

Facility Name Jacksonville Assisted Living, LP

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 12/31/06

	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	15,244	11,626		26,870	5
6	Double Unit	1,495	2,621		4,116	6
7	Other					7
8	TOTALS	16,739	14,247		30,986	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 88.43%

D. Indicate the number of paid bed-hold days the SLF had during this year 398 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 265 (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

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/06 Fiscal Year: 12/06

* 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: Jacksonville Assisted Living, LP

Report Period Beginning:

01/01/06

Ending:

12/31/06

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	164,169	12,139	152,058	328,366		328,366	1
2	Housekeeping, Laundry and Maintenance	102,276	21,842	25,155	149,273		149,273	2
3	Heat and Other Utilities			76,210	76,210		76,210	3
4	Other (specify): vehicle maint/repair			19,804	19,804		19,804	4
5	TOTAL General Services	266,445	33,981	273,227	573,653		573,653	5
B. Health Care and Programs								
6	Health Care/ Personal Care	347,836	2,572	220	350,628		350,628	6
7	Activities and Social Services	69,558	10,942	10,588	91,088		91,088	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	417,394	13,514	10,808	441,716		441,716	9
C. General Administration								
10	Administrative and Clerical	207,580	19,185	204,922	431,687		431,687	10
11	Marketing Materials, Promotions and Advertising	37,858	8,550	7,849	54,257		54,257	11
12	Employee Benefits and Payroll Taxes			98,921	98,921		98,921	12
13	Insurance-Property, Liability and Malpractice			105,421	105,421		105,421	13
14	Other (specify): Mortgage Insurance			35,414	35,414		35,414	14
15	TOTAL General Administration	245,438	27,735	452,527	725,700		725,700	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	929,277	75,230	736,562	1,741,069		1,741,069	16
Capital Expenses								
D. Ownership								
17	Depreciation			362,878	362,878		362,878	17
18	Interest			470,608	470,608		470,608	18
19	Real Estate Taxes			71,940	71,940		71,940	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify): Amortization			6,653	6,653		6,653	22
23	TOTAL Ownership			912,079	912,079		912,079	23
24	GRAND TOTAL (Sum of lines 16 and 23)	929,277	75,230	1,648,641	2,653,148		2,653,148	24

Facility Name: Jacksonville Assisted Living, LP

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

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	3	\$ 19.90	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	15	9.45	3
4	Activity Director & Assistants	2	11.25	4
5	Social Service Workers			5
6	Head Cook	1	14.00	6
7	Cook Helpers/Assistants	9	7.50	7
8	Dishwashers	4	6.50	8
9	Maintenance Workers	2	13.25	9
10	Housekeepers	7	7.40	10
11	Laundry	3	6.50	11
12	Managers	1	28.85	12
13	Other Administrative	10	15.28	13
14	Clerical			14
15	Marketing	1	16.75	15
16	Other	1	8.00	16
17	Total (lines 1 thru 16)	59	\$ 11.08	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	1	City	2
N/A			

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
Knollwood Management 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: Jacksonville Assisted Living, LP

Report Period Beginning: 01/01/06

Ending: 12/31/06

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	\$ 8,121,402	\$ 203,035	40	\$ 203,035	\$ 0	\$ 541,427	1
2			2004	2004	485,883	97,692	5	97,177	(515)	259,653	2
3			2004	2004	66,860	6,686	10	6,686		17,829	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	\$ 307,413		\$ 306,898	\$ (515)	\$ 818,909	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	34,428	19
20	TOTAL (lines 18 and 19)	\$ 60,815	\$ 12,163	\$ 12,163	\$		\$ 34,428	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 2004-6	\$ 56,356	\$ 11,971	\$ 31,438	21
22	Bld Equip 2004	59,876	10,868	27,814	22
23	Furnishings 2004	143,381	20,463	54,473	23
24	TOTALS (lines 21, 22 and 23)	\$ 259,613	\$ 43,302	\$ 113,725	24

Facility Name: Jacksonville Assisted Living, LP

Report Period Beginning: 01/01/06

Ending: 12/31/06

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	CAPMARK		X	Building	12/31/04	\$ 7,002,000	\$ 6,892,977	3/1/44	0.0655	\$ 452,550	1
2					/ /			/ /			2
3					/ /			/ /			3
	Working Capital										
4	IHDA		X	Operations	9/1/05	525,000	513,025	8/1/20	0.0100	6,911	4
5	Bank Midwest		X	Operations	8/16/06	300,000	127,119	8/9/07	Prime Rate	11,147	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 7,827,000	\$ 7,533,121			\$ 470,608	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 7,827,000	\$ 7,533,121			\$ 470,608	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.

Facility Name: Jacksonville Assisted Living, LP

Report Period Beginning: 01/01/06

Ending:

12/31/06

12/31/06

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	\$ 4,631	\$ 4,631	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	274,496	274,496	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	37,173	37,173	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	4,456	4,456	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 320,756	\$ 320,756	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	320,428	320,428	16
17	Accumulated Depreciation (book methods)	(967,062)	(967,062)	17
18	Deferred Charges	119,256	119,256	18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds	136,160	136,160	21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 8,782,927	\$ 8,782,927	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 9,103,683	\$ 9,103,683	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 145,840	\$ 145,840	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	500		28
29	Short-Term Notes Payable	127,119	127,119	29
30	Accrued Salaries Payable	52,275	52,275	30
31	Accrued Taxes Payable	69,470	69,470	31
32	Accrued Interest Payable	41,473	41,473	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)	\$ 436,677	\$ 436,177	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	513,025	513,025	38
39	Mortgage Payable	6,892,977	6,892,977	39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	Developer Fee Payable	763,542	763,542	42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 8,169,544	\$ 8,169,544	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 8,606,221	\$ 8,605,721	45
46	TOTAL EQUITY	\$ 497,462	\$ 497,462	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 9,103,683	\$ 9,103,183	47

*(See instructions.)

Facility Name: Jacksonville Assisted Living, LP

Report Period Beginning: 01/01/06

Ending:

12/31/06

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	\$ 2,266,294	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,266,294	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	1,249	8
9	Non-Resident Meals	17,790	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 19,039	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	11	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 11	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)	\$ 2,285,344	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	573,653	19
20	Health Care/ Personal Care	441,716	20
21	General Administration	725,700	21
B. Capital Expense			
22	Ownership	912,079	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)	\$ 2,653,148	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (367,804)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (367,804)	31

Jackson ville Assisted Living, LP
Report Period 01/01/06 - 12/31/06
Section VII, C

<u>Related Party Name</u>	<u>Amount Paid</u>	<u>Reason</u>
Knollwood Management Services	114,197.97	Management Fees
Fawcett Corporation	14,677.35 713.52	Final Construction Invoices Office, Postage, Travel exp.