

Facility Name Brookstone Estates of Vandalia

Report Period Beginning: 01-01-06 Ending: 12-31-06

III. STATISTICAL DATA

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

Date of change in certified units / /

	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	39	Single Unit Apartment	39	14,235	1
2	7	Double Unit Apartment	7	2,555	2
3		Other			3
4	46	TOTALS	46	16,790	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	7,278	6,933		14,211	5
6	Double Unit	365	2,190		2,555	6
7	Other					7
8	TOTALS	7,643	9,123		16,766	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 99.86%

D. Indicate the number of paid bed-hold days the SLF had during this year 15 Also, indicate the number of unpaid bed-hold days the SLF had during this year. **(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: Dec Fiscal Year: Dec

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

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? No If yes, did the facility make all of the required payments of interest and principle?

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.

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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	27,074	68,187		95,261		95,261	1
2	Housekeeping, Laundry and Maintenance	12,747	2,979	7,848	23,574		23,574	2
3	Heat and Other Utilities			48,592	48,592		48,592	3
4	Other (specify): Miscellaneous			16,407	16,407		16,407	4
5	TOTAL General Services	39,821	71,166	72,847	183,834		183,834	5
B. Health Care and Programs								
6	Health Care/ Personal Care	110,293	184	7,086	117,563		117,563	6
7	Activities and Social Services		1,681		1,681		1,681	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	110,293	1,865	7,086	119,244		119,244	9
C. General Administration								
10	Administrative and Clerical	64,850	1,672	105,171	171,693		171,693	10
11	Marketing Materials, Promotions and Advertising			1,812	1,812		1,812	11
12	Employee Benefits and Payroll Taxes			42,257	42,257		42,257	12
13	Insurance-Property, Liability and Malpractice			38,141	38,141		38,141	13
14	Other (specify):							14
15	TOTAL General Administration	64,850	1,672	187,381	253,903		253,903	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	214,964	74,703	267,314	556,981		556,981	16
Capital Expenses								
D. Ownership								
17	Depreciation			307,852	307,852		307,852	17
18	Interest			302,922	302,922		302,922	18
19	Real Estate Taxes			3,233	3,233		3,233	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			614,007	614,007		614,007	23
24	GRAND TOTAL (Sum of lines 16 and 23)	214,964	74,703	881,321	1,170,988		1,170,988	24

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$ 20.00	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	3	7.45	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook	1	10.00	6
7	Cook Helpers/Assistants	2	7.91	7
8	Dishwashers			8
9	Maintenance Workers			9
10	Housekeepers	1	6.95	10
11	Laundry			11
12	Managers	2	11.30	12
13	Other Administrative			13
14	Clerical			14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	9	\$	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	Wilkinson Corporate Managing Member	30%	5	\$ 23372	1
2					2
3					3
4					4
5					5
Total				\$ 23372	6

VI. (B) Management fees paid to unrelated parties

		Amount of Fee	
1	Oakshire Senior Living	\$ 58,426	1
2			2
Total		\$ 58,426	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	City
1 Brookstone Estates of Paris	2 Paris
Brookstone Estates of Harrisburg	Harrisburg
Brookstone Suites Effingham	Effingham
Brookstone Estates of Tuscola	Tuscola

OTHER RELATED BUSINESS ENTITIES

Name	City	Type of Business
3 The Terrace of Mountain Creek	4 Chattonooga TN	5 Assisted Living
Wilkinson Corporation	Yakima WA	Property Investment

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: Wilkinson Corporation If yes, what is the value of those services? \$ 23,372

(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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land 100,000 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	46		2004		\$ 4,230,466	\$ 153,835	28	\$ 153,835	\$	\$ 314,080	1
2											2
3											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)				\$ 4,230,466	\$ 153,835		\$ 153,835	\$	\$ 314,080	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							19
20	TOTAL (lines 18 and 19)	\$	\$	\$	\$		\$	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	Land Improvements	\$ 1,332,378	\$ 88,175	\$ 187,372	21
22	Furniture and Fixtures	205,241	46,679	133,309	22
23	Goodwill and Loan Fees	637,570	19,161	39,789	23
24	TOTALS (lines 21, 22 and 23)	\$ 2,175,189	\$ 154,015	\$ 360,470	24

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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	GEMSA Loan Services		X	Mortgage	12/13/04	\$ 4,560,958	\$ 4,439,465	/ /	6.0000	\$ 268,922	1
2	GEMSA Loan Services		X	Note	/ /	291,980	285,963	/ /		32,409	2
3	Fund VII	X		Note	/ /		1,364,150	/ /			3
	Working Capital										
4					/ /			/ /			4
5					/ /			/ /			5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 4,852,938	\$ 6,089,578			\$ 301,331	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 4,852,938	\$ 6,089,578			\$ 301,331	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

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12-31-06

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 12,620	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	139,661		3
4	Supply Inventory (priced at)	1,718		4
5	Short-Term Investments			5
6	Prepaid Insurance	6,056		6
7	Other Prepaid Expenses	76,636		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Business Value	637,570		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 874,261	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	100,000		13
14	Buildings, at Historical Cost	4,230,466		14
15	Leasehold Improvements, at Historical Cost	1,332,378		15
16	Equipment, at Historical Cost	205,241		16
17	Accumulated Depreciation (book methods)	(634,762)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(39,789)		20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): Monies Loaned to Funds	3,036		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 5,196,570	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 6,070,831	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 44,870	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	50,623		28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	9,494		30
31	Accrued Taxes Payable	3,018		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Accrued Insurance	1,632		35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 109,637	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	6,089,578		38
39	Mortgage Payable			39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42				42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 6,089,578	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 6,199,215	\$	45
46	TOTAL EQUITY	\$ (128,384)	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 6,070,831	\$	47

*(See instructions.)

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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	\$ 1,168,625	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 1,168,625	3
B. Other Operating Revenue			
4	Special Services		4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care		8
9	Non-Resident Meals		9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income		13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$	14
D. Other Revenue (specify):			
15			15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 1,168,625	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	183,834	19
20	Health Care/ Personal Care	119,244	20
21	General Administration	253,903	21
B. Capital Expense			
22	Ownership	614,007	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 1,170,988	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ (2,363)	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ (2,363)	31