

STATE OF ILLINOIS

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Facility Name: Heritage Woods of Flora

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	124,175	87,020	1,657	212,852		212,852	1
2	Housekeeping, Laundry and Maintenance	44,318	10,979	24,683	79,980		79,980	2
3	Heat and Other Utilities			61,126	61,126	(3,047)	58,079	3
4	Other (specify):			3,843	3,843		3,843	4
5	TOTAL General Services	168,493	97,999	91,309	357,801	(3,047)	354,754	5
B. Health Care and Programs								
6	Health Care/ Personal Care	171,711	1,130		172,841		172,841	6
7	Activities and Social Services		1,753	739	2,492		2,492	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	171,711	2,883	739	175,333		175,333	9
C. General Administration								
10	Administrative and Clerical	64,383	8,117	101,552	174,052	(14,285)	159,767	10
11	Marketing Materials, Promotions and Advertising	26,855	2,871	6,194	35,920		35,920	11
12	Employee Benefits and Payroll Taxes			131,383	131,383		131,383	12
13	Insurance-Property, Liability and Malpractice			27,100	27,100		27,100	13
14	Other (specify):			5,514	5,514		5,514	14
15	TOTAL General Administration	91,238	10,988	271,743	373,969	(14,285)	359,684	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	431,442	111,870	363,791	907,103	(17,332)	889,771	16
Capital Expenses								
D. Ownership								
17	Depreciation			114,269	114,269		114,269	17
18	Interest			103,667	103,667	(4,489)	99,178	18
19	Real Estate Taxes			57,146	57,146		57,146	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):			73,191	73,191		73,191	22
23	TOTAL Ownership			348,273	348,273	(4,489)	343,784	23
24	GRAND TOTAL (Sum of lines 16 and 23)	431,442	111,870	712,064	1,255,376	(21,821)	1,233,555	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	1	\$ 16.54	1
2	Licensed Practical Nurses	0	12.23	2
3	Certified Nurse Assistants	8	8.32	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook	2	11.58	6
7	Cook Helpers/Assistants	5	7.23	7
8	Dishwashers			8
9	Maintenance Workers	1	13.23	9
10	Housekeepers	2	6.64	10
11	Laundry			11
12	Managers	1	22.52	12
13	Other Administrative	0	7.78	13
14	Clerical	1	9.26	14
15	Marketing	1	8.82	15
16	Other			16
17	Total (lines 1 thru 16)	21	\$	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				\$	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

	Management fees paid to unrelated parties	Amount of Fee	
1	BMA Management, LTD	\$ 65,102	1
2			2
Total		\$ 65,102	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	1	City	2
Heritage Woods of Ottawa		Ottawa	
Heritage Woods of Manteno		Manteno	
Heritage woods of Watseka		Watseska	

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5

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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land 15,219 Year land was acquired 1999

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	52			2000	\$ 2,453,239	\$ 62,904	39	\$ 62,904	\$	\$ 416,578	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Land Improvements			238,565	14,087	15	14,087		116,478	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)				\$ 2,691,804	\$ 76,991		\$ 76,991	\$	\$ 533,056	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	\$ 422,087	\$ 37,278	\$ 37,278	\$	7	\$ 397,234	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 422,087	\$ 37,278	\$ 37,278	\$		\$ 397,234	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		\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)	\$	\$	\$	24

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IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: None

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						
		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	The Private Bank		X	Mortgage Loan - Bonds	10/23/01	\$ 3,250,000	\$ 2,750,000	10/23/16	Variable	\$ 103,667	1					
2					/ /			/ /			2					
3					/ /			/ /			3					
Working Capital																
4					/ /			/ /			4					
5					/ /			/ /			5					
6					/ /			/ /			6					
7	TOTAL Facility Related					\$ 3,250,000	\$ 2,750,000			\$ 103,667	7					
B. Non-Facility Related																
8					/ /			/ /			8					
9					/ /			/ /			9					
10	TOTALS (lines 7, 8 and 9)					\$ 3,250,000	\$ 2,750,000			\$ 103,667	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.

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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	\$ 70,803	\$ 1
2	Cash-Patient Deposits		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	213,474	3
4	Supply Inventory (priced at)		4
5	Short-Term Investments		5
6	Prepaid Insurance	11,161	6
7	Other Prepaid Expenses	6,326	7
8	Accounts Receivable (owners or related parties)		8
9	Other(specify):		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 301,764	\$ 10
B. Long-Term Assets			
11	Long-Term Notes Receivable		11
12	Long-Term Investments		12
13	Land	15,219	13
14	Buildings, at Historical Cost	2,453,238	14
15	Leasehold Improvements, at Historical Cost	238,565	15
16	Equipment, at Historical Cost	422,087	16
17	Accumulated Depreciation (book methods)	(930,290)	17
18	Deferred Charges		18
19	Organization & Pre-Operating Costs	244,282	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(49,420)	20
21	Restricted Funds	132,013	21
22	Other Long-Term Assets (specify):		22
23	Other(specify):		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 2,525,694	\$ 24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,827,458	\$ 25

	1	2	
	Operating	After	
		Consolidation*	
C. Current Liabilities			
26	Accounts Payable	\$ 22,874	\$ 26
27	Officer's Accounts Payable		27
28	Accounts Payable-Patient Deposits	48,805	28
29	Short-Term Notes Payable		29
30	Accrued Salaries Payable	13,282	30
31	Accrued Taxes Payable	75,000	31
32	Accrued Interest Payable	9,298	32
33	Deferred Compensation		33
34	Federal and State Income Taxes		34
	Other Current Liabilities(specify):		
35	Unearned Revenue	53	35
36			36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 169,312	\$ 37
D. Long-Term Liabilities			
38	Long-Term Notes Payable		38
39	Mortgage Payable	2,750,000	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)	\$ 2,750,000	\$ 44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,919,312	\$ 45
46	TOTAL EQUITY	\$ (91,854)	\$ 46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 2,827,458	\$ 47

*(See instructions.)

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12/31/2006

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	\$ 1,252,970	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 1,252,970	3
B. Other Operating Revenue			
4	Special Services	22,146	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	2,953	8
9	Non-Resident Meals	5,163	9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 30,262	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	7,853	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 7,853	14
D. Other Revenue (specify):			
15	See Page 8 Attachment	18,800	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 18,800	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 1,309,885	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	357,801	19
20	Health Care/ Personal Care	175,333	20
21	General Administration	373,969	21
B. Capital Expense			
22	Ownership	348,273	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)	\$ 1,255,376	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 54,509	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 54,509	31

Cost Center Expenses

A. General Services - Other

Exterminating	\$	1,575
Rubbish Removal	\$	1,398
Vehicle Expense	\$	152
Misc Operating Expenses	\$	-
Transportation Expense	\$	718
Total	\$	3,843

C. General Administration - Other

Legal	\$	3,646
Accounting	\$	1,866
Audit		
Bad Debt	\$	2
Total	\$	5,514

D. Ownership

Financing Fees		
Letter of Credit Fee	\$	40,500
Bond & Draw Fee		
Remarketing & Trustee Fee	\$	3,625
Mortgage Service Fee	\$	4,000
Mortgage Insurance Premium		
Partnership Management Fee		
Asset Management Fee	\$	13,020
Incentive Manangement Fee		
Tax Credit Fee & Incentive Fee		
Organizational Expense		
Amortization Expense	\$	12,046
Settlement		
Total	\$	73,191

Income Statement

D. Other Revenue

Cable	\$	3,047	Offset against expense
Convenience Store	\$	-	
Deposit Fee	\$	50	
Telephone Connection	\$	13,145	Offset against expense
Telephone Usage	\$	1,139	Offset against expense
Miscellaneous	\$	1,419	
Property Tax Adjustments			
	\$	18,800	