

**REPORT
ON THE
HOME OFFICE AUDIT**

**SUN MAR MANAGEMENT SERVICES
BREA, CALIFORNIA**

**FISCAL PERIOD ENDED
SEPTEMBER 30, 2007**

**Audits Section – Santa Ana
Financial Audits Branch
Audits and Investigations
Department of Health Care Services**

**Section Chief: Margaret A. Varho
Audit Supervisor: Stan Van Arsdale
Auditor: Ivy Kwan**



SANDRA SHEWRY
Director

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



ARNOLD SCHWARZENEGGER
Governor

December 15, 2008

William Presnell, CFO
Sun Mar Management Services
3050 Saturn Street, Suite 101
Brea, CA 92821

SUN MAR MANAGEMENT SERVICES
FISCAL PERIOD ENDED SEPTEMBER 30, 2007

We have examined the Medi-Cal Home Office Cost Report for the fiscal period ended September 30, 2007. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the Summary of Audited Home Office Costs to Health Care Facilities represents a proper determination of home office allowable costs for the above fiscal period in accordance with Medi-Cal reimbursement principles. The audited home office cost will be incorporated, by separate adjustment, into each applicable facility audit report.

This audit report includes the:

1. Summary of Audited Home Office Costs to Health Care Facilities and Supporting Schedules
2. Audit Adjustments Schedule

If you disagree with the decision of the Department, the results of the home office audit may only be appealed through each individual facility's audit report. Please refer to the appeal instructions in each facility's audit report.

If you have questions regarding this report, you may call the Audits Section—Santa Ana at (714) 558-4434.

(Original signed by Margaret Varho)

Margaret A. Varho, Chief
Audits Section—Santa Ana
Financial Audits Branch

Certified

TABLE OF CONTENTS

SCHEDULES

- 1 - SUMMARY OF AUDITED HOME OFFICE COSTS TO HEALTH CARE FACILITIES**

- 2 - COMPARISON OF REPORTED AND AUDITED HOME OFFICE COSTS**

- 3 - SUMMARY ALLOCATION OF HOME OFFICE COSTS CAPITAL RELATED**

- 3-1 - SUMMARY ALLOCATION OF HOME OFFICE COSTS NONCAPITAL RELATED**

- 4 - POOLED ALLOCATION OF EXPENSES TO CHAIN COMPONENTS**

- 5 - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS CAPITAL AND NONCAPITAL RELATED**

- 6 - FUNCTIONAL ALLOCATION OF EXPENSES TO CHAIN COMPONENTS - STATISTICS CAPITAL AND NONCAPITAL RELATED**

- 7 - DIRECT ALLOCATION OF CAPITAL COSTS TO CHAIN COMPONENTS**

- 7-1 - DIRECT ALLOCATION OF NONCAPITAL COSTS TO CHAIN COMPONENTS**

- 8 - TRIAL BALANCE OF EXPENSES**

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICESFISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

<u>HEALTH CARE FACILITIES</u>		MEDI-CAL NUMBER	FISCAL YEAR END	CAPITAL RELATED (Sch. 3) 1	NONCAPITAL RELATED (Sch. 3-1) 2	TOTAL AUDITED H.O. COST (COLUMN 1 + 2) 3
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	04/30/07	\$18,674	\$315,983	\$334,657
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	12/31/07	29,224	494,506	523,730
1.02	CITRUS NURSING CENTER	ZZT 05872J	12/31/07	12,718	215,203	227,921
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	03/31/07	6,730	113,886	120,616
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	01/31/07	15,909	269,202	285,111
1.05	FRENCH PARK CARE CENTER	LTC 70010H	12/31/07	30,952	523,734	554,686
1.06	GARDEN PARK CARE CENTER	LTC 55549F	12/31/07	20,144	340,860	361,004
1.07	GORDON LANE	LTC 55797F	12/31/07	13,314	225,278	238,592
1.08	HERITAGE MANOR	ZZT 05989I	12/31/07	13,094	221,568	234,662
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	07/31/07	12,958	219,269	232,227
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	06/30/07	11,749	198,805	210,554
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	03/31/07	15,139	256,172	271,311
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	12/31/07	6,804	115,137	121,941
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	11/30/07	7,914	133,913	141,827
1.14	PARK REGENCY CARE	LTC 55536G	12/31/07	14,778	250,062	264,840
1.15	SUN MAR NURSING CENTER	LTC 55266F	04/30/07	8,803	148,952	157,755
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	03/31/07	15,308	259,033	274,341
1.17	VILLA RANCHO BERNARDO	LTC 55318J	12/31/07	<u>\$40,393</u>	<u>\$683,489</u>	<u>\$723,882</u>
	SUBTOTAL (SUM OF LINES 1 - 1.17)			<u>\$294,605</u>	<u>\$4,985,052</u>	<u>\$5,279,657</u>

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

		MEDI-CAL NUMBER	FISCAL YEAR END	REPORTED SUMMARY OF ALLOC. COST 1	AUDITED H.O. COST (Sch. 3 & 3-1) 2	VARIANCE (COLUMN 1 - 2) 3
<u>HEALTH CARE FACILITIES</u>						
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	04/30/07	\$413,610	\$334,657	(\$78,953)
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	12/31/07	647,293	523,730	(123,563)
1.02	CITRUS NURSING CENTER	ZZT 05872J	12/31/07	281,696	227,921	(53,775)
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	03/31/07	149,070	120,616	(28,454)
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	01/31/07	352,377	285,111	(67,266)
1.05	FRENCH PARK CARE CENTER	LTC 70010H	12/31/07	685,550	554,686	(130,864)
1.06	GARDEN PARK CARE CENTER	LTC 55549F	12/31/07	446,171	361,004	(85,167)
1.07	GORDON LANE	LTC 55797F	12/31/07	294,883	238,592	(56,291)
1.08	HERITAGE MANOR	ZZT 05989I	12/31/07	290,022	234,662	(55,360)
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	07/31/07	287,014	232,227	(54,787)
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	06/30/07	260,228	210,554	(49,674)
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	03/31/07	335,319	271,311	(64,008)
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	12/31/07	150,708	121,941	(28,767)
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	11/30/07	175,289	141,827	(33,462)
1.14	PARK REGENCY CARE	LTC 55536G	12/31/07	327,320	264,840	(62,480)
1.15	SUN MAR NURSING CENTER	LTC 55266F	04/30/07	194,975	157,755	(37,220)
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	03/31/07	339,065	274,341	(64,724)
1.17	VILLA RANCHO BERNARDO	LTC 55318J	12/31/07	894,668	723,882	(170,786)
18	SUBTOTAL (SUM OF LINES 1 - 1.17)			<u>\$6,525,258</u>	<u>\$5,279,657</u>	<u>(\$1,245,601)</u>
<u>OTHER COMPONENTS</u>						
19	CITRUS VALLEY RETIREMENT	N/A	12/31/07	\$60,923	\$49,293	(\$11,630)
19.01	PARK REGENCY RETIREMENT	N/A	12/31/07	137,770	111,470	(26,300)
	SUBTOTAL (SUM OF LINES 19 - 19.01)			<u>\$198,693</u>	<u>\$160,763</u>	<u>(\$37,930)</u>
GRAND TOTAL				<u>\$6,723,951</u>	<u>\$5,440,420</u>	<u>(\$1,283,531)</u>

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICESFISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	MEDI-CAL NUMBER	FISCAL YEAR END	DIRECT CAPITAL (Sch. 7)	FUNCTIONAL CAPITAL (Sch. 5)	POOLED CAPITAL (Sch. 4)	TOTAL CAPITAL RELATED	
		1	2	3	4	5	
<u>HEALTH CARE FACILITIES</u>							
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	04/30/07	\$0	\$0	\$18,674	\$18,674
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	12/31/07	0	0	29,224	29,224
1.02	CITRUS NURSING CENTER	ZZT 05872J	12/31/07	0	0	12,718	12,718
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	03/31/07	0	0	6,730	6,730
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	01/31/07	0	0	15,909	15,909
1.05	FRENCH PARK CARE CENTER	LTC 70010H	12/31/07	0	0	30,952	30,952
1.06	GARDEN PARK CARE CENTER	LTC 55549F	12/31/07	0	0	20,144	20,144
1.07	GORDON LANE	LTC 55797F	12/31/07	0	0	13,314	13,314
1.08	HERITAGE MANOR	ZZT 05989I	12/31/07	0	0	13,094	13,094
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	07/31/07	0	0	12,958	12,958
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	06/30/07	0	0	11,749	11,749
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	03/31/07	0	0	15,139	15,139
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	12/31/07	0	0	6,804	6,804
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	11/30/07	0	0	7,914	7,914
1.14	PARK REGENCY CARE	LTC 55536G	12/31/07	0	0	14,778	14,778
1.15	SUN MAR NURSING CENTER	LTC 55266F	04/30/07	0	0	8,803	8,803
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	03/31/07	0	0	15,308	15,308
1.17	VILLA RANCHO BERNARDO	LTC 55318J	12/31/07	0	0	40,393	40,393
	SUBTOTAL (SUM OF LINES 1 - 1.17)			\$0	\$0	\$294,605	\$294,605
<u>OTHER COMPONENTS</u>							
19	CITRUS VALLEY RETIREMENT	N/A	12/31/07	\$0	\$0	\$2,751	\$2,751
19.0	PARK REGENCY RETIREMENT	N/A	12/31/07	0	0	6,220	6,220
	SUBTOTAL (SUM OF LINES 19 - 19.01)			\$0	\$0	\$8,971	\$8,971
	GRAND TOTAL			\$0	\$0	\$303,576	\$303,576

(To Sch. 1 & 2)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICESFISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	MEDI-CAL NUMBER	FISCAL YEAR END	DIRECT COSTS (Sch. 7-1)	FUNCTIONAL COSTS (Sch. 5)	POOLED COSTS (Sch. 4)	TOTAL NONCAPITAL EXPENSE	
		1	2	3	4	5	
<u>HEALTH CARE FACILITIES</u>							
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	04/30/07	\$0	\$0	\$315,983	\$315,983
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	12/31/07	0	0	494,506	494,506
1.02	CITRUS NURSING CENTER	ZZT 05872J	12/31/07	0	0	215,203	215,203
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	03/31/07	0	0	113,886	113,886
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	01/31/07	0	0	269,202	269,202
1.05	FRENCH PARK CARE CENTER	LTC 70010H	12/31/07	0	0	523,734	523,734
1.06	GARDEN PARK CARE CENTER	LTC 55549F	12/31/07	0	0	340,860	340,860
1.07	GORDON LANE	LTC 55797F	12/31/07	0	0	225,278	225,278
1.08	HERITAGE MANOR	ZZT 05989I	12/31/07	0	0	221,568	221,568
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	07/31/07	0	0	219,269	219,269
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	06/30/07	0	0	198,805	198,805
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	03/31/07	0	0	256,172	256,172
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	12/31/07	0	0	115,137	115,137
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	11/30/07	0	0	133,913	133,913
1.14	PARK REGENCY CARE	LTC 55536G	12/31/07	0	0	250,062	250,062
1.15	SUN MAR NURSING CENTER	LTC 55266F	04/30/07	0	0	148,952	148,952
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	03/31/07	0	0	259,033	259,033
1.17	VILLA RANCHO BERNARDO	LTC 55318J	12/31/07	0	0	683,489	683,489
	SUBTOTAL (SUM OF LINES 1 - 1.17)			\$0	\$0	\$4,985,052	\$4,985,052
<u>OTHER COMPONENTS</u>							
19	CITRUS VALLEY RETIREMENT	N/A	12/31/07	\$0	\$0	\$46,542	\$46,542
19.0	PARK REGENCY RETIREMENT	N/A	12/31/07	0	0	105,250	105,250
	SUBTOTAL (SUM OF LINES 19 - 19.01)			\$0	\$0	\$151,792	\$151,792
	GRAND TOTAL			\$0	\$0	\$5,136,844	\$5,136,844

(To Sch. 1 & 2)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

<u>HEALTH CARE FACILITIES</u>		MEDI-CAL NUMBER	TOTAL COST (SCH. G, COL. 1) 1	CAPITAL (Sch. 8) 2	NONCAPITAL (Sch. 8) 3	POOLED (COLUMN 2 + 3) 4
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	\$9,207,128	\$18,674	\$315,983	\$334,657
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	14,408,967	29,224	494,506	523,730
1.02	CITRUS NURSING CENTER	ZZT 05872J	6,270,607	12,718	215,203	227,921
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	3,318,416	6,730	113,886	120,616
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	7,844,046	15,909	269,202	285,111
1.05	FRENCH PARK CARE CENTER	LTC 70010H	15,260,605	30,952	523,734	554,686
1.06	GARDEN PARK CARE CENTER	LTC 55549F	9,932,015	20,144	340,860	361,004
1.07	GORDON LANE	LTC 55797F	6,564,169	13,314	225,278	238,592
1.08	HERITAGE MANOR	ZZT 05989I	6,456,071	13,094	221,568	234,662
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	6,389,067	12,958	219,269	232,227
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	5,792,793	11,749	198,805	210,554
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	7,464,361	15,139	256,172	271,311
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	3,354,865	6,804	115,137	121,941
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	3,901,984	7,914	133,913	141,827
1.14	PARK REGENCY CARE	LTC 55536G	7,286,340	14,778	250,062	264,840
1.15	SUN MAR NURSING CENTER	LTC 55266F	4,340,168	8,803	148,952	157,755
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	7,547,734	15,308	259,033	274,341
1.17	VILLA RANCHO BERNARDO	LTC 55318J	19,915,577	40,393	683,489	723,882
SUBTOTAL (SUM OF LINES 1 - 1.17)			\$145,254,913	\$294,605	\$4,985,052	\$5,279,657
<u>OTHER COMPONENTS</u>						
19	CITRUS VALLEY RETIREMENT	N/A	\$1,356,154	\$2,751	\$46,542	\$49,293
19.0	PARK REGENCY RETIREMENT	N/A	3,066,771	6,220	105,250	111,470
SUBTOTAL (SUM OF LINES 19 - 19.01)			\$4,422,925	\$8,971	\$151,792	\$160,763
GRAND TOTAL			\$149,677,838	\$303,578	\$5,136,844	\$5,440,422
MULTIPLIER				0.002028	0.034319	

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	MEDI-CAL NUMBER	Building and Fixtures - Old 1	Movable Equipment - Old 2	Building and Fixtures - New 4	Movable Equipment - 5	AUDITED TOTAL CAPITAL
HEALTH CARE FACILITIES						
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	\$0	\$0	\$0	\$0
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	0	0	0	0
1.02	CITRUS NURSING CENTER	ZZT 05872J	0	0	0	0
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	0	0	0	0
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	0	0	0	0
1.05	FRENCH PARK CARE CENTER	LTC 70010H	0	0	0	0
1.06	GARDEN PARK CARE CENTER	LTC 55549F	0	0	0	0
1.07	GORDON LANE	LTC 55797F	0	0	0	0
1.08	HERITAGE MANOR	ZZT 05989I	0	0	0	0
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	0	0	0	0
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	0	0	0	0
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	0	0	0	0
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	0	0	0	0
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	0	0	0	0
1.14	PARK REGENCY CARE	LTC 55536G	0	0	0	0
1.15	SUN MAR NURSING CENTER	LTC 55266F	0	0	0	0
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	0	0	0	0
1.17	VILLA RANCHO BERNARDO	LTC 55318J	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)			\$0	\$0	\$0	\$0
OTHER COMPONENTS						
19	CITRUS VALLEY RETIREMENT	N/A	\$0	\$0	\$0	\$0
19.0	PARK REGENCY RETIREMENT	N/A	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)			\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0

(To Sch. 3)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICESFISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	Salaries of Officers 11	Salaries & Wages of Others 12	Payroll Taxes 13	Emp Bene- Payroll Related 14	Emp Bene- Nonpayroll 15	Profit Sharing/Pensio 16	Legal Fees 17
HEALTH CARE FACILITIES							
1 ALCOTT REHABILITATION HOSPITAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01 ANAHEIM HEALTH CARE CENTER	0	0	0	0	0	0	0
1.02 CITRUS NURSING CENTER	0	0	0	0	0	0	0
1.03 DEL MAR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE	0	0	0	0	0	0	0
1.05 FRENCH PARK CARE CENTER	0	0	0	0	0	0	0
1.06 GARDEN PARK CARE CENTER	0	0	0	0	0	0	0
1.07 GORDON LANE	0	0	0	0	0	0	0
1.08 HERITAGE MANOR	0	0	0	0	0	0	0
1.09 LAUREL CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.10 MONTEREY PARK CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.11 NORTH VALLEY NURSING CENTER	0	0	0	0	0	0	0
1.12 PACIFIC CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.13 PARAMOUNT CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.14 PARK REGENCY CARE	0	0	0	0	0	0	0
1.15 SUN MAR NURSING CENTER	0	0	0	0	0	0	0
1.16 SUNSET MANOR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.17 VILLA RANCHO BERNARDO	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
19 CITRUS VALLEY RETIREMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0 PARK REGENCY RETIREMENT	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	Auditing & Accounting Fees 18	SNF Functional Costs 18.1	Education 18.2	Fines & Penalties 18.3	Administrative Costs 18.4	Purchased Services/Consul 18.5	Utilities 19
HEALTH CARE FACILITIES							
1 ALCOTT REHABILITATION HOSPITAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01 ANAHEIM HEALTH CARE CENTER	0	0	0	0	0	0	0
1.02 CITRUS NURSING CENTER	0	0	0	0	0	0	0
1.03 DEL MAR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE	0	0	0	0	0	0	0
1.05 FRENCH PARK CARE CENTER	0	0	0	0	0	0	0
1.06 GARDEN PARK CARE CENTER	0	0	0	0	0	0	0
1.07 GORDON LANE	0	0	0	0	0	0	0
1.08 HERITAGE MANOR	0	0	0	0	0	0	0
1.09 LAUREL CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.10 MONTEREY PARK CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.11 NORTH VALLEY NURSING CENTER	0	0	0	0	0	0	0
1.12 PACIFIC CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.13 PARAMOUNT CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.14 PARK REGENCY CARE	0	0	0	0	0	0	0
1.15 SUN MAR NURSING CENTER	0	0	0	0	0	0	0
1.16 SUNSET MANOR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.17 VILLA RANCHO BERNARDO	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
19 CITRUS VALLEY RETIREMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0 PARK REGENCY RETIREMENT	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICESFISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	Communications 20	Travel & Entertainment 21	Transportation 22	Supplies 23	Minor Equipment 24	Repairs & Maintenance 25	Dues & Subscriptions 26
HEALTH CARE FACILITIES							
1 ALCOTT REHABILITATION HOSPITAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01 ANAHEIM HEALTH CARE CENTER	0	0	0	0	0	0	0
1.02 CITRUS NURSING CENTER	0	0	0	0	0	0	0
1.03 DEL MAR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE	0	0	0	0	0	0	0
1.05 FRENCH PARK CARE CENTER	0	0	0	0	0	0	0
1.06 GARDEN PARK CARE CENTER	0	0	0	0	0	0	0
1.07 GORDON LANE	0	0	0	0	0	0	0
1.08 HERITAGE MANOR	0	0	0	0	0	0	0
1.09 LAUREL CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.10 MONTEREY PARK CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.11 NORTH VALLEY NURSING CENTER	0	0	0	0	0	0	0
1.12 PACIFIC CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.13 PARAMOUNT CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.14 PARK REGENCY CARE	0	0	0	0	0	0	0
1.15 SUN MAR NURSING CENTER	0	0	0	0	0	0	0
1.16 SUNSET MANOR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0
1.17 VILLA RANCHO BERNARDO	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS							
19 CITRUS VALLEY RETIREMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0 PARK REGENCY RETIREMENT	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

	Contributions 27	Insurance Premiums - 28	Taxes & Licenses - Noncap Related 29	Interest Expense 30	Other - Interest Credit 31	Other - Lease Acquisition 32	Other Non- reimbursable 35	AUDITED TOTAL NONCAPITAL
HEALTH CARE FACILITIES								
1 ALCOTT REHABILITATION HOSPITAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01 ANAHEIM HEALTH CARE CENTER	0	0	0	0	0	0	0	0
1.02 CITRUS NURSING CENTER	0	0	0	0	0	0	0	0
1.03 DEL MAR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE	0	0	0	0	0	0	0	0
1.05 FRENCH PARK CARE CENTER	0	0	0	0	0	0	0	0
1.06 GARDEN PARK CARE CENTER	0	0	0	0	0	0	0	0
1.07 GORDON LANE	0	0	0	0	0	0	0	0
1.08 HERITAGE MANOR	0	0	0	0	0	0	0	0
1.09 LAUREL CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.10 MONTEREY PARK CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.11 NORTH VALLEY NURSING CENTER	0	0	0	0	0	0	0	0
1.12 PACIFIC CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.13 PARAMOUNT CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.14 PARK REGENCY CARE	0	0	0	0	0	0	0	0
1.15 SUN MAR NURSING CENTER	0	0	0	0	0	0	0	0
1.16 SUNSET MANOR CONVALESCENT HOSPITAL	0	0	0	0	0	0	0	0
1.17 VILLA RANCHO BERNARDO	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS								
19 CITRUS VALLEY RETIREMENT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0 PARK REGENCY RETIREMENT	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(To Sch. 3-1)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

HEALTH CARE FACILITIES

1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I
1.02	CITRUS NURSING CENTER	ZZT 05872J
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J
1.05	FRENCH PARK CARE CENTER	LTC 70010H
1.06	GARDEN PARK CARE CENTER	LTC 55549F
1.07	GORDON LANE	LTC 55797F
1.08	HERITAGE MANOR	ZZT 05989I
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F
1.14	PARK REGENCY CARE	LTC 55536G
1.15	SUN MAR NURSING CENTER	LTC 55266F
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F
1.17	VILLA RANCHO BERNARDO	LTC 55318J

MEDI-CAL NUMBER	Building and Fixtures - Old (stat) 1	Movable Equipment - Old (stat) 2	Building and Fixtures - New (stat) 4	Movable Equipment - New (stat) 5
	(Adj.)	(Adj.)	(Adj.)	(Adj.)

SUBTOTAL (SUM OF LINES 1 - 1.17)

\$0	\$0	\$0	\$0
-----	-----	-----	-----

OTHER COMPONENTS

19	CITRUS VALLEY RETIREMENT	N/A
19.0	PARK REGENCY RETIREMENT	N/A

SUBTOTAL (SUM OF LINES 19 - 19.01)

\$0	\$0	\$0	\$0
-----	-----	-----	-----

GRAND TOTAL

\$0	\$0	\$0	\$0
-----	-----	-----	-----

TOTAL STATISTICS
COST TO BE ALLOCATED (From Sch. 8)
UNIT COST MULTIPLIER

0	0	0	0
\$0	\$0	\$0	\$0
0.000000	0.000000	0.000000	0.000000

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

- HEALTH CARE FACILITIES**
- 1 ALCOTT REHABILITATION HOSPITAL
 - 1.01 ANAHEIM HEALTH CARE CENTER
 - 1.02 CITRUS NURSING CENTER
 - 1.03 DEL MAR CONVALESCENT HOSPITAL
 - 1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE
 - 1.05 FRENCH PARK CARE CENTER
 - 1.06 GARDEN PARK CARE CENTER
 - 1.07 GORDON LANE
 - 1.08 HERITAGE MANOR
 - 1.09 LAUREL CONVALESCENT HOSPITAL
 - 1.10 MONTEREY PARK CONVALESCENT HOSPITAL
 - 1.11 NORTH VALLEY NURSING CENTER
 - 1.12 PACIFIC CONVALESCENT HOSPITAL
 - 1.13 PARAMOUNT CONVALESCENT HOSPITAL
 - 1.14 PARK REGENCY CARE
 - 1.15 SUN MAR NURSING CENTER
 - 1.16 SUNSET MANOR CONVALESCENT HOSPITAL
 - 1.17 VILLA RANCHO BERNARDO

Salaries of Officers (stat) 11 (Adj.)	Salaries & Wages of Others (stat) 12 (Adj.)	Payroll Taxes (stat) 13 (Adj.)	Emp Bene-Payroll Related (stat) 14 (Adj.)	Emp Bene-Nonpayroll (stat) 15 (Adj.)	Profit Sharing/Pension (stat) 16 (Adj.)	Legal Fees (stat) 17 (Adj.)
---	---	--	---	--	---	---

SUBTOTAL (SUM OF LINES 1 - 1.17)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

OTHER COMPONENTS

- 19 CITRUS VALLEY RETIREMENT
- 19.0 PARK REGENCY RETIREMENT

SUBTOTAL (SUM OF LINES 19 - 19.01)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

GRAND TOTAL

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

TOTAL STATISTICS
COST TO BE ALLOCATED (From Sch. 8)
UNIT COST MULTIPLIER

0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

HEALTH CARE FACILITIES

- 1 ALCOTT REHABILITATION HOSPITAL
- 1.01 ANAHEIM HEALTH CARE CENTER
- 1.02 CITRUS NURSING CENTER
- 1.03 DEL MAR CONVALESCENT HOSPITAL
- 1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE
- 1.05 FRENCH PARK CARE CENTER
- 1.06 GARDEN PARK CARE CENTER
- 1.07 GORDON LANE
- 1.08 HERITAGE MANOR
- 1.09 LAUREL CONVALESCENT HOSPITAL
- 1.10 MONTEREY PARK CONVALESCENT HOSPITAL
- 1.11 NORTH VALLEY NURSING CENTER
- 1.12 PACIFIC CONVALESCENT HOSPITAL
- 1.13 PARAMOUNT CONVALESCENT HOSPITAL
- 1.14 PARK REGENCY CARE
- 1.15 SUN MAR NURSING CENTER
- 1.16 SUNSET MANOR CONVALESCENT HOSPITAL
- 1.17 VILLA RANCHO BERNARDO

Auditing & Accounting Fees (stat) 18 (Adj.)	SNF Functional Costs (stat) 18.1 (Adj.)	Education (stat) 18.2 (Adj.)	Fines & Penalties (stat) 18.3 (Adj.)	Administrative Costs (stat) 18.4 (Adj.)	Purchased Services/Consulti (stat) 18.5 (Adj.)	Utilities (stat) 19 (Adj.)
---	---	--	--	---	--	--

SUBTOTAL (SUM OF LINES 1 - 1.17)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

OTHER COMPONENTS

- 19 CITRUS VALLEY RETIREMENT
- 19.0 PARK REGENCY RETIREMENT

SUBTOTAL (SUM OF LINES 19 - 19.01)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

GRAND TOTAL

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

TOTAL STATISTICS
COST TO BE ALLOCATED (From Sch. 8)
UNIT COST MULTIPLIER

0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

HEALTH CARE FACILITIES

- 1 ALCOTT REHABILITATION HOSPITAL
- 1.01 ANAHEIM HEALTH CARE CENTER
- 1.02 CITRUS NURSING CENTER
- 1.03 DEL MAR CONVALESCENT HOSPITAL
- 1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE
- 1.05 FRENCH PARK CARE CENTER
- 1.06 GARDEN PARK CARE CENTER
- 1.07 GORDON LANE
- 1.08 HERITAGE MANOR
- 1.09 LAUREL CONVALESCENT HOSPITAL
- 1.10 MONTEREY PARK CONVALESCENT HOSPITAL
- 1.11 NORTH VALLEY NURSING CENTER
- 1.12 PACIFIC CONVALESCENT HOSPITAL
- 1.13 PARAMOUNT CONVALESCENT HOSPITAL
- 1.14 PARK REGENCY CARE
- 1.15 SUN MAR NURSING CENTER
- 1.16 SUNSET MANOR CONVALESCENT HOSPITAL
- 1.17 VILLA RANCHO BERNARDO

Communications (stat) 20 (Adj.)	Travel & Entertainment (stat) 21 (Adj.)	Transportation (stat) 22 (Adj.)	Supplies (stat) 23 (Adj.)	Minor Equipment Expensed (stat) 24 (Adj.)	Repairs & Maintenance (stat) 25 (Adj.)	Dues & Subscriptions (stat) 26 (Adj.)
---	--	---	---------------------------------------	--	---	--

SUBTOTAL (SUM OF LINES 1 - 1.17)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

OTHER COMPONENTS

- 19 CITRUS VALLEY RETIREMENT
- 19.0 PARK REGENCY RETIREMENT

SUBTOTAL (SUM OF LINES 19 - 19.01)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

GRAND TOTAL

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

TOTAL STATISTICS
COST TO BE ALLOCATED (From Sch. 8)
UNIT COST MULTIPLIER

0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

HEALTH CARE FACILITIES

- 1 ALCOTT REHABILITATION HOSPITAL
- 1.01 ANAHEIM HEALTH CARE CENTER
- 1.02 CITRUS NURSING CENTER
- 1.03 DEL MAR CONVALESCENT HOSPITAL
- 1.04 EXTENDED CARE HOSPITAL OF RIVERSIDE
- 1.05 FRENCH PARK CARE CENTER
- 1.06 GARDEN PARK CARE CENTER
- 1.07 GORDON LANE
- 1.08 HERITAGE MANOR
- 1.09 LAUREL CONVALESCENT HOSPITAL
- 1.10 MONTEREY PARK CONVALESCENT HOSPITAL
- 1.11 NORTH VALLEY NURSING CENTER
- 1.12 PACIFIC CONVALESCENT HOSPITAL
- 1.13 PARAMOUNT CONVALESCENT HOSPITAL
- 1.14 PARK REGENCY CARE
- 1.15 SUN MAR NURSING CENTER
- 1.16 SUNSET MANOR CONVALESCENT HOSPITAL
- 1.17 VILLA RANCHO BERNARDO

Contributions (stat) 27 (Adj.)	Insurance Premiums - (stat) 28 (Adj.)	Taxes & Licenses Noncap Related (stat) 29 (Adj.)	Interest Expense (stat) 30 (Adj.)	Other - Interest Credit (stat) 31 (Adj.)	Other - Lease Acquisition Costs (stat) 32 (Adj.)	Other Non- reimbursable (stat) 35 (Adj.)
--	--	---	---	---	---	---

SUBTOTAL (SUM OF LINES 1 - 1.17)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

OTHER COMPONENTS

- 19 CITRUS VALLEY RETIREMENT
- 19.0 PARK REGENCY RETIREMENT

SUBTOTAL (SUM OF LINES 19 - 19.01)

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

GRAND TOTAL

\$0	\$0	\$0	\$0	\$0	\$0	\$0
-----	-----	-----	-----	-----	-----	-----

TOTAL STATISTICS
COST TO BE ALLOCATED (From Sch. 8)
UNIT COST MULTIPLIER

0	0	0	0	0	0	0
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

		MEDI-CAL NUMBER	REPORTED TOTAL 1	Enter Expense	AUDITED TOTAL 8					
				Category 2	Category 3	Category 4	Category 5	Category 6	Category 7	
				(Adj.)						
HEALTH CARE FACILITIES										
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	0	0	0	0	0	0	0	0
1.02	CITRUS NURSING CENTER	ZZT 05872J	0	0	0	0	0	0	0	0
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	0	0	0	0	0	0	0	0
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	0	0	0	0	0	0	0	0
1.05	FRENCH PARK CARE CENTER	LTC 70010H	0	0	0	0	0	0	0	0
1.06	GARDEN PARK CARE CENTER	LTC 55549F	0	0	0	0	0	0	0	0
1.07	GORDON LANE	LTC 55797F	0	0	0	0	0	0	0	0
1.08	HERITAGE MANOR	ZZT 05989I	0	0	0	0	0	0	0	0
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	0	0	0	0	0	0	0	0
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	0	0	0	0	0	0	0	0
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	0	0	0	0	0	0	0	0
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	0	0	0	0	0	0	0	0
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	0	0	0	0	0	0	0	0
1.14	PARK REGENCY CARE	LTC 55536G	0	0	0	0	0	0	0	0
1.15	SUN MAR NURSING CENTER	LTC 55266F	0	0	0	0	0	0	0	0
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	0	0	0	0	0	0	0	0
1.17	VILLA RANCHO BERNARDO	LTC 55318J	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS										
19	CITRUS VALLEY RETIREMENT	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0	PARK REGENCY RETIREMENT	N/A	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(To Sch. 3)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

		MEDI-CAL NUMBER	REPORTED TOTAL 1	Enter Expense Category 2 (Adj.)	Enter Expense Category 3 (Adj.)	Enter Expense Category 4 (Adj.)	Enter Expense Category 5 (Adj.)	Enter Expense Category 6 (Adj.)	Enter Expense Category 7 (Adj.)	AUDITED TOTAL 8
HEALTH CARE FACILITIES										
1	ALCOTT REHABILITATION HOSPITAL	LTC 06283F	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1.01	ANAHEIM HEALTH CARE CENTER	ZZT 05984I	0	0	0	0	0	0	0	0
1.02	CITRUS NURSING CENTER	ZZT 05872J	0	0	0	0	0	0	0	0
1.03	DEL MAR CONVALESCENT HOSPITAL	ZZT 05588I	0	0	0	0	0	0	0	0
1.04	EXTENDED CARE HOSPITAL OF RIVERSIDE	ZZT 06162J	0	0	0	0	0	0	0	0
1.05	FRENCH PARK CARE CENTER	LTC 70010H	0	0	0	0	0	0	0	0
1.06	GARDEN PARK CARE CENTER	LTC 55549F	0	0	0	0	0	0	0	0
1.07	GORDON LANE	LTC 55797F	0	0	0	0	0	0	0	0
1.08	HERITAGE MANOR	ZZT 05989I	0	0	0	0	0	0	0	0
1.09	LAUREL CONVALESCENT HOSPITAL	LTC 06429G	0	0	0	0	0	0	0	0
1.10	MONTEREY PARK CONVALESCENT HOSPITAL	ZZT 05162G	0	0	0	0	0	0	0	0
1.11	NORTH VALLEY NURSING CENTER	ZZT 05146K	0	0	0	0	0	0	0	0
1.12	PACIFIC CONVALESCENT HOSPITAL	LTC 55054F	0	0	0	0	0	0	0	0
1.13	PARAMOUNT CONVALESCENT HOSPITAL	ZZT 06446F	0	0	0	0	0	0	0	0
1.14	PARK REGENCY CARE	LTC 55536G	0	0	0	0	0	0	0	0
1.15	SUN MAR NURSING CENTER	LTC 55266F	0	0	0	0	0	0	0	0
1.16	SUNSET MANOR CONVALESCENT HOSPITAL	LTC 70071F	0	0	0	0	0	0	0	0
1.17	VILLA RANCHO BERNARDO	LTC 55318J	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 1 - 1.17)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER COMPONENTS										
19	CITRUS VALLEY RETIREMENT	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
19.0	PARK REGENCY RETIREMENT	N/A	0	0	0	0	0	0	0	0
SUBTOTAL (SUM OF LINES 19 - 19.01)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GRAND TOTAL			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(To Sch. 3-1)

HOME OFFICE NAME:
SUN MAR MANAGEMENT SERVICES

FISCAL PERIOD ENDED:
SEPTEMBER 30, 2007

COST CENTER DESCRIPTION	REPORTED POOLED ALLOC. (SCH. B, COL 8)	ADJUSTMENT NUMBER(S)	ADJUSTMENT AMOUNT(S)	AUDITED POOLED COST	DIRECT ALLOCATION (SCH. B, COL 6) (Adj.)	FUNCTIONAL ALLOCATION (SCH. B, COL 7) (Adj.)
CAPITAL-RELATED COSTS - OLD						
1.00 Building and Fixtures - Old	\$0			\$0		
2.00 Movable Equipment - Old	<u>0</u>			<u>0</u>		
3.00 SUBTOTAL (sum of lines 1 and 2)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CAPITAL-RELATED COSTS - NEW						
4.00 Building and Fixtures - New	\$228,081			\$228,081		
5.00 Movable Equipment - New	<u>82,339</u>	1, 2	(6,842)	<u>75,497</u>		
6.00 SUBTOTAL (sum of lines 4 and 5)	<u>\$310,420</u>		<u>(\$6,842)</u>	<u>\$303,578</u>	<u>\$0</u>	<u>\$0</u>
OTHER CAPITAL-RELATED COSTS						
7.00 Insurance Premiums				\$0		
8.00 Taxes and Licenses - Other than INCM				0		
9.00 Other	<u>0</u>			<u>0</u>		
10.00 SUBTOTAL (sum of lines 7 through 9)	<u>\$0</u>		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
NONCAPITAL-RELATED COSTS						
11.00 Salaries of Officers	\$2,687,027			\$2,687,027		
12.00 Salaries & Wages of Others	0			0		
13.00 Payroll Taxes	151,819			151,819		
14.00 Emp Bene-Payroll Related	162,027			162,027		
15.00 Emp Bene-Nonpayroll Related	32,624			32,624		
16.00 Profit Sharing/Pension Plan	0			0		
17.00 Legal Fees	0			0		
18.00 Auditing & Accounting Fees	2,319,659	3	(1,232,812)	1,086,847		
18.10 SNF Functional Costs	0			0		
18.20 Education	0			0		
18.30 Fines & Penalties	0			0		
18.40 Administrative Costs	0			0		
18.50 Purchased Services/Consulting	0			0		
19.00 Utilities	21,948			21,948		
20.00 Communications	91,259			91,259		
21.00 Travel & Entertainment	122,679			122,679		
22.00 Transportation	0			0		
23.00 Supplies	248,058	4	(18,790)	229,268		
24.00 Minor Equipment Expensed	2,207			2,207		
25.00 Repairs & Maintenance	25,376			25,376		
26.00 Dues & Subscriptions	0			0		
27.00 Contributions	0			0		
28.00 Insurance Premiums - Noncap Related	25,709	5	(25,085)	624		
29.00 Taxes & Licenses - Noncap Related	31,152			31,152		
30.00 Interest Expense	491,987			491,987		
31.00 Other - Interest Credit	0			0		
32.00 Other - Lease Acquisition Costs	0			0		
35.00 Other Non-reimbursable	<u>0</u>			<u>0</u>		
36.00 SUBTOTAL (sum of lines 11 through 35)	<u>\$6,413,531</u>		<u>(\$1,276,687)</u>	<u>\$5,136,844</u>	<u>\$0</u>	<u>\$0</u>
37.00 TOTAL ALLOWABLE EXPENSES	<u>\$6,723,951</u>		<u>(\$1,283,529)</u>	<u>\$5,440,422</u>	<u>\$0</u> (To Sch. 4)	<u>\$0</u> (To Sch. 5)
38.00 NONREIMBURSABLE EXPENSES	\$0			\$0		
TOTAL EXPENSES	<u>\$6,723,951</u>		<u>(\$1,283,529)</u>	<u>\$5,440,422</u>		

Provider Name		Fiscal Period		Provider Number		Adjustments		
SUN MAR MANAGEMENT SERVICES		OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2007		LTCHO0088		5		
Report References		Explanation of Audit Adjustments						
Adj. No.	Audit Report	Work Sheet	Cost Report			As Reported	Increase (Decrease)	As Adjusted
			Part	Title	Line			
ADJUSTMENTS TO REPORTED COSTS								
1	Sch 8	B	5.00	8	Movable Equipment	\$82,339	(\$4,337)	\$78,002 *
					To eliminate the depreciation expense of a personal vehicle not related to patient care. 42 CFR, Section 413.9(c)(3) / CMS Pub. 15-I, Section 2102.3			
2	Sch 8	B	5.00	8	Movable Equipment	\$78,002	(\$2,505)	\$75,497
					To eliminate the depreciation expense of a television set not present at the company and not related to patient care. 42 CFR, Section 413.9(c)(3) CMS Pub. 15-I, Sections 2102.3, 2300 and 2304			
3	Sch 8	B	18.00	8	Auditing and Accounting Fees	\$2,319,659	(\$1,232,812)	\$1,086,847
					To eliminate executive officers' compensation in excess of the reasonable amount. 42 CFR, Section 413.102 CMS Pub. 15-I, Sections 902.4, 2102.1, 2103 and 2404.2F			
4	Sch 8	B	23.00	8	Supplies	\$248,058	(\$18,790)	\$229,268
					To eliminate office supply expenses due to insufficient documentation and not related to patient care. 42 CFR, Sections 413.9(c)(3), 413.20 and 413.24 CMS Pub. 15-I, Sections 2102.3, 2300 and 2304			
5	Sch 8	B	28.00	8	Insurance Premiums - Noncapital	\$25,709	(\$25,085)	\$624
					To eliminate auto insurance not related to patient care. 42 CFR, Section 413.9(c)(3) / CMS Pub. 15-I, Section 2102.3			

*Balance carried forward from prior/to subsequent adjustments