	238,278
Due from Coventry Village	806,776	806,776
Due from Prior Owner	25,390	25,390
	<u>1,181,927</u>	<u>1,181,927</u>

SEE ACCOUNTANT'S COMPILATION REPORT

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 699,230	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 699,230	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(247,561)	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)	\$ (247,562)	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)	\$ 451,668	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Walnut Grove Village

0047753

Report Period Beginning: 1/1/08

Ending: 12/31/08

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

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

1

	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 4,823,536	1
2	Discounts and Allowances for all Levels	164,270	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 4,987,806	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,123,418	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,123,418	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	151	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	165,515	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services	119	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 165,785	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	334	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 334	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Misc Income</u>	4,025	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 4,025	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 6,281,368	30

2

	Expenses	Amount	
	A. Operating Expenses		
31	General Services	987,203	31
32	Health Care	2,420,061	32
33	General Administration	1,400,218	33
	B. Capital Expense		
34	Ownership	1,143,136	34
	C. Ancillary Expense		
35	Special Cost Centers	523,959	35
36	Provider Participation Fee	54,352	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 6,528,929	40
41	Income before Income Taxes (line 30 minus line 40)**	(247,561)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (247,561)	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.
Tax return prepared on the cash basis

*** 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 Walnut Grove Village

0047753

Report Period Beginning:

1/1/08

Ending:

12/31/08

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

(This schedule must cover the entire reporting period.)

	1	2**	3	4		
	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage		
1	Director of Nursing	2,296	2,480	\$ 91,075	\$ 36.72	1
2	Assistant Director of Nursing	1,819	1,977	49,837	25.21	2
3	Registered Nurses	14,943	15,731	392,648	24.96	3
4	Licensed Practical Nurses	13,440	14,079	311,237	22.11	4
5	CNAs & Orderlies	65,093	68,538	739,282	10.79	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	5,279	5,642	63,707	11.29	10
11	Social Service Workers	1,704	2,000	38,904	19.45	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	17,792	18,713	183,499	9.81	15
16	Dishwashers					16
17	Maintenance Workers	6,317	6,576	96,068	14.61	17
18	Housekeepers	11,917	12,708	111,900	8.81	18
19	Laundry	6,871	7,483	79,920	10.68	19
20	Administrator	1,382	1,518	53,424	35.19	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	7,947	8,170	143,787	17.60	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	1,891	2,011	24,135	12.00	31
32	Other Health C: See Sch 20A	9,543	10,223	204,343	19.99	32
33	Other(specify) See Sch 20A	9,468	10,231	157,914	15.43	33
34	TOTAL (lines 1 - 33)	177,702	188,080	\$ 2,741,680 *	\$ 14.58	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	218	\$ 10,393	L1, C3	35
36	Medical Director	Monthly	15,600	L9, C3	36
37	Medical Records Consultant	40	2,150	L10, C3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	2,400	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	19	1,114	L11, C3	44
45	Social Service Consultant	26	1,549	L12, C3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	303	\$ 33,206		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

Walnut Grove Village

Provider #: 0047753

1/1/2008 to 12/31/2008

Schedule 20A

XVIII. A. Staffing and Salary Costs (Please report each line separately)

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages
Other Health Care - Line 32			
Care Plan Coordinator	3,833	4,105	115,445
Restorative Aides	5,710	6,118	88,898
	<u>9,543</u>	<u>10,223</u>	<u>204,343</u>
Other - Line 33			
Marketing	936	976	22,966
Villa Aid	8,532	9,255	134,948
	<u>9,468</u>	<u>10,231</u>	<u>157,914</u>

SEE ACCOUNTANT'S COMPILATION REPORT

Walnut Grove VillageProvider #: **0047753**

1/1/2008 to 12/31/2008

Schedule 21A

XIX. Support Schedule

C. Professional Services

Vendor/Payee	Type	Amount
Aronberg Godehn Davis & Garmisa	Legal	182
Shaw Gussis Fishman Glantz Wolfson	Legal	5,000
Alpha Data Services, LLC	Bookkeeping	731
HDSI-Health Data Systems, Inc.	Billing Services	5,562
LTC Solutions	Computer	1,500
Payday-USA	Payroll	4,152
SAK Management	Bookkeeping	188,306
McGladrey & Pullen, LLP	Accounting	4,270
Richard Peelo & Associates, Inc.	Consulting	4,200
FR&R	Accounting	500
Joseph Abramchik	Consulting	19,750
Personnel Planners, Inc.	Unemployment Consulting	850
Sharon Haugh	Billing Services	4,759
Total (agree to Schedule V, Line 19, Column 3)		<u>239,762</u>
Nonallowable Legal Expenses		(5,000)
Allocation from Management Company:		
Management Fee - Accounting		(188,306)
Legal		1,591
Accounting		1,707
Consultant		1,158
Computer Services		1,184
Total (agree to Schedule V, Line 19, Column 8)		<u><u>52,096</u></u>

SEE ACCOUNTANT'S COMPILATION REPORT

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
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 Walnut Grove Village# 0047753

Report Period Beginning:

1/1/08

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. ICLTC - \$8,468
- (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 Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 1,855 Line 10, C2
- (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. \$ 54,352
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ N/A Has any meal income been offset against related costs? Yes Indicate the amount. \$ 151
- (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? N/A
- 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? N/A
Attach invoices and a summary of services for all architect and appraisal fees

SEE ACCOUNTANTS' COMPILATION REPORT