REPORT
ON THE
RATE SETTING AUDIT

THE WATERS EDGE
ALAMEDA, CALIFORNIA
NATIONAL PROVIDER IDENTIFIER: 1013904267

FISCAL PERIOD
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Audits Section - Richmond
Financial Audits Branch
Audits and Investigations
Department of Health Care Services

Section Chief: Louise Wong
Audit Supervisor: Diana Dong
Auditor: Ken Cui

State of California—Health and Human Services Agency
Department of Health Care Services

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

June 7, 2012

Christian Zimmerman, Administrator
The Waters Edge
2401 Blanding Avenue
Alameda, CA 94501

THE WATERS EDGE
NATIONAL PROVIDER IDENTIFIER (NPI) 1013904267
FISCAL PERIOD JUNE 1, 2010 THROUGH DECEMBER 31, 2010

We have examined the facility's Integrated Disclosure and Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and was limited to a review of the cost report and accompanying financial statements, Medi-Cal payment data reports, prior fiscal period's Medi-Cal program audit report, and Medicare audit report for the current fiscal period, if applicable and available.

In our opinion, the data presented in the accompanying Summary of Audited Facility Cost per Patient Day represents a proper determination of the allowable costs and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles.

This audit report includes the:

1. Summary of Audited Facility Cost per Patient Day and supporting schedules

2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Medi-Cal Benefits, Waiver Analysis and Rates Division.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

850 Marina Bay Parkway, Building P, 2nd Floor, MS 2104, Richmond, CA 94804-6403
Telephone: (510) 620-3100 FAX: (510) 620-3111
Internet Address: www.dhcs.ca.gov

If you disagree with the decision of the Department, you may appeal by writing to:

John Melton, Chief
Department of Health Care Services
Office of Administrative Hearings and Appeals
1029 J Street, Suite 200
Sacramento, CA 95814
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

United States Postal Service (USPS)
Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
PO Box 997413
Sacramento, CA 95899

Courier (UPS, FedEx, etc.)
Assistant Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0010
1501 Capitol Avenue, Suite 71.5001
Sacramento, CA 95814
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

If you have questions regarding this report, you may call the Audits Section—Richmond at (510) 620-3100.

Original Signed by

Louise Wong, Chief
Audits Section—Richmond
Financial Audits Branch

Certified

STATE OF CALIFORNIA

SCHEDULE 1

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility No.:
206010989

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
	SKILLED NURSING CARE			
1	Cost of Direct Care - Labor (Sch. 2, Ln. 105)	$ N/A	$ 2,627,965	$ 123.58
2	Cost of Indirect Care - Labor (Sch. 3, Ln. 105)	$ N/A	$ 583,764	$ 27.45
3	Cost of Direct and Indirect Nonlabor - Other (Sch. 4, Ln. 105)	$ N/A	$ 742,176	$ 34.90
4	Cost of Capital Related (Sch. 5, Ln. 105)	$ N/A	$ 49,004	$ 2.30
5	Property Taxes (Sch. 5, Ln. 105)	$ N/A	$ 19,948	$ 0.94
6	CDPH Licensing Fees (Sch. 6, Ln. 105)	$ N/A	$ 16,978	$ 0.80
7	Professional Liability Insurance (Sch. 6, Ln. 105)	$ N/A	$ 33,807	$ 1.59
8	Caregiver Training (Sch. 6, Ln. 105)	$ N/A	$ 0	$ 0.00
9	Quality Assurance Fees (Sch. 6, Ln. 105)	$ N/A	$ 228,231	$ 10.73
10	Cost of Administration (Sch. 6, Ln. 105)	$ N/A	$ 404,367	$ 19.02
11	Cost of Routine Service/Audited Total Costs	$ 4,775,815	$ 4,706,239	$ 221.31
12	Total Patient Days (Adj)	21,265	21,265	
13	Cost Per Patient Day (Cost Divided by Days)	$ 224.59	$ 221.31	
14	Overpayments (Adj)	$ 0	$ 0	
15	Medi-Cal Days (Adj 6)	14,472	14,476	
16	Medi-Cal Managed Care Days (Adj)		0	
	INTERMEDIATE CARE			
17	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
18	Total Patient Days (Adj)		0	
19	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
20	Overpayments (Adj)	$	$ 0	
	MENTALLY DISORDERED CARE			
21	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
22	Total Patient Days (Adj)		0	
23	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
24	Overpayments (Adj)	$	$ 0	
	DEVELOPMENTALLY DISABLED CARE			
25	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
26	Total Patient Days (Adj)		0	
27	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
28	Overpayments (Adj)	$	$ 0	
	SUBACUTE CARE			
29	Cost of Direct Care - Labor (Subacute Care Sch. 1, Ln. 25)	$ N/A	$ 0	$ 0.00
30	Cost of Indirect Care - Labor (Subacute Care Sch. 1, Ln. 26)	$ N/A	$ 0	$ 0.00
31	Cost of Direct and Indirect Nonlabor - Other (Subacute Care Sch. 1, Ln. 27)	$ N/A	$ 0	$ 0.00
32	Cost of Capital Related (Subacute Care Sch. 1, Ln. 28)	$ N/A	$ 0	$ 0.00
33	Property Taxes (Subacute Care Sch. 1, Ln. 29)	$ N/A	$ 0	$ 0.00
34	CDPH Licensing Fees (Subacute Care Sch. 1, Ln. 30)	$ N/A	$ 0	$ 0.00
35	Professional Liability Insurance (Subacute Care Sch. 1, Ln. 31)	$ N/A	$ 0	$ 0.00
36	Quality Assurance Fees (Subacute Care Sch. 1, Ln. 32)	$ N/A	$ 0	$ 0.00
37	Caregiver Training (Subacute Care Sch. 1, Ln. 33)	$ N/A	$ 0	$ 0.00
38	Cost of Administration (Subacute Care Sch.1, Ln. 34)	$ N/A	$ 0	$ 0.00
39	Total Cost of Subacute Service (Subacute Care Sch. 1, Ln. 35)	$ 0	$ 0	$ 0.00
40	Total Patient Days (Subacute Care Sch. 1, Ln. 36)	0	0	
41	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
42	Amount Due Provider (State) (Subacute Care Sch. 1, Ln. 40)	$ 0	$ 0	

STATE OF CALIFORNIA

SCHEDULE 1

SUMMARY OF AUDITED FACILITY COSTS / COST PER PATIENT DAY

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility No.:
206010989

Line No.	PROGRAM DESCRIPTION	AS REPORTED	AS AUDITED	AUDITED COST PER PATIENT DAY
	SUBACUTE CARE - PEDIATRIC			
43	Cost of Routine Service (Subacute Care - Pediatric, Sch. 1, Ln 3)	$ 0	$ 0	
44	Cost of Ancillary Service (Subacute Care - Pediatric, Sch. 1, Ln. 1 + Ln. 2)	$ 0	$ 0	
45	Total Cost of Subacute Care - Pediatric Service (Ln. 42 + Ln. 43)	$ 0	$ 0	
46	Total Patient Days (Subacute Care - Pediatric, Sch. 1, Ln. 5)	0	0	
47	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
48	Amount Due Provider (State) (Subacute Care - Pediatric, Sch. 1, Ln. 9)	$ 0	$ 0	
	TRANSITIONAL INPATIENT CARE			
49	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
50	Total Patient Days (Adj)		0	
51	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
52	Overpayments (Adj)	$	$ 0	
	HOSPICE INPATIENT CARE			
53	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
54	Total Patient Days (Adj)		0	
55	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
56	Overpayments (Adj)	$	$ 0	
	OTHER ROUTINE SERVICES			
57	Cost of Routine Service (Sch. 2, 3, 4, 5, 6)	$	$ 0	
58	Total Patient Days (Adj)		0	
59	Cost Per Patient Day (Cost Divided by Days)	$ 0.00	$ 0.00	
60	Overpayments (Adj)	$	$ 0	

ALLOCATION OF GENERAL SERVICES
DIRECT CARE LABOR

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility No.:
206010989

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Soc Srvs 155	Activities 160	Total	
	GENERAL SERVICES					
005	Plant Operations and Maintenance					
010	Housekeeping					
060	Laundry and Linen					
065	Dietary					
155	Social Services	$ 34,136	$ 34,136			
160	Activities	26,792		$ 26,792		
165	Administration					
166	Medical Records					
170	Inservice Education - Nursing					
	ANCILLARY SERVICES					
075	Patient Supplies	0	0	0	0	
077	Specialized Support Surfaces	N/A	0	0	0	
080	Physical Therapy	0	0	0	0	
081	Respiratory Therapy	0	0	0	0	
082	Occupational Therapy	0	0	0	0	
083	Speech Pathology	0	0	0	0	
085	Pharmacy	0	0	0	0	
090	Laboratory	0	0	0	0	
095	Home Health Services	0	0	0	0	
100	Other Ancillary Services	0	0	0	0	
101	Subacute Care Ancillary Services	0	0	0	0	
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0	
	ROUTINE SERVICES					
105	Skilled Nursing Care	2,567,037	34,136	26,792	2,627,965	*
110	Intermediate Care	0	0	0	0	*
115	Mentally Disordered Care	0	0	0	0	*
120	Developmentally Disabled Care	0	0	0	0	*
125	Subacute Care	0	0	0	0	*
126	Subacute Care - Pediatric	0	0	0	0	*
128	Transitional Inpatient Care	0	0	0	0	*
130	Hospice Inpatient Care	0	0	0	0	*
135	Other Routine Services	0	0	0	0	*
	NONREIMBURSABLE					
139	Residential Care	0	0	0	0	
140	Beauty and Barber	0	0	0	0	
145	Other Nonreimbursable	0	0	0	0	
	TOTAL	$ 2,627,965	$ 34,136	$ 26,792	$ 2,627,965	

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
INDIRECT CARE LABOR

Provider Name: THE WATERS EDGE
Provider NPI: 1013904267
OSHPD Facility Number: 206010989
Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 005	Hskpng 010	Laundry 060	Dietary 065	Soc Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	
	GENERAL SERVICES													
005	Plant Operations and Maintenance	$ 108,818	$ 108,818											
010	Housekeeping	53,385	1,306	$ 54,691										
060	Laundry and Linen	69,464	2,340	1,190	$ 72,994									
065	Dietary	281,748	31,078	15,809	0	$ 328,635								
155	Social Services	N/A	1,265	643	0	0	$ 1,908							
160	Activities	N/A	0	0	0	0	0	$ -						
165	Administration	N/A	4,720	2,401	0	0	0	0		$ 7,121	$ 7,121			
166	Medical Records	43,985	0	0	0	0	0	0		43,985		$ 43,985		
170	Inservice Education - Nursing	46,309	0	0	0	0	0	0	$ 46,309					
	ANCILLARY SERVICES													
075	Patient Supplies		1,332	677	0	0	0	0	0	2,009	152	941	$ 3,102	
077	Specialized Support Surfaces		0	0	0	0	0	0	0	0	0	0	0	
080	Physical Therapy		2,160	1,099	0	0	0	0	0	3,258	349	2,156	5,763	
081	Respiratory Therapy		0	0	0	0	0	0	0	0	0	0	0	
082	Occupational Therapy		2,160	1,099	0	0	0	0	0	3,258	291	1,795	5,344	
083	Speech Pathology		2,160	1,099	0	0	0	0	0	3,258	139	860	4,257	
085	Pharmacy		0	0	0	0	0	0	0	0	67	415	483	
090	Laboratory		0	0	0	0	0	0	0	0	11	69	80	
095	Home Health Services		0	0	0	0	0	0	0	0	0	0	0	
100	Other Ancillary Services		0	0	0	0	0	0	0	0	6	39	45	
101	Subacute Care Ancillary Services		0	0	0	0	0	0	0	0	0	0	0	
102	Subacute Care - Pediatric Ancillary Services		0	0	0	0	0	0	0	0	0	0	0	
	ROUTINE SERVICES													
105	Skilled Nursing Care		59,764	30,402	72,994	328,635	1,908	0	46,309	540,012	6,097	37,656	583,764	*
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0	*
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0	*
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0	*
125	Subacute Care		0	0	0	0	0	0	0	0	0	0	0	*
126	Subacute Care - Pediatric		0	0	0	0	0	0	0	0	0	0	0	*
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0	*
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0	*
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0	*
	NONREIMBURSABLE													
139	Residential Care		0	0	0	0	0	0	0	0	0	0	0	
140	Beauty and Barber		535	272	0	0	0	0	0	807	9	55	871	
145	Other Nonreimbursable		0	0	0	0	0	0	0	0	0	0	0	
	TOTAL	$ 603,709	$ 108,818	$ 54,691	$ 72,994	$ 328,635	$ 1,908	$ -	$ 46,309	$ 552,603	$ 7,121	$ 43,985	$ 603,709	

* (To Schedule 1)

ALLOCATION OF GENERAL SERVICES
OTHER - NONLABOR

Provider Name: THE WATERS EDGE
Provider NPI: 1013904267
OSHPD Facility Number: 206010989
Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Srvs 155	Activities 160	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	
	GENERAL SERVICES													
005	Plant Operations and Maintenance	$ 146,118	$ 146,118											
010	Housekeeping	7,246	1,754	$ 9,000										
060	Laundry and Linen	34,585	3,142	196	$ 37,922									
065	Dietary	338,263	41,730	2,601	0	$ 382,595								
155	Social Services	0	1,698	106	0	0	$ 1,804							
160	Activities	57,220	0	0	0	0	0	$ 57,220						
165	Administration	N/A	6,338	395	0	0	0	0		$ 6,733	$ 6,733			
166	Medical Records	18,121	0	0	0	0	0	0		18,121		$ 18,121		
170	Inservice Education - Nursing	3,652	0	0	0	0	0	0	$ 3,652					
	ANCILLARY SERVICES													
075	Patient Supplies	93,983	1,788	111	0	0	0	0	0	95,883	144	388	$ 96,414	
077	Specialized Support Surfaces	0	0	0	0	0	0	0	0	0	0	0	0	
080	Physical Therapy	218,559	2,900	181	0	0	0	0	0	221,640	330	888	222,858	
081	Respiratory Therapy	0	0	0	0	0	0	0	0	0	0	0	0	
082	Occupational Therapy	180,670	2,900	181	0	0	0	0	0	183,751	275	739	184,765	
083	Speech Pathology	82,450	2,900	181	0	0	0	0	0	85,531	132	354	86,016	
085	Pharmacy	43,639	0	0	0	0	0	0	0	43,639	64	171	43,874	
090	Laboratory	7,263	0	0	0	0	0	0	0	7,263	11	28	7,302	
095	Home Health Services	0	0	0	0	0	0	0	0	0	0	0	0	
100	Other Ancillary Services	4,054	0	0	0	0	0	0	0	4,054	6	16	4,076	
101	Subacute Care Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0	
102	Subacute Care - Pediatric Ancillary Services	0	0	0	0	0	0	0	0	0	0	0	0	
	ROUTINE SERVICES													
105	Skilled Nursing Care	152,452	80,250	5,003	37,922	382,595	1,804	57,220	3,652	720,898	5,764	15,513	742,176	*
110	Intermediate Care		0	0	0	0	0	0	0	0	0	0	0	*
115	Mentally Disordered Care		0	0	0	0	0	0	0	0	0	0	0	*
120	Developmentally Disabled Care		0	0	0	0	0	0	0	0	0	0	0	*
125	Subacute Care	0	0	0	0	0	0	0	0	0	0	0	0	*
126	Subacute Care - Pediatric	0	0	0	0	0	0	0	0	0	0	0	0	*
128	Transitional Inpatient Care		0	0	0	0	0	0	0	0	0	0	0	*
130	Hospice Inpatient Care		0	0	0	0	0	0	0	0	0	0	0	*
135	Other Routine Services		0	0	0	0	0	0	0	0	0	0	0	*
	NONREIMBURSABLE													
139	Residential Care	0	0	0	0	0	0	0	0	0	0	0	0	
140	Beauty and Barber	3,834	718	45	0	0	0	0	0	4,597	8	23	4,628	
145	Other Nonreimbursable	0	0	0	0	0	0	0	0	0	0	0	0	
	TOTAL	$ 1,392,109	$ 146,118	$ 9,000	$ 37,922	$ 382,595	$ 1,804	$ 57,220	$ 3,652	$ 1,367,255	$ 6,733	$ 18,121	$ 1,392,109	

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Capital Various	Plant Ops 5	Hskpng 10	Laundry 60	Dietary 65	Soc Srvs 155	Activities 160
	GENERAL SERVICES									
	Capital Related (excluding lines 40 & 45)	$ 53,494	71%							
	Property Tax (line 40)	21,776	29%	$ 75,270						
005	Plant Operations and Maintenance			882	$ 882					
010	Housekeeping			893	11	$ 903				
060	Laundry and Linen			1,599	19	20	$ 1,638			
065	Dietary			21,245	252	261	0	$ 21,758		
155	Social Services			865	10	11	0	0	$ 886	
160	Activities			0	0	0	0	0	0	$ -
165	Administration			3,227	38	40	0	0	0	0
166	Medical Records			0	0	0	0	0	0	0
170	Inservice Education - Nursing			0	0	0	0	0	0	0
	ANCILLARY SERVICES									
075	Patient Supplies			910	11	11	0	0	0	0
077	Specialized Support Surfaces			0	0	0	0	0	0	0
080	Physical Therapy			1,476	18	18	0	0	0	0
081	Respiratory Therapy			0	0	0	0	0	0	0
082	Occupational Therapy			1,476	18	18	0	0	0	0
083	Speech Pathology			1,476	18	18	0	0	0	0
085	Pharmacy			0	0	0	0	0	0	0
090	Laboratory			0	0	0	0	0	0	0
095	Home Health Services			0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	0	0	0	0	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0
	ROUTINE SERVICES									
105	Skilled Nursing Care			40,855	485	502	1,638	21,758	886	0
110	Intermediate Care			0	0	0	0	0	0	0
115	Mentally Disordered Care			0	0	0	0	0	0	0
120	Developmentally Disabled Care			0	0	0	0	0	0	0
125	Subacute Care			0	0	0	0	0	0	0
126	Subacute Care - Pediatric			0	0	0	0	0	0	0
128	Transitional Inpatient Care			0	0	0	0	0	0	0
130	Hospice Inpatient Care			0	0	0	0	0	0	0
135	Other Routine Services			0	0	0	0	0	0	0
	NONREIMBURSABLE									
139	Residential Care			0	0	0	0	0	0	0
140	Beauty and Barber			366	4	4	0	0	0	0
145	Other Nonreimbursable			0	0	0	0	0	0	0
	TOTAL	$ 75,270	100%	$ 75,270	$ 882	$ 903	$ 1,638	$ 21,758	$ 886	$ -

* (To Schedule 1)

ALLOCATION OF CAPITAL COSTS

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Inserv. Ed 170	Accumulated Costs	Admin 165	Medical Records 166	Total	Capital Related 71% Of Total	Property Tax 29% Of Total	
	GENERAL SERVICES										
	Capital Related (excluding lines 40 & 45)	$ 53,494	71%								
	Property Tax (line 40)	21,776	29%								
005	Plant Operations and Maintenance										
010	Housekeeping										
060	Laundry and Linen										
065	Dietary										
155	Social Services										
160	Activities										
165	Administration				$ 3,305	$ 3,305					
166	Medical Records				0		$ -				
170	Inservice Education - Nursing			$ -							
	ANCILLARY SERVICES										
075	Patient Supplies			0	932	71	0	$ 1,003	$ 713	$ 290	
077	Specialized Support Surfaces			0	0	0	0	0	0	0	
080	Physical Therapy			0	1,512	162	0	1,674	1,190	484	
081	Respiratory Therapy			0	0	0	0	0	0	0	
082	Occupational Therapy			0	1,512	135	0	1,647	1,170	476	
083	Speech Pathology			0	1,512	65	0	1,577	1,120	456	
085	Pharmacy			0	0	31	0	31	22	9	
090	Laboratory			0	0	5	0	5	4	2	
095	Home Health Services			0	0	0	0	0	0	0	
100	Other Ancillary Services			0	0	3	0	3	2	1	
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	
	ROUTINE SERVICES										
105	Skilled Nursing Care			0	66,123	2,829	0	68,952	49,004	19,948	*
110	Intermediate Care			0	0	0	0	0	0	0	*
115	Mentally Disordered Care			0	0	0	0	0	0	0	*
120	Developmentally Disabled Care			0	0	0	0	0	0	0	*
125	Subacute Care			0	0	0	0	0	0	0	*
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	*
128	Transitional Inpatient Care			0	0	0	0	0	0	0	*
130	Hospice Inpatient Care			0	0	0	0	0	0	0	*
135	Other Routine Services			0	0	0	0	0	0	0	*
	NONREIMBURSABLE										
139	Residential Care			0	0	0	0	0	0	0	
140	Beauty and Barber			0	374	4	0	379	269	110	
145	Other Nonreimbursable			0	0	0	0	0	0	0	
	TOTAL	$ 75,270	100%	$ -	$ 71,965	$ 3,305	$ -	$ 75,270	$ 53,494	$ 21,776	

* (To Schedule 1)

ALLOCATION OF ADMINISTRATION AND OTHER DIRECT PASS-THROUGH COSTS

Provider Name: THE WATERS EDGE
Provider NPI: 1013904267
OSHPD Facility Number: 206010989
Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Net Exp For Cost Alloc (From Sch 8)	Ratio	Accum Costs (From Sch 2)	Accum Costs (From Sch 3)	Accum Costs (From Sch 4)	Accum Costs (From Sch 5)	Total Accum Costs	Allocated Admin. Costs	Admin. 59% of Total	DPH Licensing Fees 2% of Total	Professional Liability Ins. 5% of Total	Quality Assur. Fees 33% of Total	Caregiver Training 0% of Total
	GENERAL SERVICES													
045	Property Insurance	$ -												
055	Interest - Other	0												
165	Administration (Salaries & Wages, Fringe Benefits,													
	Agency Staff and Other - Nonlabor)	472,336												
	Total Costs Allocable as Administration	472,336	59%											
167	DPH Licensing Fees	19,832	2%											
168	Professional Liability Insurance	39,489	5%											
169	Quality Assurance Fees	266,594	33%											
174	Caregiver Training	0	0%											
	Total	798,251	100%						$ 798,251					
	ANCILLARY SERVICES													
075	Patient Supplies			$ -	$ 2,009	$ 95,883	$ 932	$ 98,824	17,076	$ 10,104	$ 424	$ 845	$ 5,703	$ -
077	Specialized Support Surfaces			0	0	0	0	0	0	0	0	0	0	0
080	Physical Therapy			0	3,258	221,640	1,512	226,410	39,121	23,149	972	1,935	13,065	0
081	Respiratory Therapy			0	0	0	0	0	0	0	0	0	0	0
082	Occupational Therapy			0	3,258	183,751	1,512	188,521	32,574	19,275	809	1,611	10,879	0
083	Speech Pathology			0	3,258	85,531	1,512	90,301	15,603	9,233	388	772	5,211	0
085	Pharmacy			0	0	43,639	0	43,639	7,540	4,462	187	373	2,518	0
090	Laboratory			0	0	7,263	0	7,263	1,255	743	31	62	419	0
095	Home Health Services			0	0	0	0	0	0	0	0	0	0	0
100	Other Ancillary Services			0	0	4,054	0	4,054	700	414	17	35	234	0
101	Subacute Care Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
102	Subacute Care - Pediatric Ancillary Services			0	0	0	0	0	0	0	0	0	0	0
	ROUTINE SERVICES													
105	Skilled Nursing Care			2,627,965	540,012	720,898	66,123	3,954,998	683,382	404,367	16,978	33,807	228,231	0 *
110	Intermediate Care			0	0	0	0	0	0	0	0	0	0	0 *
115	Mentally Disordered Care			0	0	0	0	0	0	0	0	0	0	0 *
120	Developmentally Disabled Care			0	0	0	0	0	0	0	0	0	0	0 *
125	Subacute Care			0	0	0	0	0	0	0	0	0	0	0 *
126	Subacute Care - Pediatric			0	0	0	0	0	0	0	0	0	0	0 *
128	Transitional Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
130	Hospice Inpatient Care			0	0	0	0	0	0	0	0	0	0	0 *
135	Other Routine Services			0	0	0	0	0	0	0	0	0	0	0 *
	NONREIMBURSABLE													
139	Residential Care			0	0	0	0	0	0	0	0	0	0	0
140	Beauty and Barber			0	807	4,597	374	5,778	998	591	25	49	333	0
145	Other Nonreimbursable			0	0	0	0	0	0	0	0	0	0	0
	SUBTOTAL	$ 798,251		$ 2,627,965	$ 552,603	$ 1,367,255	$ 71,965	$ 4,619,787	$ 798,251					
	Total Administrative Costs							$ 798,251		$ 472,336	$ 19,832	$ 39,489	$ 266,594	$ -
	Unit Cost Multiplier							0.17278955						
	Accumulated Administration Costs (Sch 2 thru 5)				$ 51,106	$ 24,854	$ 3,305	$ 79,266						
	TOTAL FACILITY COSTS							$ 5,497,304						

* (To Schedule 1)

STATISTICS FOR COST ALLOCATION

Provider Name: THE WATERS EDGE
Provider NPI: 1013904267
OSHPD Facility Number: 206010989
Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	DESCRIPTION	Capital (SQ FT) VARIOUS	Plant Ops (SQ FT) 5	Hskpng (SQ FT) 10	Laundry (LBS) 60	Dietary (MEALS) 65	Soc Srvs (DIRECT EXP) 155	Activities (DIRECT EXP) 160	Inserv. Ed (DIRECT EXP) 170	Admin. (TOTAL ACCUM COST)	Med Records (TOTAL (ACCUM COST)
		(Adjs 2,5)	(Adjs 2,5)	(Adjs 2,5)	(Adj 3)	(Adj 4)					
	GENERAL SERVICES										
005	Plant Operations and Maintenance	251									
010	Housekeeping	254	254								
060	Laundry and Linen	455	455	455							
065	Dietary	6,044	6,044	6,044							
155	Social Services	246	246	246							
160	Activities										
165	Administration	918	918	918							
166	Medical Records										
170	Inservice Education - Nursing										
	ANCILLARY SERVICES										
075	Patient Supplies	259	259	259						98,824	98,824
077	Specialized Support Surfaces									0	0
080	Physical Therapy	420	420	420						226,410	226,410
081	Respiratory Therapy									0	0
082	Occupational Therapy	420	420	420						188,521	188,521
083	Speech Pathology	420	420	420						90,301	90,301
085	Pharmacy									43,639	43,639
090	Laboratory									7,263	7,263
095	Home Health Services									0	0
100	Other Ancillary Services									4,054	4,054
101	Subacute Care Ancillary Services									0	0
102	Subacute Care - Pediatric Ancillary Services									0	0
	ROUTINE SERVICES										
105	Skilled Nursing Care	11,623	11,623	11,623	210,970	63,291	2,719,489	2,719,489	2,719,489	3,954,998	3,954,998
110	Intermediate Care						0	0	0	0	0
115	Mentally Disordered Care						0	0	0	0	0
120	Developmentally Disabled Care						0	0	0	0	0
125	Subacute Care						0	0	0	0	0
126	Subacute Care - Pediatric						0	0	0	0	0
128	Transitional Inpatient Care						0	0	0	0	0
130	Hospice Inpatient Care						0	0	0	0	0
135	Other Routine Services						0	0	0	0	0
	NONREIMBURSABLE										
139	Residential Care									0	0
140	Beauty and Barber	104	104	104						5,778	5,778
145	Other Nonreimbursable									0	0
	TOTAL STATISTICS	21,414	21,163	20,909	210,970	63,291	2,719,489	2,719,489	2,719,489	4,619,787	4,619,787
	TOTAL DIRECT SALARIES COSTS - SCH. 2						$ 34,136	$ 26,792			
	UNIT COST MULTIPLIER (DIRECT SALARIES)						0.012552358	0.009851851			
	TOTAL INDIRECT SALARIES COSTS - SCH. 3		$ 108,818	$ 54,691	$ 72,994	$ 328,635	$ 1,908	$ -	$ 46,309	$ 7,121	$ 43,985
	UNIT COST MULTIPLIER (INDIRECT SALARIES)		5.14189860	2.61566992	0.34599087	5.19244038	0.00070174	0.00000000	0.01702857	0.00154151	0.00952100
	TOTAL INDIRECT OTHER COSTS - SCH. 4		$ 146,118	$ 9,000	$ 37,922	$ 382,595	$ 1,804	$ 57,220	$ 3,652	$ 6,733	$ 18,121
	UNIT COST MULTIPLIER (INDIRECT OTHER)		6.90440864	0.43042325	0.17975233	6.04500994	0.00066350	0.02104072	0.00134290	0.00145751	0.00392248
	TOTAL CAPITAL COSTS - SCH. 5	$ 75,270	$ 882	$ 903	$ 1,638	$ 21,758	$ 886	$ -	$ -	$ 3,305	$ -
	UNIT COST MULTIPLIER (CAPITAL COSTS)	3.51499019	0.04168892	0.04320611	0.00776389	0.34377252	0.00032564	0.00000000	0.00000000	0.00071534	0.00000000

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
005		Plant Operations and Maintenance					
005	.01-.19	Salaries and Wages	6200	$ 74,389	$ 0	$ 74,389	(Sch 3)
005	.20-.39	Fringe Benefits	6200	34,429	0	34,429	(Sch 3)
005	.79	Agency Staff	6200	0	0	0	(Sch 3)
005	.40-.99	Other - Nonlabor	6200	245,279	(99,161)	146,118	(Sch 4)
005		Plant Operations and Maintenance - Total	6200	$ 354,097	$ (99,161)	$ 254,936	
010		Housekeeping					
010	.01-.19	Salaries and Wages	6300	$ 33,852	$ 0	$ 33,852	(Sch 3)
010	.20-.39	Fringe Benefits	6300	19,533	0	19,533	(Sch 3)
010	.79	Agency Staff	6300	0	0	0	(Sch 3)
010	.40-.99	Other - Nonlabor	6300	7,246	0	7,246	(Sch 4)
010		Housekeeping - Total	6300	$ 60,631	$ 0	$ 60,631	
015		Depreciation: Buildings and Improvements	7110 - 7120	$ 0	$ 0	$ 0	(Sch 5)
020		Depreciation: Leasehold Improvements	7130	1,984	0	1,984	(Sch 5)
025		Depreciation: Equipment	7140	21,850	0	21,850	(Sch 5)
030		Depreciation and Amortization - Other	7150 - 7160	0	0	0	(Sch 5)
035		Leases and Rentals	7200	29,660	0	29,660	(Sch 5)
040		Property Taxes	7300	21,776	0	21,776	(Sch 5)
045		Property Insurance	7400	0	0	0	(Sch 6)
050		Interest - Property, Plant, and Equipment	7500	0	0	0	(Sch 5)
055		Interest - Other	7600	$ 0	$ 0	$ 0	(Sch 6)
057		**Subtotal 005 - 055**		$ 489,998	$ (99,161)	$ 390,837	
060		Laundry and Linen					
060	.01-.19	Salaries and Wages	6400	$ 47,467	$ 0	$ 47,467	(Sch 3)
060	.20-.39	Fringe Benefits	6400	21,997	0	21,997	(Sch 3)
060	.79	Agency Staff	6400	0	0	0	(Sch 3)
060	.40-.99	Other - Nonlabor	6400	34,585	0	34,585	(Sch 4)
060		Laundry and Linen - Total	6400	$ 104,049	$ 0	$ 104,049	
065		Dietary					
065	.01-.19	Salaries and Wages	6500	$ 222,308	$ 0	$ 222,308	(Sch 3)
065	.20-.39	Fringe Benefits	6500	59,440	0	59,440	(Sch 3)
065	.79	Agency Staff	6500	0	0	0	(Sch 3)
065	.40-.99	Other - Nonlabor	6500	338,263	0	338,263	(Sch 4)
065		Dietary - Total	6500	$ 620,011	$ 0	$ 620,011	
070		Provision for Bad Debts	7700	$ 0	0	$ 0	
		Ancillary Services					
075		Patient Supplies					
075	.01-.19	Salaries and Wages	8100	$ 0	$ 0	$ 0	(Sch 2)
075	.20-.39	Fringe Benefits	8100	0	0	0	(Sch 2)
075	.79	Agency Staff	8100	0	0	0	(Sch 2)
075	.40-.99	Other - Nonlabor	8100	93,983	0	93,983	(Sch 4)
075		Patient Supplies - Total	8100	$ 93,983	$ 0	$ 93,983	
077		Specialized Support Surfaces					
077	.01-.19	Salaries and Wages	8150	$ 0	$ 0	$ 0	N/A
077	.20-.39	Fringe Benefits	8150	0	0	0	N/A
077	.79	Agency Staff	8150	0	0	0	N/A
077	.40-.99	Other - Nonlabor	8150	0	0	0	(Sch 4)
077		Specialized Support Surfaces - Total	8150	$ 0	$ 0	$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
080		Physical Therapy					
080	.01-.19	Salaries and Wages	8200	$ 0	$ 0	$ 0	(Sch 2)
080	.20-.39	Fringe Benefits	8200	0	0	0	(Sch 2)
080	.79	Agency Staff	8200	0	0	0	(Sch 2)
080	.40-.99	Other - Nonlabor	8200	218,559	0	218,559	(Sch 4)
080		Physical Therapy - Total	8200	$ 218,559	$ 0	$ 218,559	
081		Respiratory Therapy					
081	.01-.19	Salaries and Wages	8220	$ 0	$ 0	$ 0	(Sch 2)
081	.20-.39	Fringe Benefits	8220	0	0	0	(Sch 2)
081	.79	Agency Staff	8220	0	0	0	(Sch 2)
081	.40-.99	Other - Nonlabor	8220	0	0	0	(Sch 4)
081		Respiratory Therapy - Total	8220	$ 0	$ 0	$ 0	
082		Occupational Therapy					
082	.01-.19	Salaries and Wages	8250	$ 0	$ 0	$ 0	(Sch 2)
082	.20-.39	Fringe Benefits	8250	0	0	0	(Sch 2)
082	.79	Agency Staff	8250	0	0	0	(Sch 2)
082	.40-.99	Other - Nonlabor	8250	180,670	0	180,670	(Sch 4)
082		Occupational Therapy - Total	8250	$ 180,670	$ 0	$ 180,670	
083		Speech Pathology					
083	.01-.19	Salaries and Wages	8280	$ 0	$ 0	$ 0	(Sch 2)
083	.20-.39	Fringe Benefits	8280	0	0	0	(Sch 2)
083	.79	Agency Staff	8280	0	0	0	(Sch 2)
083	.40-.99	Other - Nonlabor	8280	82,450	0	82,450	(Sch 4)
083		Speech Pathology - Total	8280	$ 82,450	$ 0	$ 82,450	
085		Pharmacy					
085	.01-.19	Salaries and Wages	8300	$ 0	$ 0	$ 0	(Sch 2)
085	.20-.39	Fringe Benefits	8300	0	0	0	(Sch 2)
085	.79	Agency Staff	8300	0	0	0	(Sch 2)
085	.40-.99	Other - Nonlabor	8300	43,639	0	43,639	(Sch 4)
085		Pharmacy - Total	8300	$ 43,639	$ 0	$ 43,639	
090		Laboratory					
090	.01-.19	Salaries and Wages	8400	$ 0	$ 0	$ 0	(Sch 2)
090	.20-.39	Fringe Benefits	8400	0	0	0	(Sch 2)
090	.79	Agency Staff	8400	0	0	0	(Sch 2)
090	.40-.99	Other - Nonlabor	8400	7,263	0	7,263	(Sch 4)
090		Laboratory - Total	8400	$ 7,263	$ 0	$ 7,263	
095		Home Health Services					
095	.01-.19	Salaries and Wages	8800	$ 0	$ 0	$ 0	(Sch 2)
095	.20-.39	Fringe Benefits	8800	0	0	0	(Sch 2)
095	.79	Agency Staff	8800	0	0	0	(Sch 2)
095	.40-.99	Other - Nonlabor	8800	0	0	0	(Sch 4)
095		Home Health Services - Total	8800	$ 0	$ 0	$ 0	
100		Other Ancillary Services					
100	.01-.19	Salaries and Wages	8900	$ 0	$ 0	$ 0	(Sch 2)
100	.20-.39	Fringe Benefits	8900	0	0	0	(Sch 2)
100	.79	Agency Staff	8900	0	0	0	(Sch 2)
100	.40-.99	Other - Nonlabor	8900	4,054	0	4,054	(Sch 4)
100		Other Ancillary Services - Total	8900	$ 4,054	$ 0	$ 4,054	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
101		Subacute Care Ancillary Services					
101	.01-.19	Salaries and Wages	8100-8900	$ 0	$ 0	$ 0	(Sch 2)
101	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
101	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
101	.40-.99	Other - Nonlabor	8100-8900	0	0	0	(Sch 4)
101		Subacute Care Ancillary Services - Total	8100-8900	$ 0	$ 0	$ 0	
102		Subacute Care - Pediatric Ancillary Services					
102	.01-.19	Salaries and Wages	8100-8900	$ 0	$ 0	$ 0	(Sch 2)
102	.20-.39	Fringe Benefits	8100-8900	0	0	0	(Sch 2)
102	.79	Agency Staff	8100-8900	0	0	0	(Sch 2)
102	.40-.99	Other - Nonlabor	8100-8900	0	0	0	(Sch 4)
102		Subacute Care - Pediatric Ancillary Services - Total	8100-8900	$ 0	$ 0	$ 0	
104		Subtotal 075 - 102		$ 630,618	$ 0	$ 630,618	
		Routine Services					
105		Skilled Nursing Care					
105	.01-.19	Salaries and Wages	6110	$ 1,990,805	$ 0	$ 1,990,805	(Sch 2)
105	.20-.39	Fringe Benefits	6110	565,586	0	565,586	(Sch 2)
105	.49	Agency Staff	6110	10,646	0	10,646	(Sch 2)
105	.40-.99	Other - Nonlabor	6110	152,452	0	152,452	(Sch 4)
105		Skilled Nursing Care - Total	6110	$ 2,719,489	$ 0	$ 2,719,489	
110		Intermediate Care					
110	.01-.19	Salaries and Wages	6120	$ 0	$ 0	$ 0	
110	.20-.39	Fringe Benefits	6120	0	0	0	
110	.49	Agency Staff	6120	0	0	0	
110	.40-.99	Other - Nonlabor	6120	0	0	0	
110		Intermediate Care - Total	6120	$ 0	$ 0	$ 0	(Sch 2)
115		Mentally Disordered Care					
115	.01-.19	Salaries and Wages	6130	$ 0	$ 0	$ 0	
115	.20-.39	Fringe Benefits	6130	0	0	0	
115	.49	Agency Staff	6130	0	0	0	
115	.40-.99	Other - Nonlabor	6130	0	0	0	
115		Mentally Disordered Care - Total	6130	$ 0	$ 0	$ 0	(Sch 2)
120		Developmentally Disabled Care					
120	.01-.19	Salaries and Wages	6140	$ 0	$ 0	$ 0	
120	.20-.39	Fringe Benefits	6140	0	0	0	
120	.49	Agency Staff	6140	0	0	0	
120	.40-.99	Other - Nonlabor	6140	0	0	0	
120		Developmentally Disabled Care - Total	6140	$ 0	$ 0	$ 0	(Sch 2)
125		Subacute Care					
125	.01-.19	Salaries and Wages	6150	$ 0	$ 0	$ 0	(Sch 2)
125	.20-.39	Fringe Benefits	6150	0	0	0	(Sch 2)
125	.49	Agency Staff	6150	0	0	0	(Sch 2)
125	.40-.99	Other - Nonlabor	6150	0	0	0	(Sch 4)
125		Subacute Care - Total	6150	$ 0	$ 0	$ 0	
126		Subacute Care - Pediatric					
126	.01-.19	Salaries and Wages	6160	$ 0	$ 0	$ 0	(Sch 2)
126	.20-.39	Fringe Benefits	6160	0	0	0	(Sch 2)
126	.49	Agency Staff	6160	0	0	0	(Sch 2)
126	.40-.99	Other - Nonlabor	6160	0	0	0	(Sch 4)
126		Subacute Care - Pediatric - Total	6160	$ 0	$ 0	$ 0	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
128		Transitional Inpatient Care					
128	.01-.19	Salaries and Wages	6170	$ 0	$ 0	$ 0	
128	.20-.39	Fringe Benefits	6170	0	0	0	
128	.49	Agency Staff	6170	0	0	0	
128	.40-.99	Other - Nonlabor	6170	0	0	0	
128		Transitional Inpatient Care - Total	6170	$ 0	$ 0	$ 0	(Sch 2)
130		Hospice Inpatient Care					
130	.01-.19	Salaries and Wages	6180	$ 0	$ 0	$ 0	
130	.20-.39	Fringe Benefits	6180	0	0	0	
130	.49	Agency Staff	6180	0	0	0	
130	.40-.99	Other - Nonlabor	6180	0	0	0	
130		Hospice Inpatient Care - Total	6180	$ 0	$ 0	$ 0	(Sch 2)
135		Other Routine Services					
135	.01-.19	Salaries and Wages	6190	$ 0	$ 0	$ 0	
135	.20-.39	Fringe Benefits	6190	0	0	0	
135	.49	Agency Staff	6190	0	0	0	
135	.40-.99	Other - Nonlabor	6190	0	0	0	
135		Other Routine Services - Total	6190	$ 0	$ 0	$ 0	(Sch 2)
		Other Nonreimbursable					
139		Residential Care					
139	.01-.19	Salaries and Wages	9100	$ 0	$ 0	$ 0	(Sch 2)
139	.20-.39	Fringe Benefits	9100	0	0	0	(Sch 2)
139	.49	Agency Staff	9100	0	0	0	(Sch 2)
139	.40-.99	Other - Nonlabor	9100	0	0	0	(Sch 4)
139		Residential Care - Total	9100	$ 0	$ 0	$ 0	
140		Beauty and Barber					
140	.01-.19	Salaries and Wages	8900	$ 0	$ 0	$ 0	(Sch 2)
140	.20-.39	Fringe Benefits	8900	0	0	0	(Sch 2)
140	.49	Agency Staff	8900	0	0	0	(Sch 2)
140	.40-.99	Other - Nonlabor	8900	3,834	0	3,834	(Sch 4)
140		Beauty and Barber - Total	8900	$ 3,834	$ 0	$ 3,834	
145		Other Nonreimbursable					
145	.01-.19	Salaries and Wages	9100	$ 0	$ 0	$ 0	(Sch 2)
145	.20-.39	Fringe Benefits	9100	0	0	0	(Sch 2)
145	.49	Agency Staff	9100	0	0	0	(Sch 2)
145	.40-.99	Other - Nonlabor	9100	0	0	0	(Sch 4)
145		Other Nonreimbursable - Total	9100	$ 0	$ 0	$ 0	
146		**Subtotal 105 - 145**		$ 2,723,323	$ 0	$ 2,723,323	
155		Social Services					
155	.01-.19	Salaries and Wages	6600	$ 26,117	$ 0	$ 26,117	(Sch 2)
155	.20-.39	Fringe Benefits	6600	8,019	0	8,019	(Sch 2)
155	.49	Agency Staff	6600	0	0	0	(Sch 2)
155	.40-.99	Other - Nonlabor	6600	0	0	0	(Sch 4)
155		Social Services - Total	6600	$ 34,136	$ 0	$ 34,136	

SUMMARY OF AUDITED PROGRAM EXPENSES

Provider Name:
THE WATERS EDGE

Fiscal Period:
JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Provider NPI:
1013904267

OSHPD Facility Number:
206010989

Line No.	Natural Class	ACCOUNT TITLE	ACCOUNT NUMBER	AS REPORTED	AUDIT ADJUSTMENTS 8A-1	AS AUDITED	
160		Activities					
160	.01-.19	Salaries and Wages	6700	$ 18,030	$ 0	$ 18,030	(Sch 2)
160	.20-.39	Fringe Benefits	6700	8,762	0	8,762	(Sch 2)
160	.49	Agency Staff	6700	0	0	0	(Sch 2)
160	.40-.99	Other - Nonlabor	6700	57,220	0	57,220	(Sch 4)
160		Activities - Total	6700	$ 84,012	$ 0	$ 84,012	
165		Administration					
165	.01-.19	Salaries and Wages	6900	$ 251,926	$ 0	$ 251,926	(Sch 6)
165	.20-.39	Fringe Benefits	6900	96,662	0	96,662	(Sch 6)
165	.49	Agency Staff	6900	0	0	0	(Sch 6)
165	.40-.99	Other - Nonlabor	6900	123,748	0	123,748	(Sch 6)
165		Administration - Total	6900	$ 472,336	$ 0	$ 472,336	
166		Medical Records					
166	.01-.19	Salaries and Wages	6900	$ 29,385	$ 0	$ 29,385	(Sch 3)
166	.20-.39	Fringe Benefits	6900	14,600	0	14,600	(Sch 3)
166	.49	Agency Staff	6900	0	0	0	(Sch 3)
166	.40-.99	Other - Nonlabor	6900	18,121	0	18,121	(Sch 4)
166		Medical Records - Total	6900	$ 62,106	$ 0	$ 62,106	
167		CDPH Licensing Fees	6900	$ 19,832	$ 0	$ 19,832	(Sch 6)
168		Professional Liability Insurance	6900	$ 39,489	$ 0	$ 39,489	(Sch 6)
169		Quality Assurance Fees	6900	$ 266,594	$ 0	$ 266,594	(Sch 6)
170		Inservice Education - Nursing					
170	.01-.19	Salaries and Wages	6800	$ 33,381	$ 0	$ 33,381	(Sch 3)
170	.20-.39	Fringe Benefits	6800	12,928	0	12,928	(Sch 3)
170	.49	Agency Staff	6800	0	0	0	(Sch 3)
170	.40-.99	Other - Nonlabor	6800	3,652	0	3,652	(Sch 4)
170		Inservice Education - Nursing - Total	6800	$ 49,961	$ 0	$ 49,961	
174		Caregiver Training					
174	.01-.19	Salaries and Wages	6900	$ 0	$ 0	$ 0	(Sch 6)
174	.20-.39	Fringe Benefits	6900	0	0	0	(Sch 6)
174	.49	Agency Staff	6900	0	0	0	(Sch 6)
174	.40-.99	Other - Nonlabor	6900	0	0	0	(Sch 6)
174		Caregiver Training - Total	6900	$ 0	$ 0	$ 0	
		Subtotal 155 - 174		$ 1,028,466	$ 0	$ 1,028,466	
200		**Total**		**$ 5,596,465**	**$ (99,161)**	**$ 5,497,304**	

Provider Name: THE WATERS EDGE

Provider NPI: 1013904267

OSHPD Facility Number: 206010989

Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
005	1	Plant Operations and Maintenance - Salaries and Wages	0								
005	2	Plant Operations and Maintenance - Fringe Benefits	0								
005	3	Plant Operations and Maintenance - Agency Staff	0								
005	4	Plant Operations and Maintenance - Other - Nonlabor	(99,161)	(99,161)							
010	1	Housekeeping - Salaries and Wages	0								
010	2	Housekeeping - Fringe Benefits	0								
010	3	Housekeeping - Agency Staff	0								
010	4	Housekeeping - Other - Nonlabor	0								
015	4	Depreciation: Buildings and Improvements	0								
020	4	Depreciation: Leasehold Improvements	0								
025	4	Depreciation: Equipment	0								
030	4	Depreciation and Amortization - Other	0								
035	4	Leases and Rentals	0								
040	4	Property Taxes	0								
045	4	Property Insurance	0								
050	4	Interest - Property, Plant, and Equipment	0								
055	4	Interest - Other	0								
060	1	Laundry and Linen - Salaries and Wages	0								
060	2	Laundry and Linen - Fringe Benefits	0								
060	3	Laundry and Linen - Agency Staff	0								
060	4	Laundry and Linen - Other - Nonlabor	0								
065	1	Dietary - Salaries and Wages	0								
065	2	Dietary - Fringe Benefits	0								
065	3	Dietary - Agency Staff	0								
065	4	Dietary - Other - Nonlabor	0								
070	4	Provision for Bad Debts	0								
075	1	Patient Supplies - Salaries and Wages	0								
075	2	Patient Supplies - Fringe Benefits	0								
075	3	Patient Supplies - Agency Staff	0								
075	4	Patient Supplies - Other - Nonlabor	0								
077	1	Specialized Support Surfaces - Salaries and Wages	0								
077	2	Specialized Support Surfaces - Fringe Benefits	0								
077	3	Specialized Support Surfaces - Agency Staff	0								
077	4	Specialized Support Surfaces - Other - Nonlabor	0								
080	1	Physical Therapy - Salaries and Wages	0								
080	2	Physical Therapy - Fringe Benefits	0								
080	3	Physical Therapy - Agency Staff	0								
080	4	Physical Therapy - Other - Nonlabor	0								
081	1	Respiratory Therapy - Salaries and Wages	0								
081	2	Respiratory Therapy - Fringe Benefits	0								
081	3	Respiratory Therapy - Agency Staff	0								
081	4	Respiratory Therapy - Other - Nonlabor	0								
082	1	Occupational Therapy - Salaries and Wages	0								
082	2	Occupational Therapy - Fringe Benefits	0								
082	3	Occupational Therapy - Agency Staff	0								
082	4	Occupational Therapy - Other - Nonlabor	0								
083	1	Speech Pathology - Salaries and Wages	0								
083	2	Speech Pathology - Fringe Benefits	0								
083	3	Speech Pathology - Agency Staff	0								

Provider Name: THE WATERS EDGE

Provider NPI: 1013904267

OSHPD Facility Number: 206010989

Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
083	4	Speech Pathology - Other - Nonlabor	0								
085	1	Pharmacy - Salaries and Wages	0								
085	2	Pharmacy - Fringe Benefits	0								
085	3	Pharmacy - Agency Staff	0								
085	4	Pharmacy - Other - Nonlabor	0								
090	1	Laboratory - Salaries and Wages	0								
090	2	Laboratory - Fringe Benefits	0								
090	3	Laboratory - Agency Staff	0								
090	4	Laboratory - Other - Nonlabor	0								
095	1	Home Health Services - Salaries and Wages	0								
095	2	Home Health Services - Fringe Benefits	0								
095	3	Home Health Services - Agency Staff	0								
095	4	Home Health Services - Other - Nonlabor	0								
100	1	Other Ancillary Services - Salaries and Wages	0								
100	2	Other Ancillary Services - Fringe Benefits	0								
100	3	Other Ancillary Services - Agency Staff	0								
100	4	Other Ancillary Services - Other - Nonlabor	0								
101	1	Subacute Care Ancillary Services - Salaries and Wages	0								
101	2	Subacute Care Ancillary Services - Fringe Benefits	0								
101	3	Subacute Care Ancillary Services - Agency Staff	0								
101	4	Subacute Care Ancillary Services - Other - Nonlabor	0								
102	1	Subacute Pediatric Ancillary Services - Salaries and Wages	0								
102	2	Subacute Pediatric Ancillary Services - Fringe Benefits	0								
102	3	Subacute Pediatric Ancillary Services - Agency Staff	0								
102	4	Subacute Pediatric Ancillary Services - Other - Nonlabor	0								
105	1	Skilled Nursing Care - Salaries and Wages	0								
105	2	Skilled Nursing Care - Fringe Benefits	0								
105	3	Skilled Nursing Care - Agency Staff	0								
105	4	Skilled Nursing Care - Other - Nonlabor	0								
110	1	Intermediate Care - Salaries and Wages	0								
110	2	Intermediate Care - Fringe Benefits	0								
110	3	Intermediate Care - Agency Staff	0								
110	4	Intermediate Care - Other - Nonlabor	0								
115	1	Mentally Disordered Care - Salaries and Wages	0								
115	2	Mentally Disordered Care - Fringe Benefits	0								
115	3	Mentally Disordered Care - Agency Staff	0								
115	4	Mentally Disordered Care - Other - Nonlabor	0								
120	1	Developmentally Disabled Care - Salaries and Wages	0								
120	2	Developmentally Disabled Care - Fringe Benefits	0								
120	3	Developmentally Disabled Care - Agency Staff	0								
120	4	Developmentally Disabled Care - Other - Nonlabor	0								
125	1	Subacute Care - Salaries and Wages	0								
125	2	Subacute Care - Fringe Benefits	0								
125	3	Subacute Care - Agency Staff	0								
125	4	Subacute Care - Other - Nonlabor	0								
126	1	Subacute Care - Pediatric - Salaries and Wages	0								
126	2	Subacute Care - Pediatric - Fringe Benefits	0								
126	3	Subacute Care - Pediatric - Agency Staff	0								
126	4	Subacute Care - Pediatric - Other - Nonlabor	0								

Provider Name: THE WATERS EDGE

Provider NPI: 1013904267

OSHPD Facility Number: 206010989

Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
128	1	Transitional Inpatient Care - Salaries and Wages	0								
128	2	Transitional Inpatient Care - Fringe Benefits	0								
128	3	Transitional Inpatient Care - Agency Staff	0								
128	4	Transitional Inpatient Care - Other - Nonlabor	0								
130	1	Hospice Inpatient Care - Salaries and Wages	0								
130	2	Hospice Inpatient Care - Fringe Benefits	0								
130	3	Hospice Inpatient Care - Agency Staff	0								
130	4	Hospice Inpatient Care - Other - Nonlabor	0								
135	1	Other Routine Services - Salaries and Wages	0								
135	2	Other Routine Services - Fringe Benefits	0								
135	3	Other Routine Services - Agency Staff	0								
135	4	Other Routine Services - Other - Nonlabor	0								
139	1	Residential Care - Salaries and Wages	0								
139	2	Residential Care - Fringe Benefits	0								
139	3	Residential Care - Agency Staff	0								
139	4	Residential Care - Other - Nonlabor	0								
140	1	Beauty and Barber - Salaries and Wages	0								
140	2	Beauty and Barber - Fringe Benefits	0								
140	3	Beauty and Barber - Agency Staff	0								
140	4	Beauty and Barber - Other - Nonlabor	0								
145	1	Other Nonreimbursable - Salaries and Wages	0								
145	2	Other Nonreimbursable - Fringe Benefits	0								
145	3	Other Nonreimbursable - Agency Staff	0								
145	4	Other Nonreimbursable - Other - Nonlabor	0								
155	1	Social Services - Salaries and Wages	0								
155	2	Social Services - Fringe Benefits	0								
155	3	Social Services - Agency Staff	0								
155	4	Social Services - Other - Nonlabor	0								
160	1	Activities - Salaries and Wages	0								
160	2	Activities - Fringe Benefits	0								
160	3	Activities - Agency Staff	0								
160	4	Activities - Other - Nonlabor	0								
165	1	Administration - Salaries and Wages	0								
165	2	Administration - Fringe Benefits	0								
165	3	Administration - Agency Staff	0								
165	4	Administration - Other - Nonlabor	0								
166	1	Medical Records - Salaries and Wages	0								
166	2	Medical Records - Fringe Benefits	0								
166	3	Medical Records - Agency Staff	0								
166	4	Medical Records - Other - Nonlabor	0								
167	4	CDPH Licensing Fees	0								
168	4	Professional Liability Insurance	0								
169	4	Quality Assurance Fees	0								
170	1	Inservice Education - Nursing - Salaries and Wages	0								
170	2	Inservice Education - Nursing - Fringe Benefits	0								
170	3	Inservice Education - Nursing - Agency Staff	0								
170	4	Inservice Education - Nursing - Other - Nonlabor	0								
174	1	Caregiver Training - Salaries and Wages	0								
174	2	Caregiver Training - Fringe Benefits	0								

Provider Name: THE WATERS EDGE

Provider NPI: 1013904267

OSHPD Facility Number: 206010989

Fiscal Period: JUNE 1, 2010 THROUGH DECEMBER 31, 2010

Line No.	Sub No.		TOTAL ADJ (Page 1)	AUDIT ADJ 1	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ	AUDIT ADJ
174	3	Caregiver Training - Agency Staff	0								
174	4	Caregiver Training - Other - Nonlabor	0								
200		Total	($99,161)	(99,161)	0	0	0	0	0	0	0
			(To Sch 8)								

Provider Name	Fiscal Period	Provider NPI	Adjustments
THE WATERS EDGE	JUNE 1, 2010 THROUGH DECEMBER 31, 2010	1013904267	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED COSTS			
1	10.5	005	4	8A-1	005	4	Plant Operations and Maintenance - Other - Nonlabor To eliminate expense for building improvements that shoul have been capitalized 42 CFR 413.20 and 413.134 CMS Pub. 15-1, Sections 104.8, 108.1, 108.2, and 2300	$245,279	($99,161)	$146,118

Provider Name	Fiscal Period	Provider NPI	Adjustments
THE WATERS EDGE	JUNE 1, 2010 THROUGH DECEMBER 31, 2010	1013904267	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.	Explanation of Audit Adjustments		As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENTS TO REPORTED STATISTICS				
2	10.7	075	1,2,3	7	075	N/A	Patient Supplies (Square Feet)		0	259	259
	10.7	080	1,2,3	7	080	N/A	Physical Therapy		0	420	420
	10.7	082	1,2,3	7	082	N/A	Occupational Therapy		0	420	420
	10.7	083	1,2,3	7	083	N/A	Speech Pathology		0	420	420
	10.7	105	1,2,3	7	105	N/A	Skilled Nursing Care		0	11,623	11,623
	10.7	140	1,2,3	7	140	N/A	Beauty and Barber		0	104	104
	10.7	175	1	7	N/A	N/A	Total Statistics - Capital - Square Feet		0	13,246	13,246 *
	10.7	175	2	7	N/A	N/A	Total Statistics - Plant Operations and Maintenance- Square Feet		0	13,246	13,246 *
	10.7	175	3	7	N/A	N/A	Total Statistics - Housekeeping - Square Feet		0	13,246	13,246 *
3	10.7	105	4	7	105	N/A	Skilled Nursing Care (Pounds of Laundry)		0	210,970	210,970
	10.7	175	4	7	N/A	N/A	Total Statistics - Pounds of Laundry		0	210,970	210,970
4	10.7	105	5	7	105	N/A	Skilled Nursing Care (Patient Meals)		0	63,291	63,291
	10.7	175	5	7	N/A	N/A	Total Statistics - Patient Meals		0	63,291	63,291
							To reconcile provider's reported statistics on page 10.7 to Provider's reported statistics on page 11.1. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304				
5	10.7	005	1	7	005	N/A	Plant Operations and Maintenance (Square Feet)		0	251	251
	10.7	010	1,2	7	010	N/A	Housekeeping		0	254	254
	10.7	060	1,2,3	7	060	N/A	Laundry and Linen		0	455	455
	10.7	065	1,2,3	7	065	N/A	Dietary		0	6,044	6,044
	10.7	155	1,2,3	7	155	N/A	Social Services		0	246	246
	10.7	165	1,2,3	7	165	N/A	Administration		0	918	918
	10.7	175	1	7	N/A	N/A	Total Statistics - Square Feet - Capital	*	13,246	8,168	21,414
	10.7	175	2	7	N/A	N/A	Total Statistics - Square Feet - Plant Operations and Maintenance	*	13,246	7,917	21,163
	10.7	175	3	7	N/A	N/A	Total Statistics - Square Feet - Housekeeping	*	13,246	7,663	20,909
							To include statistics to agree with the prior year's audit report, for proper cost allocation. 42 CFR 413.24 and 413.50 CMS Pub. 15-1, Sections 2304 and 2306				

*Balance carried forward from prior/to subsequent adjustments

Provider Name	Fiscal Period	Provider NPI	Adjustments
THE WATERS EDGE	JUNE 1, 2010 THROUGH DECEMBER 31, 2010	1013904267	6

Report References										
	Cost Report			Audit Report						
Adj. No.	MC530 Page or Exhibit	Line	Col.	Sch.	Line	Sub No.	Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
							ADJUSTMENT TO REPORTED PATIENT DAYS			
6	4.1	005	2	1	15	N/A	Medi-Cal Days To adjust reported Medi-Cal Nursing Facility days based on the following Fiscal Intermediary Payment Data: Service Period: January 1, 2010 through December 31, 2010 Payment Period: January 1, 2010 through March 31, 2012 Report Date: March 31, 2012 42 CFR 413.20, 413.24, 413.50, 413.53, 413.60, 413.64, and 433.139 CMS Pub. 15-1, Sections 2300, 2304, 2404, and 2408 CCR, Title 22, Section 51541	14,472	4	14,476