

Facility Name Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning: 01/01/05 Ending: 12/31/05

III. STATISTICAL DATA

A. Certified units; enter number of units and unit days

Date of change in certified units 12/31/05

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	76	Single Unit Apartment	76	27,740	1
2	10	Double Unit Apartment	10	7,300	2
3		Other			3
4	86	TOTALS	86	35,040	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	10,124	10,160		20,284	5
6	Double Unit	4,092	220		4,312	6
7	Other					7
8	TOTALS	14,216	10,380		24,596	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 70.19%

D. Indicate the number of paid bed-hold days the SLF had during this year
None Also, indicate the number of unpaid bed-hold days the SLF had during this year. None (Do not include bed-hold days in Section B.)

E. Does page 3 include expenses for services or investments not directly related to SLF services?

YES NO

F. Does the BALANCE SHEET reflect any non-SLF assets?

YES NO

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

H. ACCOUNTING BASIS

ACCURAL MODIFIED CASH* CASH*

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

Tax Year: 12/05 Fiscal Year: 12/05

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

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? Yes If yes, did the facility make all of the required payments of interest and principle? Yes

If no, explain. _____

K. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of the required payments of interest and principle? _____

If no, explain. _____

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facility make all of the required payments of interest and principle? _____

If no, explain. _____

Facility Name: Knollwood-Jacksonville Assisted Living, L.P.

Report Period Beginning:

01/01/05

Ending:

12/31/05

IV. COST CENTER EXPENSES (please round to the nearest dollar)

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	180,548	18,020	181,276	379,844		379,844	1
2	Housekeeping, Laundry and Maintenance	104,108	15,227		119,335		119,335	2
3	Heat and Other Utilities			75,811	75,811		75,811	3
4	Other (specify): Plant & Maint.	41,847	64,937	3,249	110,033		110,033	4
5	TOTAL General Services	326,503	98,184	260,336	685,023		685,023	5
B. Health Care and Programs								
6	Health Care/ Personal Care	340,435	1,094	42	341,571		341,571	6
7	Activities and Social Services	35,949	17,097		53,046		53,046	7
8	Other (specify): Laundry		1,458		1,458		1,458	8
9	TOTAL Health Care and Programs	376,385	19,649	42	396,076		396,076	9
C. General Administration								
10	Administrative and Clerical	176,040	25,624	290,457	492,121		492,121	10
11	Marketing Materials, Promotions and Advertising	59,542	97,861	8,078	165,481		165,481	11
12	Employee Benefits and Payroll Taxes	36,068	2,072		38,140		38,140	12
13	Insurance-Property, Liability and Malpractice			62,909	62,909		62,909	13
14	Other (specify): Mortgage Insurance			35,010	35,010		35,010	14
15	TOTAL General Administration	271,649	125,557	396,454	793,660		793,660	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	974,537	243,390	656,832	1,874,759		1,874,759	16
Capital Expenses								
D. Ownership								
17	Depreciation			300,349	300,349		300,349	17
18	Interest			480,712	480,712		480,712	18
19	Real Estate Taxes			67,033	67,033		67,033	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify): Amortization			4,595	4,595		4,595	22
23	TOTAL Ownership			852,688	852,688		852,688	23
24	GRAND TOTAL (Sum of lines 16 and 23)	974,537	243,390	1,509,520	2,727,447		2,727,447	24

Facility Name: Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning 01/01/05 Ending: 12/31/05

V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	2	\$ 20.50	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	12	9.41	3
4	Activity Director & Assistants	1	12.52	4
5	Social Service Workers			5
6	Head Cook	1	14.00	6
7	Cook Helpers/Assistants	5	7.03	7
8	Dishwashers	1	6.02	8
9	Maintenance Workers	1	14.24	9
10	Housekeepers	6	7.47	10
11	Laundry	1	7.47	11
12	Managers	1	28.87	12
13	Other Administrative	1	17.01	13
14	Clerical			14
15	Marketing	1	16.76	15
16	Other	1	8.00	16
17	Total (lines 1 thru 16)	35	\$ 10.67	17

VI. (A) STATEMENT OF COMPENSATION AND OTHER PAYMENTS TO OWNERS, RELATIVES AND MEMBERS OF THE BOARD OF DIRECTORS.

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	None			\$	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	\$	1
2		2
Total		\$ 3

VII. RELATED ORGANIZATIONS

A. Enter below the names of all related organizations. Attach an additional schedule if necessary.

RELATED SLF's & HEALTH CARE BUSINESSES	
Name <u>1</u>	City <u>2</u>
N/A	

OTHER RELATED BUSINESS ENTITIES		
Name <u>3</u>	City <u>4</u>	Type of Business <u>5</u>
Senior Services	St. Louis	Management Co.

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3? YES NO

Name of related entity: _____ If yes, what is the value of those services? \$ _____
 (Please attach a separate schedule itemizing those services.)

C. Does page 3 include any costs derived from transactions (including rent) with related parties? YES NO

If so, please attach a separate schedule detailing the nature of those services, their costs as they appear on your books and the underlying cost to the related party (i.e., not including markup).

Facility Name: Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning: 01/01/05

Ending: 12/31/05

VIII. OWNERSHIP COSTS

A. Purchase price of land 500,000 Year land was acquired 2004

B. Building Depreciation -- Including Fixed Equipment. Round all numbers to the nearest dollar.

*Total units on this schedule must agree with page 2.

	1 Units*	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	
1			2004	2004	\$ 8,124,327	\$ 203,108	40	\$ 452,752	\$ 249,644	\$ 452,752	1
2			2004	2004	482,958	32,712	15	47,166	14,454	47,166	2
3			2004	2004	66,860	9,551	7	11,577	2,026	11,577	3
4											4
5											5
Improvement Type											
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 8,674,145	\$ 245,371		\$ 511,495	\$ 266,124	\$ 511,495	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$	\$	\$	\$		\$	18
19	Vehicles	60,815	12,163	12,163		5	22,264	19
20	TOTAL (lines 18 and 19)	\$ 60,815	\$ 12,163	\$ 12,163	\$		\$ 22,264	20

D. Depreciable Non-Care Assets Included in General Ledger.

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21	Off Equip 2004/2004	\$ 52,198	\$ 12,000	\$ 19,467	21
22	Bld Equip 2004	59,876	10,352	16,946	22
23	Furnishings 2004	143,381	20,463	34,010	23
24	TOTALS (lines 21, 22 and 23)	\$ 255,455	\$ 42,815	\$ 70,423	24

Facility Name: Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning: 01/01/05

Ending: 12/31/05

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: N/A

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

		1	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building			/ /	\$			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental? YES NO

9. Rental amount for movable equipment \$ _____

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

X. INTEREST EXPENSE

	1	2	3	4	6	7	8	9			
	Name of Lender	Related**		Purpose of Loan	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense	
		YES	NO			Original	Balance				
	A. Directly Facility Related Long-Term										
1	GMAC		X	Building	12/31/04	\$ 7,002,000	\$ 6,934,905	3/1/44	0.0655	\$ 455,644	1
2					/ /			/ /			2
3					/ /			/ /			3
	Working Capital										
4	IHDA		X	Operations	9/1/05	525,000	525,000	8/1/20	0.0100	11,022	4
5	Bank Midwest		X	Operations	8/15/05	240,000	62,382	8/14/06	Prime +	14,046	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 7,767,000	\$ 7,522,287			\$ 480,712	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 7,767,000	\$ 7,522,287			\$ 480,712	10

* If there is an option to buy the building, please provide complete details on an attached schedule.

** If there is any overlap in ownership between the facility and the lender, this must be indicated in column 2.

STATE OF ILLINOIS

Facility Name: Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning: 01/01/05

Ending:

12/31/05

12/31/05

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/05

(last day of reporting year)

		1	2	
		Operating	After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 45,036	\$ 45,036	1
2	Cash-Patient Deposits	130	130	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	305,934	305,934	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	26,746	26,746	6
7	Other Prepaid Expenses	8,633	8,633	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Escrows	204,943	204,943	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 591,422	\$ 591,422	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	500,000	500,000	13
14	Buildings, at Historical Cost	8,674,145	8,674,145	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	316,270	316,270	16
17	Accumulated Depreciation (book methods)	(604,182)	(604,182)	17
18	Deferred Charges	125,909	125,909	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):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 9,012,142	\$ 9,012,142	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 9,603,564	\$ 9,603,564	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 194,422	\$ 194,422	26
27	Officer's Accounts Payable	(5,443)	(5,443)	27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	62,382	62,382	29
30	Accrued Salaries Payable	63,839	63,839	30
31	Accrued Taxes Payable			31
32	Accrued Interest Payable	48,592	48,592	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
Other Current Liabilities(specify):				
35	Developer Fee Payable	763,542	763,542	35
36	Advance Bvilling	133,303	133,303	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,260,638	\$ 1,260,638	37
D. Long-Term Liabilities				
38	Long-Term Notes Payable	525,000	525,000	38
39	Mortgage Payable	6,934,905	6,934,905	39
40	Bonds Payable			40
41	Deferred Compensation			41
Other Long-Term Liabilities(specify):				
42	Resident Refund/Pet Deposits	(245)	(245)	42
43	Due to Related Party	18,000	18,000	43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 7,477,660	\$ 7,477,660	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 8,738,298	\$ 8,738,298	45
46	TOTAL EQUITY	\$ 865,266	\$ 865,266	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 9,603,564	\$ 9,603,564	47

*(See instructions.)

Facility Name: Knollwood-Jacksonville Assisted Livingt, L.P.

Report Period Beginning: 01/01/05

Ending:

12/31/05

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

		1	
Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 1,788,167	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,788,167	3
B. Other Operating Revenue			
4	Special Services		4
5	Other Health Care Services		5
6	Special Grants	170	6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	250	8
9	Non-Resident Meals	20,016	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 20,436	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	193	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 193	14
D. Other Revenue (specify):			
15			15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 1,808,796	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	685,023	19
20	Health Care/ Personal Care	396,076	20
21	General Administration	793,660	21
B. Capital Expense			
22	Ownership	852,688	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
28	TOTAL EXPENSES (sum of lines 19 thru 27)	\$ 2,727,447	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (918,651)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (918,651)	31