FOR BHF USE

LL1

2011
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2011)

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.

I. IDPH License ID Number: 0049478

Facility Name: Manor Care of Palos Heights (East) IL, LLC

Address: 7850 West College Drive (Number) Palos Heights (City) 60463 (Zip Code)

County: Cook

Telephone Number: (708) 361-6990 **Fax #** (705) 361-7697

HFS ID Number:

Date of Initial License for Current Owners: 06/02/88

Type of Ownership:

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

In the event there are further questions about this report, please contact:
Name: Gary Geise **Telephone Number:** (419) 252-5731
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 06/01/10 to 05/31/11 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) Barry A. Lazarus
(Title) Vice President, Reimbursement

Paid Preparer
(Signed)
(Date)
(Print Name and Title)
(Firm Name & Address)
(Telephone) ( ) Fax # ( )

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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 4/27/11

	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	174	Skilled (SNF)	184	63,860	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	174	TOTALS	184	63,860	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	11,553	5,827	41,218	58,598	8
9	SNF/PED					9
10	ICF					10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	11,553	5,827	41,218	58,598	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 91.76%

D. How many bed-hold days during this year were paid by the Department?
4 (Do not include bed-hold days in Section B.)

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

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

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

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 06/02/88

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 04/07/11 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 184 and days of care provided 36,099

Medicare Intermediary Highmark Medicare Services

IV. ACCOUNTING BASIS

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

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

Tax Year: 12/31 Fiscal Year: 5/31

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	441,205	29,632	4,459	475,296	13,995	489,291		489,291			1
2	Food Purchase		420,824		420,824		420,824	(630)	420,194			2
3	Housekeeping	223,929	37,014	4,583	265,526		265,526		265,526			3
4	Laundry	84,609	31,045		115,654		115,654		115,654			4
5	Heat and Other Utilities			266,366	266,366	3,773	270,139		270,139			5
6	Maintenance	58,133	20,153	132,884	211,170		211,170		211,170			6
7	Other (specify):* Med Waste			1,803	1,803		1,803		1,803			7
8	TOTAL General Services	807,876	538,668	410,095	1,756,639	17,768	1,774,407	(630)	1,773,777			8
	B. Health Care and Programs											
9	Medical Director			7,472	7,472		7,472		7,472			9
10	Nursing and Medical Records	5,152,694	365,421	71,091	5,589,206	16,600	5,605,806		5,605,806			10
10a	Therapy	2,585,879	29,836	552,165	3,167,880		3,167,880		3,167,880			10a
11	Activities	127,093	4,843	5,973	137,909		137,909		137,909			11
12	Social Services	199,114	223		199,337		199,337		199,337			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	8,064,780	400,323	636,701	9,101,804	16,600	9,118,404		9,118,404			16
	C. General Administration											
17	Administrative	195,561		856,649	1,052,210	(259,714)	792,496		792,496			17
18	Directors Fees											18
19	Professional Services			110,181	110,181	(99,436)	10,745	(10,745)				19
20	Dues, Fees, Subscriptions & Promotions			95,399	95,399		95,399	(43,735)	51,664			20
21	Clerical & General Office Expenses	559,546	89,243	115,072	763,861	99,436	863,297	(35,437)	827,860			21
22	Employee Benefits & Payroll Taxes			1,578,904	1,578,904	63,754	1,642,658		1,642,658			22
23	Inservice Training & Education			1,297	1,297		1,297		1,297			23
24	Travel and Seminar			2,167	2,167		2,167		2,167			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			523,547	523,547		523,547		523,547			26
27	Other (specify):*							(1,842)	(1,842)			27
28	TOTAL General Administration	755,107	89,243	3,283,216	4,127,566	(195,960)	3,931,606	(91,759)	3,839,847			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	9,627,763	1,028,234	4,330,012	14,986,009	(161,592)	14,824,417	(92,389)	14,732,028			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.
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 Manor Care of Palos Heights (East) IL, LLC #0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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			547,738	547,738	22,104	569,842		569,842			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			764,493	764,493	139,488	903,981	(765,989)	137,992			32
33	Real Estate Taxes			251,600	251,600		251,600		251,600			33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			49,933	49,933		49,933		49,933			35
36	Other (specify):*											36
37	**TOTAL Ownership**			1,613,764	1,613,764	161,592	1,775,356	(765,989)	1,009,367			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		1,011,048		1,011,048		1,011,048		1,011,048			39
40	Barber and Beauty Shops		33,489		33,489		33,489		33,489			40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			95,265	95,265		95,265		95,265			42
43	Other (specify):* IV Ther/Xray/Lab		90,900	263,561	354,461		354,461		354,461			43
44	**TOTAL Special Cost Centers**		1,135,437	358,826	1,494,263		1,494,263		1,494,263			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	9,627,763	2,163,671	6,302,602	18,094,036		18,094,036	(858,378)	17,235,658			45

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	(630)	2		4
5	Telephone, TV & Radio in Resident Rooms	(9,344)	21		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation				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				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)	(1,842)	27		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	(10,745)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	12,677	21		24
25	Fund Raising, Advertising and Promotional	(43,735)	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	(804,759)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (858,378)		$	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)			34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (858,378)		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.		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	Exceptional Care Program		X			44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

STATE OF ILLINOIS

Manor Care of Palos Heights (East) IL, LLC

ID# 0049478

Report Period Beginning: 06/01/10

Ending: 05/31/11

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Wages - Mktg	$ (27,071)	21	1
2	P/R O/H Alloc - Mktg	(7,303)	21	2
3	HCP Lease Interest	(765,989)	32	3
4	Vending Income	(1,396)	21	4
5	Miscellaneous Income	(3,000)	21	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**	(804,759)		49

STATE OF ILLINOIS **Summary A**

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC **#** 0049478 **Report Period Beginning:** 06/01/10 **Ending:** 05/31/11

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

	Operating Expenses	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	A. General Services	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(630)	0	0	0	0	0	0	0	0	0	0	(630)	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**	(630)	0	0	0	0	0	0	0	0	0	0	(630)	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	(10,745)	0	0	0	0	0	0	0	0	0	0	(10,745)	19
20	Fees, Subscriptions & Promotions	(43,735)	0	0	0	0	0	0	0	0	0	0	(43,735)	20
21	Clerical & General Office Expenses	(35,437)	0	0	0	0	0	0	0	0	0	0	(35,437)	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	0	0	0	0	0	0	0	0	0	0	0	0	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):*	(1,842)	0	0	0	0	0	0	0	0	0	0	(1,842)	27
28	**TOTAL General Administration**	(91,759)	0	0	0	0	0	0	0	0	0	0	(91,759)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(92,389)	0	0	0	0	0	0	0	0	0	0	(92,389)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 **Report Period Beginning:** 06/01/10 **Ending:** 05/31/11

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

	Capital Expense / D. Ownership	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
30	Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(765,989)	0	0	0	0	0	0	0	0	0	0	(765,989)	32
33	Real Estate Taxes	0	0	0	0	0	0	0	0	0	0	0	0	33
34	Rent-Facility & Grounds	0	0	0	0	0	0	0	0	0	0	0	0	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**	(765,989)	0	0	0	0	0	0	0	0	0	0	(765,989)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	0	0	0	0	0	0	0	0	0	0	0	0	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(858,378)	0	0	0	0	0	0	0	0	0	0	(858,378)	45

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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
HCR Manor Care, LLC	100					
				HCR Manor Care Svcs	Toledo	home office
				HL Empl Svcs, LLC	Toledo	personnel
				HL Rehab Svcs, LLC	Toledo	therapy mgmt svcs
				HL Rehab Svcs, LLC	Toledo	therapy services
				HL Home Health Care	Toledo	nursing staff
		See PG6-Supp for list of related nursing homes in Illinois				

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	See	Home Office Allocation	$ 856,649	HCR Manor Care Services, LLC	100.00%	$ 856,649	$	1
2	V	Page 8							2
3	V								3
4	V	1-44	Personnel	9,627,763	Heartland Employment Services, LLC	100.00%	9,627,763		4
5	V	10a	Therapy Management	18,898	Heartland Rehabilitation Services, LLC	100.00%	18,898		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			$ 10,503,310			$ 10,503,310	$ *	14

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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			Heartland of Canton IL, LLC	Canton				1
2			Heartland of Champaign IL, LLC	Champaign				2
3			Heartland of Decatur IL, LLC	Decatur				3
4			Heartland of Galesburg IL, LLC	Galesburg				4
5			Heartland of Henry IL, LLC	Henry				5
6			Heartland of Macomb IL, LLC	Macomb				6
7			Heartland of Moline IL, LLC	Moline				7
8			Heartland of Normal IL, LLC	Normal				8
9			Heartland of Paxton IL, LLC	Paxton				9
10			Heartland of Peoria IL, LLC	Peoria				10
11			Heartland-Riverview of East Peoria IL, LLC	East Peoria				11
12			Manor Care at Arlington Heights	Arlington Heights				12
13			Manor Care of Elgin IL, LLC	Elgin				13
14			Manor Care of Elk Grove Village IL, LLC	Elk Grove Village				14
15			Manor Care - Highland Park	Highland Park				15
16			Manor Care of Hinsdale IL, LLC	Hinsdale				16
17			Manor Care of Homewood IL, LLC	Homewood				17
18			Manor Care of Kankakee IL, LLC	Kankakee				18
19			Manor Care of Libertyville IL, LLC	Libertyville				19
20			Manor Care of Naperville IL, LLC	Naperville				20
21			Manor Care of Northbrook IL, LLC	Northbrook				21
22			Manor Care of Oak Lawn (East) IL, LLC	Oak Lawn				22
23			Manor Care of Oak Lawn (West) IL, LLC	Oak Lawn				23
24			Manor Care of Palos Heights West IL, LLC	Palos Heights				24
25			Manor Care of Rolling Meadows IL, LLC	Rolling Meadows				25
26			Manor Care of South Holland IL, LLC	South Holland				26
27			Manor Care of Westmont IL, LLC	Westmont				27
28			Manor Care of Wilmette IL, LLC	Wilmette				28
29			Arden Courts of Elk Grove Village IL, LLC	Elk Grove Village				29
30			Arden Courts of Geneva IL, LLC	Geneva				30

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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			Arden Courts of Glen Ellyn IL, LLC	Glen Ellyn				1
2			Arden Courts of Hazel Crest IL, LLC	Hazel Crest				2
3			Arden Courts of Northbrook IL, LLC	Northbrook				3
4			Arden Courts of Palos Heights IL, LLC	Palos Heights				4
5			Arden Courts of South Holland IL, LLC	South Holland				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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	N/A								$		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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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: HCR Manor Care Services, LLC
Street Address: 333 North Summit Street
City / State / Zip Code: Toledo. OH 43604-2617
Phone Number: (419) 252-5500
Fax Number: (419) 254-5495

	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	1	Dietary - Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs	$ 2,652,139	$ 1,448,591	15,393,387	$ 13,995	1
2	1	Dietary - Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs			15,393,387	0	2
3	1	Dietary - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehab			15,393,387	0	3
4	5	Utilities - Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs			15,393,387	0	4
5	5	Utilities - Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs			15,393,387	0	5
6	5	Utilities - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehal	817,551		15,393,387	3,773	6
7	10	Nursing - Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs	2,699,818	1,331,445	15,393,387	14,246	7
8	10	Nursing - Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs			15,393,387	0	8
9	10	Nursing - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehal	510,057	376,446	15,393,387	2,354	9
10	17	Gen/Admin - Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs	24,740,566	19,625,790	15,393,387	130,547	10
11	17	Gen/Admin-Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs	1,871,124	5,027,701	15,393,387	41,583	11
12	17	Gen/Admin - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehal	92,052,254	34,999,867	15,393,387	424,805	12
13	22	Empl Bnfts -Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs	7,290,309		15,393,387	38,469	13
14	22	Empl Bnfts -Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs			15,393,387	0	14
15	22	Employee Benefits - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehal	5,479,146		15,393,387	25,285	15
16	30	Depreciation - Direct to all SNFs	Accumultaed Cost	2,917,243,659	353 NFs	285,954		15,393,387	1,509	16
17	30	Deprec -Direct to Central Div	Accumultaed Cost	692,663,974	92 NFs			15,393,387	0	17
18	30	Depreciation - Pooled	Accumultaed Cost	3,335,641,627	727 NFs,HHs, Rehal	4,462,801		15,393,387	20,595	18
19										19
20	32	Directly Assigned Interest				12,736,052			139,488	20
21		Non Central Div Nrsg Hm Allocations				29,513,406				21
22										22
23										23
24										24
25	TOTALS					$ 185,111,177	$ 62,809,840		$ 856,649	25

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1	Conv. Sub. Debentures		X	Various			$ 3,102,852	$ 3,102,852		0.0450	$ 139,488	1
2												2
3												3
4												4
5												5
	Working Capital											
6												6
7												7
8	Interest Income / Expense Other										(1,496)	8
9	TOTAL Facility Related						$ 3,102,852	$ 3,102,852			$ 137,992	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$	$			$	14
15	TOTALS (line 9+line14)						$ 3,102,852	$ 3,102,852			$ 137,992	15

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

**** 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 Manor Care of Palos Heights (East) IL, LLC **#** 0049478 **Report Period Beginning:** 06/01/10 **Ending:** 05/31/11

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

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2010 report.	**Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.**	$ 259,877	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.)		$ 236,603	2
3. Under or (over) accrual (line 2 minus line 1).		$ (23,274)	3
4. Real Estate Tax accrual used for 2011 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 259,567	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.**		$ 27,142	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** $ see blow **For** **Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$ (11,835)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 251,600	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
2006	391,638	8
2007	409,565	9
2008	407,599	10
2009	297,240	11
2010	298,623	12

Line 2: $236,603.30 = $163,481.93 for 1st half 2010 + $73,121.37 for 2nd half of 2009
Line 4: $259,566.76 = $124,425.83 for Jan - May 2011 + $135,140.93 for 2nd half 2010
Line 5: $27,141.68 = $24,345.43 (Rock, Fusco, & Assoc invoice) + $2,796.25 (Worsek & Vihon invoice)
Line 6: ($11,834.91) = $(674.31) 2000 RE Tax Appeal + ($11,160.60) for 2007 RE Tax Appeal

	FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2010	$	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.

2010 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Manor Care of Palos Heights (East) IL, LLC COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0049478

CONTACT PERSON REGARDING THIS REPORT Gary Geise

TELEPHONE (419) 252-5731 FAX #: (419) 254-5495

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

Enter the tax index number and real estate tax assessed for 2010 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 2010.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	23-24-300-330-0000	See Attached	$ 415,215.32	$ 298,622.86
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 415,215.32	$ 298,622.86

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 2010 tax bills which were listed in Section A to this statement. Be sure to use the 2010 tax bill which is normally paid during 2011.

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.

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 63,426 B. General Construction Type: Exterior Masonry Frame Steel Number of Stories 3

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

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

D. Does the Operating Entity? [ ] (a) Own the Equipment [ ] (b) Rent equipment from a Related Organization. [X] (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).

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	Facility		1988	$ 600,191	1
2					2
3	TOTALS			$ 600,191	3

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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	144			1988	$ 4,355,326	$ 169,736		$ 169,736	$	$ 3,172,686	4
5	30			1990	1,063,606						5
6				1990	(10,000)						6
7	10			2011							7
8											8
	Improvement Type**										
9	Current Depreciation					186,320		186,320		2,719,669	9
10				1988	203,173						10
11				1989	47,755						11
12				1990	43,288						12
13				1991	135,227						13
14				1992	55,270						14
15				1993	67,665						15
16				1994	68,557						16
17				1995	133,690						17
18				1996	183,199						18
19				1997	242,019						19
20				1998	203,466						20
21				1999	28,991						21
22				2000	128,063						22
23				2001	91,487						23
24	LAUNDRY/KITCHEN EYE WASH			2002	2,250						24
25	VINYL WALLCOVERING, PAINT, & CARPET			2002	9,566						25
26	MAGNOLIA TREE			2002	550						26
27	ROOFING			2002	7,686						27
28	WALLCOVERING			2002	3,346						28
29	DOOR - EMPLOYEE ENTERANCE			2002	1,487						29
30	VCT FLOORING			2002	970						30
31	WINDOW TREATMENTS			2002	3,633						31
32	HAND RAILS			2002	4,716						32
33	ELETRICAL WORK			2002	1,868						33
34	DOOR - HOLLOW METAL			2003	1,026						34
35	VCT FLOORING - ADDITIONAL			2003	16						35
36				2003	3,486						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 Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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	WALLCOVERING	2003	$ 124	$		$	$	$	37
38	CARPET	2003	9,521						38
39	KITCHEN DOORS	2003	3,140						39
40	CONSTRUCTION DEPARTMENT COST & INTEREST	2003	8,788						40
41	WALLCOVERING, BORDERS, & PAINTING	2003	88,476						41
42	CARPETING	2003	13,008						42
43	ELETRICAL WORK	2003	5,081						43
44	SIGNAGE	2003	3,423						44
45	SEALING & PATCHING PARKING LOT	2003	15,985						45
46	DUMPSTER GATE	2003	1,076						46
47	FENCE	2004	8,387						47
48	Electric to new rooftop exhaust fan	2004	1,079						48
49	Renov. - Construction Dept. Overhead Costs & Interest	2004	13,149						49
50	Renov. - Painting	2004	39,543						50
51	Renov. - Wallcovering & Corner Guards	2004	15,082						51
52	Renov. - Carpentry	2004	17,490						52
53	Renov. - Electrical	2004	1,934						53
54	Renov. - Doors	2004	2,947						54
55	Flooring	2004	3,635						55
56	Reconstruct - Move Walls, Plumbing, Elctric to enlarge resident r	2004	853,768						56
57	Reconstruct - Architect & Engineering Costs	2004	77,920						57
58	Reconstruct - Construction Dept. Overheard Costs & Interest	2004	140,129						58
59	Reconstruct - Permit Fees	2004	24,199						59
60	Reconstruct - Millwork	2004	9,671						60
61	Reconstruct - Plumbing	2004	1,316						61
62	Reconstruct - Carpeting	2004	26,289						62
63	Reconstruct - Wallcovering & Corner Guards	2004	9,204						63
64	Reconstruct - Water & Sewer Work	2004	167						64
65	Concrete Pad at main enterance	2004	3,040						65
66	Prox Readers & Electric Strikes for Court Yard Doors	2005	3,970						66
67	Retirement 8-2004 - Door Alarm (asset # 179)	1989	(1,061)						67
68	Retirement 8-2004 - Door Alarm (asset #435)	1992	(1,218)						68
69		2005	11,265						69
70	TOTAL (lines 4 thru 69)		$ 8,491,909	$ 356,056		$ 356,056	$	$ 5,892,355	70

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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		$ 8,491,909	$ 356,056		$ 356,056	$	$ 5,892,355	1
2	EXTERIOR PAINTING	2005	18,189						2
3	3 HOLLOW METAL DOORS	2005	4,655						3
4	generator wiring	2006	4,073						4
5	emergency light	2006	924						5
6	wallcovering	2006	1,044						6
7	electrical	2006	2,240						7
8	kitchen door	2006	3,265						8
9	renov - wallcovering	2006	32,322						9
10	fire rated door	2006	12,592						10
11	kitchen wall / flooring	2006	17,880						11
12	kitchen wall / flooring	2006	4,950						12
13	roof replacement	2006	152,782						13
14	additional roof replacement	2006	13,210						14
15	flooring in shower stalls	2007	21,105						15
16	Electrical wrok in mechanical room	2007	4,246						16
17	12 resident room doors	2007	40,380						17
18	Renov - General Contractor	2009	591,269						18
19	Renov - Interest on Construction	2009	30,360						19
20	Trane Condensing Unit	2008	2,626						20
21	Wallcovering	2008	526						21
22	20 Receptacles	2008	5,600						22
23	2 Water Heaters	2008	7,500						23
24	4 Doors	2008	7,820						24
25	2 Water Heaters	2008	39,574						25
26	Renov - Elevator System	2008	67,498						26
27	Renov - Arch & Engineerng Cost, Permit Fees, Plan Reviews	2009	122,882						27
28	Renov - General Overhead Capital	2009	110,321						28
29	Renov - Resilient Flooring, Wallcovering & Corner Guards	2009	15,066						29
30	Fire Alarm Panel	2009	24,985						30
31	Resident Room Flooring	2009	37,952						31
32	Renov - Basic Electrical	2009	13,105						32
33	Concrete Ramp & Steps	2008	10,404						33
34	TOTAL (lines 1 thru 33)		$ 9,913,254	$ 356,056		$ 356,056	$	$ 5,892,355	34

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-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		$ 9,913,254	$ 356,056		$ 356,056	$	$ 5,892,355	1
2	Renov - Soil & Concrete Testing	2009	7,197						2
3	Renov - Gen Contractor - Site Prep	2009	96,757						3
4	Paving	2008	38,550						4
5	Concrete Ramp & Steps	2009	6,336						5
6	Renov - Legal Fees pertaining to Easement	2009	30,973						6
7	Renov - Resilient Flooring	2009	13,176						7
8	1st floor corridor handrail	2009	8,946						8
9	Renov - Carpeting & pads	2009	9,276						9
10	Renov - Wallcovering & corner guards	2009	57,481						10
11	steel entrance roof	2009	13,320						11
12	Room 229 flooring	2010	2,976						12
13	HM door	2011	1,725						13
14	pave, stripe, and sealcoat	2010	27,135						14
15	Addition - Arch & Engineering cost	2011	103,154						15
16	Addition - Landscape Design Consultant	2011	87,650						16
17	Addition - Soil Testing	2011	2,311						17
18	Addition - Concrete Testing	2011	2,881						18
19	Addition - Legal Fees, Permit Fees, Water & Sewer Fees	2011	36,870						19
20	Addition - Plan Reviews	2011	3,455						20
21	Addition - General Overhead Capital & Interest on Constr	2011	123,627						21
22	Addition - General Contractor	2011	931,924						22
23	Addition -Carpeting & Pads	2011	25,808						23
24	Addition - Wallcovering & Corner Guards	2011	15,850						24
25	Cold water line in Break Room	2011	1,950						25
26	remote annunciator panel	2011	6,330						26
27	Painting handrails, 4 doors	2011	5,108						27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 11,574,018	$ 356,056		$ 356,056	$	$ 5,892,355	34

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	$ 2,492,815	$ 191,682	$ 191,682	$		$ 2,054,261	71
72	Current Year Purchases	294,819						72
73	Fully Depreciated Assets							73
74	Home Office Depreciation			22,104	22,104			74
75	TOTALS	$ 2,787,634	$ 191,682	$ 213,786	$ 22,104		$ 2,054,261	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	Residents	1995 Goshen GHS	1995	$ 17,000	$	$	$		$ 17,000	76
77		Paratransit								77
78										78
79										79
80	TOTALS			$ 17,000	$	$	$		$ 17,000	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)	$ 14,978,843	81	
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 547,738	82	
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 569,842	83	**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 22,104	84	
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 7,963,616	85	

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

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

G. Construction-in-Progress

	Description	Cost	
92	CIP	$ 73,422	92
93			93
94			94
95		$ 73,422	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 Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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

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.	/2012	$
13.	/2013	$
14.	/2014	$

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: $ 49,933 Description: O2 Concentrators. Wheelchairs, Geri Chairs, Elec. Beds, Etc
    (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	N/A		$	$	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.

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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

   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.

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	10a	11275	hrs	$ 465,318	3,073	$ 156,710	$ 5,804	14,348	$ 627,832	1
2	Licensed Speech and Language Development Therapist	10a	5018	hrs	207,097	157	8,008	802	5,175	215,907	2
3	Licensed Recreational Therapist			hrs							3
4	Licensed Physical Therapist	10a	20021	hrs	826,250	6,768	345,185	23,230	26,789	1,194,665	4
5	Physician Care			visits							5
6	Dental Care			visits							6
7	Work Related Program			hrs							7
8	Habilitation			hrs							8
9	Pharmacy	39, 3		# of prescrpts				1,011,048		1,011,048	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)			hrs							10
11	Academic Education			hrs							11
12	Other (specify): Inhal Therp / IV Ther	10a 43,2	1131		46,678			90,900	1,131	137,578	12
13	Other (specify): X-Ray & Lab	43,3					263,561			263,561	13
14	TOTAL				$ 1,545,343	9,998	$ 773,464	$ 1,131,784	47,443	$ 3,450,591	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.

STATE OF ILLINOIS

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 05/31/11 (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	$ 2,492	$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (279,451))	2,790,776		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	6,362		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 2,799,630	$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	600,191		13
14	Buildings, at Historical Cost	11,574,018		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	2,804,634		16
17	Accumulated Depreciation (book methods)	(7,963,616)		17
18	Deferred Charges	27,955,575		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): CIP	73,422		23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 35,044,224	$	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 37,843,854	$	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 359,631	$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	842,345		30
31	Accrued Taxes Payable (excluding real estate taxes)	132,508		31
32	Accrued Real Estate Taxes(Sch.IX-B)	259,567		32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	Accrued Payables	174,379		36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 1,768,430	$	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	73,028,840		39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation	188,111		42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 73,216,951	$	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 74,985,381	$	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (37,141,527)	$	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 37,843,854	$	48

*(See instructions.)

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 **Report Period Beginning:** 06/01/10 **Ending:** 05/31/11

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 3,834,273	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 3,834,273	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	8,400,850	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)**	$ 8,400,850	17
	B. Transfers (Itemize):		
18	**Change in Interdivision**	(49,376,650)	18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$ (49,376,650)	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (37,141,527)	24 *

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

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	$ 26,652,850	1
2	Discounts and Allowances for all Levels	(8,521,263)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 18,131,587	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	6,974,451	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 6,974,451	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	3,238	12
13	Barber and Beauty Care	37,341	13
14	Non-Patient Meals	630	14
15	Telephone, Television and Radio	9,344	15
16	Rental of Facility Space		16
17	Sale of Drugs	1,037,035	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	87,378	19
20	Radiology and X-Ray	108,868	20
21	Other Medical Services	100,977	21
22	Laundry	816	22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 1,385,627	23
	D. Non-Operating Revenue		
24	Contributions	221	24
25	Interest and Other Investment Income***		25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 221	26
	E. Other Revenue (specify):**		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Miscellaneous Income	3,000	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 3,000	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 26,494,886	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	1,756,639	31
32	Health Care	9,101,804	32
33	General Administration	4,127,566	33
	B. Capital Expense		
34	Ownership	1,613,764	34
	C. Ancillary Expense		
35	Special Cost Centers	1,398,998	35
36	Provider Participation Fee	95,265	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 18,094,036	40
41	**Income before Income Taxes (line 30 minus line 40)****	8,400,850	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 8,400,850	43

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

**** Does this agree with taxable income (loss) per Federal Income Tax Return? _____ 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.**

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	2,134	2,322	$ 101,891	$ 43.88	1
2	Assistant Director of Nursing	5,721	6,225	223,044	35.83	2
3	Registered Nurses	63,375	68,965	2,251,480	32.65	3
4	Licensed Practical Nurses	27,738	30,184	836,873	27.73	4
5	CNAs & Orderlies	131,061	142,792	1,678,588	11.76	5
6	CNA Trainees					6
7	Licensed Therapist	37,445	40,741	1,681,348	41.27	7
8	Rehab/Therapy Aides	33,192	36,113	904,531	25.05	8
9	Activity Director	9,704	10,571	127,093	12.02	9
10	Activity Assistants					10
11	Social Service Workers	7,908	8,610	199,114	23.13	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	33,542	36,527	441,205	12.08	15
16	Dishwashers					16
17	Maintenance Workers	2,634	2,872	58,133	20.24	17
18	Housekeepers	19,667	21,414	223,929	10.46	18
19	Laundry	7,959	8,668	84,609	9.76	19
20	Administrator	2,080	2,080	142,153	68.34	20
21	Assistant Administrator	1,771	1,771	53,408	30.16	21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	27,034	29,747	525,172	17.65	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	3,899	4,246	60,818	14.32	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	416,864	453,848	$ 9,593,389 *	$ 21.14	34

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

** See instructions.

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		$		35
36	Medical Director	Monthly	7,472	9, 3	36
37	Medical Records Consultant				37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant				44
45	Social Service Consultant				45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)		$ 7,472		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				51
52	Certified Nurse Assistants/Aides				52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Lenette Clark	Administrator	0	$ 34,005
Vicki Tomer	Administrator	0	108,148
Christopher Raciti	Assist. Admin.	0	53,408
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 195,561

B. Administrative - Other

Description	Amount
Various Home Office Services	$ 856,649
TOTAL (agree to Schedule V, line 17, col. 3)	$ 856,649
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Foote, Meyers, Milke,		$
& Flowers, LLC	Legal Fees	8,122
Littler Mendelson PC	Legal Fees	500
United Collection Bureau	Fees for Collections	2,123
Legal and collection fees were adjusted off on Schedule VI, Page 5, Line 22.		
Therefore, no invoices are attached		
The Weissman Group	HR Consultant	99,436
Consulting Fees reclassed to Line 21.		
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $5,000, attach copy of invoices.)		$ 110,181

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 124,598
Unemployment Compensation Insurance	108,050
FICA Taxes	683,816
Employee Health Insurance	579,395
Employee Meals	
Illinois Municipal Retirement Fund (IMRF)*	
Long Term Incentive	14,917
401K	66,837
Other Employee Benefits & Mktg Adj	(8,610)
Employee Uniforms	2,488
Tuition Program	
SMSP Match	7,413
Home Office Allocation	63,754
TOTAL (agree to Schedule V, line 22, col.8)	$ 1,642,658

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

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 5,196
Advertising: Employee Recruitment	10,383
Health Care Worker Background Check	
(Indicate # of checks performed 629)	9,022
Patient Background Checks 875	8,750
Dues & Subscriptions	12,263
Association Dues	18,385
Advertising	31,400
Public Relations	
Less: Non-Allowable Association Dues	(12,335)
Less: Public Relations Expense	( )
Non-allowable advertising	(31,400)
Yellow page advertising	( )
TOTAL (agree to Sch. V, line 20, col. 8)	$ 51,664

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	2,167
Includes travel expense to the Home	
Office in Toledo, OH for regional meetings	
Seminar Expense	
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 2,167

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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	N/A		$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

Facility Name & ID Number Manor Care of Palos Heights (East) IL, LLC # 0049478 Report Period Beginning: 06/01/10 Ending: 05/31/11

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. **ICHA $6,050**

(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_$12335**

(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? **5-10 YEARS**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **58,549** 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? **YES**
If YES, give effective date of lease. **04/07/11**

(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. $ **95,265**
This amount is to be recorded on line 42 of Schedule V.

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

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

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

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **N/A** Has any meal income been offset against related costs? **YES** Indicate the amount. $ **630**

(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? **N/A**
d. Have vehicle usage logs been maintained? **N/A**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **N/A**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **N/A**
g. Does the facility transport residents to and from day training? NO
Indicate the amount of income earned from providing such transportation during this reporting period. $

(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) 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? **NO**
Attach invoices and a summary of services for all architect and appraisal fees.