

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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				5 Total	
		3 Medicaid Recipient	3 Private Pay	4 Other	4 Total		
8	SNF	3,572	397	8,341	12,310	8	
9	SNF/PED					9	
10	ICF	60,016	10,488	89	70,593	10	
11	ICF/DD					11	
12	SC					12	
13	DD 16 OR LESS					13	
14	TOTALS	63,588	10,885	8,430	82,903	14	

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 92.71%

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

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

E. List all services provided by your facility for non-patients.

(E.g., day care, "meals on wheels", outpatient therapy)

None

F. Does the facility maintain a daily midnight census?

Yes

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

YES NO

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

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

YES NO

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

Date started 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 7,586

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: 12/31/10 Fiscal Year: 12/31/10

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

Facility Name & ID Number Meadowbrook Manor-Naperville # 0041285 Report Period Beginning: 1/1/2010 Ending: 12/31/2010

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	413,274	53,806	14,364	481,444		481,444		481,444		1
2	Food Purchase		445,629		445,629		445,629	(326)	445,303		2
3	Housekeeping	244,185	67,231		311,416		311,416		311,416		3
4	Laundry	97,054	47,695		144,749		144,749		144,749		4
5	Heat and Other Utilities			313,364	313,364		313,364	880	314,244		5
6	Maintenance	107,684	28,057	138,379	274,120		274,120	82,710	356,830		6
7	Other (specify):*										7
8	TOTAL General Services	862,197	642,418	466,107	1,970,722		1,970,722	83,264	2,053,986		8
	B. Health Care and Programs										
9	Medical Director			25,500	25,500		25,500	15,891	41,391		9
10	Nursing and Medical Records	4,818,045	431,859	42,631	5,292,535		5,292,535		5,292,535		10
10a	Therapy	848,726	12,571	11,817	873,114		873,114		873,114		10a
11	Activities	172,811	14,087	2,496	189,394		189,394		189,394		11
12	Social Services	118,994		4,248	123,242		123,242		123,242		12
13	CNA Training	21,938			21,938		21,938		21,938		13
14	Program Transportation										14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	5,980,514	458,517	86,692	6,525,723		6,525,723	15,891	6,541,614		16
	C. General Administration										
17	Administrative	66,577		1,125,000	1,191,577		1,191,577	(811,472)	380,105		17
18	Directors Fees										18
19	Professional Services			159,565	159,565		159,565	54,814	214,379		19
20	Dues, Fees, Subscriptions & Promotions			56,886	56,886		56,886	(7,839)	49,047		20
21	Clerical & General Office Expenses	218,244	44,696	1,268,894	1,531,834		1,531,834	150,742	1,682,576		21
22	Employee Benefits & Payroll Taxes			1,012,437	1,012,437		1,012,437		1,012,437		22
23	Inservice Training & Education			11,609	11,609		11,609	630	12,239		23
24	Travel and Seminar			2,076	2,076		2,076	1,961	4,037		24
25	Other Admin. Staff Transportation			3,561	3,561		3,561	7,427	10,988		25
26	Insurance-Prop.Liab.Malpractice			152,485	152,485		152,485	111,445	263,930		26
27	Other (specify):* Mgmt. Alloc of Benefi							80,746	80,746		27
28	TOTAL General Administration	284,821	44,696	3,792,513	4,122,030		4,122,030	(411,546)	3,710,484		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,127,532	1,145,631	4,345,312	12,618,475		12,618,475	(312,391)	12,306,084		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.

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			125,482	125,482		125,482	307,680	433,162			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			120,773	120,773		120,773	710,278	831,051			32
33	Real Estate Taxes							202,619	202,619			33
34	Rent-Facility & Grounds			1,582,744	1,582,744		1,582,744	(1,559,393)	23,351			34
35	Rent-Equipment & Vehicles			115,045	115,045		115,045	20,318	135,363			35
36	Other (specify):*											36
37	TOTAL Ownership			1,944,044	1,944,044		1,944,044	(318,498)	1,625,546			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation			13,437	13,437		13,437		13,437			38
39	Ancillary Service Centers		396,531		396,531		396,531		396,531			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 Cos			459,169	459,169		459,169	(459,169)				43
44	TOTAL Special Cost Centers		396,531	606,744	1,003,275		1,003,275	(459,169)	544,106			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,127,532	1,542,162	6,896,100	15,565,794		15,565,794	(1,090,058)	14,475,736			45

*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

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,215)	2		4
5	Telephone, TV & Radio in Resident Rooms	(8,115)	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	26,058	30		9
10	Interest and Other Investment Income	(75,523)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,097)	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	(11,310)	43		18
19	Entertainment				19
20	Contributions	(2,711)	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	(337,337)	43		24
25	Fund Raising, Advertising and Promotional	(2,908)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(52,703)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(2,508)	43		28
29	Other-Attach Schedule See Pg 5A	(66,261)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (535,630)		\$	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)	(554,428)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (554,428)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,090,058)		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-Naperville

ID# 0041285

Report Period Beginning: 1/1/2010

Ending: 12/31/2010

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Radiology	\$ (11,587)	43	1
2	Laboratory	(10,584)	43	2
3	Consolidated Billing	(5,407)	43	3
4	Resident gifts, etc.	(6,308)	43	4
5	Resident clothing	(3,468)	43	5
6	Misc. Income	(30)	21	6
7	Travel & Entertainment	(360)	43	7
8	Non-allowable legal fees	(8,093)	19	8
9	Reclass Repairs & Maintenance	3,556	6	9
10	Marketing Expense	(14,891)	43	10
11	COPE Fees	(9,089)	20	11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
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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	(66,261)		49

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 Meadowbrook Manor	Bolingbrook	Butterfield Health		
				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%	\$ 18,887	\$ 18,887	1
2	V	20 Fees & Subscriptions		MML Properties, LLC	100.00%	250	250	2
3	V	21 Bank Charges		MML Properties, LLC	100.00%	83	83	3
4	V	26 Insurance-Prop., Liab., Malpr.		MML Properties, LLC	100.00%	111,445	111,445	4
5	V	30 Depreciation		MML Properties, LLC	100.00%	256,912	256,912	5
6	V	32 Interest Expense	322	MML Properties, LLC	100.00%	784,046	783,724	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%	202,619	202,619	8
9	V	34 Rent	1,582,744	MML Properties, LLC	100.00%		(1,582,744)	9
10	V	43 State Replacement Tax		MML Properties, LLC	100.00%	6,230	6,230	10
11	V							11
12	V							12
13	V							13
14	Total		\$ 1,583,066			\$ 1,384,317	\$ * (198,749)	14

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

Facility Name & ID Number Meadowbrook Manor-Naperville# 0041285Report Period Beginning: 1/1/2010Ending: 12/31/2010

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%	\$ 889	\$ 889
16	V	3 Housekeeping		Butterfield Health Care Group, Inc.	100.00%		
17	V	4 Laundry		Butterfield Health Care Group, Inc.	100.00%		
18	V	5 Utilities		Butterfield Health Care Group, Inc.	100.00%	880	880
19	V	6 Repairs & Maintenance		Butterfield Health Care Group, Inc.	100.00%	79,154	79,154
20	V	9 Medical Director		Butterfield Health Care Group, Inc.	100.00%	15,891	15,891
21	V	17 Administrative Costs	1,125,000	Butterfield Health Care Group, Inc.	100.00%	313,528	(811,472)
22	V	19 Professional Services		Butterfield Health Care Group, Inc.	100.00%	44,020	44,020
23	V	20 Dues, Fees & Subscriptions		Butterfield Health Care Group, Inc.	100.00%	1,000	1,000
24	V	21 Clerical & General Office exp.		Butterfield Health Care Group, Inc.	100.00%	168,469	168,469
25	V	23 Training & Education		Butterfield Health Care Group, Inc.	100.00%	630	630
26	V	24 Travel & Seminar		Butterfield Health Care Group, Inc.	100.00%	1,961	1,961
27	V	25 Auto Expense		Butterfield Health Care Group, Inc.	100.00%	7,427	7,427
28	V	27 Employee Benefits General & Admin.		Butterfield Health Care Group, Inc.	100.00%	80,746	80,746
29	V	30 Depreciation		Butterfield Health Care Group, Inc.	100.00%	24,710	24,710
30	V	32 Interest	2,117	Butterfield Health Care Group, Inc.	100.00%	349	(1,768)
31	V	34 Rent Building		Butterfield Health Care Group, Inc.	100.00%	23,351	23,351
32	V	35 Equipment Rental		Butterfield Health Care Group, Inc.	100.00%	2,538	2,538
33	V	43 Non-allowable		Butterfield Health Care Group, Inc.	100.00%	5,895	5,895
34	V						
35	V						
36	V						
37	V						
38	V						
39	Total		\$ 1,127,117			\$ 771,438	\$ * (355,679)

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

SEE ACCOUNTANTS' COMPILATION REPORT

Butterfield Health Care II, Inc.
D/B/A Meadowbrook Manor of Naperville
Provider #0041285
12/31/2010

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: 1/1/2010 Ending: 12/31/2010

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	54,954	8	20.00	Mgt Salaries	\$ 34,413	17(7)	1
2	Nicholas Vangel	Operating Supv.	Administrative	12.50	24,948	2	5.00	Mgt Salaries	15,623	17(7)	2
3	Dorothy Vangel	Operating Supv.	Administrative	12.50				N/A		N/A	3
4	Kathy Hocuk	Empl Benefits Admin	Administrative	5.00	9,593	2	5.00	Mgt Salaries	6,007	17(7)	4
5	Robert Jafari	Consultant	Administrative	25.00	25,388	2	5.00	Prof Fees	14,612	19(7)	5
6	Kianoosh Jafari	Operating Supv.	Administrative	25.00	24,965	0	25.00	Mgt Salaries	14,368	17(7)	6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 85,023		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:

1/1/2010

Ending: 2/31/2010

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 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

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	2	Food	Resident Days	3	\$ 2,433	\$	82,815	\$ 889	1
2	3	Housekeeping	Resident Days	3			82,815	0	2
3	4	Laundry	Resident Days	3			82,815	0	3
4	5	Utilities	Resident Days	3	2,409		82,815	880	4
5	6	Repairs & Maintenance	Resident Days	3	216,679	207,750	82,815	79,154	5
6	9	Medical Director	Resident Days	3	43,500		82,815	15,891	6
7	17	Administrative Costs	Resident Days	3	858,263	858,263	82,815	313,528	7
8	19	Professional Services	Resident Days	3	120,501		82,815	44,020	8
9	20	Dues,Fees & Subscriptions	Resident Days	3	2,737		82,815	1,000	9
10	21	Clerical & General Office exp.	Resident Days	3	461,174	351,945	82,815	168,469	10
11	23	Training & Education	Resident Days	3	1,725		82,815	630	11
12	24	Travel & Seminar	Resident Days	3	5,369		82,815	1,961	12
13	25	Auto Expense	Resident Days	3	20,332		82,815	7,427	13
14	27	Employee Benefits General &Admin.	Resident Days	3	221,037		82,815	80,746	14
15	30	Depreciation	Resident Days	3	67,641		82,815	24,710	15
16	32	Interest	Resident Days	3	955		82,815	349	16
17	34	Rent Building	Resident Days	3	63,922		82,815	23,351	17
18	35	Equipment Rental	Resident Days	3	6,947		82,815	2,538	18
19	43	Non-allowable	Resident Days	3	16,137		82,815	5,895	19
20									20
21									21
22									22
23									23
24									24
25	TOTALS				\$ 2,111,761	\$ 1,417,958		\$ 771,438	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	14,825,597	6/1/38	0.0525	783,724										
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	1,950,000	5/31/10	Prime-.05	94,010										
7	Omnicare	X	Capital Lease	\$11,750.00	3/19/09	622,625	421,308	3/20/14	5.0000	24,247										
8	Avaya Financial Services	X	Capital Lease	\$846.00	1/1/06	35,483		12/31/09		2,516										
9	TOTAL Facility Related			\$107,581.00		\$ 19,528,108	\$ 17,196,905			\$ 908,342										
B. Non-Facility Related*																				
10																				
11							Interest income offset			(75,523)										
12							Allocated from Mgmt Co.			(1,768)										
13																				
14	TOTAL Non-Facility Related					\$	\$			\$ (77,291)										
15	TOTALS (line 9+line14)					\$ 19,528,108	\$ 17,196,905			\$ 831,051										

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A 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 2009 report.			\$ 231,000	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.)	2009		\$ 213,619	2	
3. Under or (over) accrual (line 2 minus line 1).			\$ (17,381)	3	
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)			\$ 220,000	4	
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	5	
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ _____ For _____ Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$	6	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$ 202,619	7	
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2005	<u>227,654</u>	8	FOR BHF USE ONLY	
	2006	<u>219,262</u>	9		
	2007	<u>212,607</u>	10		
	2008	<u>224,247</u>	11		
	2009	<u>213,619</u>	12		
Real estate tax expense 08: 213,619				13	FROM R. E. TAX STATEMENT FOR 2009 \$
Est. 3% increase: 220,027				14	PLUS APPEAL COST FROM LINE 5 \$
Use: 220,000				15	LESS REFUND FROM LINE 6 \$
				16	AMOUNT TO USE FOR RATE CALCULATION \$

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

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	\$ 3,680,828	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9		Landscaping improvements	1996	1996	22,797	1,140	15	1,520	380	21,280	9
10		Fence	1996	1996	5,500	298	15	367	69	5,468	10
11		Land Improvements	1996	1996	12,824		40	320	320	4,775	11
12		Doors	1998	1998	5,961	596	20	298	(298)	4,023	12
13		Landscaping improvements-shrubs trees evergreen:	1998	1998	22,729	1,136	20	1,136		14,200	13
14		Leasehold improvements-air ducts, dampers, chimney	2001	2001	4,425	113	20	221	108	2,100	14
15		Electrical work - dialysis room	2005	2005	4,024	402	20	201	(201)	1,708	15
16		Lockinvar burner	2005	2005	3,584	358	20	179	(179)	1,524	16
17		Fence	2005	2005	1,465	147	20	73	(74)	623	17
18		signs	2005	2005	2,775	278	20	139	(139)	1,178	18
19		Exterior signs-electroical sork for signs	2003	2003	1,575	158	20	79	(79)	707	19
20		Exterior signs-electroical sork for signs	2003	2003	6,020		20	301	301	1,956	20
21		Plumbing for dialysis room	2003	2003	5,540		10	277	277	2,490	21
22		Plumbing for dialysis room	2003	2003	10,989	554	20	549	(5)	3,569	22
23		Install 7 doors	2003	2003	3,433		20	172	172	1,118	23
24		Sealcoat parking lot	2003	2003	3,000		20	150	150	975	24
25		Install vents in oxygen room	2003	2003	2,061	206	20	103	(103)	930	25
26		Replace monitors and multiplexer for fire alarm	2003	2003	1,890	189	20	94	(95)	845	26
27		Install fire alarm sensors	2003	2003	9,517		20	476	476	3,094	27
28		Butterfly garden	2004	2004	4,851	242	20	243	1	1,579	28
29		Install fence	2004	2004	1,050		20	52	52	338	29
30		Install smoke dampers and motor:	2004	2004	3,300		20	165	165	1,072	30
31		Install carpeting	2004	2004	56,444		20	2,822	2,822	18,345	31
32		Install fan	2004	2004	3,218		20	161	161	1,046	32
33		Rebuild hoe water valves	2004	2004	1,657		20	83	83	539	33
34		Install two doors.	2004	2004	1,312		20	66	66	429	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:

1/1/2010

Ending:

12/31/2010

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	\$	\$ 1,590	37
38	Furnish and install new roof exhaust fan	2005	1,995	200	10	200		1,100	38
39	Sealcoat parking lot	2005	6,765	676	10	676		3,718	39
40	Install wiring for outdoor light post	2005	3,980	398	10	398		2,189	40
41	Install 18 new fire doors	2005	6,700	670	10	670		3,685	41
42	New hot water heater	2005	66,259	6,626	10	6,626		36,443	42
43	Install new amp and transfer switch on generator	2006	3,309	331	10	331		1,489	43
44	Work laminant flooring for dining room	2006	12,206	1,221	10	1,221		5,494	44
45	Wiring for TB	2006	42,270	4,227	10	4,227		19,022	45
46	Interior signage	2006	12,436	1,244	10	1,244		5,598	46
47	Vinyl & Wood flooring & scored ceiling tile	2007	64,390	6,439	10	6,439		22,536	47
48	Purchase and installation of central A/C system	2007	73,513	7,351	10	7,351		25,729	48
49	Replacement doors	2007	2,622	262	10	262		917	49
50	Purchase and installation of Trane Compressor	2007	31,600	3,160	10	3,160		11,060	50
51	Replace existing breakers & install 2nd/3rd floor receptacles	2007	4,283	428	10	428		1,498	51
52	Install Cabinets & Hardware	2008	5,775	578	10	578		1,445	52
53	Repair floor drain	2008	4,975	498	10	498		1,245	53
54	Cabinets	2008	9,254	925	10	925		2,313	54
55	Countertops & Cabinets	2008	17,157	1,716	10	1,716		4,290	55
56	Electrical outlets & lighting installation	2008	2,953	295	10	295		738	56
57	Install doors for buffet dining & nourishment room bar	2008	3,695	370	10	370		925	57
58	Patio & Seating Wall	2008	7,744	774	10	774		1,935	58
59	Parking Lot & Sidewalk Repairs	2008	9,243	924	10	924		2,310	59
60	Furnish & install motor & starter for A/C system	2008	2,585	259	10	259		647	60
61	Repair leak in hot water storage tank	2008	2,994	299	10	299		748	61
62	1st floor buffet cabinets and countertops	2009	48,761	4,876	10	4,876		7,314	62
63	Counter tops and cabinets for hamilton and beauty salon	2009	4,843	484	10	484		726	63
64	Concrete & foundation for trash enclosure	2009	26,051	2,605	10	2,605		3,908	64
65	Electrical work beauty salon	2009	2,533	253	10	253		380	65
66	Canopy sprinkler	2009	7,040	704	10	704		1,056	66
67	Labor and material for repair of chiller fence	2009	2,700	270	10	270		405	67
68	Replace sidewalk lights	2009	2,600	260	10	260		390	68
69	Limestone and asphalt work for new trash enclosure	2009	8,870	444	20	444		666	69
70	TOTAL (lines 4 thru 69)		\$ 10,570,859	\$ 55,873		\$ 306,901	\$ 251,028	\$ 3,950,248	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	\$ 55,873		\$ 306,901	\$ 251,028	\$ 3,950,248	1
2	Work on temperature system	2009	2,574		10	257	257	386	2
3									3
4	Cabinets, Brackets & Sneezeguards for Buffet	2010	76,804	3,840	10	3,840		3,840	4
5	Install Sink	2010	5,675	284	10	284		284	5
6	Dialysis Remodel-Electrical,carpentry and tile	2010	20,949	1,047	10	1,047		1,047	6
7	Lounge Nourishment room-electrical	2010	3,661	183		183		183	7
8	North Wing remodel-Flooring, electrical and plumbing	2010	33,132	1,657	10	1,657		1,657	8
9	Cabinets Activity Office	2010	6,972	349	10	349		349	9
10	Cabinets Restorative Office	2010	6,633	332	10	332		332	10
11	Elevator Repairs	2010	7,376	369	10	369		369	11
12	Dining Room-Frame ceiling, new smoke detectors	2010	5,339	133	10	133		133	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)		\$ 10,739,974	\$ 64,067		\$ 315,352	\$ 251,285	\$ 3,958,828	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	\$ 1,565,185	\$ 53,797	\$ 85,482	\$ 31,685		\$ 1,357,075	71
72	Current Year Purchases	736,660	7,618	7,618			7,618	72
73	Fully Depreciated Assets	269,583					269,583	73
74	Allocated from Mgmt. Co.			24,710	24,710			74
75	TOTALS	\$ 2,571,428	\$ 61,415	\$ 117,810	\$ 56,395		\$ 1,634,276	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)	\$ 13,591,002	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 125,482	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 433,162	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 307,680	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,593,104	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	N/A	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	2nd floor buffet	\$ 52,690	92
93			93
94			94
95		\$ 52,690	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: _____

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.				23,351			6
7	TOTAL				\$ 23,351			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: \$ 135,363 Description: Copier-\$8,931;Rec Sto-\$5,682;Bed-\$82,593;Equip-\$15,300;Telep-\$17,780;Postage-\$2,539;Mgmt Co.-\$2,538

(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. _____ /2011 \$ _____

13. _____ /2012 \$ _____

14. _____ /2013 \$ _____

* 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		Contract	Total
		1 Drop-outs	2 Completed		
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)		21,938		21,938
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$ 21,938	\$	\$ 21,938
10	SUM OF line 9, col. 1 and 2 (e)	\$	21,938		

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)	5829 hrs	\$ 256,637		\$	\$ 4,335	5,829	\$ 260,972	1
2	Licensed Speech and Language Development Therapist	10A(1,2)	1898 hrs	70,987			1,199	1,898	72,186	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10(1,2)	10587 hrs	416,604			7,037	10,587	423,641	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 prescripts				337,356		337,356	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): _____									12
13	Other (specify): <u>Oxygen</u>						59,175		59,175	13
14	TOTAL			\$ 744,228		\$	\$ 409,102	18,314	\$ 1,153,330	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

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2010

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 535,642	\$ 1,600,073	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>543,230</u>)	1,107,284	1,107,284	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	181,923	258,399	6
7	Other Prepaid Expenses	94,323	94,323	7
8	Accounts Receivable (owners or related parties)	4,176,012	3,276,112	8
9	Other(specify): <u>See Schedule 17A</u>		139,130	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 6,095,184	\$ 6,475,321	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	752,045	876,052	15
16	Equipment, at Historical Cost	1,008,719	2,571,428	16
17	Accumulated Depreciation (book methods)	(807,000)	(5,593,104)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):		105,299	22
23	Other(specify): <u>CIP</u>		52,690	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 953,764	\$ 8,155,887	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 7,048,948	\$ 14,631,208	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 140,057	\$ 182,021	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	2,371,308	2,371,308	29
30	Accrued Salaries Payable	372,266	372,266	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)		220,000	32
33	Accrued Interest Payable		64,862	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	<u>Payroll Liabilities</u>	22,662	22,662	36
37	<u>See Sch 17A</u>	4,271,411	552,260	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 7,177,704	\$ 3,785,379	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable			39
40	Mortgage Payable		14,825,597	40
41	Bonds Payable			41
42	Deferred Compensation			42
Other Long-Term Liabilities(specify):				
43				43
44	<u>Nursing supplies payable</u>	17,710	17,710	44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 17,710	\$ 14,843,307	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 7,195,414	\$ 18,628,686	46
47	TOTAL EQUITY(page 18, line 24)	\$ (146,466)	\$ (3,997,478)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 7,048,948	\$ 14,631,208	48

Butterfield Health Care II, Inc.
d/b/a Meadowbrook Manor of Naperville
Provider # 0041285
12/31/2010

Schedule 17A

XV. Balance Sheet-Unrestricted Operating Fund

A. Current Assets

9. Other (specify)

	Operating	Consolidating
Real estate tax escrow		102,092
Mortgage Insurance escrow		37,038
	<u>-</u>	<u>139,130</u>

C. Current Liabilities

37. Other Current Liabilities (specify)

	Operating	Consolidating
Other deposits	7,266	7,266
Resident-Trust fund liability	95,108	95,108
Accrued Rent	3,719,151	
Resident Credit balances	421,705	421,705
BF II Due from BHC-VIII	28,181	28,181
	<u>4,271,411</u>	<u>552,260</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (430,866)	1
2	Restatements (describe):		2
3			3
4	Prior Period Adjustment		4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (430,866)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	284,402	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	(2)	15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 284,400	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)	\$ (146,466)	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning: 1/1/2010

Ending: 12/31/2010

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	\$ 13,739,303	1
2	Discounts and Allowances for all Levels	(142,263)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 13,597,040	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,489,332	6
7	Oxygen	89,445	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,578,777	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	7,176	13
14	Non-Patient Meals	1,215	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	338,953	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	5,490	19
20	Radiology and X-Ray	14,875	20
21	Other Medical Services	223,715	21
22	Laundry	6,438	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 597,862	23
D. Non-Operating Revenue			
24	Contributions	550	24
25	Interest and Other Investment Income***	75,523	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 76,073	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See Schedule 19A	444	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 444	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 15,850,196	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,970,722	31
32	Health Care	6,525,723	32
33	General Administration	4,122,030	33
B. Capital Expense			
34	Ownership	1,944,044	34
C. Ancillary Expense			
35	Special Cost Centers	869,137	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)*	\$ 15,565,794	40
41	Income before Income Taxes (line 30 minus line 40)**	284,402	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 284,402	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
12/31/2010

Schedule 19A

XVII. Income Statement

Line 28: Other Revenue

<u>Description</u>	<u>Amount</u>
Vending	414
Miscellaneous Income	30
	<u>444</u>

See Accountants' Compilation Report

Facility Name & ID Number Meadowbrook Manor-Naperville

0041285

Report Period Beginning:

1/1/2010

Ending:

12/31/2010

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	1,816	1,920	\$ 70,782	\$ 36.87	1
2	Assistant Director of Nursing	1,848	2,060	70,840	34.39	2
3	Registered Nurses	54,071	57,549	1,624,811	28.23	3
4	Licensed Practical Nurses	30,386	32,238	809,507	25.11	4
5	CNAs & Orderlies	138,580	147,315	1,741,830	11.82	5
6	CNA Trainees	2,194	2,402	21,938	9.13	6
7	Licensed Therapist	18,333	20,803	744,228	35.78	7
8	Rehab/Therapy Aides	10,822	11,558	202,171	17.49	8
9	Activity Director					9
10	Activity Assistants	17,102	18,326	172,811	9.43	10
11	Social Service Workers	7,636	8,443	118,994	14.09	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	38,453	41,169	413,274	10.04	15
16	Dishwashers					16
17	Maintenance Workers	6,896	7,400	107,684	14.55	17
18	Housekeepers	25,183	27,522	244,185	8.87	18
19	Laundry	10,303	11,496	97,054	8.44	19
20	Administrator	1,961	2,149	66,577	30.98	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	12,471	13,529	218,244	16.13	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	2,080	32,780	15.76	31
32	Other Health C: See Sch 20A	18,791	20,843	369,822	17.74	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	398,710	428,802	\$ 7,127,532 *	\$ 16.62	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	336	\$ 14,364	1(3)	35
36	Medical Director	Monthly	25,500	9(3)	36
37	Medical Records Consultant	Monthly	9,345	10(3)	37
38	Nurse Consultant	544	22,167	10(3)	38
39	Pharmacist Consultant	Monthly	3,405	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant	268	11,817	10A(3)	42
43	Speech Therapy Consultant				43
44	Activity Consultant	48	2,496	11(3)	44
45	Social Service Consultant	72	4,248	12(3)	45
46	Other(specify) Quality Assurance	Monthly	7,714	10(3)	46
47					47
48					48
49	TOTAL (lines 35 - 48)	1,268	\$ 101,056		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
12/31/2010

Schedule 20A

XVII. Staffing and Salary Costs
Line 32-Other

	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Total Salar Wages	Average Hourly Wage
Central Supply	2,002	2,142	25,220	11.77
Nursing Administration	11,119	12,483	268,518	21.51
Ward Clerk	5,670	6,218	76,084	12.24
	<u>18,791</u>	<u>20,843</u>	<u>369,822</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	
Patricia Stambaugh	Administrator	0%	\$ 66,577	Workers' Compensation Insurance	\$ 139,424	IDPH License Fee	\$ 4,995	
				Unemployment Compensation Insurance	44,899	Advertising: Employee Recruitment		
				FICA Taxes	537,369	Health Care Worker Background Check		
				Employee Health Insurance	224,008	(Indicate # of checks performed <u>58</u>)	1,000	
				Employee Meals		Patient Background Checks <u>164</u>	3,000	
				Illinois Municipal Retirement Fund (IMRF)*		Illinois Council on Long Term Care	26,508	
				<u>401K</u>	31,951	Miscellaneous Dues & Subscriptions	10,946	
				Other Employee Benefits	34,786	Miscellaneous Licenses & Permits	10,437	
						Alloc. From MMN Realty & Mgmt Co.	1,250	
						Less: COPE fees	(9,089)	
						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)		
					\$ 1,012,437			
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description				Description			Description	
Amount				Line #			Amount	
Management Fees (Eliminated in Col. 7)				N/A			Out-of-State Travel	
\$ 1,125,000							\$	
							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)				TOTAL			Seminar Expense	
							2,076	
\$ 1,125,000							Allocated from Mgmt Co.	
							1,961	
							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	
							\$ 4,037	
\$ 159,565								

* 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
12/31/2010

Schedule 21A

Schedule XIX (C)- Professional Fees

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
T1 Visions, Inc.	Professional Services	1,000
Unemployment Consultants	Unemployment Consulting	1,835
Cardiac Diagnostics	Professional Services	83
Rehab Management Systems	Billing Consultants	40,800
Richard Peelo & Associates	Medicare Consultant	6,500
ADP, Inc.	Professional Services	18,641
Innovative LTC Solutions	Insurance Consulting	10,025
Sechen Law Group	Professional Services	356
Probity Consulting	Professional Services	780
McGladrey & Pullen, LLP	Accounting	18,993
Hamilton Thies Lorch & Hagnell	Legal	892
Grabowski Law Center	Legal	8,093
Polsinelli Shughart PC	Legal	14,692
Riley Bennett & Egloff, LLP	Legal	10,000
Troy & Associates	Legal	161
Wescom	Computer Services	23,581
Emdeon Business Services	Computer Services	2,773
Visionshare	Computer Services	360
Total (agree to Schedule V, Line 19, Column 3)		<u><u>159,565</u></u>
Allocation from MMN Properties-Accounting		15,073
Allocation from MMN Properties-Legal		3,814
Allocation from Butterfield Health Care Group-Professional Fees		28,397
Allocation from Butterfield Health Care Group-Accounting		8,176
Allocation from Butterfield Health Care Group-Legal		4,047
Allocation from Butterfield Health Care Group-Computer Services		3,400
Less: Disallowed legal fees		<u>(8,093)</u>
		<u><u>54,814</u></u>
Total (agree to Schedule V, Line 19, Column 8)		<u><u>214,379</u></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	Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
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: 1/1/2010

Ending: 12/31/2010

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-\$26,508
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 10 Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 47,115 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. \$ 1,215
- (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