

Facility Name & ID Number Highland Oaks

0029892 Report Period Beginning: 01/01/2016 Ending: 12/31/2016

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 | 50 | Skilled (SNF) | 50 | 18,300 | 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 | 50 | TOTALS | 50 | 18,300 | 7 |

B. Census-For the entire report period.

| | 1 Level of Care | 2 3 4 5 Patient Days by Level of Care and Primary Source of Payment | | | | |
|----|--------------------|--|------------------|------------|------------|----|
| | | 2 Medicaid Recipient | 3 Private Pay | 4 Other | 5 Total | |
| 8 | SNF | 1,455 | 3,684 | | 5,139 | 8 |
| 9 | SNF/PED | | | | | 9 |
| 10 | ICF | 2,246 | 10,072 | | 12,318 | 10 |
| 11 | ICF/DD | | | | | 11 |
| 12 | SC | | | | | 12 |
| 13 | DD 16 OR LESS | | | | | 13 |
| 14 | TOTALS | 3,701 | 13,756 | | 17,457 | 14 |

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 95.39%

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

0 (Do not include bed-hold days in Section B.)

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

Guest Meals & Housekeeping Services In Common Area Of Residents

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 11/07/1985

J. Was the facility purchased or leased after January 1, 1978?
YES Date _____ NO

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

Medicare Intermediary _____

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: December 31 Fiscal Year: December 31

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

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number Highland Oaks # 0029892 Report Period Beginning: 01/01/2016 Ending: 12/31/2016

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

| | Operating Expenses | Costs Per General Ledger | | | | Reclass-ification | Reclassified Total | Adjust-ments | Adjusted Total | FOR BHF USE ONLY | |
|-----|--|--------------------------|----------------|----------------|------------------|-------------------|--------------------|----------------|------------------|------------------|-----------|
| | | Salary/Wage | Supplies | Other | Total | | | | | 9 | 10 |
| | A. General Services | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | | |
| 1 | Dietary | 279,703 | 20,500 | 5,138 | 305,341 | (10,148) | 295,193 | | 295,193 | | 1 |
| 2 | Food Purchase | | 136,610 | | 136,610 | (4,778) | 131,832 | | 131,832 | | 2 |
| 3 | Housekeeping | 93,916 | 15,748 | | 109,664 | | 109,664 | | 109,664 | | 3 |
| 4 | Laundry | 44,613 | 7,968 | | 52,581 | | 52,581 | | 52,581 | | 4 |
| 5 | Heat and Other Utilities | | | 55,728 | 55,728 | | 55,728 | | 55,728 | | 5 |
| 6 | Maintenance | 73,449 | 9,050 | 47,740 | 130,239 | | 130,239 | | 130,239 | | 6 |
| 7 | Other (specify):* Waste Removal | | | 10,112 | 10,112 | | 10,112 | | 10,112 | | 7 |
| 8 | TOTAL General Services | 491,681 | 189,876 | 118,718 | 800,275 | (14,926) | 785,349 | | 785,349 | | 8 |
| | B. Health Care and Programs | | | | | | | | | | |
| 9 | Medical Director | | | 2,750 | 2,750 | | 2,750 | | 2,750 | | 9 |
| 10 | Nursing and Medical Records | 1,758,819 | 94,256 | 20,494 | 1,873,569 | | 1,873,569 | | 1,873,569 | | 10 |
| 10a | Therapy | 54,062 | | | 54,062 | | 54,062 | | 54,062 | | 10a |
| 11 | Activities | 98,158 | 6,140 | 2,560 | 106,858 | | 106,858 | | 106,858 | | 11 |
| 12 | Social Services | 45,428 | 315 | 2,172 | 47,915 | | 47,915 | | 47,915 | | 12 |
| 13 | CNA Training | | | | | | | | | | 13 |
| 14 | Program Transportation | | | | | | | | | | 14 |
| 15 | Other (specify):* | | | | | | | | | | 15 |
| 16 | TOTAL Health Care and Programs | 1,956,467 | 100,711 | 27,976 | 2,085,154 | | 2,085,154 | | 2,085,154 | | 16 |
| | C. General Administration | | | | | | | | | | |
| 17 | Administrative | 78,242 | | | 78,242 | | 78,242 | | 78,242 | | 17 |
| 18 | Directors Fees | | | | | | | | | | 18 |
| 19 | Professional Services | | | 59,949 | 59,949 | | 59,949 | (3,183) | 56,766 | | 19 |
| 20 | Dues, Fees, Subscriptions & Promotions | | | 11,798 | 11,798 | | 11,798 | (1,384) | 10,414 | | 20 |
| 21 | Clerical & General Office Expenses | 94,773 | 6,305 | 4,303 | 105,381 | | 105,381 | | 105,381 | | 21 |
| 22 | Employee Benefits & Payroll Taxes | | | 525,079 | 525,079 | 14,926 | 540,005 | | 540,005 | | 22 |
| 23 | Inservice Training & Education | | | 5,117 | 5,117 | | 5,117 | | 5,117 | | 23 |
| 24 | Travel and Seminar | | | 7,881 | 7,881 | | 7,881 | (90) | 7,791 | | 24 |
| 25 | Other Admin. Staff Transportation | | | | | | | | | | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | | | 39,835 | 39,835 | | 39,835 | | 39,835 | | 26 |
| 27 | Other (specify):* | | | | | | | | | | 27 |
| 28 | TOTAL General Administration | 173,015 | 6,305 | 653,962 | 833,282 | 14,926 | 848,208 | (4,657) | 843,551 | | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8, 16 & 28) | 2,621,163 | 296,892 | 800,656 | 3,718,711 | | 3,718,711 | (4,657) | 3,714,054 | | 29 |

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

SEE ACCOUNTANTS' PREPARATION 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

Highland Oaks

#0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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 | | | 251,669 | 251,669 | | 251,669 | (56,700) | 194,969 | | | 30 |
| 31 | Amortization of Pre-Op. & Org. | | | | | | | | | | | 31 |
| 32 | Interest | | | | | | | | | | | 32 |
| 33 | Real Estate Taxes | | | | | | | | | | | 33 |
| 34 | Rent-Facility & Grounds | | | 1 | 1 | | 1 | (1) | | | | 34 |
| 35 | Rent-Equipment & Vehicles | | | | | | | | | | | 35 |
| 36 | Other (specify):* Asset Retirement Loss | | | 4,138 | 4,138 | | 4,138 | | 4,138 | | | 36 |
| 37 | TOTAL Ownership | | | 255,808 | 255,808 | | 255,808 | (56,701) | 199,107 | | | 37 |
| | Ancillary Expense | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | | | | | | | | | | | 38 |
| 39 | Ancillary Service Centers | | | | | | | | | | | 39 |
| 40 | Barber and Beauty Shops | | | | | | | | | | | 40 |
| 41 | Coffee and Gift Shops | | 397 | | 397 | | 397 | (397) | | | | 41 |
| 42 | Provider Participation Fee | | | 134,314 | 134,314 | | 134,314 | | 134,314 | | | 42 |
| 43 | Other (specify):* MPR&Apt Expense | | 5,924 | 60,356 | 66,280 | | 66,280 | (66,280) | | | | 43 |
| 44 | TOTAL Special Cost Centers | | 6,321 | 194,670 | 200,991 | | 200,991 | (66,677) | 134,314 | | | 44 |
| 45 | GRAND TOTAL COST (sum of lines 29, 37 & 44) | 2,621,163 | 303,213 | 1,251,134 | 4,175,510 | | 4,175,510 | (128,035) | 4,047,475 | | | 45 |

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

SEE ACCOUNTANTS' PREPARATION 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 | (5,832) | 43 | | 4 |
| 5 | Telephone, TV & Radio in Resident Rooms | (3,123) | 19 | | 5 |
| 6 | Rented Facility Space | | | | 6 |
| 7 | Sale of Supplies to Non-Patients | | | | 7 |
| 8 | Laundry for Non-Patients | | | | 8 |
| 9 | Non-Straightline Depreciation | (493) | 30 | | 9 |
| 10 | Interest and Other Investment Income | | | | 10 |
| 11 | Discounts, Allowances, Rebates & Refunds | | | | 11 |
| 12 | Non-Working Officer's or Owner's Salary | | | | 12 |
| 13 | Sales Tax | (172) | 43 | | 13 |
| 14 | Non-Care Related Interest | | | | 14 |
| 15 | Non-Care Related Owner's Transactions | (56,207) | 30 | | 15 |
| 16 | Personal Expenses (Including Transportation) | | | | 16 |
| 17 | Non-Care Related Fees | | | | 17 |
| 18 | Fines and Penalties | | | | 18 |
| 19 | Entertainment | | | | 19 |
| 20 | Contributions | | | | 20 |
| 21 | Owner or Key-Man Insurance | | | | 21 |
| 22 | Special Legal Fees & Legal Retainers | | | | 22 |
| 23 | Malpractice Insurance for Individuals | | | | 23 |
| 24 | Bad Debt | | | | 24 |
| 25 | Fund Raising, Advertising and Promotional | (1,384) | 20 | | 25 |
| 26 | Income Taxes and Illinois Personal Property Replacement Tax | | | | 26 |
| 27 | CNA Training for Non-Employees | | | | 27 |
| 28 | Yellow Page Advertising | | | | 28 |
| 29 | Other-Attach Schedule | (60,824) | | | 29 |
| 30 | SUBTOTAL (A): (Sum of lines 1-29) | \$ (128,035) | | \$ | 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) | | | 34 |
| 35 | Other- Attach Schedule | | | 35 |
| 36 | SUBTOTAL (B): (sum of lines 31-35) | \$ | | 36 |
| | (sum of SUBTOTALS | | | |
| 37 | TOTAL ADJUSTMENTS (A) and (B)) | \$ (128,035) | | 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 | | | | 45 |
| 46 | Other-Attach Schedule | | | | 46 |
| 47 | TOTAL (C): (sum of lines 38-46) | | | \$ | 47 |

| BHF USE ONLY | | | | | | | |
|--------------|--|----|--|----|--|----|--|
| 48 | | 49 | | 50 | | 51 | |
| | | | | | | | |

SEE ACCOUNTANTS' PREPARATION REPORT

Highland Oaks

ID# 0029892

Report Period Beginning: 01/01/2016

Ending: 12/31/2016

| NON-ALLOWABLE EXPENSES | | Amount | Sch. V Line Reference | Sch. V Line |
|------------------------|------------------------------------|-------------|-----------------------|-------------|
| 1 | Apartment Expense | \$ (43,854) | 43 | 1 |
| 2 | Non-Care Travel Expense | (90) | 24 | 2 |
| 3 | Vending Expense | (397) | 41 | 3 |
| 4 | Multipurpose Room Expense | (92) | 43 | 4 |
| 5 | Rent On Land Paid To Related Party | (1) | 34 | 5 |
| 6 | Website Hosting Fees | (60) | 19 | 6 |
| 7 | Investment Management Fees | (3,356) | 43 | 7 |
| 8 | Market Depreciation On Investments | (11,574) | 43 | 8 |
| 9 | Benefit Dinner Expense | (1,400) | 43 | 9 |
| 10 | | | | 10 |
| 11 | | | | 11 |
| 12 | | | | 12 |
| 13 | | | | 13 |
| 14 | | | | 14 |
| 15 | | | | 15 |
| 16 | | | | 16 |
| 17 | | | | 17 |
| 18 | | | | 18 |
| 19 | | | | 19 |
| 20 | | | | 20 |
| 21 | | | | 21 |
| 22 | | | | 22 |
| 23 | | | | 23 |
| 24 | | | | 24 |
| 25 | | | | 25 |
| 26 | | | | 26 |
| 27 | | | | 27 |
| 28 | | | | 28 |
| 29 | | | | 29 |
| 30 | | | | 30 |
| 31 | | | | 31 |
| 32 | | | | 32 |
| 33 | | | | 33 |
| 34 | | | | 34 |
| 35 | | | | 35 |
| 36 | | | | 36 |
| 37 | | | | 37 |
| 38 | | | | 38 |
| 39 | | | | 39 |
| 40 | | | | 40 |
| 41 | | | | 41 |
| 42 | | | | 42 |
| 43 | | | | 43 |
| 44 | | | | 44 |
| 45 | | | | 45 |
| 46 | | | | 46 |
| 47 | | | | 47 |
| 48 | | | | 48 |
| 49 | Total | (60,824) | | 49 |

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Highland Oaks# 0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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

| | Operating Expenses | PAGES | PAGE | SUMMARY | |
|-----|--|-------------------|------|------|------|------|------|------|------|------|------|------|---------|-----|
| | A. General Services | 5 & 5A | 6 | 6A | 6B | 6C | 6D | 6E | 6F | 6G | 6H | 6I | TOTALS | |
| | | (to Sch V, col.7) | | | | | | | | | | | | |
| 1 | Dietary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| 2 | Food Purchase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| 3 | Housekeeping | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| 4 | Laundry | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| 5 | Heat and Other Utilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| 6 | Maintenance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| 7 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| 8 | TOTAL General Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 |
| | B. Health Care and Programs | | | | | | | | | | | | | |
| 9 | Medical Director | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 |
| 10 | Nursing and Medical Records | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |
| 10a | Therapy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10a |
| 11 | Activities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11 |
| 12 | Social Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| 13 | CNA Training | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 |
| 14 | Program Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 |
| 15 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15 |
| 16 | TOTAL Health Care and Programs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 |
| | C. General Administration | | | | | | | | | | | | | |
| 17 | Administrative | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17 |
| 18 | Directors Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 18 |
| 19 | Professional Services | (3,183) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (3,183) | 19 |
| 20 | Fees, Subscriptions & Promotions | (1,384) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,384) | 20 |
| 21 | Clerical & General Office Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 21 |
| 22 | Employee Benefits & Payroll Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22 |
| 23 | Inservice Training & Education | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23 |
| 24 | Travel and Seminar | (90) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (90) | 24 |
| 25 | Other Admin. Staff Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25 |
| 26 | Insurance-Prop.Liab.Malpractice | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 |
| 27 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 27 |
| 28 | TOTAL General Administration | (4,657) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (4,657) | 28 |
| 29 | TOTAL Operating Expense (sum of lines 8,16 & 28) | (4,657) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (4,657) | 29 |

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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

| | Capital Expense | PAGES | PAGE | SUMMARY TOTALS | |
|----|---|------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|-----------|
| | D. Ownership | 5 & 5A | 6 | 6A | 6B | 6C | 6D | 6E | 6F | 6G | 6H | 6I | (to Sch V, col.7) | |
| 30 | Depreciation | (56,700) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (56,700) | 30 |
| 31 | Amortization of Pre-Op. & Org. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31 |
| 32 | Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 32 |
| 33 | Real Estate Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33 |
| 34 | Rent-Facility & Grounds | (1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1) | 34 |
| 35 | Rent-Equipment & Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 35 |
| 36 | Other (specify):* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36 |
| 37 | TOTAL Ownership | (56,701) | 0 | (56,701) | 37 |
| | Ancillary Expense | | | | | | | | | | | | | |
| | E. Special Cost Centers | | | | | | | | | | | | | |
| 38 | Medically Necessary Transportation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 38 |
| 39 | Ancillary Service Centers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 |
| 40 | Barber and Beauty Shops | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40 |
| 41 | Coffee and Gift Shops | (397) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (397) | 41 |
| 42 | Provider Participation Fee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 42 |
| 43 | Other (specify):* | (66,280) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (66,280) | 43 |
| 44 | TOTAL Special Cost Centers | (66,677) | 0 | (66,677) | 44 |
| 45 | GRAND TOTAL COST (sum of lines 29, 37 & 44) | (128,035) | 0 | (128,035) | 45 |

Facility Name & ID Number

Highland Oaks

0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Use Page 6-Supplemental as necessary.

| 1 OWNERS | | 2 RELATED NURSING HOMES | | 3 OTHER RELATED BUSINESS ENTITIES | | |
|-------------------------------------|-------------|-------------------------|------|-----------------------------------|------|------------------|
| Name | Ownership % | Name | City | Name | City | Type of Business |
| Apostolic Christian Church Of Elgin | 100 | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

YES NO

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

| 1 | 2 | 3 Cost Per General Ledger | 4 | 5 Cost to Related Organization | 6 | 7 | 8 Difference: Adjustments for Related Organization Costs (7 minus 4) | |
|------------|-------|---------------------------|--------|-------------------------------------|----------------------|--|--|----|
| Schedule V | Line | Item | Amount | Name of Related Organization | Percent of Ownership | Operating Cost of Related Organization | | |
| 1 | V | 34 Land Lease | \$ 1 | Apostolic Christian Church Of Elgin | 100.00% | \$ 1 | \$ | 1 |
| 2 | V | | | | | | | 2 |
| 3 | V | | | | | | | 3 |
| 4 | V | | | | | | | 4 |
| 5 | V | | | | | | | 5 |
| 6 | V | | | | | | | 6 |
| 7 | V | | | | | | | 7 |
| 8 | V | | | | | | | 8 |
| 9 | V | | | | | | | 9 |
| 10 | V | | | | | | | 10 |
| 11 | V | | | | | | | 11 |
| 12 | V | | | | | | | 12 |
| 13 | V | | | | | | | 13 |
| 14 | Total | | \$ 1 | | | \$ 1 | \$ * | 14 |

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

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number

Highland Oaks

0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

VII. RELATED PARTIES

A. (Continued) Enter below the names of ALL owners and related organizations (parties) as defined in the instructions

| | 1 OWNERS | | 2 RELATED NURSING HOMES | | 3 OTHER RELATED BUSINESS ENTITIES | | | |
|----|-------------|-------------|----------------------------|------|--------------------------------------|------|------------------|----|
| | Name | Ownership % | Name | City | Name | City | Type of Business | |
| 1 | | | | | | | | 1 |
| 2 | | | | | | | | 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 |

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number Highland Oaks # 0029892 Report Period Beginning: 01/01/2016 Ending: 12/31/2016

VII. RELATED PARTIES (continued)

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

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

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

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

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

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number Highland Oaks # 0029892 Report Period Beginning: 01/01/2016 Ending: 2/31/2016

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 _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

| 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 | | | | | \$ | \$ | | \$ | 1 |
| 2 | | | | | | | | | 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 | TOTALS | | | | \$ | \$ | | \$ | 25 |

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number

Highland Oaks

0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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 | | 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 | | | | | | \$ | \$ | | | \$ | 1 | | | | | | | |
| 2 | | | | | | | | | | | 2 | | | | | | | |
| 3 | | | | | | | | | | | 3 | | | | | | | |
| 4 | | | | | | | | | | | 4 | | | | | | | |
| 5 | | | | | | | | | | | 5 | | | | | | | |
| Working Capital | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | 6 | | | | | | | |
| 7 | | | | | | | | | | | 7 | | | | | | | |
| 8 | | | | | | | | | | | 8 | | | | | | | |
| 9 | TOTAL Facility Related | | | | | \$ | \$ | | | \$ | 9 | | | | | | | |
| B. Non-Facility Related* | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | 10 | | | | | | | |
| 11 | | | | | | | | | | | 11 | | | | | | | |
| 12 | | | | | | | | | | | 12 | | | | | | | |
| 13 | | | | | | | | | | | 13 | | | | | | | |
| 14 | TOTAL Non-Facility Related | | | | | \$ | \$ | | | \$ | 14 | | | | | | | |
| 15 | TOTALS (line 9+line14) | | | | | \$ | \$ | | | \$ | 15 | | | | | | | |

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ _____ Line # _____

* 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' PREPARATION 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 2015 report.

\$ **1**

2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)

\$ **2**

3. Under or (over) accrual (line 2 minus line 1).

\$ **3**

4. Real Estate Tax accrual used for 2016 report. (Detail and explain your calculation of this accrual on the lines below.)

\$ **4**

5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C.

(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)

\$ **5**

6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.

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.

\$ **7**

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:

| | | |
|------|-----------------------------|-----------|
| 2011 | <u> </u> | 8 |
| 2012 | <u> </u> | 9 |
| 2013 | <u> </u> | 10 |
| 2014 | <u> </u> | 11 |
| 2015 | <u> </u> | 12 |

FOR BHF USE ONLY

| | | | |
|-----------|------------------------------------|--------------------------------|-----------|
| 13 | FROM R. E. TAX STATEMENT FOR 2015 | \$ <u> </u> | 13 |
| 14 | PLUS APPEAL COST FROM LINE 5 | \$ <u> </u> | 14 |
| 15 | LESS REFUND FROM LINE 6 | \$ <u> </u> | 15 |
| 16 | AMOUNT TO USE FOR RATE CALCULATION | \$ <u> </u> | 16 |

NOTES:

- Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.**
- 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' PREPARATION REPORT

2015 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Highland Oaks COUNTY Kane

FACILITY IDPH LICENSE NUMBER 0029892

CONTACT PERSON REGARDING THIS REPORT _____

TELEPHONE () _____ FAX #: () _____

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2015 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2015.

| (A) | (B) | (C) | (D) <u>Tax</u> |
|-------------------------|-----------------------------|------------------|---------------------------------------|
| <u>Tax Index Number</u> | <u>Property Description</u> | <u>Total Tax</u> | <u>Applicable to Nursing Home</u> |
| 1. _____ | _____ | \$ _____ | \$ _____ |
| 2. _____ | _____ | \$ _____ | \$ _____ |
| 3. _____ | _____ | \$ _____ | \$ _____ |
| 4. _____ | _____ | \$ _____ | \$ _____ |
| 5. _____ | _____ | \$ _____ | \$ _____ |
| 6. _____ | _____ | \$ _____ | \$ _____ |
| 7. _____ | _____ | \$ _____ | \$ _____ |
| 8. _____ | _____ | \$ _____ | \$ _____ |
| 9. _____ | _____ | \$ _____ | \$ _____ |
| 10. _____ | _____ | \$ _____ | \$ _____ |
| TOTALS | | \$ _____ | \$ _____ |

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES _____ NO

If YES, attach an explanation and a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the original 2015 tax bills which were listed in Section A to this statement. Be sure to use the 2015 tax bill which is normally paid during 2016.

PLEASE NOTE: Payment information from the Internet or otherwise is not considered acceptable tax bill documentation . Facilities located in Cook County are required to providecopies of their original second installment tax bill.

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016 Ending:

12/31/2016

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 24,100 B. General Construction Type: Exterior 80%Brick / 20%Cedar Frame Steel Number of Stories 1

C. Does the Operating Entity? [X] (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? [X] (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).

Eighteen (18) congregate housing units (apartments) are attached to the nursing home. Utilities are separately metered and costs are handled separately.

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

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

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

XI. OWNERSHIP COSTS:

A. Land.

Table with 5 columns: 1 Use, 2 Square Feet, 3 Year Acquired, 4 Cost, and a final column for counts. Row 1: 1, 2, 3, \$, 1. Row 2: 2, 2. Row 3: 3 TOTALS, \$, 3.

SEE ACCOUNTANTS' PREPARATION REPORT

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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 | 49 | 1985 | 1985 | \$ 1,990,264 | \$ 49,757 | 40 | \$ 49,757 | \$ | \$ 1,558,692 | 4 |
| 5 | | 1986 | 1986 | 10,064 | 252 | 40 | 252 | | 7,678 | 5 |
| 6 | | 1987 | 1987 | 67,246 | 1,681 | 40 | 1,681 | | 49,591 | 6 |
| 7 | | 1988 | 1988 | 91,817 | 2,295 | 40 | 2,295 | | 65,414 | 7 |
| 8 | 1 | 1999 | 1999 | 74,929 | 1,873 | 40 | 1,380 | (493) | 25,228 | 8 |
| Improvement Type** | | | | | | | | | | |
| 9 | Building Improvements - Replace Windows & Labor | | 2005 | 28,966 | 724 | 40 | 724 | | 8,438 | 9 |
| 10 | Building Improvements - Replace Windows & Labor | | 2006 | 24,955 | 624 | 40 | 624 | | 6,447 | 10 |
| 11 | Building Improvements - Fire Protection System | | 2011 | 113,422 | 4,537 | 25 | 4,537 | | 25,709 | 11 |
| 12 | Building Improvements - New Activity Room Shell Construction | | 2011 | 161,499 | 4,037 | 40 | 4,037 | | 22,879 | 12 |
| 13 | Building Improvements - New Activity Room Carpentry & Millwork | | 2011 | 120,857 | 8,057 | 15 | 8,057 | | 45,657 | 13 |
| 14 | Building Improvements - New Activity Room Aluminum Door: | | 2011 | 7,070 | 354 | 20 | 354 | | 2,003 | 14 |
| 15 | Building Improvements - New Activity Room Plumbing & Radianl | | 2011 | 14,299 | 953 | 15 | 953 | | 5,402 | 15 |
| 16 | Building Improvements - New Activity Room Roofing | | 2011 | 8,398 | 839 | 10 | 839 | | 4,759 | 16 |
| 17 | Building Improvements - New Activity Room Electrical System | | 2011 | 62,500 | 3,472 | 18 | 3,472 | | 19,676 | 17 |
| 18 | Building Improvements - New Activity Room Painting | | 2011 | 12,723 | 848 | 5 | 848 | | 12,723 | 18 |
| 19 | Building Improvements - New Activity Room Accordion Door | | 2011 | 5,892 | 589 | 10 | 589 | | 3,339 | 19 |
| 20 | Building Improvements - New Activity Room HVAC System | | 2011 | 42,670 | 2,845 | 15 | 2,845 | | 16,120 | 20 |
| 21 | Building Improvements - New Activity Room Cabinets | | 2011 | 30,808 | 2,054 | 15 | 2,054 | | 11,639 | 21 |
| 22 | Land Improvements - General Land Improvement: | | 1985 | 21,667 | | 15 | | | 21,667 | 22 |
| 23 | Land Improvements - General Land Improvement: | | 1986 | 4,800 | | 15 | | | 4,800 | 23 |
| 24 | Land Improvements - General Land Improvement: | | 1989 | 2,069 | | 15 | | | 2,069 | 24 |
| 25 | Land Improvements - General Land Improvement: | | 1990 | 590 | | 15 | | | 590 | 25 |
| 26 | Land Improvements - Court Yard | | 1992 | 13,298 | | 15 | | | 13,298 | 26 |
| 27 | Land Improvements - Front Court Yard | | 1997 | 15,126 | | 15 | | | 15,126 | 27 |
| 28 | Land Improvements - Sidewalk To Parking Lot | | 2005 | 5,315 | 354 | 15 | 354 | | 4,045 | 28 |
| 29 | Land Improvements - Timber Landscap | | 2009 | 4,100 | 410 | 10 | 410 | | 3,007 | 29 |
| 30 | Land Improvements - Retaining Walls | | 2009 | 7,300 | 365 | 20 | 365 | | 2,646 | 30 |
| 31 | Land Improvements - Landscaping & Court Yard | | 2010 | 1,800 | 180 | 10 | 180 | | 1,155 | 31 |
| 32 | Land Improvements - Storm Water Structure & Piping For Downspout: | | 2010 | 12,477 | 499 | 25 | 499 | | 3,202 | 32 |
| 33 | Land Improvements - Concrete Patio Outside New Activity Room: | | 2011 | 2,025 | 135 | 15 | 135 | | 765 | 33 |
| 34 | Land Improvements - Fencing Around New Activity Room Patie | | 2011 | 3,018 | 377 | 8 | 377 | | 2,075 | 34 |
| 35 | Land Improvements - Landscaping Around New Activity Room Patie | | 2011 | 4,560 | 456 | 10 | 456 | | 2,508 | 35 |
| 36 | Land Improvements - New Asphalt Driveway & Parking Lot | | 2012 | 44,914 | 5,614 | 8 | 5,614 | | 25,732 | 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' PREPARATION REPORT

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016 Ending: 12/31/2016

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-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 | Land Improvements - Concrete Sidewalks At Building Entrance | 2012 | \$ 9,527 | \$ 635 | 15 | \$ 635 | \$ | \$ 2,911 | 37 |
| 38 | Land Improvements - Landscaping At Building's Front Entrance | 2012 | 6,387 | 639 | 10 | 639 | | 2,928 | 38 |
| 39 | Land Improvements - Monument Sign | 2014 | 4,950 | 330 | 15 | 330 | | 825 | 39 |
| 40 | Land Improvements - Parking Lot Sealcoating & Stripping | 2014 | 4,770 | 1,988 | 2 | 1,988 | | 4,770 | 40 |
| 41 | Land Improvements - Storm Line To Pond | 2015 | 14,625 | 585 | 25 | 585 | | 926 | 41 |
| 42 | Building Improvements - General Building Improvements | 1987 | 8,669 | | 20 | | | 8,669 | 42 |
| 43 | Building Improvements - General Building Improvements | 1988 | 28,461 | | 20 | | | 28,461 | 43 |
| 44 | Building Improvements - General Building Improvements | 1989 | 500 | | 20 | | | 500 | 44 |
| 45 | Building Improvements - General Building Improvements | 1990 | 6,091 | | 20 | | | 6,091 | 45 |
| 46 | Building Improvements - General Building Improvements | 1991 | 6,846 | | 20 | | | 6,846 | 46 |
| 47 | Building Improvements - Air Conditioner | 1992 | 13,749 | | 20 | | | 13,749 | 47 |
| 48 | Building Improvements - Light Fixtures | 1992 | 1,331 | | 20 | | | 1,331 | 48 |
| 49 | Building Improvements - RPZ Valve | 1994 | 885 | | 20 | | | 885 | 49 |
| 50 | Building Improvements - Code Alert | 1997 | 1,164 | | 10 | | | 1,164 | 50 |
| 51 | Building Improvements - Patio Door | 1998 | 2,100 | 105 | 20 | 105 | | 1,969 | 51 |
| 52 | Building Improvements - Automatic Door | 1998 | 2,029 | 101 | 20 | 101 | | 1,884 | 52 |
| 53 | Building Improvements - Garbage Disposal | 2000 | 1,975 | 99 | 20 | 99 | | 1,638 | 53 |
| 54 | Building Improvements - Faucets | 2001 | 2,372 | 119 | 20 | 119 | | 1,857 | 54 |
| 55 | Building Improvements - Grease Trap | 2001 | 3,769 | 188 | 20 | 188 | | 2,952 | 55 |
| 56 | Building Improvements - Door Shades | 2001 | 562 | 28 | 20 | 28 | | 430 | 56 |
| 57 | Building Improvements - Damper | 2001 | 710 | 36 | 20 | 36 | | 538 | 57 |
| 58 | Building Improvements - Door For PT Room | 2001 | 600 | 30 | 20 | 30 | | 453 | 58 |
| 59 | Building Improvements - Drapes For Employee Dining Room | 2002 | 653 | 33 | 20 | 33 | | 485 | 59 |
| 60 | Building Improvements - Drapes For Residents Rooms | 2002 | 1,307 | 65 | 20 | 65 | | 964 | 60 |
| 61 | Building Improvements - Electromagnetic Front Doors | 2003 | 1,717 | 86 | 20 | 86 | | 1,195 | 61 |
| 62 | Building Improvements - Air Conditioner | 2003 | 3,100 | 155 | 20 | 155 | | 2,080 | 62 |
| 63 | Building Improvements - Fire Dampers | 2003 | 2,160 | 108 | 20 | 108 | | 1,422 | 63 |
| 64 | Building Improvements - Steam Table Restoration | 2004 | 3,700 | 185 | 20 | 185 | | 2,390 | 64 |
| 65 | Building Improvements - Hot Water Coil Replacement | 2004 | 3,408 | 170 | 20 | 170 | | 2,187 | 65 |
| 66 | Building Improvements - Activity Room Shelving | 2004 | 1,850 | 92 | 20 | 92 | | 1,187 | 66 |
| 67 | Building Improvements - Exit Door Alarms At Service Entrance | 2004 | 994 | 50 | 20 | 50 | | 621 | 67 |
| 68 | Building Improvements - Smoke Detectors With Office Window | 2004 | 953 | 48 | 20 | 48 | | 583 | 68 |
| 69 | Building Improvements - Hot Water Heaters | 2005 | 8,650 | 432 | 20 | 432 | | 5,154 | 69 |
| 70 | TOTAL (lines 4 thru 69) | | \$ 3,162,002 | \$ 100,488 | | \$ 99,995 | \$ (493) | \$ 2,104,124 | 70 |

SEE ACCOUNTANTS' PREPARATION REPORT

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

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016 Ending: 12/31/2016

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|----|--|------------------|--------------|---------------------------|---------------|----------------------------|-------------|--------------------------|----|
| | Improvement Type** | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation | |
| 1 | Totals from Page 12A, Carried Forward | | \$ 3,162,002 | \$ 100,488 | | \$ 99,995 | \$ (493) | \$ 2,104,124 | 1 |
| 2 | Building Improvements - Fire Doors And Wiring | 2005 | 3,230 | 161 | 20 | 161 | | 1,830 | 2 |
| 3 | Building Improvements - 3 Wings Security Door Systems | 2005 | 6,600 | 330 | 20 | 330 | | 3,685 | 3 |
| 4 | Building Improvements - Duct Detectors | 2005 | 1,167 | 58 | 20 | 58 | | 647 | 4 |
| 5 | Building Improvements - Smoke Dampers | 2005 | 4,607 | 230 | 20 | 230 | | 2,553 | 5 |
| 6 | Building Improvements - Smoke Detectors | 2005 | 5,159 | 258 | 20 | 258 | | 2,837 | 6 |
| 7 | Building Improvements - Elevator Motor Repair | 2008 | 3,846 | 192 | 20 | 192 | | 1,619 | 7 |
| 8 | Building Improvements - Generator | 2008 | 2,511 | | 5 | | | 2,511 | 8 |
| 9 | Building Improvements - Wood Room Doors | 2009 | 8,669 | 578 | 15 | 578 | | 4,479 | 9 |
| 10 | Building Improvements - Elevator Pump Motor & Soft Start | 2010 | 5,399 | 270 | 20 | 270 | | 1,845 | 10 |
| 11 | Building Improvements - New Tub For Residents | 2010 | 14,963 | 748 | 20 | 748 | | 5,112 | 11 |
| 12 | Building Improvements - Upgrade Ansul System & Rewire Hood | 2010 | 5,669 | 567 | 10 | 567 | | 3,543 | 12 |
| 13 | Building Improvements - Relocate 5 & Furnish 5 A/C Condensing | 2010 | 36,336 | 2,422 | 15 | 2,422 | | 15,140 | 13 |
| 14 | Building Improvements - Drapes / Coverings For Residents Rooms | 2010 | 2,532 | | 5 | | | 2,532 | 14 |
| 15 | Building Improvements - Drapes / Coverings For Residents Rooms | 2011 | 3,129 | 52 | 5 | 52 | | 3,129 | 15 |
| 16 | Building Improvements - New Activity Room Sound System | 2011 | 15,382 | 1,538 | 10 | 1,538 | | 8,716 | 16 |
| 17 | Building Improvements - New Activity Room Vinyl Flooring | 2011 | 18,937 | 1,894 | 10 | 1,894 | | 10,731 | 17 |
| 18 | Building Improvements - New Activity Room Blinds & Window C | 2011 | 4,581 | 305 | 5 | 305 | | 4,581 | 18 |
| 19 | Building Improvements - Internal Sewer Line Replacement | 2011 | 9,611 | 481 | 20 | 481 | | 2,643 | 19 |
| 20 | Building Improvements - Attic Smoke Walls & Wood Doors | 2012 | 12,000 | 800 | 15 | 800 | | 3,933 | 20 |
| 21 | Building Improvements - Sprinkler System Update | 2013 | 3,567 | 357 | 10 | 357 | | 1,367 | 21 |
| 22 | Building Improvements - Kitchen A/C & Compressor | 2013 | 13,552 | 904 | 15 | 904 | | 3,162 | 22 |
| 23 | Building Improvements - Fire Alarm Panel Replacement | 2013 | 23,000 | 2,300 | 10 | 2,300 | | 7,858 | 23 |
| 24 | Building Improvements - Activity Room Automatic Door | 2013 | 5,660 | 566 | 10 | 566 | | 1,887 | 24 |
| 25 | Building Improvements - RN Station Leak | 2013 | 4,650 | 232 | 20 | 232 | | 756 | 25 |
| 26 | Building Improvements - Water Heaters Replacement | 2014 | 10,600 | 1,060 | 10 | 1,060 | | 3,180 | 26 |
| 27 | Building Improvements - Mechanical Door Restrictor For Elevato | 2014 | 3,131 | 313 | 10 | 313 | | 861 | 27 |
| 28 | Building Improvements - Dining Room - Carpentry & Millwork | 2014 | 13,919 | 928 | 15 | 928 | | 2,474 | 28 |
| 29 | Building Improvements - Dining Room - Acoustical Ceiling | 2014 | 1,500 | 187 | 8 | 187 | | 500 | 29 |
| 30 | Building Improvements - Dining Room - Vinyl Tile Flooring | 2014 | 8,346 | 835 | 10 | 835 | | 2,226 | 30 |
| 31 | Building Improvements - Dining Room - LED Can Lights & Light | 2014 | 5,825 | 583 | 10 | 583 | | 1,553 | 31 |
| 32 | Building Improvements - Admin Offices - Window | 2014 | 1,200 | 31 | 39 | 31 | | 69 | 32 |
| 33 | Building Improvements - Admin Offices - Carpentry & Millwork | 2014 | 52,599 | 3,507 | 15 | 3,507 | | 7,890 | 33 |
| 34 | TOTAL (lines 1 thru 33) | | \$ 3,473,879 | \$ 123,175 | | \$ 122,682 | \$ (493) | \$ 2,219,973 | 34 |

SEE ACCOUNTANTS' PREPARATION REPORT

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

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016 Ending: 12/31/2016

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|----|---|------------------|--------------|---------------------------|---------------|----------------------------|-------------|--------------------------|----|
| | Improvement Type** | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation | |
| 1 | Totals from Page 12B, Carried Forward | | \$ 3,473,879 | \$ 123,175 | | \$ 122,682 | \$ (493) | \$ 2,219,973 | 1 |
| 2 | Building Improvements - Admin Offices - Acoustical Ceiling | 2014 | 2,528 | 316 | 8 | 316 | | 711 | 2 |
| 3 | Building Improvements - Admin Offices - Cabinets | 2014 | 17,044 | 1,136 | 15 | 1,136 | | 2,557 | 3 |
| 4 | Building Improvements - Admin Offices - Countertops | 2014 | 10,104 | 674 | 15 | 674 | | 1,516 | 4 |
| 5 | Building Improvements - Admin Offices - Light Fixtures & Electrical | 2014 | 6,800 | 680 | 10 | 680 | | 1,530 | 5 |
| 6 | Building Improvements - Admin Offices - Carpeting | 2014 | 4,628 | 926 | 5 | 926 | | 2,082 | 6 |
| 7 | Building Improvements - Admin Offices - Wood Doors & Frames | 2014 | 2,151 | 143 | 15 | 143 | | 323 | 7 |
| 8 | Building Improvements - Lobby/Hallway Update - Carpentry & Millwork | 2015 | 75,131 | 5,009 | 15 | 5,009 | | 9,600 | 8 |
| 9 | Building Improvements - Lobby/Hallway Update - Fixtures & Lighting | 2015 | 7,500 | 750 | 10 | 750 | | 1,437 | 9 |
| 10 | Building Improvements - Lobby/Hallway Update - Textured Paper | 2015 | 3,311 | 662 | 5 | 662 | | 1,269 | 10 |
| 11 | Building Improvements - Lobby/Hallway Update - Sprinkler System | 2015 | 3,579 | 143 | 25 | 143 | | 274 | 11 |
| 12 | Building Improvements - Lobby/Hallway Update - Firepalce & Heating | 2015 | 7,148 | 715 | 10 | 715 | | 1,370 | 12 |
| 13 | Building Improvements - Lobby/Hallway Update - Acoustical Ceiling | 2015 | 6,647 | 831 | 8 | 831 | | 1,593 | 13 |
| 14 | Building Improvements - Lobby/Hallway Update - Carpeting | 2015 | 2,063 | 413 | 5 | 413 | | 791 | 14 |
| 15 | Building Improvements - Lobby/Hallway Update - Ceramic Tiling | 2015 | 6,493 | 325 | 20 | 325 | | 622 | 15 |
| 16 | Building Improvements - Lobby/Hallway Update - Vinyl Flooring | 2015 | 15,929 | 1,593 | 10 | 1,593 | | 3,053 | 16 |
| 17 | Building Improvements - Beauty Shop/Therapy - Vinyl Flooring | 2015 | 4,495 | 450 | 10 | 450 | | 862 | 17 |
| 18 | Building Improvements - Beauty Shop/Therapy - Carpentry & Millwork | 2015 | 6,890 | 459 | 15 | 459 | | 880 | 18 |
| 19 | Building Improvements - Spa Ceramic Tiling | 2015 | 12,152 | 608 | 20 | 608 | | 1,114 | 19 |
| 20 | Building Improvements - Spa Drainage & Plumbing Update | 2015 | 2,750 | 137 | 20 | 137 | | 252 | 20 |
| 21 | Building Improvements - Hallway Update - Textured Paper | 2015 | 6,174 | 1,235 | 5 | 1,235 | | 2,058 | 21 |
| 22 | Building Improvements - Hallway Update - Acoustical Ceiling | 2015 | 10,072 | 1,259 | 8 | 1,259 | | 2,098 | 22 |
| 23 | Building Improvements - Beauty Shop/Therapy - Cabinets & Countertops | 2015 | 11,093 | 740 | 15 | 740 | | 1,233 | 23 |
| 24 | Building Improvements - Hallway Update - Fixtures & Lighting | 2015 | 4,959 | 496 | 10 | 496 | | 785 | 24 |
| 25 | Building Improvements - Hallway Update - Vinyl Flooring | 2015 | 19,651 | 1,965 | 10 | 1,965 | | 3,111 | 25 |
| 26 | Building Improvements - Toilet Replacement Project | 2015 | 1,991 | 100 | 20 | 100 | | 133 | 26 |
| 27 | Building Improvements - ADON/Exam Room - Carpentry & Millwork | 2015 | 15,706 | 1,047 | 15 | 1,047 | | 1,309 | 27 |
| 28 | Building Improvements - Desks & Cabinets For SS, Exam, Nurses | 2015 | 10,724 | 536 | 20 | 536 | | 626 | 28 |
| 29 | Building Improvements - RN Office / RN Station - Carpentry & Millwork | 2015 | 7,935 | 529 | 15 | 529 | | 573 | 29 |
| 30 | Building Improvements - RN Office / RN Station - Vinyl Flooring | 2015 | 9,341 | 934 | 10 | 934 | | 1,012 | 30 |
| 31 | Building Improvements - Nurse Call System | 2015 | 41,799 | 8,359 | 5 | 8,359 | | 9,056 | 31 |
| 32 | Building Improvements - New Storage Rooms - Carpentry & Millwork | 2015 | 3,394 | 226 | 15 | 226 | | 226 | 32 |
| 33 | Land Improvements - Parking Lot Crack Sealing | 2016 | 3,023 | 252 | 2 | 252 | | 252 | 33 |
| 34 | TOTAL (lines 1 thru 33) | | \$ 3,817,084 | \$ 156,823 | | \$ 156,330 | \$ (493) | \$ 2,274,281 | 34 |

SEE ACCOUNTANTS' PREPARATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|----|--|------------------|--------------|---------------------------|---------------|----------------------------|-------------|--------------------------|----|
| | Improvement Type** | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation | |
| 1 | Totals from Page 12C, Carried Forward | | \$ 3,817,084 | \$ 156,823 | | \$ 156,330 | \$ (493) | \$ 2,274,281 | 1 |
| 2 | Building Improvements - Med & Storage Room - Carpentry & Mi | 2016 | 31,991 | 1,422 | 15 | 1,422 | | 1,422 | 2 |
| 3 | Building Improvements - Med & Storage Room - Vinyl Flooring | 2016 | 2,723 | 182 | 10 | 182 | | 182 | 3 |
| 4 | Building Improvements - Med & Storage Room - Acoustical Ceilin | 2016 | 4,821 | 402 | 8 | 402 | | 402 | 4 |
| 5 | Building Improvements - ADON Office Plumbing Updates | 2016 | 1,320 | 38 | 20 | 38 | | 39 | 5 |
| 6 | Building Improvements - New Compressor On Main A/C Unit | 2016 | 5,811 | 194 | 15 | 194 | | 194 | 6 |
| 7 | Building Improvements - Toilet Replacement Project | 2016 | 5,183 | 130 | 20 | 130 | | 130 | 7 |
| 8 | Building Improvements - Resident Room Updates - Vinyl Flooring | 2016 | 7,231 | 362 | 10 | 362 | | 362 | 8 |
| 9 | Building Improvements - Resident Room Updates - Carpentry & N | 2016 | 6,493 | 216 | 15 | 216 | | 216 | 9 |
| 10 | Building Improvements - Re-Key Building Locks | 2016 | 3,172 | 88 | 15 | 88 | | 88 | 10 |
| 11 | Building Improvements - Hallway & Bathrooms - Carpentry & M | 2016 | 3,410 | 76 | 15 | 76 | | 76 | 11 |
| 12 | Building Improvements - DON Office - Carpeting | 2016 | 750 | 50 | 5 | 50 | | 50 | 12 |
| 13 | Building Improvements - DON Office - Carpentry & Millwork | 2016 | 3,063 | 68 | 15 | 68 | | 68 | 13 |
| 14 | Building Improvements - Hallway & Bathrooms - Light Fixtures | 2016 | 3,505 | 117 | 10 | 117 | | 117 | 14 |
| 15 | Building Improvements - New Doors For Dining Room | 2016 | 4,874 | 81 | 15 | 81 | | 81 | 15 |
| 16 | Building Improvements - Resident Room Updates - Carpentry & N | 2016 | 10,507 | 117 | 15 | 117 | | 117 | 16 |
| 17 | Building Improvements - Nurse Breakroom & Bathroom - Carpen | 2016 | 3,450 | 19 | 15 | 19 | | 19 | 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) | | \$ 3,915,388 | \$ 160,385 | | \$ 159,892 | \$ (493) | \$ 2,277,844 | 34 |

SEE ACCOUNTANTS' PREPARATION REPORT

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

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

XI. OWNERSHIP COSTS (continued)

C. Equipment Costs-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 | \$ 281,894 | \$ 28,643 | \$ 28,643 | \$ | 5/7/10/12/15/ | \$ 125,831 | 71 |
| 72 | Current Year Purchases | 98,271 | 5,223 | 5,223 | | 5/8/10/12/15/20 | 5,223 | 72 |
| 73 | Fully Depreciated Assets | 293,317 | | | | 3/5/10 | 293,317 | 73 |
| 74 | | | | | | | | 74 |
| 75 | TOTALS | \$ 673,482 | \$ 33,866 | \$ 33,866 | \$ | | \$ 424,371 | 75 |

D. Vehicle Costs. (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 | Van - Care Related Use | 2006 Ford E-350 Van | 2006 | \$ 36,327 | \$ 1,211 | \$ 1,211 | \$ | 10 | \$ 36,327 | 76 |
| 77 | | | | | | | | | | 77 |
| 78 | | | | | | | | | | 78 |
| 79 | | | | | | | | | | 79 |
| 80 | TOTALS | | | \$ 36,327 | \$ 1,211 | \$ 1,211 | \$ | | \$ 36,327 | 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) | | \$ 4,625,197 | 81 |
| 82 | Current Book Depreciation | (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable) | | \$ 195,462 | 82 |
| 83 | Straight Line Depreciation | (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable) | | \$ 194,969 | 83** |
| 84 | Adjustments | (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable) | | \$ (493) | 84 |
| 85 | Accumulated Depreciation | (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable) | | \$ 2,738,542 | 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 | Apartments-86/91/99/06/09 | \$ 976,558 | \$ 24,414 | \$ 653,352 | 86 |
| 87 | Land Improvements-86/90/91/12/14 | 85,883 | 2,943 | 79,799 | 87 |
| 88 | Equipment-86/90/91/96/98/99/06/14 | 98,615 | 6,192 | 62,253 | 88 |
| 89 | Building Improvements-99-03/06-14/16 | 287,285 | 22,139 | 94,596 | 89 |
| 90 | Van-30% Non-Care Related-2006 | 15,569 | 519 | 15,569 | 90 |
| 91 | TOTALS | \$ 1,463,910 | \$ 56,207 | \$ 905,569 | 91 |

G. Construction-in-Progress

| | Description | Cost | |
|----|-----------------------------|-----------|----|
| 92 | Resident Room Updates & Spa | \$ 26,953 | 92 |
| 93 | Employee Breakroom | 10,528 | 93 |
| 94 | Apartment Updates | 11,706 | 94 |
| 95 | | \$ 49,187 | 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' PREPARATION 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 | | | | | _____ | | | 6 |
| 7 | TOTAL | | | | \$ _____ | | | 7 |

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. | _____ /2017 | \$ _____ |
| 13. | _____ /2018 | \$ _____ |
| 14. | _____ /2019 | \$ _____ |

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: \$ _____ Description: _____
(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 | | | _____ | _____ | 19 |
| 20 | | | _____ | _____ | 20 |
| 21 | TOTAL | | \$ _____ | \$ _____ | 21 |

* 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.

SEE ACCOUNTANTS' PREPARATION REPORT

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 type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>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. <u>CLASSROOM PORTION:</u></p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER CNA _____</p> | <p>3. <u>CLINICAL PORTION:</u></p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER CNA _____</p> |
|--|---|--|

B. EXPENSES

ALLOCATION OF COSTS (d)

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

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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

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

- (e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
 - (f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.
- SEE ACCOUNTANTS' PREPARATION 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 | | hrs | \$ | | \$ | \$ | | \$ | 1 |
| 2 | Licensed Speech and Language Development Therapist | | hrs | | | | | | | 2 |
| 3 | Licensed Recreational Therapist | | hrs | | | | | | | 3 |
| 4 | Licensed Physical Therapist | | hrs | | | | | | | 4 |
| 5 | Physician Care | | visits | | | | | | | 5 |
| 6 | Dental Care | | visits | | | | | | | 6 |
| 7 | Work Related Program | | hrs | | | | | | | 7 |
| 8 | Habilitation | | hrs | | | | | | | 8 |
| 9 | Pharmacy | | # of prescripts | | | | | | | 9 |
| 10 | Psychological Services (Evaluation and Diagnosis/ Behavior Modification) | | hrs | | | | | | | 10 |
| 11 | Academic Education | | hrs | | | | | | | 11 |
| 12 | Other (specify): _____ | | | | | | | | | 12 |
| 13 | Other (specify): _____ | | | | | | | | | 13 |
| 14 | TOTAL | | | \$ | | \$ | \$ | | \$ | 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' PREPARATION REPORT

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2016

(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 | \$ 517,731 | \$ | 1 |
| 2 | Cash-Patient Deposits | | | 2 |
| 3 | Accounts & Short-Term Notes Receivable-Patients (less allowance 17,298) | 135,676 | | 3 |
| 4 | Supply Inventory (priced at cost) | 23,531 | | 4 |
| 5 | Short-Term Investments | | | 5 |
| 6 | Prepaid Insurance | | | 6 |
| 7 | Other Prepaid Expenses | | | 7 |
| 8 | Accounts Receivable (owners or related parties) | | | 8 |
| 9 | Other(specify): Construction In Progress | 49,187 | | 9 |
| 10 | TOTAL Current Assets (sum of lines 1 thru 9) | \$ 726,125 | \$ | 10 |
| | B. Long-Term Assets | | | |
| 11 | Long-Term Notes Receivable | | | 11 |
| 12 | Long-Term Investments | 255,131 | | 12 |
| 13 | Land | | | 13 |
| 14 | Buildings, at Historical Cost | 5,265,114 | | 14 |
| 15 | Leasehold Improvements, at Historical Cost | | | 15 |
| 16 | Equipment, at Historical Cost | 823,993 | | 16 |
| 17 | Accumulated Depreciation (book methods) | (3,651,506) | | 17 |
| 18 | Deferred Charges | | | 18 |
| 19 | Organization & Pre-Operating Costs | | | 19 |
| 20 | Accumulated Amortization - Organization & Pre-Operating Costs | | | 20 |
| 21 | Restricted Funds | | | 21 |
| 22 | Other Long-Term Assets (specify): | | | 22 |
| 23 | Other(specify): Equity In Insurance Groups | 167,622 | | 23 |
| 24 | TOTAL Long-Term Assets (sum of lines 11 thru 23) | \$ 2,860,354 | \$ | 24 |
| 25 | TOTAL ASSETS (sum of lines 10 and 24) | \$ 3,586,479 | \$ | 25 |

| | | 1 | 2 | |
|----|--|--------------|----------------------|----|
| | | Operating | After Consolidation* | |
| | C. Current Liabilities | | | |
| 26 | Accounts Payable | \$ 315,791 | \$ | 26 |
| 27 | Officer's Accounts Payable | | | 27 |
| 28 | Accounts Payable-Patient Deposits | | | 28 |
| 29 | Short-Term Notes Payable | | | 29 |
| 30 | Accrued Salaries Payable | 166,970 | | 30 |
| 31 | Accrued Taxes Payable (excluding real estate taxes) | 7,749 | | 31 |
| 32 | Accrued Real Estate Taxes(Sch.IX-B) | | | 32 |
| 33 | Accrued Interest Payable | | | 33 |
| 34 | Deferred Compensation | 61,490 | | 34 |
| 35 | Federal and State Income Taxes | | | 35 |
| | Other Current Liabilities(specify): | | | |
| 36 | | | | 36 |
| 37 | | | | 37 |
| 38 | TOTAL Current Liabilities (sum of lines 26 thru 37) | \$ 552,000 | \$ | 38 |
| | D. Long-Term Liabilities | | | |
| 39 | Long-Term Notes Payable | | | 39 |
| 40 | Mortgage Payable | | | 40 |
| 41 | Bonds Payable | | | 41 |
| 42 | Deferred Compensation | | | 42 |
| | Other Long-Term Liabilities(specify): | | | |
| 43 | Security Deposits | 4,500 | | 43 |
| 44 | | | | 44 |
| 45 | TOTAL Long-Term Liabilities (sum of lines 39 thru 44) | \$ 4,500 | \$ | 45 |
| 46 | TOTAL LIABILITIES (sum of lines 38 and 45) | \$ 556,500 | \$ | 46 |
| 47 | TOTAL EQUITY(page 18, line 24) | \$ 3,029,979 | \$ | 47 |
| 48 | TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47) | \$ 3,586,479 | \$ | 48 |

SEE ACCOUNTANTS' PREPARATION REPORT

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

| | | 1 Total | |
|-----------|---|---------------------|-------------|
| 1 | Balance at Beginning of Year, as Previously Reported | \$ 3,038,849 | 1 |
| 2 | Restatements (describe): | | 2 |
| 3 | | | 3 |
| 4 | | | 4 |
| 5 | | | 5 |
| 6 | Balance at Beginning of Year, as Restated (sum of lines 1-5) | \$ 3,038,849 | 6 |
| | A. Additions (deductions): | | |
| 7 | NET Income (Loss) (from page 19, line 43) | (8,870) | 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) | \$ (8,870) | 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) | \$ 3,029,979 | 24 * |

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' PREPARATION REPORT

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required

classifications of revenue and expense must be provided on this form, even if financial statements are attached.

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

| 1 | | | |
|--|---|--------------|-----|
| I. Revenue | | Amount | |
| A. Inpatient Care | | | |
| 1 | Gross Revenue -- All Levels of Care | \$ 3,939,605 | 1 |
| 2 | Discounts and Allowances for all Levels | (247,362) | 2 |
| 3 | SUBTOTAL Inpatient Care (line 1 minus line 2) | \$ 3,692,243 | 3 |
| B. Ancillary Revenue | | | |
| 4 | Day Care | | 4 |
| 5 | Other Care for Outpatients | | 5 |
| 6 | Therapy | | 6 |
| 7 | Oxygen | | 7 |
| 8 | SUBTOTAL Ancillary Revenue (lines 4 thru 7) | \$ | 8 |
| C. Other Operating Revenue | | | |
| 9 | Payments for Education | | 9 |
| 10 | Other Government Grants | | 10 |
| 11 | CNA Training Reimbursements | | 11 |
| 12 | Gift and Coffee Shop | | 12 |
| 13 | Barber and Beauty Care | | 13 |
| 14 | Non-Patient Meals | 10,223 | 14 |
| 15 | Telephone, Television and Radio | | 15 |
| 16 | Rental of Facility Space | | 16 |
| 17 | Sale of Drugs | 1,414 | 17 |
| 18 | Sale of Supplies to Non-Patients | | 18 |
| 19 | Laboratory | | 19 |
| 20 | Radiology and X-Ray | | 20 |
| 21 | Other Medical Services | 2,857 | 21 |
| 22 | Laundry | | 22 |
| 23 | SUBTOTAL Other Operating Revenue (lines 9 thru 22) | \$ 14,494 | 23 |
| D. Non-Operating Revenue | | | |
| 24 | Contributions | 172,818 | 24 |
| 25 | Interest and Other Investment Income*** | 8,001 | 25 |
| 26 | SUBTOTAL Non-Operating Revenue (lines 24 and 25) | \$ 180,819 | 26 |
| E. Other Revenue (specify):**** | | | |
| 27 | Settlement Income (Insurance, Legal, Etc.) | | 27 |
| 28 | Other Revenues | 279,084 | 28 |
| 28a | | | 28a |
| 29 | SUBTOTAL Other Revenue (lines 27, 28 and 28a) | \$ 279,084 | 29 |
| 30 | TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29) | \$ 4,166,640 | 30 |

| 2 | | | |
|-------------------------------------|--|--------------|----|
| II. Expenses | | Amount | |
| A. Operating Expenses | | | |
| 31 | General Services | 800,275 | 31 |
| 32 | Health Care | 2,085,154 | 32 |
| 33 | General Administration | 833,282 | 33 |
| B. Capital Expense | | | |
| 34 | Ownership | 255,808 | 34 |
| C. Ancillary Expense | | | |
| 35 | Special Cost Centers | 66,677 | 35 |
| 36 | Provider Participation Fee | 134,314 | 36 |
| D. Other Expenses (specify): | | | |
| 37 | | | 37 |
| 38 | | | 38 |
| 39 | | | 39 |
| 40 | TOTAL EXPENSES (sum of lines 31 thru 39)* | \$ 4,175,510 | 40 |
| 41 | Income before Income Taxes (line 30 minus line 40)** | (8,870) | 41 |
| 42 | Income Taxes | | 42 |
| 43 | NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42) | \$ (8,870) | 43 |

| III. Net Inpatient Revenue detailed by Payer Source | | | |
|---|---|--------------|----|
| 44 | Medicaid - Net Inpatient Revenue | \$ 569,190 | 44 |
| 45 | Private Pay - Net Inpatient Revenue | 3,123,053 | 45 |
| 46 | Medicare - Net Inpatient Revenue | | 46 |
| 47 | Other-(specify) | | 47 |
| 48 | Other-(specify) | | 48 |
| 49 | TOTAL Inpatient Care Revenue (This total must agree to Line 3) | \$ 3,692,243 | 49 |

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? YES If not, please attach a reconciliation.

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

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

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning: 01/01/2016

Ending: 12/31/2016

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 | 1,852 | 2,093 | \$ 89,356 | \$ 42.69 | 1 |
| 2 | Assistant Director of Nursing | 1,852 | 2,090 | 83,287 | 39.85 | 2 |
| 3 | Registered Nurses | 17,952 | 19,579 | 562,088 | 28.71 | 3 |
| 4 | Licensed Practical Nurses | 8,801 | 9,474 | 255,116 | 26.93 | 4 |
| 5 | CNAs & Orderlies | 54,217 | 57,769 | 754,610 | 13.06 | 5 |
| 6 | CNA Trainees | | | | | 6 |
| 7 | Licensed Therapist | | | | | 7 |
| 8 | Rehab/Therapy Aides | 3,480 | 3,755 | 54,062 | 14.40 | 8 |
| 9 | Activity Director | 1,792 | 1,930 | 32,821 | 17.01 | 9 |
| 10 | Activity Assistants | 7,590 | 8,019 | 65,337 | 8.15 | 10 |
| 11 | Social Service Workers | 2,279 | 2,409 | 45,428 | 18.86 | 11 |
| 12 | Dietician | | | | | 12 |
| 13 | Food Service Supervisor | 1,668 | 1,807 | 53,238 | 29.46 | 13 |
| 14 | Head Cook | | | | | 14 |
| 15 | Cook Helpers/Assistants | 15,160 | 16,541 | 226,465 | 13.69 | 15 |
| 16 | Dishwashers | | | | | 16 |
| 17 | Maintenance Workers | 3,414 | 3,756 | 73,449 | 19.56 | 17 |
| 18 | Housekeepers | 7,299 | 7,958 | 93,916 | 11.80 | 18 |
| 19 | Laundry | 2,835 | 3,094 | 44,613 | 14.42 | 19 |
| 20 | Administrator | 1,639 | 1,639 | 78,242 | 47.74 | 20 |
| 21 | Assistant Administrator | | | | | 21 |
| 22 | Other Administrative | | | | | 22 |
| 23 | Office Manager | 3,691 | 4,146 | 86,990 | 20.98 | 23 |
| 24 | Clerical | 892 | 1,012 | 7,783 | 7.69 | 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 | | | | | 31 |
| 32 | Other Health Care(specify) | | | | | 32 |
| 33 | Other(specify) <u>Nursing Secretary</u> | 900 | 1,097 | 14,362 | 13.09 | 33 |
| 34 | TOTAL (lines 1 - 33) | 137,313 | 148,168 | \$ 2,621,163 * | \$ 17.69 | 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 | 105 | \$ 5,138 | 1-3 | 35 |
| 36 | Medical Director | 10 | 2,750 | 9-3 | 36 |
| 37 | Medical Records Consultant | 14 | 991 | 10-3 | 37 |
| 38 | Nurse Consultant | | | | 38 |
| 39 | Pharmacist Consultant | 96 | 1,800 | 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 | 49 | 2,560 | 11-3 | 44 |
| 45 | Social Service Consultant | 24 | 2,172 | 12-3 | 45 |
| 46 | Other(specify) | | | | 46 |
| 47 | <u>Dental Consultant</u> | 8 | 780 | 10-3 | 47 |
| 48 | | | | | 48 |
| 49 | TOTAL (lines 35 - 48) | 306 | \$ 16,191 | | 49 |

C. CONTRACT NURSES

| | 1 | 2 | 3 | | |
|----|----------------------------------|----------------------|------------------------------------|------|----|
| | Number of Hrs. Paid & Accrued | Total Contract Wages | Schedule V Line & Column Reference | | |
| 50 | Registered Nurses | | \$ | | 50 |
| 51 | Licensed Practical Nurses | | | | 51 |
| 52 | Certified Nurse Assistants/Aides | 384 | 9,955 | 10-3 | 52 |
| 53 | TOTAL (lines 50 - 52) | 384 | \$ 9,955 | | 53 |

SEE ACCOUNTANTS' PREPARATION REPORT

Facility Name & ID Number Highland Oaks

0029892

Report Period Beginning: 01/01/2016

Ending: 12/31/2016

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 | |
| Matthew J. Kinsinger | Administrator | 0% | \$ 78,242 | Workers' Compensation Insurance | \$ 98,876 | IDPH License Fee | \$ 3,980 | |
| | | | | Unemployment Compensation Insurance | 2,145 | Advertising: Employee Recruitment | 153 | |
| | | | | FICA Taxes | 195,952 | Health Care Worker Background Check | | |
| | | | | Employee Health Insurance | 141,658 | (Indicate # of checks performed 20) | | |
| | | | | Employee Meals | 14,926 | Patient Background Checks | 27 300 | |
| | | | | Illinois Municipal Retirement Fund (IMRF)* | | QuickBooks / Periodicals / Subscriptions | 968 | |
| | | | | Employee Life Insurance | 1,713 | Trade Associations/MPLC/Treasury Dept | 4,152 | |
| | | | | Employee Pension Expense | 61,490 | City of Elgin/Secretary of State Licenses | 805 | |
| | | | | Employee Health Services | 3,601 | Advertising & Other Fees | 1,440 | |
| | | | | Employee Relations | 11,362 | | | |
| | | | | Employee Physicals and Hiring | 8,282 | Less: Public Relations Expense | () | |
| | | | | | | Non-allowable advertising | (1,384) | |
| | | | | | | Yellow page advertising | () | |
| | | | | | | | | |
| TOTAL (agree to Schedule V, line 17, col. 1) | | | \$ 78,242 | TOTAL (agree to Schedule V, line 22, col.8) | | TOTAL (agree to Sch. V, line 20, col. 8) | | |
| (List each licensed administrator separately.) | | | | \$ 540,005 | | \$ 10,414 | | |
| B. Administrative - Other | | | | E. Schedule of Non-Cash Compensation Paid to Owners or Employees | | | G. Schedule of Travel and Seminar** | |
| Description | | | Amount | Description | Line # | Amount | Description | Amount |
| | | | \$ | | | \$ | Out-of-State Travel | \$ |
| | | | | | | | | |
| | | | | | | | In-State Travel | |
| | | | | | | | Vehicle Expense | 301 |
| | | | | | | | Less: Non-Care Vehicle Expense | (90) |
| | | | | | | | | |
| | | | | | | | Seminar Expense | 7,580 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | Entertainment Expense | () |
| TOTAL (agree to Schedule V, line 17, col. 3) | | | \$ | TOTAL | | \$ | TOTAL (agree to Sch. V, line 24, col. 8) | |
| (Attach a copy of any management service agreement) | | | | | | | \$ 7,791 | |
| C. Professional Services | | | | | | | | |
| Vendor/Payee | Type | | Amount | | | | | |
| Borhart Spellmeyer/PorteBrown | CPA,Cost Report,990,Acctg | | \$ 30,435 | | | | | |
| Polsinelli, PC | General Legal Matters | | 4,358 | | | | | |
| Direct TV | Satellite Television | | 3,123 | | | | | |
| Information Controls | Time & Attendance | | 2,693 | | | | | |
| Lighthouse / American United Life | Compliance & Pension Reporting | | 860 | | | | | |
| MCC Technology | Network Support & Monitoring | | 8,919 | | | | | |
| e-Fax Corporate | Fax/Email Service | | 1,424 | | | | | |
| Konica Minolta | Copier Service & Support | | 3,565 | | | | | |
| A Small Orange | Web Hosting | | 60 | | | | | |
| Intuit / QuickBooks | Payroll Processing Fees | | 4,410 | | | | | |
| Sam's / Name Cheap / Matt K. | Business Consulting / Domain | | 102 | | | | | |
| | | | | | | | | |
| TOTAL (agree to Schedule V, line 19, column 3) | | | \$ 59,949 | | | | | |
| (For legal fee disclosure, see page 39 of instructions) | | | | | | | | |

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' PREPARATION REPORT

**See instructions.

Facility Name & ID Number Highland Oaks# 0029892Report Period Beginning: 01/01/2016Ending: 12/31/2016**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. Leading Age Illinois - \$3,642
- (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? _____
- (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? _____
- (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
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 39,386 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. _____
- (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.

- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 134,314
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? YES 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? YES For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 14,926 Has any meal income been offset against related costs? NO Indicate the amount. \$ _____
- (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. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 0
d. Have vehicle usage logs been maintained? YES
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? YES
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? YES
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. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? NO
Firm Name: _____
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? YES
- (19) Has a schedule for the legal fees reported on the cost report been provided by the facility? See page 39 of the instructions for details. YES
Attach invoices and a summary of services for all architect and appraisal fees

SEE ACCOUNTANTS' PREPARATION REPORT

Page 3, Schedule V, Line 7, Other

Expenses related to removal of general waste \$ 10,112

Page 4, Schedule V, Line 36, Other

Loss On Retirement of Assets \$ 4,138

Page 4, Schedule V, Line 43, Other Expenses

Apartment Expense \$ 43,854
Market Depreciation On Investments 11,574
Non-Resident Meal Costs 5,832
Investment Management Fees 3,356
Benefit Dinner Costs 1,400
Miscellaneous Non-Operating Expense (Sales Tax) 172
Multi-Purpose Room Expense 92

Column 4 Total 66,280

Apartment Expense - Page 5A - Non-Allowable Expense (43,854)
Market Depreciation On Investments - Page 5A - Non-Allowable Expense (11,574)
Non-Resident Meal Costs - Page 5 - Non-Allowable Expense (5,832)
Investment Management Fees - Page 5A - Non-Allowable Expense (3,356)
Benefit Dinner Costs - Page 5A - Non-Allowable Expense (1,400)
Miscellaneous Non-Operating Expense (Sales Tax) - Page 5 - Non-Allowable Expens (172)
Multi-Purpose Room Expense - Page 5A - Non-Allowable Expense (92)

Column 8, Adjusted Total \$ -

Pages 3 & 4, Schedule V, Column 5 Reclassifications

Reclassify Staff Meals From Line 1, Dietary Wages & Supplies \$ (10,148)
Reclassify Staff Meals From Line 2, Meal Costs (4,778)
Reclassify Staff Meals To Line 22, Employee Benefits 14,926

Net Effect Of All Reclassifications \$ -

Page 19, Schedule XVII, Line 25, Interest Income

Interest income was not offset against interest expense, as there was no interest expense incurred during 2016.

Page 19, Schedule XVII, Line 28, Other Revenues

| | | |
|------------------------------------|----|-------------|
| Apartment Income | \$ | 255,162 |
| Market Appreciation On Investments | | 19,849 |
| Miscellaneous Non-Operating Income | | 1,940 |
| Miscellaneous Operating Income | | 1,367 |
| Vending Income | | 766 |
| Cookbook Sales | | - |
| Activity Income | | - |
| | | <hr/> |
| | \$ | 279,084 |
| | | <hr/> <hr/> |

Notes:

Vending Expense is already adjusted out of Sch. V, Line 41.

Apartment Expense is already adjusted out of Sch. V, Line 43.

Other Revenues, as detailed above, have not been offset against expenses on Schedule V.

Page 21, Schedule XIX, Section C, Legal Expense

| Invoice Date | Payee | Service Description | Allowable Amount |
|--------------|---------------|--|------------------|
| 5/24/2016 | Polsinelli PC | Employee Lawsuit Against Medical Company & Work Comp Claim | \$ 2,572 |
| 6/14/2016 | Polsinelli PC | Employee Lawsuit Against Medical Company & Work Comp Claim | 338 |
| 7/26/2016 | Polsinelli PC | General Council On Corporate Matters & Records Retention | 187 |
| 9/8/2016 | Polsinelli PC | General Council On Corporate Matters & Employee Status | 347 |
| 10/8/2016 | Polsinelli PC | General Council On Corporate Matters & Employee Status | 234 |
| 11/29/2016 | Polsinelli PC | Employee Lawsuit Against Medical Company & Work Comp Claim | 383 |
| 12/28/2016 | Polsinelli PC | Employee Lawsuit Against Medical Company & Work Comp Claim | 297 |
| | | | <hr/> |
| | | | \$ 4,358 |
| | | | <hr/> <hr/> |

Page 21, Schedule XIX, Section D, Pension Expense

| | | |
|--|----|-------------|
| Pension Costs For Owners and Related Parties | \$ | - |
| Pension Costs For All Other Employees | | 61,490 |
| | | <hr/> |
| | \$ | 61,490 |
| | | <hr/> <hr/> |

Note - 45 employees received pension contributions for year 2016.

Attachment to Page 15, Schedule XIII

Nurse assistants were not trained in Basic Nurse Assistant courses during the reporting period due to our policy to hire nursing assistants who are currently enrolled in a Basic Nurse Assistant Training program or are already listed on the Illinois Nurse Assistant Registry. Our facility had 32 nurse assistants leave employment during 2016 and all replacements met the above requirement.

Attachment to Page 22, Schedule XX, General Information # 12

Employees are hired for a specific department and specific job. However, an employee may cross departments and is paid for those hours worked in that department. Wage costs are allocated based on hours worked in each department.

Attachment to Page 22, Schedule XX, General Information # 14

A portion of the building consists of 18 independent congregate living units. Costs are allocated to this portion of the building on the basis of square footage, exact costs (if able to be determined), and provider estimates of service costs.

2016 Board of Directors and Officers:

| | |
|------------------------------|---|
| Dave Martin, President | 24107 W. Grant Highway, Marengo, IL 60152 |
| Don Heiniger, Vice-President | 38W644 Arrowmaker Pass, Elgin, IL 60124 |
| Sam Bachtold, Secretary | 9974 Tybow Trail, Roscoe, IL 61073 |
| Matt Schambach, Treasurer | 8701 S. Rood Road, Kingston, IL 60145 |
| Betty Schlatter | 712 Carpenter Avenue, Oak Park, IL 60304 |
| Keith Leman | 648 Darlington, Crystal Lake, IL 60014 |
| Chad Heiniger | 39W680 McDonald Road, Elgin, IL 60124 |

Matt Schambach, Treasurer, also provided monthly accounting and consulting services to the home during 2016. These services were paid to Borhart Spellmeyer & Company, LLC and Porte Brown, LLC, the employers of Matt Schambach.

2016 Cost Report

Seminar Expense (Support for Page 21, Section G)

Facility # 0029892

| Name | Title | Date | City | State | Seminar Title | Sponsor | Cost |
|--------------------------------------|-------------------------------|------------|-------------------|-------|---|----------------------|-----------------|
| Kathy Neuman | DON | 1/28/2016 | Elgin | IL | IL Elder Law 2016 | PESI | \$ 200 |
| Gretchen Hagerman | RN | 2/22/2016 | Schaumburg | IL | RAC-CT Certification | Pathway | 669 |
| Kathy Neuman | DON | 4/5-7/2016 | Rosemont | IL | Annual Conference -- Seminar - Food | Leading Age Illinois | 603 |
| Sue Sneed | ADON | 4/5-7/2017 | Rosemont | IL | Annual Conference -- Seminar - Food | Leading Age Illinois | 603 |
| Mary Koga | RN | 4/5-7/2018 | Rosemont | IL | Annual Conference -- Seminar - Food | Leading Age Illinois | 602 |
| Liza Garcia | CNA | 4/5-7/2019 | Rosemont | IL | Annual Conference -- Seminar - Food | Leading Age Illinois | 602 |
| Jan Mogler | RN | 4/12/2016 | Lisle | IL | Neuroscience for Clinicians: Brain Change for Stress, Anxiety | PESI | 200 |
| Sue Sneed | ADON | 10/1/16 | Arlington Heights | IL | Fall Prevention | PESI | 210 |
| Liza Garcia | CNA | 10/1/16 | Arlington Heights | IL | Fall Prevention | PESI | 210 |
| NURSE TOTAL: | | | | | | | \$ 3,899 |
| Matt Kinsinger | Administrator | 4/5-7/2016 | Rosemont | IL | Annual Conference -- Seminar - Food | LeadingAge IL | \$ 405 |
| Matt Kinsinger | Administrator | 8/24/2016 | Elgin | IL | PBJ Progression: Resolving Challenges Webinar | LeadingAge IL | 50 |
| Vicki Kellenberger | Business Manager | 8/24/2016 | Elgin | IL | PBJ Progression: Resolving Challenges Webinar | LeadingAge IL | 49 |
| ADMINISTRATIVE TOTALS: | | | | | | | \$ 504 |
| Angela Kotschi | SS Director | 1/28/2016 | Elgin | IL | IL Elder Law 2016 | PESI | \$ 200 |
| Angela Kotschi | SS Director | 4/27-29/15 | Rosemont | IL | Annual Conference -- Seminar - Hotel - Food | Leading Age Illinois | 660 |
| Angela Kotschi | SS Director | 11/11/2016 | Elgin | IL | Webinar - Mastering the 5 Phases of Client Flow | Leading Age Illinois | 50 |
| SOCIAL SERVICES TOTAL: | | | | | | | \$ 910 |
| Mark Wewetzer | Director of Environmental Svc | 4/27-29/15 | Rosemont | IL | Annual Conference -- Seminar - Hotel - Food | Leading Age Illinois | \$ 218 |
| ENVIRONMENTAL SERVICES TOTAL: | | | | | | | \$ 218 |

Apostolic Christian Resthaven
 2016 Cost Report
 Seminar Expense (Support for Page 21, Section G)
 Facility # 0029892

| Name | Title | Date | City | State | Seminar Title | Sponsor | Cost |
|-------------------------------|----------------------|-------------------------------|-------------|-------|---|---------------------------------------|-----------------|
| Carol Steffen | Activity Director | 1/26, 28, 2/2, 4, 8, 10/16 | Des Plaines | IL | Activity Director Course | Oakton College | \$ 458 |
| Carol Steffen | Activity Director | 4/27-29/15 | Rosemont | IL | Annual Conference -- Seminar - Hotel - Food | Leading Age Illinois | 405 |
| Carol Steffen | Activity Director | 5/20/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Brittany Schambach | Activity Aide | 6/1/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Katlin Schambach | Activity Aide | 6/1/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Rex Smithberg | Activity Aide | 6/7/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Gail Wonneberg | Activity Aide | 6/7/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Laura Kotschi | Activity Aide | 6/8/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Isabella Schneider | Activity Aide | 6/9/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Loni Axford | Activity Aide | 6/10/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Jennifer Bohyer | Activity Aide | 6/14/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Carol Steffen | Activity Director | 7/13/2016 | Elgin | IL | Annual Membership | Fox River Activity Professionals Assn | 50 |
| Carol Steffen | Activity Director | 11/11/2016 | Elgin | IL | Webinar - Mastering the 5 Phases of Client Flow | Leading Age Illinois | 50 |
| ACTIVITY TOTAL: | | | | | | | \$ 1,053 |
| Myrna Paulino | Cook/Server | 1/22/2016 | Elgin | IL | Food Safety Class Prep | EprocessingNetwork.com | \$ 10 |
| Sonia Madrigal | Cook/Server | 1/22/2016 | Elgin | IL | Food Safety Class Prep | EprocessingNetwork.com | 10 |
| Gary Ritchey | Director of Food Svc | 4/27-29/15 | Rosemont | IL | Annual Conference -- Seminar - Hotel - Food | Leading Age Illinois | 218 |
| Gary Ritchey | Director of Food Svc | 5/9/2016 | Elgin | IL | Food Sanitation Course | Illinois Rood Retailers Assn | 195 |
| Myrna Paulino | Cook/Server | 5/9/2016 | Elgin | IL | Food Sanitation Course | Illinois Rood Retailers Assn | 195 |
| Sonia Madrigal | Cook/Server | 5/17/2016 | Elgin | IL | Food Sanitation Course test/retest | Elgin Community College | 159 |
| Karla Pegueros | Dietary Aide | 5/17/2016 | Elgin | IL | Food Sanitation Course test/retest | Elgin Community College | 159 |
| Richard Tovar | Dietary Aide | 6/15/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Jennifer Tovar | Dietary Aide | 6/15/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Carolina Martinez | Dietary Aide | 6/26/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Rosa Duran | Dietary Aide | 10/18/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| Sara Hunt | Dietary Aide | 10/25/2016 | Elgin | IL | Food Handler Course | Efood Card | 10 |
| DIETARY TOTALS: | | | | | | | \$ 996 |
| TOTAL SEMINAR EXPENSE: | | | | | | | \$ 7,580 |