

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	245	Skilled (SNF)	245	89,425	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	245	TOTALS	245	89,425	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment				
		3 Medicaid Recipient	4 Private Pay	5 Other	6 Total	
8	SNF	6,262	663	9,815	16,740	8
9	SNF/PED					9
10	ICF	55,694	9,984	34	65,712	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	61,956	10,647	9,849	82,452	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 92.20%

D. How many bed-hold days during this year were paid by the Department? None (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES NO

I. On what date did you start providing long term care at this location?
Date started 2/9/96

J. Was the facility purchased or leased after January 1, 1978?
YES Date 2/9/96 NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 245 and days of care provided 8,487

Medicare Intermediary Wisconsin Physicians Service

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

Is your fiscal year identical to your tax year? YES NO

Tax Year: 12/31/09 Fiscal Year: 12/31/09

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Meadowbrook Manor-Naperville # 0041285 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	425,823	56,509	16,800	499,132		499,132		499,132		1
2	Food Purchase		435,287		435,287		435,287	(1,175)	434,112		2
3	Housekeeping	272,442	75,541		347,983		347,983	4	347,987		3
4	Laundry	84,453	40,501		124,954		124,954	271	125,225		4
5	Heat and Other Utilities			320,793	320,793		320,793	2,569	323,362		5
6	Maintenance	67,373	25,523	138,328	231,224		231,224	52,345	283,569		6
7	Other (specify):*										7
8	TOTAL General Services	850,091	633,361	475,921	1,959,373		1,959,373	54,014	2,013,387		8
	B. Health Care and Programs										
9	Medical Director			31,100	31,100		31,100	13,174	44,274		9
10	Nursing and Medical Records	4,927,705	437,056	35,580	5,400,341		5,400,341		5,400,341		10
10a	Therapy	739,155	4,641	26,536	770,332		770,332		770,332		10a
11	Activities	186,426	19,197	2,080	207,703		207,703		207,703		11
12	Social Services	119,978		2,921	122,899		122,899		122,899		12
13	CNA Training	37,835			37,835		37,835		37,835		13
14	Program Transportation										14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	6,011,099	460,894	98,217	6,570,210		6,570,210	13,174	6,583,384		16
	C. General Administration										
17	Administrative	80,402		1,220,770	1,301,172		1,301,172	(953,289)	347,883		17
18	Directors Fees										18
19	Professional Services			179,558	179,558		179,558	47,587	227,145		19
20	Dues, Fees, Subscriptions & Promotions			42,352	42,352		42,352	1,171	43,523		20
21	Clerical & General Office Expenses	186,907	39,372	83,103	309,382		309,382	201,587	510,969		21
22	Employee Benefits & Payroll Taxes			1,125,528	1,125,528		1,125,528		1,125,528		22
23	Inservice Training & Education			12,745	12,745		12,745	915	13,660		23
24	Travel and Seminar			4,511	4,511		4,511	2,929	7,440		24
25	Other Admin. Staff Transportation			793	793		793	6,338	7,131		25
26	Insurance-Prop.Liab.Malpractice			149,182	149,182		149,182	126,365	275,547		26
27	Other (specify):* Alloc. Benefits Mgmt							75,651	75,651		27
28	TOTAL General Administration	267,309	39,372	2,818,542	3,125,223		3,125,223	(490,746)	2,634,477		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,128,499	1,133,627	3,392,680	11,654,806		11,654,806	(423,558)	11,231,248		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-Naperville

#0041285

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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			106,912	106,912		106,912	298,409	405,321			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			104,666	104,666		104,666	771,064	875,730			32
33	Real Estate Taxes							242,247	242,247			33
34	Rent-Facility & Grounds			2,682,744	2,682,744		2,682,744	(2,668,505)	14,239			34
35	Rent-Equipment & Vehicles			79,036	79,036		79,036	2,794	81,830			35
36	Other (specify):*											36
37	TOTAL Ownership			2,973,358	2,973,358		2,973,358	(1,353,991)	1,619,367			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation			1,655	1,655		1,655		1,655			38
39	Ancillary Service Centers		511,230	90,088	601,318		601,318		601,318			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			134,138	134,138		134,138		134,138			42
43	Other (specify):* Non-allowable cost			342,650	342,650		342,650	(342,650)				43
44	TOTAL Special Cost Centers		511,230	568,531	1,079,761		1,079,761	(342,650)	737,111			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,128,499	1,644,857	6,934,569	15,707,925		15,707,925	(2,120,199)	13,587,726			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	(2,628)	2		4
5	Telephone, TV & Radio in Resident Rooms	(8,666)	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	21,020	30		9
10	Interest and Other Investment Income	(28,895)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(766)	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	(14,107)	43		18
19	Entertainment				19
20	Contributions	(1,047)	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	(231,502)	43		24
25	Fund Raising, Advertising and Promotional	(1,549)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(34,161)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(21,000)	43		28
29	Other-Attach Schedule See PG5A	(103,532)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (426,833)		\$	30

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,693,366)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,693,366)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (2,120,199)		37

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

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

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

BHF USE ONLY							
48		49		50		51	52

SEE ACCOUNTANTS' COMPILATION REPORT

Meadowbrook Manor-NapervilleID# 0041285Report Period Beginning: 01/01/2009Ending: 12/31/2009

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Radiology	\$ (16,068)	43	1
2	Laboratory	(8,772)	43	2
3	Consolidated Billing	(8,118)	43	3
4	Resident gifts, etc.	(6,422)	43	4
5	Resident clothing	(282)	43	5
6	Marketing expense	(6,814)	43	6
7	Alzheimer Assoc. Walk Shirts	(250)	43	7
8	Non-allowable legal fees	(35,831)	19	8
9	Reclass Repairs & Maintenance	(18,455)	6	9
10	Travel & Entertainment	(98)	43	10
11	Out of period legal-Home office allocation	(2,422)	19	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	(103,532)		49

SEE ACCOUNTANTS' COMPILATION REPORT

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Schedule 6A	See Sch 6A	Meadowbrook Manor of Naperville	Naperville	J&D Partners, LP	Bolingbrook	Lessor
				MMN Partners, LP	Naperville	Lessor
		Butterfield Health Care, Inc. d/b/a	Bolingbrook	Butterfield Health		
		Meadowbrook Manor		Care Group, Inc.	Bolingbrook	Management Co.
				MML Properties, LLC	LaGrange	Lessor
		Seneca Nursing Home, Inc. d/b/a Lee Manor	Des Plaines	Seneca Building LP	Des Plaines	Lessor

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	19 Professional Fees	\$	MML Properties, LLC	100.00%	\$ 22,455	\$ 22,455	1
2	V	20 Fees & Subscriptions		MML Properties, LLC	100.00%	100	100	2
3	V	21 Bank Charges		MML Properties, LLC	100.00%	111	111	3
4	V	26 Insurance-Prop., Liab., Malpr.		MML Properties, LLC	100.00%	126,365	126,365	4
5	V	30 Depreciation		MML Properties, LLC	100.00%	256,912	256,912	5
6	V	32 Interest Expense	444	MML Properties, LLC	100.00%	796,079	795,635	6
7	V	32 Amort of Mortgage Cost		MML Properties, LLC	100.00%	3,845	3,845	7
8	V	33 Real Estate Taxes		MML Properties, LLC	100.00%	242,247	242,247	8
9	V	34 Rent	2,682,744	MML Properties, LLC	100.00%		(2,682,744)	9
10	V	43 State Replacement Tax		MML Properties, LLC	100.00%	12,706	12,706	10
11	V							11
12	V							12
13	V							13
14	Total		\$ 2,683,188			\$ 1,460,820	\$ * (1,222,368)	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	2 Food	\$	Butterfield Health Care Group, Inc.	100.00%	\$ 1,453	\$ 1,453
16	V	3 Housekeeping		Butterfield Health Care Group, Inc.	100.00%	4	4
17	V	4 Laundry		Butterfield Health Care Group, Inc.	100.00%	271	271
18	V	5 Utilities		Butterfield Health Care Group, Inc.	100.00%	2,569	2,569
19	V	6 Repairs & Maintenance		Butterfield Health Care Group, Inc.	100.00%	70,800	70,800
20	V	9 Medical Director		Butterfield Health Care Group, Inc.	100.00%	13,174	13,174
21	V	17 Administrative Costs	1,220,770	Butterfield Health Care Group, Inc.	100.00%	267,481	(953,289)
22	V	19 Professional Services		Butterfield Health Care Group, Inc.	100.00%	63,385	63,385
23	V	20 Dues, Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	1,071	1,071
24	V	21 Clerical & General Office exp.		Butterfield Health Care Group, Inc.	100.00%	201,476	201,476
25	V	23 Training & Education		Butterfield Health Care Group, Inc.	100.00%	915	915
26	V	24 Travel & Seminar		Butterfield Health Care Group, Inc.	100.00%	2,929	2,929
27	V	25 Auto Expense		Butterfield Health Care Group, Inc.	100.00%	6,338	6,338
28	V	27 Employee Benefits General & Admin.		Butterfield Health Care Group, Inc.	100.00%	75,651	75,651
29	V	30 Depreciation		Butterfield Health Care Group, Inc.	100.00%	20,477	20,477
30	V	32 Interest		Butterfield Health Care Group, Inc.	100.00%	479	479
31	V	34 Rent Building		Butterfield Health Care Group, Inc.	100.00%	14,239	14,239
32	V	35 Equipment Rental		Butterfield Health Care Group, Inc.	100.00%	2,794	2,794
33	V	43 Non-allowable		Butterfield Health Care Group, Inc.	100.00%	4,266	4,266
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 1,220,770			\$ 749,772	\$ * (470,998)

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

Butterfield Health Care II, Inc.
D/B/A Meadowbrook Manor of Naperville
Provider #0041285
12/31/2009

Schedule 6A

XVII. Section A. - Related parties - Col. 1 - Owners

Name	Ownership %
RBJ Investments, LP	25.00%
Jafari Family LLC	25.00%
Louis William Dimas Family Limited Partnership	15.00%
Vangel Family Investments, LLP	25.00%
Christopher Vangel Descendant's GST Exempt Trust U/A D 6/21/99	5.00%
Katherine Hocuk Descendant's GST Exempt Trust U/A D 6/21/99	5.00%
	<u>100.00%</u>

See Accountants' Compilation Report

Facility Name & ID Number Meadowbrook Manor-Naperville # 0041285 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	120,978	8	20.00	Mgt Salaries	\$ 30,670	17(7)	1
2	Nicholas Vangel	Operating Supv.	Administrative	12.50	85,765	2	5.00	Mgt Salaries	8,620	17(7)	2
3	Dorothy Vangel	Operating Supv.	Administrative	12.50	72,000	0	0.00	N/A	0	N/A	3
4	Kathy Hocuk	Empl Benefits Admin	Administrative	5.00	9,437	2	5.00	Mgt Salaries	5,909	17(7)	4
5	Robert Jafari	Consultant	Administrative	25.00	55,801	0	0.00	Prof Fees	32,199	19(7)	5
6	Kianoosh Jafari	Operating Supv.	Administrative	25.00	22,827	10	25.00	Mgt Salaries	13,174	17(7)	6
7	Note 1: Christopher Vangel received a salary of \$72,000 from Seneca Nursing Home, Inc d/b/a Lee Manor										7
8	Note 2: Nicholas Vangel received a salary of \$72,000 from Seneca Nursing Home, Inc d/b/a Lee Manor										8
9	Note 3: Dorothy Vangel received a salary of \$72,000 from Seneca Nursing Home, Inc d/b/a Lee Manor										9
10											10
11											11
12											12
13								TOTAL	\$ 90,572		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-Naperville

0041285

Report Period Beginning:

01/01/2009

Ending: 2/31/2009

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	2	Food	Resident Days	3	\$ 3,971	\$	82,452	\$ 1,453	1
2	3	Housekeeping	Resident Days	3	11		82,452	4	2
3	4	Laundry	Resident Days	3	740		82,452	271	3
4	5	Utilities	Resident Days	3	7,021		82,452	2,569	4
5	6	Repairs & Maintenance	Resident Days	3	193,478	177,319	82,452	70,800	5
6	9	Medical Director	Resident Days	3	36,000		82,452	13,174	6
7	17	Administrative Costs	Resident Days	3	730,958	730,958	82,452	267,482	7
8	19	Professional Services	Resident Days	3	173,216		82,452	63,385	8
9	20	Dues,Fees & Subscriptions	Resident Days	3	2,926		82,452	1,071	9
10	21	Clerical & General Office exp.	Resident Days	3	550,583	411,970	82,452	201,476	10
11	23	Training & Education	Resident Days	3	2,500		82,452	915	11
12	24	Travel & Seminar	Resident Days	3	8,005		82,452	2,929	12
13	25	Auto Expense	Resident Days	3	17,321		82,452	6,338	13
14	27	Employee Benefits General &Admin.	Resident Days	3	206,734		82,452	75,651	14
15	30	Depreciation	Resident Days	3	55,958		82,452	20,477	15
16	32	Interest	Resident Days	3	1,310		82,452	479	16
17	34	Rent Building	Resident Days	3	38,911		82,452	14,239	17
18	35	Equipment Rental	Resident Days	3	7,635		82,452	2,794	18
19	43	Non-allowable	Resident Days	3	11,658		82,452	4,266	19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 2,048,936	\$ 1,320,247		\$ 749,773	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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	GMAC	X	Mortgage	\$94,985.00	5/22/03	16,320,000	15,060,347	6/1/38	0.0525	796,079										
3	GMAC	X	Amort of Loan Costs							3,845										
4																				
5																				
Working Capital																				
6	Shareholder Loan	X	Working Capital		5/31/05	2,550,000	2,850,000	5/31/09	Prime-.05	79,464										
7	Omnicare	X	Capital Lease	\$11,750.00	3/19/09	622,625	538,060	3/20/14	5.0000	21,185										
8	Avaya Financial Services	X	Capital Lease	\$846.00	1/1/06	35,483	7,321	12/31/09		4,017										
9	TOTAL Facility Related			\$107,581.00		\$ 19,528,108	\$ 18,455,728			\$ 904,590										
B. Non-Facility Related*																				
10										Real Estate interest income offset	(444)	10								
11										Interest income offset	(28,895)	11								
12										Allocated from Mgmt Co.	479	12								
13												13								
14	TOTAL Non-Facility Related					\$	\$			\$	(28,860)	14								
15	TOTALS (line 9+line14)					\$ 19,528,108	\$ 18,455,728			\$	875,730	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.)

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/2009 Ending:

12/31/2009

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 109,175 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3

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

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

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

None

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>Resident Use</u>	<u>148,410</u>	<u>1996</u>	<u>\$ 279,600</u>	<u>1</u>
2					<u>2</u>
3	TOTALS	148,410		\$ 279,600	3

SEE ACCOUNTANTS' COMPILATION REPORT

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	245	1996	1996	\$ 9,863,922	\$	40	\$ 246,598	\$ 246,598	\$ 3,434,230	4
5										5
6										6
7										7
8										8
	Improvement Type**									
9	Landscaping improvements	1996	1996	22,797	1,140	15	1,520	380	19,760	9
10	Fence	1996	1996	5,500	298	15	367	69	5,101	10
11	Land Improvements	1996	1996	12,824		40	320	320	4,455	11
12	Doors	1998	1998	5,961	596	20	298	(298)	3,725	12
13	Landscaping improvements-shrubs trees evergreen:	1998	1998	22,729	1,136	20	1,136		13,064	13
14	Leasehold improvements-air ducts, dampers, chimney	2001	2001	4,425	113	20	221	108	1,879	14
15	Electrical work - dialysis room	2005	2005	4,024	402	20	201	(201)	1,507	15
16	Lockinvar burner	2005	2005	3,584	358	20	179	(179)	1,345	16
17	Fence	2005	2005	1,465	147	20	73	(74)	550	17
18	signs	2005	2005	2,775	278	20	139	(139)	1,039	18
19	Exterior signs-electroical sork for signs	2003	2003	1,575	158	20	79	(79)	628	19
20	Exterior signs-electroical sork for signs	2003	2003	6,020		20	301	301	1,655	20
21	Plumbing for dialysis room	2003	2003	5,540		10	277	277	2,213	21
22	Plumbing for dialysis room	2003	2003	10,989	554	20	549	(5)	3,020	22
23	Install 7 doors	2003	2003	3,433		20	172	172	946	23
24	Sealcoat parking lot	2003	2003	3,000		20	150	150	825	24
25	Install vents in oxygen room	2003	2003	2,061	206	20	103	(103)	827	25
26	Replace monitors and multiplexer for fire alarm	2003	2003	1,890	189	20	94	(95)	751	26
27	Install fire alarm sensors	2003	2003	9,517		20	476	476	2,618	27
28	Butterfly garden	2004	2004	4,851	242	20	243	1	1,336	28
29	Install fence	2004	2004	1,050		20	52	52	286	29
30	Install smoke dampers and motor:	2004	2004	3,300		20	165	165	907	30
31	Install carpeting	2004	2004	56,444		20	2,822	2,822	15,523	31
32	Install fan	2004	2004	3,218		20	161	161	885	32
33	Rebuild hoe water valves	2004	2004	1,657		20	83	83	456	33
34	Install two doors.	2004	2004	1,312		20	66	66	363	34
35										35
36										36

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

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

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/2009 Ending: 12/31/2009

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Replace wiring/PC board in elevator	2005	\$ 2,895	\$ 289	10	\$ 289	\$	\$ 1,301	37
38	Furnish and install new roof exhaust fan	2005	1,995	200	10	200		900	38
39	Sealcoat parking lot	2005	6,765	676	10	676		3,042	39
40	Install wiring for outdoor light post	2005	3,980	398	10	398		1,791	40
41	Install 18 new fire doors	2005	6,700	670	10	670		3,015	41
42	New hot water heater	2005	66,259	6,626	10	6,626		29,817	42
43	Install new amp and transfer switch on generator	2006	3,309	331	10	331		1,158	43
44	Work laminant flooring for dining room	2006	12,206	1,221	10	1,221		4,273	44
45	Wiring for TB	2006	42,270	4,227	10	4,227		14,795	45
46	Interior signage	2006	12,436	1,244	10	1,244		4,354	46
47	Vinyl & Wood flooring & scored ceiling tile	2007	64,390	6,439	10	6,439		16,097	47
48	Purchase and installation of central A/C system	2007	73,513	7,351	10	7,351		18,378	48
49	Replacement doors	2007	2,622	262	10	262		655	49
50	Purchase and installation of Trane Compressor	2007	31,600	3,160	10	3,160		7,900	50
51	Replace existing breakers & install 2nd/3rd floor receptacles	2007	4,283	428	10	428		1,070	51
52	Install Cabinets & Hardware	2008	5,775	578	10	578		867	52
53	Repair floor drain	2008	4,975	498	10	498		747	53
54	Cabinets	2008	9,254	925	10	925		1,388	54
55	Countertops & Cabinets	2008	17,157	1,716	10	1,716		2,574	55
56	Electrical outlets & lighting installation	2008	2,953	295	10	295		443	56
57	Install doors for buffet dining & nourishment room bar	2008	3,695	370	10	370		555	57
58	Patio & Seating Wall	2008	7,744	774	10	774		1,161	58
59	Parking Lot & Sidewalk Repairs	2008	9,243	924	10	924		1,386	59
60	Furnish & install motor & starter for A/C system	2008	2,585	259	10	259		388	60
61	Repair leak in hot water storage tank	2008	2,994	299	10	299		449	61
62	1st floor buffet cabinets and countertops	2009	48,761	2,438	10	2,438		2,438	62
63	Counter tops and cabinets for hamilton and beauty salon	2009	4,843	242	10	242		242	63
64	Concrete & foundation for trash enclosure	2009	26,051	1,303	10	1,303		1,303	64
65	Electrical work beauty salon	2009	2,533	127	10	127		127	65
66	Canopy sprinkler	2009	7,040	352	10	352		352	66
67	Labor and material for repair of chiller fence	2009	2,700	135	10	135		135	67
68	Replace sidewalk lights	2009	2,600	130	10	130		130	68
69	Limestone and asphalt work for new trash enclosure	2009	8,870	222	20	222		222	69
70	TOTAL (lines 4 thru 69)		\$ 10,570,859	\$ 50,926		\$ 301,954	\$ 251,028	\$ 3,643,347	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 10,570,859	\$ 50,926		\$ 301,954	\$ 251,028	\$ 3,643,347	1
2	Work on temperature system	2009	2,574		10	129	129	129	2
3									3
4									4
5									5
6									6
7									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	TOTAL (lines 1 thru 33)		\$ 10,573,433	\$ 50,926		\$ 302,083	\$ 251,157	\$ 3,643,476	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 1,507,807	\$ 52,910	\$ 79,330	\$ 26,420		\$ 1,268,162	71
72	Current Year Purchases	57,378	3,076	3,431	355		3,431	72
73	Fully Depreciated Assets	269,583					269,583	73
74	Allocated from Mgmt Co.			20,477	20,477			74
75	TOTALS	\$ 1,834,768	\$ 55,986	\$ 103,238	\$ 47,252		\$ 1,541,176	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)	\$ 12,687,801	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 106,912	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 405,321	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 298,409	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,184,652	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	2nd floor buffet	\$ 42,410	92
93			93
94			94
95		\$ 42,410	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	Allocated from Mgmt Co.				14,239			6
7	TOTAL				\$ 14,239			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: \$ 81,830 Description: Copier-\$4,378;Rec Storage-\$3,095'Matt & Bed-\$64,360;Equip Rental-\$7,203;Alloc. From Mgmt Co.-\$2,794

(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			N/A		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.	<u>/2010</u>	\$ _____
13.	<u>/2011</u>	\$ _____
14.	<u>/2012</u>	\$ _____

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? <input checked="" type="checkbox"/> YES <input 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 checked="" type="checkbox"/></p> <p>HOURS PER CNA <u>40</u></p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input checked="" type="checkbox"/></p> <p>HOURS PER CNA <u>80</u></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)		37,835		37,835
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$ 37,835	\$	\$ 37,835
10	SUM OF line 9, col. 1 and 2 (e)	\$	37,835		

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(1,2)	7920 hrs	\$ 267,626		\$	\$ 1,681	7,920	\$ 269,307	1
2	Licensed Speech and Language Development Therapist	10A(1,2)	1246 hrs	42,115			264	1,246	42,379	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10(1,2,3)	12707 hrs	429,414	369	26,536	2,696	13,076	458,646	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				461,246		461,246	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Respiratory Therapist</u>	39(3)			290	20,910		290	20,910	12
13	Other (specify): <u>See Sch 16A</u>					69,178	49,984		119,162	13
14	TOTAL			\$ 739,155	659	\$ 116,624	\$ 515,871	22,532	\$ 1,371,650	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

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2009

Schedule 16A

XIV-Special Services-Line 13(Other)

Service	Schedule V Line	Staff		Outside Practitioner		Supplies
		Units of Service	Cost	Units	Cost	(Actual or) Allocated
Oxygen	39(2)					49,984
Dialysis	39(3)				69,178	
		-	-	-	69,178	49,984

See Accountants' Compilation Report

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2009

(last day of reporting year)

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	\$ 92,072	\$ 390,492	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 391,786)	2,379,766	2,379,766	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	143,836	257,055	6
7	Other Prepaid Expenses	265,109	265,109	7
8	Accounts Receivable (owners or related parties)	4,558,111	4,564,467	8
9	Other(specify): See Schedule 17A		115,303	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 7,438,894	\$ 7,972,192	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		279,600	13
14	Buildings, at Historical Cost		9,863,922	14
15	Leasehold Improvements, at Historical Cost	583,108	709,511	15
16	Equipment, at Historical Cost	856,360	1,834,768	16
17	Accumulated Depreciation (book methods)	(681,518)	(5,184,652)	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 (spe Loan Cost-Net		109,144	22
23	Other(specify): CIP	42,410	42,410	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 800,360	\$ 7,654,703	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 8,239,254	\$ 15,626,895	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 863,553	\$ 901,210	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	3,388,060	3,388,060	29
30	Accrued Salaries Payable	324,403	324,403	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)		231,000	32
33	Accrued Interest Payable		65,889	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	Payroll Liabilities	21,916	21,916	36
37	See Sch 17A	4,047,157	589,985	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,645,089	\$ 5,522,463	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable	7,321	7,321	39
40	Mortgage Payable		15,060,347	40
41	Bonds Payable			41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43				43
44	Nursing supplies payable	17,710	17,710	44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 25,031	\$ 15,085,378	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 8,670,120	\$ 20,607,841	46
47	TOTAL EQUITY(page 18, line 24)	\$ (430,866)	\$ (4,980,946)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 8,239,254	\$ 15,626,895	48

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2009

Schedule 17A

XV. Balance Sheet-Unrestricted Operating Fund

A. Current Assets

9. Other (specify)

	Operating	Consolidating
Real estate tax escrow		77,677
Mortgage Insurance escrow		37,626
	<u>-</u>	<u>115,303</u>

C. Current Liabilities

37. Other Current Liabilities (specify)

	Operating	Consolidating
Other deposits	7,266	7,266
Resident-Trust fund liability	250,142	250,142
Accrued Rent	3,457,172	
Resident Credit balances	332,577	332,577
	<u>4,047,157</u>	<u>589,985</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (236,524)	1
2	Restatements (describe):		2
3			3
4	Prior period adjustment	(2)	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (236,526)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(194,340)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (194,340)	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)	\$ (430,866)	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 01/01/2009

Ending: 12/31/2009

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	\$ 13,510,956	1
2	Discounts and Allowances for all Levels	(284,326)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 13,226,630	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,541,622	6
7	Oxygen	32,088	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,573,710	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	6,127	13
14	Non-Patient Meals	2,628	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	469,304	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	6,304	19
20	Radiology and X-Ray	19,565	20
21	Other Medical Services	171,998	21
22	Laundry	6,833	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 682,759	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	28,895	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 28,895	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See Schedule 19A	1,591	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,591	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 15,513,585	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,959,373	31
32	Health Care	6,570,210	32
33	General Administration	3,125,223	33
B. Capital Expense			
34	Ownership	2,973,358	34
C. Ancillary Expense			
35	Special Cost Centers	945,623	35
36	Provider Participation Fee	134,138	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 15,707,925	40
41	Income before Income Taxes (line 30 minus line 40)**	(194,340)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (194,340)	43

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

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

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

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

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2009

Schedule 19A

XVII. Income Statement

Line 28: Other Revenue

<u>Description</u>	<u>Amount</u>
CNAs training income	709
Vending	420
Miscellaneous Income	410
Miscellaneous Income	52
	<u>1,591</u>

See Accountants' Compilation Report

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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	1,466	1,547	\$ 63,819	\$ 41.25	1
2	Assistant Director of Nursing	1,616	1,779	59,044	33.19	2
3	Registered Nurses	55,420	62,661	1,637,235	26.13	3
4	Licensed Practical Nurses	29,592	34,065	811,767	23.83	4
5	CNAs & Orderlies	137,126	159,815	1,760,836	11.02	5
6	CNA Trainees	4,009	4,104	37,835	9.22	6
7	Licensed Therapist	18,981	21,665	739,155	34.12	7
8	Rehab/Therapy Aides	9,154	10,298	151,823	14.74	8
9	Activity Director					9
10	Activity Assistants	18,094	19,265	186,426	9.68	10
11	Social Service Workers	7,801	8,664	119,978	13.85	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	39,631	43,141	425,823	9.87	15
16	Dishwashers					16
17	Maintenance Workers	4,277	4,645	67,373	14.50	17
18	Housekeepers	28,572	31,051	272,442	8.77	18
19	Laundry	8,937	9,884	84,453	8.54	19
20	Administrator	1,813	2,058	80,402	39.07	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	13,279	14,246	186,907	13.12	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	1,864	2,200	33,089	15.04	31
32	Other Health Care(specify)					32
33	Other(specify) <u>Sch 20A</u>	18,343	20,137	410,092	20.37	33
34	TOTAL (lines 1 - 33)	399,975	451,225	\$ 7,128,499 *	\$ 15.80	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	400	\$ 16,800	1(3)	35
36	Medical Director	Monthly	31,100	9(3)	36
37	Medical Records Consultant				37
38	Nurse Consultant	506	20,240	10(3)	38
39	Pharmacist Consultant	618	13,470	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	40	2,080	11(3)	44
45	Social Service Consultant	51	2,921	12(3)	45
46	Other(specify) <u>Quality Assurance</u>	Monthly	1,870	10(3)	46
47					47
48					48
49	TOTAL (lines 35 - 48)	1,615	\$ 88,481		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

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2009

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 Wage
Care plan coordinator	11,729	12,854	293,070	22.80
Unit Aide	6,614	7,283	117,022	16.07
	<u>18,343</u>	<u>20,137</u>	<u>410,092</u>	<u>20.37</u>

See Accountants' Compilation Report

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	
Chris Talley	Administrator	0%	\$ 80,402	Workers' Compensation Insurance	\$ 204,232	IDPH License Fee	\$ 35	
				Unemployment Compensation Insurance	37,991	Advertising: Employee Recruitment	745	
				FICA Taxes	543,598	Health Care Worker Background Check		
				Employee Health Insurance	259,132	(Indicate # of checks performed 175)	750	
				Employee Meals		Patient Background Checks 131	2,250	
				Illinois Municipal Retirement Fund (IMRF)*		Illinois Council on long term care	21,136	
				401K	35,013	Miscellaneous Dues & Subscriptions	9,116	
				Other Employee Benefits	45,562	Miscellaneous Licenses & Permits	8,320	
						Alloc. From MMN Realty	100	
						Alloc. From Mgmt Co.	1,071	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)						TOTAL (agree to Sch. V, line 20, col. 8)		
					\$ 1,125,528			
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description				Description	Line #	Amount	Description	Amount
Management Fees (Eliminated in Col. 7)				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)							Seminar Expense	4,511
							Allocated from Mgmt Co.	2,929
							Entertainment Expense	()
							(agree to Sch. V, line 24, col. 8)	
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)				TOTAL		\$	TOTAL	\$ 7,440

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2009

Schedule 21A

Schedule XIX (C)- Professional Fees

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Line Safety Resources	Professional Services	2,520
Joanthan Splitt Architects Ltd.	Architect	796
Pathway Health Services, Inc.	Operations Consulting	1,240
Rehab Management Systems	Billing Consultant	40,800
Richard Peelo & Assoc.	Medicare Consultant	5,500
ADP Inc.	Professional Services	15,686
Innovative LTC Solutions	Insurance Consulting	(12,872)
Systematic Mgmt Systems	Professional Services	20,000
Talx Corporation	Professional Services	302
Unemployment Consultants	Unemployment Consulting	734
McGladrey & Pullen, LLP	Accounting	26,889
Hamilton Thies Lorch & Hagnell	Legal	809
Polsinelli Shalton Flanigan Suelthaus PC	Legal	1,756
Polsinelli Shughart PC	Legal	45,077
Sever/Story	Legal	1,000
Troy & Associates	Legal	752
Wescom	Computer Services	23,579
Ivans	Computer Services	1,508
Health Data Systems	Computer Services	150
Emdeon Business Services	Computer Services	2,872
Visionshare	Computer Services	460
Total (agree to Schedule V, Line 19, Column 3)		<u>179,558</u>
Allocation from MMN Properties-Accounting		20,500
Allocation from MMN Properties-Legal		1,955
Allocation from Butterfield Health Care Group-Professional Fees		42,994
Allocation from Butterfield Health Care Group-Accounting		11,854
Allocation from Butterfield Health Care Group-Legal		7,354
Allocation from Butterfield Health Care Group-Computer Services		1,183
Less: Disallowed legal fees		(38,253)
		<u>47,587</u>
Total (agree to Schedule V, Line 19, Column 8)		<u>227,145</u>

See Accountants' 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
Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
1		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2												
3							N/A					
4												
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-Naperville

0041285

Report Period Beginning: 01/01/2009

Ending: 12/31/2009

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. Illinois Council on LTC-\$21,136
- (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? 10Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 91,555 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. \$ 134,138
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. \$ -0- Has any meal income been offset against related costs? Yes Indicate the amount. \$ 2,628
- (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
- (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.

SEE ACCOUNTANTS' COMPILATION REPORT