

Facility Name Heritage Woods of Manteno

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	81	Single Unit Apartment	81	29,565	1
2	6	Double Unit Apartment	6	2,190	2
3		Other			3
4	87	TOTALS	87	31,755	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	14,808	11,081		25,889	5
6	Double Unit					6
7	Other					7
8	TOTALS	14,808	11,081		25,889	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 81.53%

D. Indicate the number of paid bed-hold days the SLF had during this year 495 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)

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/2006 Fiscal Year: 12/31/2006

* 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. _____

STATE OF ILLINOIS

Page 3

Facility Name: Heritage Woods of Manteno

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	212,716	152,736	1,810	367,262		367,262	1
2	Housekeeping, Laundry and Maintenance	62,098	19,751	34,528	116,377		116,377	2
3	Heat and Other Utilities			109,798	109,798	(15,151)	94,647	3
4	Other (specify):			8,648	8,648		8,648	4
5	TOTAL General Services	274,814	172,487	154,784	602,085	(15,151)	586,934	5
B. Health Care and Programs								
6	Health Care/ Personal Care	307,508	1,887	4,730	314,125	(7,925)	306,200	6
7	Activities and Social Services	23,325	1,793	2,833	27,951		27,951	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	330,833	3,680	7,563	342,076	(7,925)	334,151	9
C. General Administration								
10	Administrative and Clerical	99,274	10,689	167,230	277,193	(20,484)	256,709	10
11	Marketing Materials, Promotions and Advertising	22,327	12,079	19,589	53,995		53,995	11
12	Employee Benefits and Payroll Taxes			172,187	172,187		172,187	12
13	Insurance-Property, Liability and Malpractice			56,861	56,861		56,861	13
14	Other (specify):			9,269	9,269		9,269	14
15	TOTAL General Administration	121,601	22,768	425,136	569,505	(20,484)	549,021	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	727,248	198,935	587,483	1,513,666	(43,560)	1,470,106	16
Capital Expenses								
D. Ownership								
17	Depreciation			620,638	620,638		620,638	17
18	Interest			353,705	353,705		353,705	18
19	Real Estate Taxes			5,100	5,100		5,100	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):			42,839	42,839		42,839	22
23	TOTAL Ownership			1,022,282	1,022,282		1,022,282	23
24	GRAND TOTAL (Sum of lines 16 and 23)	727,248	198,935	1,609,765	2,535,948	(43,560)	2,492,388	24

Facility Name: Heritage Woods of Manteno

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	1	\$ 20.04	1
2	Licensed Practical Nurses	1	15.46	2
3	Certified Nurse Assistants	12	9.26	3
4	Activity Director & Assistants	1	11.07	4
5	Social Service Workers			5
6	Head Cook	1	12.54	6
7	Cook Helpers/Assistants	12	7.76	7
8	Dishwashers			8
9	Maintenance Workers	1	14.08	9
10	Housekeepers	2	6.95	10
11	Laundry			11
12	Managers	1	29.44	12
13	Other Administrative	1	8.01	13
14	Clerical	1	11.17	14
15	Marketing	1	18.89	15
16	Other			16
17	Total (lines 1 thru 16)	34	\$	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

		Amount of Fee	
1	BMA Management, LTD	\$ 129,227	1
2			2
Total		\$ 129,227	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 Flora		Flora	
Heritage Woods of Ottawa		Ottawa	
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).

Facility Name: Heritage Woods of Manteno

Report Period Beginning: 01/01/2006

Ending: 12/31/2006

VIII. OWNERSHIP COSTS

A. Purchase price of land 140,000 Year land was acquired 2001

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	87			2005	\$ 5,677,328	\$ 206,448	28	\$ 206,448	\$	\$ 336,431	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Land Improvements			669,490	63,602	15	63,602		97,077	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)				\$ 6,346,818	\$ 270,050		\$ 270,050	\$	\$ 433,508	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	\$ 1,046,693	\$ 334,942	\$ 334,942	\$	5	\$ 544,281	18
19	Vehicles	48,895	15,646	15,646		5	25,425	19
20	TOTAL (lines 18 and 19)	\$ 1,095,588	\$ 350,588	\$ 350,588	\$		\$ 569,706	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

Facility Name: Heritage Woods of Manteno

Report Period Beginning: 01/01/2006

Ending: 2/31/2006

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	HomeStar Bank		X	Mortgage Loan	12/22/04	\$ 5,850,000	\$ 5,753,534	12/22/29	0.0600	\$ 351,903	1					
2	HomeStar Bank		X	Vehicle Loan	11/28/05	30,895	25,016	11/28/10	0.0635	1,802	2					
3					/ /			/ /			3					
Working Capital																
4					/ /			/ /			4					
5					/ /			/ /			5					
6					/ /			/ /			6					
7	TOTAL Facility Related					\$ 5,880,895	\$ 5,778,550			\$ 353,705	7					
B. Non-Facility Related																
8					/ /			/ /			8					
9					/ /			/ /			9					
10	TOTALS (lines 7, 8 and 9)					\$ 5,880,895	\$ 5,778,550			\$ 353,705	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

Page 7

Facility Name: Heritage Woods of Manteno

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	\$ 159,782	\$ 1
2	Cash-Patient Deposits		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	454,441	3
4	Supply Inventory (priced at)		4
5	Short-Term Investments		5
6	Prepaid Insurance	4,341	6
7	Other Prepaid Expenses	3,999	7
8	Accounts Receivable (owners or related parties)		8
9	Other(specify): Security Deposits	2,700	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 625,263	\$ 10
B. Long-Term Assets			
11	Long-Term Notes Receivable		11
12	Long-Term Investments		12
13	Land	140,000	13
14	Buildings, at Historical Cost	5,677,328	14
15	Leasehold Improvements, at Historical Cost	669,491	15
16	Equipment, at Historical Cost	1,095,588	16
17	Accumulated Depreciation (book methods)	(1,003,214)	17
18	Deferred Charges	205,098	18
19	Organization & Pre-Operating Costs	35,487	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(31,154)	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)	\$ 6,788,624	\$ 24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 7,413,887	\$ 25

	1	2	
	Operating	After	
		Consolidation*	
C. Current Liabilities			
26	Accounts Payable	\$ 59,587	\$ 26
27	Officer's Accounts Payable		27
28	Accounts Payable-Patient Deposits	81,455	28
29	Short-Term Notes Payable		29
30	Accrued Salaries Payable	24,958	30
31	Accrued Taxes Payable	5,100	31
32	Accrued Interest Payable	8,630	32
33	Deferred Compensation		33
34	Federal and State Income Taxes		34
	Other Current Liabilities(specify):		
35	Accrued Liabilities	12,661	35
36	Unearned Revenue	8,086	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 200,477	\$ 37
D. Long-Term Liabilities			
38	Long-Term Notes Payable	25,016	38
39	Mortgage Payable	5,753,534	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)	\$ 5,778,550	\$ 44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 5,979,027	\$ 45
46	TOTAL EQUITY	\$ 1,434,860	\$ 46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 7,413,887	\$ 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	\$ 2,542,027	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 2,542,027	3
B. Other Operating Revenue			
4	Special Services	45,097	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	7,925	8
9	Non-Resident Meals	4,951	9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 57,973	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	See Page 8 Attachment	96,465	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 96,465	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 2,696,465	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	602,085	19
20	Health Care/ Personal Care	342,076	20
21	General Administration	569,505	21
B. Capital Expense			
22	Ownership	1,022,282	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)	\$ 2,535,948	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 160,517	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 160,517	31

Cost Center Expenses

A. General Services - Other

Exterminating	\$	940
Rubbish Removal	\$	4,270
Vehicle Expense	\$	3,138
Misc Operating Expenses	\$	300
Total	\$	8,648

C. General Administration - Other

Legal	\$	6,411
Accounting	\$	2,256
Audit		
Bad Debt	\$	602
Total	\$	9,269

D. Ownership

Financing Fees		
Letter of Credit Fee		
Bond & Draw Fee		
Remarketing & Trustee Fee		
Mortgage Service Fee		
Mortgage Insurance Premium		
Partnership Management Fee		
Asset Management Fee	\$	25,845
Incentive Manangement Fee		
Tax Credit Fee & Incentive Fee		
Organizational Expense		
Amortization Expense	\$	16,994
Settlement		
Total	\$	42,839

Income Statement

D. Other Revenue

Cable	\$	15,110	Offset against expense
Convenience Store	\$	101	
Deposit Fee	\$	150	
Telephone Connection	\$	19,185	Offset against expense
Telephone Usage	\$	1,299	Offset against expense
Miscellaneous	\$	4,320	
Property Tax Adjustments	\$	56,300	
	\$	96,465	