FOR BHF USE

LL1

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

2010
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2010)

I. IDPH License ID Number: 0033589

Facility Name: Kenwood Healthcare Center

Address: 6125 South Kenwood (Number) Chicago (City) 60637 (Zip Code)

County: Cook

Telephone Number: (773) 752-6000 **Fax #** (773) 752-4857

HFS ID Number:

Date of Initial License for Current Owners: 04/01/1988

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Michael W. Martin **Telephone Number:** (217) 258-8888
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/10 to 12/31/10 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) (Date)
(Type or Print Name)
(Title)

Paid Preparer
(Signed) SEE ACCOUNTANTS' COMPILATION REPORT (Date)
(Print Name and Title)
(Firm Name & Address) McGladrey & Pullen, LLP, 20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173
(Telephone) (847) 517-7070 Fax # (847) 517-7067

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1	128	Skilled (SNF)	128	46,720	1
2		Skilled Pediatric (SNF/PED)			2
3	190	Intermediate (ICF)	190	69,350	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	318	TOTALS	318	116,070	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Medicaid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF	1,924		2,547	4,471	8
9	SNF/PED					9
10	ICF	69,499	41		69,540	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	71,423	41	2,547	74,011	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 63.76%

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

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

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

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [X] NO [ ] Note : Non-allowable costs have been eliminated in Schedule V, Column 7.

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

I. On what date did you start providing long term care at this location?
Date started 04/01/1988

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 04/01/1988 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 64 and days of care provided 2,512

Medicare Intermediary Wisconsin Physician Services

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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							
	A. General Services	1	2	3	4	5	6	7	8	9	10	
1	Dietary	460,877	27,382	33,458	521,717		521,717		521,717			1
2	Food Purchase		476,610		476,610		476,610	(9,964)	466,646			2
3	Housekeeping	490,590	177,381		667,971		667,971	176	668,147			3
4	Laundry	141,285	22,803		164,088		164,088		164,088			4
5	Heat and Other Utilities			310,200	310,200		310,200	2,659	312,859			5
6	Maintenance	211,921	136,816	20,563	369,300		369,300	1,135	370,435			6
7	Other (specify):*											7
8	TOTAL General Services	1,304,673	840,992	364,221	2,509,886		2,509,886	(5,994)	2,503,892			8
	B. Health Care and Programs											
9	Medical Director			11,700	11,700		11,700		11,700			9
10	Nursing and Medical Records	3,190,363	35,544		3,225,907		3,225,907	(1,932)	3,223,975			10
10a	Therapy			558,196	558,196		558,196		558,196			10a
11	Activities	153,612	6,193	17,826	177,631		177,631		177,631			11
12	Social Services	118,911			118,911		118,911		118,911			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	3,462,886	41,737	587,722	4,092,345		4,092,345	(1,932)	4,090,413			16
	C. General Administration											
17	Administrative	104,800		266,000	370,800		370,800	(47,893)	322,907			17
18	Directors Fees											18
19	Professional Services			310,008	310,008		310,008	(18,693)	291,315			19
20	Dues, Fees, Subscriptions & Promotions			37,042	37,042		37,042	437	37,479			20
21	Clerical & General Office Expenses	633,239		134,642	767,881		767,881	93,813	861,694			21
22	Employee Benefits & Payroll Taxes			963,077	963,077		963,077	10,109	973,186			22
23	Inservice Training & Education											23
24	Travel and Seminar			5,449	5,449		5,449	(222)	5,227			24
25	Other Admin. Staff Transportation			49,701	49,701		49,701	2,061	51,762			25
26	Insurance-Prop.Liab.Malpractice			394,638	394,638		394,638	961	395,599			26
27	Other (specify):* Mgmt Alloc of Benefit							27,441	27,441			27
28	TOTAL General Administration	738,039		2,160,557	2,898,596		2,898,596	68,014	2,966,610			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	5,505,598	882,729	3,112,500	9,500,827		9,500,827	60,088	9,560,915			29

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

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Kenwood Healthcare Center #0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			140,405	140,405		140,405	351,242	491,647			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			18	18		18	1,094,974	1,094,992			32
33	Real Estate Taxes			258,103	258,103		258,103	5,711	263,814			33
34	Rent-Facility & Grounds			1,020,000	1,020,000		1,020,000	(1,020,000)				34
35	Rent-Equipment & Vehicles							1,946	1,946			35
36	Other (specify):*											36
37	TOTAL Ownership			1,418,526	1,418,526		1,418,526	433,873	1,852,399			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		143,380		143,380		143,380		143,380			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			174,105	174,105		174,105		174,105			42
43	Other (specify):* Non-Allowable Cos			61,231	61,231		61,231	(61,231)				43
44	TOTAL Special Cost Centers		143,380	235,336	378,716		378,716	(61,231)	317,485			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	5,505,598	1,026,109	4,766,362	11,298,069		11,298,069	432,730	11,730,799			45

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Refer-ence	3 BHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(230,841)	30		9
10	Interest and Other Investment Income	(18)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(678)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(952)	43		18
19	Entertainment				19
20	Contributions	(400)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(34,653)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(1,403)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax	(26,000)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising	(913)	43		28
29	Other-Attach Schedule See Pg 5A	(31,200)	Var.		29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (327,058)		$	30

BHF USE ONLY								
48		49		50		51		52	

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 Amount	2 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)	759,788		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ 759,788		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ 432,730		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 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44						44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center

ID# 0033589

Report Period Beginning: 1/1/10

Ending: 12/31/10

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Labs-Med A	$ (6,435)	43	1
2	X Ray-Med A	(3,000)	43	2
3	Public Relations	(21,450)	43	3
4	Nonalloable Education & Seminar	(315)	24	4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				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**	(31,200)		49

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

VII. RELATED PARTIES

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

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Schedule 6A		See Schedule 6B		See Schedule 6B		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] 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 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	19	Professional Services	$	Kenwood Property LLC	100.00%	$ 12,165	$ 12,165	1
2	V	20	Fees, Subscriptions & Promos		Kenwood Property LLC	100.00%	250	250	2
3	V	30	Depreciation		Kenwood Property LLC	100.00%	576,780	576,780	3
4	V	32	Interest Expense		Kenwood Property LLC	100.00%	748,179	748,179	4
5	V	32	Amortization		Kenwood Property LLC	100.00%	346,691	346,691	5
6	V	34	Rent	1,020,000	Kenwood Property LLC			(1,020,000)	6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			$ 1,020,000			$ 1,684,065	$ * 664,065	14

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

Kenwood Healthcare Center, Inc.
Provider #: 0033589
12/31/2010

VII Related Parties - Page 6 Schedule 6A

Share Number	Shareholder Name	Beginning Shares	Ownership Percentage
1	Sheldon Wolfe	298.75	29.88
2	Albert Milstein	393.1	39.31
3	Ronnie Klein	69.2	6.92
4	Judy Rajchenbach	75.4	7.54
5	Amanda Bachrach	18.87	1.89
6	James Wolf Trust	18.87	1.89
7	Neil Wolfe Trust	18.87	1.89
8	Richard Wolf Trust	18.87	1.89
9	Yedida Wolfe	18.87	1.89
10	Kenneth Klein	69.2	6.92

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center, Inc.
Provider #: 0033589
12/31/2010

Schedule 6B

VII Related Parties - Page 6

Related Nursing Homes	City
In-State:	
Cahokia Nursing and Rehab	Cahokia
Caseyville Nursing and Rehab	Caseyville
Franklin Grove Nursing Center	Franklin Grove
Kenwood Healthcare Center	Chicago
Oregon Healthcare Center	Oregon
Shabbona Healthcare Center	Shabbona
Tower Hill Healthcare Center	South Elgin
Virgil Calvert Nursing and Rehab	East St. Louis
Out-of-State:	
Rosewood Health and Rehab	Independence, MO
Beauvais Manor Healthcare & Rehab	St. Louis, MO
Hillside Manor Healthcare and Rehab	St. Louis, MO
Rancho Manor Healthcare and Rehab	Florissant, MO

Other Related Business Entities

Shabbona Supportive Living Center, LLC	Shabbona	Supportive Living Facility
S.W. Management Co.	Skokie	Bookkeeping/Management Company
S&E Medical Supply Co.	Skokie	Medical Supplies
* SFO Associates	Skokie	Finance Company

* This entity only relates to Shabbona Healthcare Center, Franklin Grove Nursing Center, and Oregon Healthcare Center.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] 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 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	Food	$	SW Management Co.	100.00%	$ 306	$ 306	15
16	V	3	Housekeeping		SW Management Co.	100.00%	176	176	16
17	V	5	Heat and Other Utilities		SW Management Co.	100.00%	2,659	2,659	17
18	V	6	Maintenance		SW Management Co.	100.00%	1,135	1,135	18
19	V	17	Administrative	216,000	SW Management Co.	100.00%	168,107	(47,893)	19
20	V	19	Professional Services		SW Management Co.	100.00%	3,795	3,795	20
21	V	20	Dues, Fees, Subs & Promotions		SW Management Co.	100.00%	187	187	21
22	V	21	Clerical & General Office Expense		SW Management Co.	100.00%	93,813	93,813	22
23	V	24	Travel and Seminar		SW Management Co.	100.00%	93	93	23
24	V	25	Other Admin. Staff Transport		SW Management Co.	100.00%	2,061	2,061	24
25	V	26	Insurance-Prop.Liab.Malpractice		SW Management Co.	100.00%	961	961	25
26	V	27	Mgmt. Allocation of Benefits		SW Management Co.	100.00%	27,441	27,441	26
27	V	30	Depreciation		SW Management Co.	100.00%	5,303	5,303	27
28	V	32	Interest		SW Management Co.	100.00%	122	122	28
29	V	33	Real Estate Taxes		SW Management Co.	100.00%	5,711	5,711	29
30	V	35	Rent-Equipment & Vehicles		SW Management Co.	100.00%	1,946	1,946	30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 216,000			$ 313,816	$ * 97,816	39

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] 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 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	2	Food	$ 14,209	S & E Medical Supply Co.	100.00%	$ 14,048	$ (161)	15
16	V	3	Housekeeping	215	S & E Medical Supply Co.	100.00%	215		16
17	V	10	Medical Supplies	4,810	S & E Medical Supply Co.	100.00%	2,878	(1,932)	17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 19,234			$ 17,141	$ * (2,093)	39

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Sheldon Wolfe	President	Administrative	29.88	See Schedule 7A	7	16.67	Salary	$ 32,833	L17, C7	1
2	Ronnie Klein	Administrator	Administrative	6.92	See Schedule 7B	26	52.00	Salary & Fees	102,440	17,3&17,7	2
3	Moshe Herman	CFO	Administrative	0.00	See Schedule 7C	7	16.67	Salary	32,833	L17, C7	3
4											4
5											5
6											6
7			Note: All individuals work in excess of 40 hours per week.								7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 168,106		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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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 [X] NO [ ]

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

Name of Related Organization: SW Management Co.
Street Address: 7434 Skokie Boulevard
City / State / Zip Code: Skokie, IL 60077
Phone Number: (847) 982-2300
Fax Number: (847) 982-2304

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	2	Food	Bed Days Available	742,930	12	$ 1,959	$	116,070	$ 306	1
2	3	Housekeeping	Bed Days Available	742,930	12	1,125		116,070	176	2
3	5	Heat and Other Utilities	Bed Days Available	742,930	12	17,016		116,070	2,659	3
4	6	Maintenance	Bed Days Available	742,930	12	7,264		116,070	1,135	4
5	19	Professional Services	Bed Days Available	742,930	12	24,293		116,070	3,795	5
6	20	Dues, Fees, Subs & Promotions	Bed Days Available	742,930	12	1,198		116,070	187	6
7	21	Clerical & General Office Exp	Bed Days Available	742,930	12	600,468	509,094	116,070	93,813	7
8	24	Travel and Seminar	Bed Days Available	742,930	12	594		116,070	93	8
9	25	Other Admin. Staff Transport	Bed Days Available	742,930	12	13,194		116,070	2,061	9
10	26	Insurance-Prop.,Liab. & Malp.	Bed Days Available	742,930	12	6,148		116,070	961	10
11	27	Mgmt. Allocation of Benefits	Bed Days Available	742,930	12	175,644		116,070	27,441	11
12	32	Interest	Bed Days Available	742,930	12	778		116,070	122	12
13	33	Real Estate Taxes	Bed Days Available	742,930	12	36,555		116,070	5,711	13
14	35	Rent-Equipment & Vehicles	Bed Days Available	742,930	12	12,454		116,070	1,946	14
15										15
16										16
17	17	Administrative	Avg. Hours Worked	84	12	394,000	394,000	14	65,667	17
18	17	Administrative	Avg. Hours Worked	50	6	197,000	197,000	26	102,440	18
19										19
20	30	Depreciation	Direct Cost	33,940					5,303	20
21										21
22										22
23										23
24										24
25	TOTALS					$ 1,489,690	$ 1,100,094		$ 313,816	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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 [X] NO [ ]

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

Name of Related Organization: S & E Medical Supply Co.
Street Address: 3100 Commercial Avenue
City / State / Zip Code: Northbrook, IL 60062
Phone Number: (847) 982-9300
Fax Number: ( )

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	2	Food	Direct Cost			$	$		$ 14,048	1
2	3	Housekeeping	Direct Cost						215	2
3	10	Medical Supplies	Direct Cost						2,878	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					$	$		$ 17,141	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related Long-Term											
1	The Private Bank		X	Mortgage	$17,300.00	6/4/08	$ 12,670,000	$ 12,137,800	5/1/13	0.0266	$ 748,179	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Bank One		X	Line of Credit			500,000			0.0525	18	6
7												7
8												8
9	TOTAL Facility Related				$17,300.00		$ 13,170,000	$ 12,137,800			$ 748,197	9
	B. Non-Facility Related*											
10								Allocated from Management Co.			122	10
11								Interest Income Offset			(18)	11
12								Amortization of Mortgage Costs			346,691	12
13												13
14	TOTAL Non-Facility Related						$	$			$ 346,795	14
15	TOTALS (line 9+line14)						$ 13,170,000	$ 12,137,800			$ 1,094,992	15

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

*** Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

SEE ACCOUNTANTS' COMPILATION REPORT

**** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Kenwood Healthcare Center # 0033589 **Report Period Beginning:** 1/1/10 **Ending:** 12/31/10

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2009 report. **Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.**		$ 365,100	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2009	$ 317,248	2
3. Under or (over) accrual (line 2 minus line 1).		$ (47,852)	3
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 326,800	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.**	**Mgmt Alloc.**	$ 774	5
	Allocated from Management Co.	4,937	
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** $ 20,845 **For** 2009 **Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$ (20,845)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 263,814	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
2005	388,984	8
2006	354,707	9
2007	350,920	10
2008	354,441	11
2009	317,248	12

2010 Accrual: 317,248 * 1.03 = 326,765. Use 326,800.

	FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2009	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.**
   This denial must be no more than four years old at the time the cost report is filed.

2009 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Kenwood Healthcare Center COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0033589

CONTACT PERSON REGARDING THIS REPORT Sheldon Wolfe

TELEPHONE (847) 982-2300 FAX #: (847) 982-2304

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2009 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 2009.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	20-14-408-017-0000	Long-Term Care Property	$ 1,266.83	$ 1,266.83
2.	20-14-408-015-0000	Long-Term Care Property	$ 2,617.68	$ 2,617.68
3.	20-14-409-005-0000	Long-Term Care Property	$ 233,125.24	$ 233,125.24
4.	20-14-408-016-0000	Long-Term Care Property	$ 2,559.52	$ 2,559.52
5.	20-14-409-004-0000	Long-Term Care Property	$ 77,678.63	$ 77,678.63
6.	10-28-412-049-0000	Allocated from SW Management	$ 33,634.00	$ 4,937.00
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 350,881.90	$ 322,184.90

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? X 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 2009 tax bills which were listed in Section A to this statement. Be sure to use the 2009 tax bill which is normally paid during 2010.

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

SEE ACCOUNTANTS' COMPILATION REPORT

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 83,520 B. General Construction Type: Exterior Brick Frame Concrete Number of Stories Six

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (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 [X] (b) Rent equipment from a Related Organization. [ ] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

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

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [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.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Resident Care		1991	$ 70,784	1
2	Resident Care		1997	267,880	2
3	TOTALS			$ 338,664	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	1 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	318		2008		$ 3,998,986	$	35	$ 114,257	$ 114,257	$ 285,642	4
5											5
6	Allocation From Management Co.		1995		67,623		39	1,932	1,932	30,247	6
7											7
8											8
	Improvement Type**										
9	Various			1987	641		20			642	9
10	Various			1989	5,500		20			4,606	10
11	Various			1990	46,719	185	20	83	(102)	46,719	11
12	Various			1991	7,602	242	20	380	138	7,329	12
13	Various			1992	80,208	2,546	20	3,913	1,367	72,060	13
14	Various			1993	325,412	8,211	20	15,811	7,600	283,497	14
15	Various			1994	35,487	667	20	645	(22)	33,476	15
16	Various			1995	66,379	951	20	3,319	2,368	52,406	16
17	Various			1996	72,786	1,359	20	3,639	2,280	53,567	17
18	Various			1997	200,247	10,441	20	10,012	(429)	138,452	18
19	Various			1998	65,468	636	20	3,273	2,637	43,534	19
20	Various			1999	54,328	517	20	2,785	2,268	32,330	20
21	Wall Guard			2000	1,498		20	75	75	793	21
22	Elevator Repair			2000	1,800		20	90	90	968	22
23	Window Treatment			2000	1,020		20	51	51	527	23
24	Wallpaper			2000	883		20	44	44	474	24
25	Wallpaper			2000	1,196		20	60	60	646	25
26	Wallpaper			2000	1,470		20	74	74	792	26
27	Wallpaper			2000	3,324		20	166	166	1,786	27
28	Wallpaper			2000	21,712		20	1,086	1,086	11,672	28
29	Wallpaper			2000	825		20	41	41	444	29
30	Mini-Blinds			2000	65		20	3	3	35	30
31	Wallpaper			2000	2,081		20	104	104	1,118	31
32	Wallpaper			2000	4,663		20	233	233	2,506	32
33	Wallpaper			2000	1,099		20	55	55	587	33
34	Wallpaper			2000	3,146		20	157	157	1,678	34
35	Wallpaper			2000	1,451		20	73	73	775	35
36	Wallpaper			2000	826		20	41	41	440	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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Wallpaper	2000	$ 3,115	$	20	$ 156	$ 156	$ 1,624	37
38	Window Treatment	2000	18,430		20	922	922	9,600	38
39	Wallpaper Install	2000	63,355		20	3,168	3,168	32,735	39
40	Radiator	2000	5,900		20	295	295	3,073	40
41	Boilers	2000	4,514		20	226	226	2,351	41
42	Dishwasher Exhaust	2000	5,907		20	295	295	3,101	42
43	Elevator	2001	84,968	2,179	20	4,248	2,069	39,651	43
44	Wood Doors	2001	5,867		20	293	293	2,884	44
45	Carpeting	2001	4,657		20	233	233	2,193	45
46	Doors	2001	2,200		20	110	110	1,100	46
47	Door Locks	2001	1,115		20	56	56	545	47
48	Door Handles	2001	2,158		20	108	108	1,079	48
49	Valve	2001	2,657		20	133	133	1,285	49
50	Door Locks	2001	1,261		20	63	63	588	50
51	Door Locks	2001	1,960		20	98	98	890	51
52	Mechanical Equipment	2001	7,255		20	363	363	3,538	52
53	Electrical Breakers	2001	9,294		20	465	465	4,531	53
54	Sewage Pump	2001	8,495		20	425	425	4,072	54
55	Steamer	2001	14,992		20	750	750	6,935	55
56	3 Circuit Breaker	2001	2,400		20	120	120	1,100	56
57	Doors & Frames	2002	2,687		5			2,687	57
58	Drapes & Blinds	2002	1,022		10	102	102	885	58
59	Fire Alarm	2002	8,775		7			8,775	59
60	Fire Alarm	2002	4,100		7			4,100	60
61	Kitchen Plumbing	2002	3,150		5			3,150	61
62	Hot Water Heater	2002	6,300		12	525	525	4,506	62
63	Fire Protection	2002	3,333		7			3,333	63
64	Fire Stopping	2002	18,015		10	1,802	1,802	15,614	64
65	Sprinkler Hydraulic	2002	3,200		7			3,200	65
66	Elevator	2002	20,538	527	10	2,054	1,527	18,485	66
67	Plumbing	2002	2,617		10	262	262	2,268	67
68	Locks	2002	4,838		10	484	484	4,355	68
69	Elevator	2002	16,471		20	824	824	6,863	69
70	TOTAL (lines 4 thru 69)		$ 5,419,991	$ 28,461		$ 180,980	$ 152,519	$ 1,310,844	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 5,419,991	$ 28,461		$ 180,980	$ 152,519	$ 1,310,844	1
2	Carpeting	2003	4,606		20	230	230	1,842	2
3	Elevator	2003	50,950	1,306	20	2,548	1,242	21,654	3
4	Elevator	2003	15,286	392	20	764	372	6,114	4
5	85 Gal. Hot Water Heater	2003	8,745		20	437	437	4,810	5
6	Generator Repair	2003	1,396		20	70	70	530	6
7	Hot Water Heater Repair	2003	1,649		20	82	82	632	7
8	Roof Repair	2003	1,821		20	91	91	667	8
9	Telephone System Repair	2003	1,271		20	64	64	466	9
10	Door Locks	2003	1,261		20	63	63	457	10
11	Boiler Repair	2003	1,013		20	51	51	363	11
12	Tile	2004	3,078	73	20	154	81	1,000	12
13	Furnish and Install Doors	2004	2,584	72	20	129	57	840	13
14	Exit Devices, Pull Cylinders and Locks	2004	6,030	155	20	302	147	1,960	14
15	Wallpaper	2004	29,363	753	20	1,468	715	9,543	15
16	Generator	2004	118,100	3,028	20	5,905	2,877	38,383	16
17	Door	2004	1,200	31	20	60	29	390	17
18	Door	2004	1,000	26	20	50	24	325	18
19	Door	2004	1,200	31	20	60	29	390	19
20	Painting	2004	40,374	1,035	20	2,019	984	13,122	20
21	Painting	2004	8,626	221	20	431	210	2,803	21
22	Boiler and Storage Tank	2004	13,350	342	20	668	326	4,339	22
23	Sprinkler	2004	6,800	174	7	340	166	2,210	23
24	Damper for Generator	2004	2,580	66	20	129	63	839	24
25	Boiler and Storage	2004	13,350	342	20	668	326	4,339	25
26	Cabinets and Countertops	2005	245,929	8,943	20	12,296	3,353	67,630	26
27	Inside Drain Line	2005	3,431	125	20	172	47	944	27
28	Floor Tiles	2005	3,276	119	20	164	45	901	28
29	Alarm System	2005	1,578	57	20	79	22	434	29
30	Boiler	2005	14,900	542	20	745	203	4,098	30
31	Parking Lot - Asphalt Surface	2005	36,231	2,348	20	1,812	(536)	9,964	31
32									32
33	Adjustment per Desk Review	2002	(7,800)						33
34	TOTAL (lines 1 thru 33)		$ 6,053,169	$ 48,642		$ 213,029	$ 164,387	$ 1,512,833	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 6,053,169	$ 48,642		$ 213,029	$ 164,387	$ 1,512,833	1
2	Water Heater	2006	7,073	257	20	354	97	1,592	2
3	Asphalt Path/Concrete Replacement	2006	14,951	1,036	20	748	(288)	3,364	3
4	Roof Repairs	2006	4,218	153	20	211	58	949	4
5	Water Heater	2006	7,453	271	20	373	102	1,678	5
6	Fireproofing	2007	4,700	171	20	235	64	823	6
7	New Floor Drain & Water Supply for Ice Machine	2007	2,200	80	20	110	30	385	7
8	S. Johnson-Paint Entire Facility	2007	17,220		20	861	861	3,014	8
9	Railings	2009	3,900	142	20	195	53	293	9
10	New Elevator Buttons	2009	2,810	102	20	141	39	211	10
11	Front Door	2009	4,050	147	20	203	56	304	11
12	Air Conditioner	2009	67,288	2,447	20	3,364	917	5,046	12
13	Sewage Pump	2009	6,810	248	20	341	93	511	13
14	Transformer	2009	3,950	144	20	198	54	297	14
15	Replace Piping-Mechanical Room	2009	18,932	688	20	947	259	1,420	15
16	Smoke Detectors	2009	3,094	113	20	155	42	232	16
17	Controller for Chiller	2009	3,672	134	20	184	50	276	17
18									18
19	Gas Valve Motor	2010	3,559	124	20	89	(35)	89	19
20	Valve & Flange	2010	3,270	104	20	82	(22)	82	20
21	Roof Repairs & Gravel Replacement	2010	7,465	215	20	187	(28)	187	21
22	Boiler Isolation Valves	2010	6,446	166	20	161	(5)	161	22
23	Gas Hot Water Heater	2010	7,245	99	20	181	82	181	23
24	Fire and Smoke Dampers	2010	7,414	101	20	185	84	185	24
25	Boiler Tube Repair	2010	4,294	20	20	107	87	107	25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 6,265,182	$ 55,604		$ 222,637	$ 167,033	$ 1,534,220	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		$ 6,265,182	$ 55,604		$ 222,637	$ 167,033	$ 1,534,220	1
2	Allocated From Management Co. - leasehold improvements	1995	7,568		20	378	378	6,438	2
3	Allocated From Management Co. - leasehold improvements	1996	1,260		20	63	63	918	3
4	Allocated From Management Co. - leasehold improvements	1997	1,461		20	74	74	1,167	4
5	Allocated From Management Co. - leasehold improvements	1998	1,249		20	62	62	796	5
6	Allocated From Management Co. - leasehold improvements	1999	3,468		20	173	173	1,922	6
7	Allocated From Management Co. - leasehold improvements	2005	7,175		20	359	359	1,973	7
8	Allocated From Management Co. - leasehold improvements	2007	4,062		20	203	203	711	8
9	Allocated From Management Co. - leasehold improvements	2009	8,480		20	424	424	636	9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 6,299,905	$ 55,604		$ 224,373	$ 168,769	$ 1,548,781	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 2,595,625	$ 1,957	$ 257,594	$ 255,637		$ 741,074	71
72	Current Year Purchases	79,996	79,994	3,810	(76,184)		3,810	72
73	Fully Depreciated Assets	963,957					963,957	73
74	Allocation from Management Co.	21,352		433	433		16,515	74
75	TOTALS	$ 3,660,930	$ 81,951	$ 261,837	$ 179,886		$ 1,725,356	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	Facility	2004 Lexus	2008	$ 21,181	$ 2,850	$ 4,236	$ 1,386	5 Years	$ 10,591	76
77	Allocated from Management	2010 Infiniti	2010	12,014		1,201	1,201	5 Years	1,201	77
78										78
79										79
80	TOTALS			$ 33,195	$ 2,850	$ 5,437	$ 2,587		$ 11,792	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)	$ 10,332,694	81	
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 140,405	82	
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 491,647	83	**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 351,242	84	
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 3,285,929	85	

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	N/A	$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92	N/A	$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. ☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$ N/A			3
4	Additions							4
5								5
6								6
7	TOTAL				$ **			7

8. List separately any amortization of lease expense included on page 4, line 34. This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: ☐ YES ☐ NO Terms: *

10. Effective dates of current rental agreement:
Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2011	$
13.	/2012	$
14.	/2013	$

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: $ N/A Description: N/A
(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	Allocated from Management Co.		$	$ 1,946	17
18					18
19					19
20					20
21	TOTAL		$	$ 1,946	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' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?
   - [ ] YES
   - [X] NO

It is the policy of this facility to only hire certified nurses aides.

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - COMMUNITY COLLEGE [ ]
   - HOURS PER CNA ____

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM [ ]
   - IN OTHER FACILITY [ ]
   - HOURS PER CNA ____

B. EXPENSES

ALLOCATION OF COSTS (d)

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

C. CONTRACTUAL INCOME

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

$

D. NUMBER OF CNAs TRAINED

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

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.
(e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	Ln 10A, C3	hrs	$	2,222	$ 248,866	$	2,222	$ 248,866	1
2	Licensed Speech and Language Development Therapist	Ln 10A, C3	hrs		1,904	64,745		1,904	64,745	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	Ln 10A, C3	hrs		2,347	244,092		2,347	244,092	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	Ln 39, C 2	# of prescrpts				143,380		143,380	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			$	6,473	$ 557,703	$ 143,380	6,473	$ 701,083	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Facility Name & ID Number Kenwood Healthcare Center **#** 0033589 **Report Period Beginning:** 1/1/10 **Ending:** 12/31/10

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/10 **(last day of reporting year)**

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

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 1,500	$ 1,500	1
2	Cash-Patient Deposits	1,739	1,739	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 150,000)	2,649,145	2,775,119	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	85,668	85,668	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Sch 17A	357,404	357,404	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 3,095,456	$ 3,221,430	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	70,784	338,664	13
14	Buildings, at Historical Cost		4,066,609	14
15	Leasehold Improvements, at Historical Cost	1,679,291	2,233,296	15
16	Equipment, at Historical Cost	1,762,235	3,694,125	16
17	Accumulated Depreciation (book methods)	(2,333,405)	(3,285,929)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (spe See Sch 17A		3,973,879	22
23	Other(specify):			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 1,178,905	$ 11,020,644	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 4,274,361	$ 14,242,074	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 97,076	$ 97,076	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	38,794	38,794	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	191,490	191,490	30
31	Accrued Taxes Payable (excluding real estate taxes)	32,541	32,541	31
32	Accrued Real Estate Taxes(Sch.IX-B)	326,800	326,800	32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See Schedule 17A	1,022,164	1,165,537	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 1,708,865	$ 1,852,238	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable		12,137,800	39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$	$ 12,137,800	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 1,708,865	$ 13,990,038	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 2,565,496	$ 252,036	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 4,274,361	$ 14,242,074	48

SEE ACCOUNTANTS' COMPILATION REPORT

***(See instructions.)**

Kenwood Healthcare Center, Inc.
Provider #: 0033589
12/31/2010

Schedule 17A

XV. BALANCE SHEET -

Other Current Assets (Specify) :	Operating	After Consolidation
Due from State - Interest	115,994	115,994
Employee Loans	-	-
Employee Payroll Advance	-	-
Short Term Loan Exchange	98,037	98,037
Due to/from Kenwood Property	143,373	143,373
Total Line 9-Other Current Assets (Specify)	357,404	357,404

Other Long-Term Assets (Specify)		
Loan Costs	-	165,434
AA Loan Costs	-	(85,475)
Goodwill	-	4,704,064
AA Goodwill	-	(810,144)
Total Line 22-Other Long-Term Assets (specify)	-	3,973,879

Other Current Liabilities (Specify)		
Due To State	281,988	281,988
Reimbursement Due / Bad Debt	544,592	544,592
Insurance Premiums Payable	2,068	2,068
Union Dues	10,838	10,838
Accrued Expenses	166,470	166,470
Accrued Expenses - Legal	19,404	19,404
Short Term Loan Exchange	1,366	1,366
Due to/from Kenwood Healthcare	-	143,373
Total Line 36-Other Current Liabilities (Specify)	1,026,726	1,170,099

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center **#** 0033589 **Report Period Beginning:** 1/1/10 **Ending:** 12/31/10

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 3,294,270	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 3,294,270	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(251,775)	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	(477,000)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe) **Rounding**	1	15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (728,774)	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)**	$ 2,565,496	24 *

*** This must agree with page 17, line 47.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

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.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 10,435,432	1
2	Discounts and Allowances for all Levels		2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 10,435,432	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	600,495	6
7	Oxygen	4,612	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 605,107	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		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	5,605	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 5,605	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Misc. Income	150	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 150	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 11,046,294	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	2,509,886	31
32	Health Care	4,092,345	32
33	General Administration	2,898,596	33
	B. Capital Expense		
34	Ownership	1,418,526	34
	C. Ancillary Expense		
35	Special Cost Centers	204,611	35
36	Provider Participation Fee	174,105	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 11,298,069	40
41	**Income before Income Taxes (line 30 minus line 40)****	(251,775)	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ (251,775)	43

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

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

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

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

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	2,080	2,120	$ 81,116	$ 38.26	1
2	Assistant Director of Nursing	3,748	3,968	140,906	35.51	2
3	Registered Nurses	6,928	7,032	181,276	25.78	3
4	Licensed Practical Nurses	49,816	52,307	1,330,868	25.44	4
5	CNAs & Orderlies	97,681	103,230	988,648	9.58	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	11,112	11,965	153,612	12.84	10
11	Social Service Workers	8,956	9,733	118,911	12.22	11
12	Dietician					12
13	Food Service Supervisor	5,896	6,304	105,779	16.78	13
14	Head Cook	4,732	5,273	54,642	10.36	14
15	Cook Helpers/Assistants	31,750	33,953	300,456	8.85	15
16	Dishwashers					16
17	Maintenance Workers	9,667	10,207	211,921	20.76	17
18	Housekeepers	51,002	53,345	490,590	9.20	18
19	Laundry	14,369	15,681	141,285	9.01	19
20	Administrator	2,000	2,080	104,800	50.38	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	41,012	44,306	633,239	14.29	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 C: Psych Techs	44,182	45,670	467,549	10.24	32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	384,930	407,172	$ 5,505,598 *	$ 13.52	34

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	$ 33,458	L1, C3	35
36	Medical Director	Monthly	11,700	L9, C3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant	10	493	L10A, C3	41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	17,826	L11, C3	44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	10	$ 63,477		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

* This total must agree with page 4, column 1, line 45.

** See instructions.

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Deborah Missal	Administrator	0	$ 104,800
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 104,800

B. Administrative - Other

Description	Amount
Central Bookkeeping Office	$ 216,000
Management Fees-Special	50,000
(Eliminated on Schedule V, Column 7)	
TOTAL (agree to Schedule V, line 17, col. 3)	$ 266,000
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Allen Lefkowitz	Legal	$ 49,794
Ashman & Stein	Legal	126,495
Barbara Hutchens	Legal	11,750
Barrister Reporting Services	Legal	856
David Kuo	Legal	315
Frederick S Frankel	Legal	2,899
Gallop Johnson & Heuman	Legal	550
Harold Brem	Legal	18,952
Helper Broom LLC	Legal	14,209
Huron Consulting LLC	Legal	4,500
IKON Office Solutions	Legal	786
See Attached Schedule 21A		78,902
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $5,000, attach copy of invoices.)		$ 310,008

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 352,606
Unemployment Compensation Insurance	114,572
FICA Taxes	420,905
Employee Health Insurance	64,419
Employee Meals	10,109
Illinois Municipal Retirement Fund (IMRF)*	
Life Insurance	6,586
Other Employee Benefits	3,989
TOTAL (agree to Schedule V, line 22, col.8)	$ 973,186

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
N/A		
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 1,990
Advertising: Employee Recruitment	
Health Care Worker Background Check	
(Indicate # of checks performed 2)	25
Patient Background Checks	
Illinois Council on Long Term Care	32,468
Miscellaneous Dues & Permits	347
Miscellaneous Inspections & Licenses	2,212
Allocated from Management Co.	187
Allocated from RE Entity	250
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 37,479

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	5,134
Allocated from Management Co.	93
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 5,227

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Kenwood Healthcare Center, Inc.
Provider # : 0033589
12/31/2010

Schedule 21A

XIX. SUPPORT SCHEDULE
C. Professional Services

Total on Page 21 Section C		231,106
Add Additional :		
K & L Gates, LLP	Legal	1,900
Lake Shore Reporting	Legal	945
Laurie Strum	Legal	8,869
Michigan Peer Review Org.	Peer Review	8,140
Polsinelli Shughart	Legal	14,169
Illinois Department of Labor	Legal	380
Personnel Planners Inc.	U/E Consultant	4,532
Francine Snell	U/E Consultant	65
McGladrey & Pullen, LLP	Accounting	26,632
Honkamp Krueger & Co	Accounting	13,270
		78,902
Total (Agree to Schedule V, Line 19, Column 3)		310,008
Allocated from Mangement Company - Accounting		2,115
Allocated from Mangement Company - Legal		1,680
Allocated from RE Entity - Accounting		6,000
Allocated from RE Entity - Legal		6,165
Less : Non-Allowable Legal Costs		(34,653)
Total (Agree to Schedule V, Line 19, Column 8)		291,315

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1			$		$	$	$	$	$	$	$	$	$
2													
3								N/A					
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Kenwood Healthcare Center # 0033589 Report Period Beginning: 1/1/10 Ending: 12/31/10

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **Yes**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **IL Council on Long Term Care - $32,468**

(3) Did the nursing home make political contributions or payments to a political action organization? **Yes** If YES, have these costs been properly adjusted out of the cost report? **Yes**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **3,255** Line **10**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.
N/A

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. $ **174,105**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

(13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **10,109** Has any meal income been offset against related costs? **No** Indicate the amount. $ **N/A**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **No** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **N/A**
d. Have vehicle usage logs been maintained? **Adequate records have been maintained.**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **No**
Firm Name: **N/A**

(18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? **Yes**

(19) If total legal fees are in excess of $5,000, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.