

Facility Name Brookstone Estates-Tuscola

Report Period Beginning: 01-01-2006 Ending: 12-31-2006

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 | 451 | 11,176 | | 11,627 | 5 |
| 6 | Double Unit | | 2,555 | | 2,555 | 6 |
| 7 | Other | | | | | 7 |
| 8 | TOTALS | 451 | 13,731 | | 14,182 | 8 |

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 84.47%

D. Indicate the number of paid bed-hold days the SLF had during this year
 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 3 (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. _____

Facility Name: Brookstone Estates-Tuscola

Report Period Beginning:

01-01-2006

Ending: 12-31-2006

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 | 75,225 | 73,064 | | 148,289 | | 148,289 | 1 |
| 2 | Housekeeping, Laundry and Maintenance | 9,535 | 6,345 | 15,121 | 31,001 | | 31,001 | 2 |
| 3 | Heat and Other Utilities | | | 50,562 | 50,562 | | 50,562 | 3 |
| 4 | Other (specify): Miscellaneous | | | 11,621 | 11,621 | | 11,621 | 4 |
| 5 | TOTAL General Services | 84,760 | 79,409 | 77,304 | 241,473 | | 241,473 | 5 |
| B. Health Care and Programs | | | | | | | | |
| 6 | Health Care/ Personal Care | 94,691 | 1,337 | 17,909 | 113,937 | | 113,937 | 6 |
| 7 | Activities and Social Services | | 1,477 | | 1,477 | | 1,477 | 7 |
| 8 | Other (specify): | | | | | | | 8 |
| 9 | TOTAL Health Care and Programs | 94,691 | 2,814 | 17,909 | 115,414 | | 115,414 | 9 |
| C. General Administration | | | | | | | | |
| 10 | Administrative and Clerical | 55,671 | 3,300 | 88,615 | 147,586 | | 147,586 | 10 |
| 11 | Marketing Materials, Promotions and Advertising | | | 19,784 | 19,784 | | 19,784 | 11 |
| 12 | Employee Benefits and Payroll Taxes | | | 49,636 | 49,636 | | 49,636 | 12 |
| 13 | Insurance-Property, Liability and Malpractice | | | 26,430 | 26,430 | | 26,430 | 13 |
| 14 | Other (specify): | | | | | | | 14 |
| 15 | TOTAL General Administration | 55,671 | 3,300 | 184,465 | 243,436 | | 243,436 | 15 |
| 16 | TOTAL Operating Expense (Sum of lines 5, 9 and 15) | 235,122 | 85,523 | 279,678 | 600,323 | | 600,323 | 16 |
| Capital Expenses | | | | | | | | |
| D. Ownership | | | | | | | | |
| 17 | Depreciation | | | 23,188 | 23,188 | | 23,188 | 17 |
| 18 | Interest | | | | | | | 18 |
| 19 | Real Estate Taxes | | | 53,544 | 53,544 | | 53,544 | 19 |
| 20 | Rent -- Facility and Grounds | | | 317,143 | 317,143 | | 317,143 | 20 |
| 21 | Rent -- Equipment | | | | | | | 21 |
| 22 | Other (specify): | | | | | | | 22 |
| 23 | TOTAL Ownership | | | 393,875 | 393,875 | | 393,875 | 23 |
| 24 | GRAND TOTAL (Sum of lines 16 and 23) | 235,122 | 85,523 | 673,553 | 994,198 | | 994,198 | 24 |

Facility Name: Brookstone Estates-Tuscola

Report Period Beginning: 01-01-2006 Ending: 12-31-2006

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 | 8.15 | 3 |
| 4 | Activity Director & Assistants | | | 4 |
| 5 | Social Service Workers | | | 5 |
| 6 | Head Cook | 1 | 11.00 | 6 |
| 7 | Cook Helpers/Assistants | 2 | 7.85 | 7 |
| 8 | Dishwashers | | | 8 |
| 9 | Maintenance Workers | | | 9 |
| 10 | Housekeepers | 1 | 7.08 | 10 |
| 11 | Laundry | | | 11 |
| 12 | Managers | 2 | 10.75 | 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 | Keystone Properties | 100% | | \$ | 1 |
| 2 | | | | | 2 |
| 3 | | | | | 3 |
| 4 | | | | | 4 |
| 5 | | | | | 5 |
| Total | | | | \$ | 6 |

VI. (B) Management fees paid to unrelated parties

| | Amount of Fee | |
|--------------|------------------------|--------------------|
| 1 | Oakshire Senior Living | \$ 49,230 1 |
| 2 | | |
| Total | | \$ 49,230 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> |
|----------------------------------|---------------|
| Brookstone Estates of Vandalia | Vandalia |
| Brookstone Estates of Harrisburg | Harrisburg |
| Brookstone Suites | Effingham |

OTHER RELATED BUSINESS ENTITIES

| Name <u>3</u> | City <u>4</u> | Type of Business <u>5</u> |
|--------------------------|----------------|---------------------------|
| Wilkinson Corporation | Yakima WA | Investment Comp |
| Terrace @ Mountain Creek | Chattanooga TN | Assisted Living |

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? \$ 19,692

(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: Brookstone Estates-Tuscola

Report Period Beginning: 01-01-2006

Ending: 12-31-2006

VIII. OWNERSHIP COSTS

A. Purchase price of land N/A Year land was acquired N/A

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 | | | | | \$ | \$ | | \$ | \$ | \$ | 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) | | | | \$ | \$ | | \$ | \$ | \$ | 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 | 3,500 | 1,120 | 1,120 | | | 1,820 | 19 |
| 20 | TOTAL (lines 18 and 19) | \$ 3,500 | \$ 1,120 | \$ 1,120 | \$ | | \$ 1,820 | 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 | Furniture and Equipment | \$ 72,180 | \$ \$ 22,068 | \$ \$ 35,722 | 21 |
| 22 | | | | | 22 |
| 23 | | | | | 23 |
| 24 | TOTALS (lines 21, 22 and 23) | \$ 72,180 | \$ 22,068 | \$ 35,722 | 24 |

Facility Name: Brookstone Estates-Tuscola

Report Period Beginning: 01-01-2006

Ending: 2-31-2006

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: Keystone Properties

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 | 2004 | 46 | / / | \$ 316,416 | | | 3 |
| 4 | Additions | | | / / | | | | 4 |
| 5 | | | | / / | | | | 5 |
| 6 | | | | / / | | | | 6 |
| 7 | TOTAL | | 46 | | \$ 316,416 | | | 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 | Notes Payable Fund VII | X | | Cash Flow Assurance | / / | \$ | 606,000 | / / | | \$ |
| 2 | | | | | / / | | | / / | | |
| 3 | | | | | / / | | | / / | | |
| | Working Capital | | | | | | | | | |
| 4 | | | | | / / | | | / / | | |
| 5 | | | | | / / | | | / / | | |
| 6 | | | | | / / | | | / / | | |
| 7 | TOTAL Facility Related | | | | | \$ | 606,000 | | | \$ |
| | B. Non-Facility Related | | | | | | | | | |
| 8 | | | | | / / | | | / / | | |
| 9 | | | | | / / | | | / / | | |
| 10 | TOTALS (lines 7, 8 and 9) | | | | | \$ | 606,000 | | | \$ |

* 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

Page 7

Facility Name: Brookstone Estates-Tuscola

Report Period Beginning: 01-01-2006

Ending:

12-31-2006

12-31-2006

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12-31-2006

(last day of reporting year)

| | | 1 | 2 | |
|----|---|-------------|----------------|----|
| | | Operating | After | |
| | | | Consolidation* | |
| | A. Current Assets | | | |
| 1 | Cash on Hand and in Banks | \$ (1,656) | \$ | 1 |
| 2 | Cash-Patient Deposits | | | 2 |
| 3 | Accounts & Short-Term Notes Receivable-Patients (less allowance) | 22,786 | | 3 |
| 4 | Supply Inventory (priced at) | 1,808 | | 4 |
| 5 | Short-Term Investments | | | 5 |
| 6 | Prepaid Insurance | (20,147) | | 6 |
| 7 | Other Prepaid Expenses | 1,131 | | 7 |
| 8 | Accounts Receivable (owners or related parties) | | | 8 |
| 9 | Other(specify): Due to Others | (34,312) | | 9 |
| 10 | TOTAL Current Assets (sum of lines 1 thru 9) | \$ (30,390) | \$ | 10 |
| | B. Long-Term Assets | | | |
| 11 | Long-Term Notes Receivable | | | 11 |
| 12 | Long-Term Investments | | | 12 |
| 13 | Land | | | 13 |
| 14 | Buildings, at Historical Cost | | | 14 |
| 15 | Leasehold Improvements, at Historical Cost | | | 15 |
| 16 | Equipment, at Historical Cost | 20,584 | | 16 |
| 17 | Accumulated Depreciation (book methods) | (37,542) | | 17 |
| 18 | Deferred Charges | | | 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): Purchase Options | 558,161 | | 23 |
| 24 | TOTAL Long-Term Assets (sum of lines 11 thru 23) | \$ 541,203 | \$ | 24 |
| 25 | TOTAL ASSETS (sum of lines 10 and 24) | \$ 510,813 | \$ | 25 |

| | | 1 | 2 | |
|----|--|--------------|----------------|----|
| | | Operating | After | |
| | | | Consolidation* | |
| | C. Current Liabilities | | | |
| 26 | Accounts Payable | \$ (6,332) | \$ | 26 |
| 27 | Officer's Accounts Payable | | | 27 |
| 28 | Accounts Payable-Patient Deposits | 45,800 | | 28 |
| 29 | Short-Term Notes Payable | | | 29 |
| 30 | Accrued Salaries Payable | 8,698 | | 30 |
| 31 | Accrued Taxes Payable | 58,025 | | 31 |
| 32 | Accrued Interest Payable | | | 32 |
| 33 | Deferred Compensation | | | 33 |
| 34 | Federal and State Income Taxes | | | 34 |
| | Other Current Liabilities(specify): | | | |
| 35 | | | | 35 |
| 36 | | | | 36 |
| 37 | TOTAL Current Liabilities (sum of lines 26 thru 36) | \$ 106,191 | \$ | 37 |
| | D. Long-Term Liabilities | | | |
| 38 | Long-Term Notes Payable | 606,000 | | 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) | \$ 606,000 | \$ | 44 |
| 45 | TOTAL LIABILITIES (sum of lines 37 and 44) | \$ 712,191 | \$ | 45 |
| 46 | TOTAL EQUITY | \$ (201,378) | \$ | 46 |
| 47 | TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46) | \$ 510,813 | \$ | 47 |

*(See instructions.)

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 | \$ 984,664 | 1 |
| 2 | Discounts and Allowances | | 2 |
| 3 | SUBTOTAL Resident Care (line 1 minus line 2) | \$ 984,664 | 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 |
| 11 | SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10) | \$ | 11 |
| C. Non-Operating Revenue | | | |
| 12 | Contributions | | 12 |
| 13 | Interest and Other Investment Income | | 13 |
| 14 | SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13) | \$ | 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) | \$ 984,664 | 18 |

| | | 2 | |
|------------------------------|---|------------|----|
| Expenses | | Amount | |
| A. Operating Expenses | | | |
| 19 | General Services | 241,473 | 19 |
| 20 | Health Care/ Personal Care | 115,414 | 20 |
| 21 | General Administration | 243,436 | 21 |
| B. Capital Expense | | | |
| 22 | Ownership | 393,875 | 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) | \$ 994,198 | 28 |
| 29 | Income Before Income Taxes (line 18 minus line 28) | \$ (9,534) | 29 |
| 30 | Income Taxes | \$ | 30 |
| 31 | NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30) | \$ (9,534) | 31 |