

Facility Name Coles Supportive LivingReport Period Beginning: 1/1/2007 Ending: 12/31/2007

III. STATISTICAL DATA

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

Date of change in certified units N/A

	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	127	Single Unit Apartment	127	46,355	1
2	10	Double Unit Apartment	10	3,650	2
3		Other			3
4	137	TOTALS	137	50,005	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	27,118	1,799		28,917	5
6	Double Unit	2,135	142		2,277	6
7	Other					7
8	TOTALS	29,253	1,941		31,194	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 62.38%D. Indicate the number of paid bed-hold days the SLF had during this year 499 Also, indicate the number of unpaid bed-hold days the SLF had during this year. N/A (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 NOTax Year: 12/31/07 Fiscal Year: 12/31/07

* 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 therequired payments of interest and principle? N/AIf no, explain. N/AK. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of therequired payments of interest and principle? N/AIf no, explain. N/AL. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facilitymake all of the required payments of interest and principle? N/AIf no, explain. N/A

Facility Name: Coles Supportive Living

Report Period Beginning:

1/1/2007

Ending: 12/31/2007

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	147,366	222,076	1,584	371,026		371,026	1
2	Housekeeping, Laundry and Maintenance	182,978	45,619	259,267	487,864	(207,870)	279,994	2
3	Heat and Other Utilities			139,781	139,781	(14,881)	124,900	3
4	Other (specify):			91,949	91,949		91,949	4
5	TOTAL General Services	330,344	267,695	492,581	1,090,620	(222,751)	867,869	5
B. Health Care and Programs								
6	Health Care/ Personal Care	426,359	6,414	4,313	437,086	(444)	436,642	6
7	Activities and Social Services	40,264	5,417		45,681		45,681	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	466,623	11,831	4,313	482,767	(444)	482,323	9
C. General Administration								
10	Administrative and Clerical	145,734	13,499	1,135,546	1,294,779	(887,228)	407,551	10
11	Marketing Materials, Promotions and Advertising	10,136		55,049	65,185		65,185	11
12	Employee Benefits and Payroll Taxes			180,115	180,115		180,115	12
13	Insurance-Property, Liability and Malpractice			12,207	12,207		12,207	13
14	Other (specify):							14
15	TOTAL General Administration	155,870	13,499	1,382,917	1,552,286	(887,228)	665,058	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	952,837	293,025	1,879,811	3,125,673	(1,110,423)	2,015,250	16
Capital Expenses								
D. Ownership								
17	Depreciation			13,301	13,301	220,655	233,956	17
18	Interest			82,812	82,812	489,133	571,945	18
19	Real Estate Taxes			111,878	111,878		111,878	19
20	Rent -- Facility and Grounds			748,880	748,880	(748,880)		20
21	Rent -- Equipment			12,987	12,987		12,987	21
22	Other (specify):					2,442	2,442	22
23	TOTAL Ownership			969,858	969,858	(36,650)	933,208	23
24	GRAND TOTAL (Sum of lines 16 and 23)	952,837	293,025	2,849,669	4,095,531	(1,147,073)	2,948,458	24

Facility Name: Coles Supportive Living

Report Period Beginning: 1/1/2007 Ending: 12/31/2007

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.55	\$ 21.56	1
2	Licensed Practical Nurses	4.37	16.60	2
3	Certified Nurse Assistants	11.53	8.59	3
4	Activity Director & Assistants	1.81	10.69	4
5	Social Service Workers	-		5
6	Head Cook	0.60	20.30	6
7	Cook Helpers/Assistants	7.26	8.09	7
8	Dishwashers	-		8
9	Maintenance Workers	1.16	18.41	9
10	Housekeepers	7.06	9.43	10
11	Laundry	-		11
12	Managers	-		12
13	Other Administrative	1.30	30.50	13
14	Clerical	2.70	11.26	14
15	Marketing	0.26	19.05	15
16	Other	-		16
17	Total (lines 1 thru 16)	39.59	\$ 11.57	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	N/A			\$	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		\$

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>
See Attached	

OTHER RELATED BUSINESS ENTITIES		
Name <u>3</u>	City <u>4</u>	Type of Business <u>5</u>
See Attached		
Coles Property LLC	Chicago, IL	Building 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: N/A If yes, what is the value of those services? \$ N/A

(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: Coles Supportive Living

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

VIII. OWNERSHIP COSTSA. Purchase price of land 214,665 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	137		2004	2004	\$ 6,855,929	\$ 249,307	35	\$ 195,884	\$ (53,423)	\$ 882,961	1
2											2
3											3
4											4
5											5
Improvement Type											
6	Total From Supplemental Page 5's				347,858	13,300		4,493	4,493	9,207	6
7	Kickplates For Kitchen Doors			2005	406		20	20	20	61	7
8	Flooring Project			2005	4,898		20	245	245	735	8
9	Lobby Floor Replacement			2005	2,324		20	116	116	349	9
10	Dietary Office Construction			2005	1,120		20	56	56	168	10
11	Replace Office Floor			2005	3,788		20	189	189	568	11
12	1St Floor Corridor Floor Replacement			2005	5,055		20	253	253	758	12
13	Replace Floor In Room 313			2005	1,025		20	51	51	154	13
14	Replace Floor			2005	1,025		20	51	51	154	14
15	Fire Alarm Upgrade			2005	775		20	39	39	116	15
16	Valenes			2005	10,091		20	462	462	1,472	16
17	TOTAL (lines 1 thru 16)				\$ 7,234,294	\$ 262,607		\$ 201,859	\$ (47,448)	\$ 896,703	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	\$ 200,357	\$ 10,283	\$ 18,796	8,513	10	\$ 71,413	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 200,357	\$ 10,283	\$ 18,796	8,513		\$ 71,413	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 & ID Number Coles Supportive Living

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1									1
2	<u>Signage</u>	2005	369		20	15	15	52	2
3	<u>Carpet In 3Rd Floor Kitchen</u>	2005	2,070		20	69	69	276	3
4	<u>1St Floor Corridor Floor Replacement</u>	2005	960		20	8	8	104	4
5	<u>Replace Floor In Room 328</u>	2005	1,115		20	9	9	121	5
6	<u>Replace Floor In Room 307</u>	2005	1,115		20	9	9	121	6
7	<u>Floor Replacement</u>	2005	960		20	8	8	104	7
8	<u>Replace Floor In Room 318</u>	2005	1,115		20	9	9	121	8
9	<u>Parking Blocks</u>	2005	1,085		20	9	9	118	9
10	<u>Boiler Switch Repair</u>	2006	2,621		20	131	131	262	10
11	<u>Awning</u>	2006	1,500		20	75	75	150	11
12	<u>Room Repairs / Renovations</u>	2006	2,590		20	130	130	259	12
13	<u>Troubleshoot And Repair Nurse Call System</u>	2006	3,707		20	170	170	355	13
14	<u>Nurse Call/Install Computer/</u>	2006	3,794		20	174	174	364	14
15	<u>Cabinets / Flooring</u>	2006	2,758		20	115	115	253	15
16	<u>Nurse Call/Install Speakers/Install Cable/</u>	2006	551		20	23	23	51	16
17	<u>Install Security Lock/Connectors/Fire Alarm/Labor</u>	2006	1,352		20	51	51	118	17
18	<u>Alum Threshold</u>	2006	540		20	18	18	45	18
19	<u>Install Beauty Shop/Install Water & Drain Lines/Chairs/Fixtures</u>	2006	3,193		20	106	106	266	19
20	<u>Install Covers On Fire Alarm Devices Pull Stations</u>	2006	1,889		20	47	47	142	20
21	<u>David Thomas Mechanical</u>	2006	1,990		20	33	33	133	21
22	<u>Remove Wall Paper/Install New Vending Mach</u>	2006	1,891		20	32	32	126	22
23	<u>Amana/ Ptac 9000 Btu</u>	2006	2,606		20	22	22	152	23
24	<u>8Port Data Switch, Jacks, Cat 5E Wire, Trim Plates, Mounting Brac</u>	2006	1,043		20	4	4	57	24
25	<u>Mohawk Commercial</u>	2006	964		20	4	4	52	25
26	<u>Installed 9-120 Volt A.C. Hardware With Battery/Carbon Mon.</u>	2006	1,671		20	7	7	91	26
27	<u>20 36' Cabinets For Dining Room 4 Per Floor</u>	2006	5,879		20	24	24	318	27
28	<u>Various Flooring Replacement</u>	2006	36,095		20	150	150	1,955	28
29	<u>5 Custom Counter Tops</u>	2007	1,203		20	55	55	55	29
30	<u>Install Gas Meter / Heater / Thermostat</u>	2007	12,842		20	589	589	589	30
31	<u>Flooring & Installation</u>	2007	2,052		20	77	77	77	31
32	<u>5Th Balcony Construction</u>	2007	11,229		20	47	47	47	32
33	<u>Total Book Depreciation</u>			13,300					33
34	<u>TOTAL (lines 1 thru 33)</u>		\$ 112,749	\$ 13,300		\$ 2,220	\$ 2,220	\$ 6,934	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Coles Supportive Living

Report Period Beginning: 1/1/2007 Ending: 12/31/2007

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1								1
2	2007	3,700		20	15	15	15	2
3	2007	3,625		20	15	15	15	3
4	2007	5,304		20	22	22	22	4
5	2007	3,800		20	16	16	16	5
6	2007	27,731		20	347	347	347	6
7	2007	13,214		20	165	165	165	7
8	2007	33,193		20	277	277	277	8
9	2007	3,306		20	28	28	28	9
10	2007	13,214		20	110	110	110	10
11	2007	13,214		20	165	165	165	11
12	2007	23,797		20	99	99	99	12
13	2007	2,770		20	23	23	23	13
14	2007	33,193		20	277	277	277	14
15	2007	25,740		20	107	107	107	15
16	2007	4,484		20	224	224	224	16
17	2007	4,850		20	20	20	20	17
18	2007	8,808		20	37	37	37	18
19	2007	11,166		20	326	326	326	19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34		\$ 235,109	\$		\$ 2,273	\$ 2,273	\$ 2,273	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Coles Supportive Living

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	3	4	5	6	7	8	9	
Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1								1
2								2
3								3
4								4
5								5
6								6
7								7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33								33
34	TOTAL (lines 1 thru 33)		\$	\$		\$	\$	34

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name: Coles Supportive Living

Report Period Beginning: 1/1/2007

Ending: 2/31/2007

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 \$ 12,987

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	Lake Forest Bank & Trust		X		/ /	\$	\$ 8,000,000	/ /		\$ 572,977
2					/ /			/ /		
3					/ /			/ /		
	Working Capital									
4					/ /			/ /		
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$	\$ 8,000,000			\$ 572,977
	B. Non-Facility Related									
8	Interest Income		X		/ /			/ /		-1,032
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$	\$ 8,000,000			\$ 571,945

* 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: **Coles Supportive Living**Report Period Beginning: **1/1/2007**Ending: **12/31/2007****XI. BALANCE SHEET - Unrestricted Operating Fund.**As of **12/31/2007**

(last day of reporting year)

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 171,768	\$ 333,156	1
2	Cash-Patient Deposits	8,460	8,460	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	602,688	602,688	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	17,996	17,996	6
7	Other Prepaid Expenses	1,997	1,997	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Attached	27,889	27,889	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 830,798	\$ 992,186	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		214,665	13
14	Buildings, at Historical Cost		6,855,929	14
15	Leasehold Improvements, at Historical Cost	100,135	100,135	15
16	Equipment, at Historical Cost	65,218	209,182	16
17	Accumulated Depreciation (book methods)	(38,710)	(1,029,644)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	1,250	1,250	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(1,250)	(1,250)	20
21	Restricted Funds	18,621	18,621	21
22	Other Long-Term Assets (specify):			22
23	Other(specify):		9,566	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 145,264	\$ 6,378,454	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 976,062	\$ 7,370,640	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 2,516,260	\$ 2,516,260	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	70,168	70,168	30
31	Accrued Taxes Payable	149,551	149,551	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)	\$ 2,735,979	\$ 2,735,979	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		8,000,000	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)	\$	\$ 8,000,000	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,735,979	\$ 10,735,979	45
46	TOTAL EQUITY	\$ (1,759,917)	\$ (3,365,339)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 976,062	\$ 7,370,640	47

*(See instructions.)

Facility Name: Coles Supportive Living

Report Period Beginning: 1/1/2007

Ending:

12/31/2007

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	\$ 2,680,724	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,680,724	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)	\$ 2,680,724	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	1,090,620	19
20	Health Care/ Personal Care	482,767	20
21	General Administration	1,552,286	21
B. Capital Expense			
22	Ownership	969,858	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)	\$ 4,095,531	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (1,414,807)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (1,414,807)	31