

Facility Name Rockford Supportive Living CenterReport 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	123	Single Unit Apartment	123	44,895	1
2	13	Double Unit Apartment	13	4,745	2
3		Other			3
4	136	TOTALS	136	49,640	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	25,997	3,342		29,339	5
6	Double Unit	5,519	708		6,227	6
7	Other					7
8	TOTALS	31,516	4,050		35,566	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 71.65%D. Indicate the number of paid bed-hold days the SLF had during this year 162 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)

N/A

H. ACCOUNTING BASIS

ACCURAL 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

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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	144,244	224,924	5,719	374,887	(19)	374,868	1
2	Housekeeping, Laundry and Maintenance	117,623	40,783	72,497	230,903		230,903	2
3	Heat and Other Utilities			114,590	114,590	(4,218)	110,372	3
4	Other (specify):							4
5	TOTAL General Services	261,867	265,707	192,806	720,380	(4,237)	716,143	5
B. Health Care and Programs								
6	Health Care/ Personal Care	609,267	9,286	1,763	620,316	(351)	619,966	6
7	Activities and Social Services	39,590	3,284		42,874		42,874	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	648,857	12,570	1,763	663,190	(351)	662,840	9
C. General Administration								
10	Administrative and Clerical	142,903	13,026	472,127	628,056	(262,761)	365,295	10
11	Marketing Materials, Promotions and Advertising	54,205		46,944	101,149		101,149	11
12	Employee Benefits and Payroll Taxes			167,145	167,145		167,145	12
13	Insurance-Property, Liability and Malpractice			10,633	10,633		10,633	13
14	Other (specify):							14
15	TOTAL General Administration	197,108	13,026	696,849	906,983	(262,761)	644,222	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,107,832	291,303	891,418	2,290,553	(267,349)	2,023,205	16
Capital Expenses								
D. Ownership								
17	Depreciation			7,796	7,796	192,774	200,570	17
18	Interest			48,530	48,530	504,353	552,883	18
19	Real Estate Taxes			30,568	30,568		30,568	19
20	Rent -- Facility and Grounds			749,766	749,766	(749,766)		20
21	Rent -- Equipment			14,914	14,914		14,914	21
22	Other (specify):			250	250	5,370	5,620	22
23	TOTAL Ownership			851,824	851,824	(47,269)	804,555	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,107,832	291,303	1,743,242	3,142,377	(314,618)	2,827,759	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	2.52	\$ 20.93	1
2	Licensed Practical Nurses	3.64	23.93	2
3	Certified Nurse Assistants	13.51	11.33	3
4	Activity Director & Assistants	1.39	13.71	4
5	Social Service Workers	-		5
6	Head Cook	0.99	17.65	6
7	Cook Helpers/Assistants	5.93	8.74	7
8	Dishwashers	-		8
9	Maintenance Workers	1.23	16.12	9
10	Housekeepers	4.47	8.23	10
11	Laundry	-		11
12	Managers	-		12
13	Other Administrative	1.44	22.92	13
14	Clerical	2.68	13.33	14
15	Marketing	1.00	26.06	15
16	Other	-		16
17	Total (lines 1 thru 16)	38.80	\$ 13.73	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		\$ 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>
See Attached	

OTHER RELATED BUSINESS ENTITIES		
Name <u>3</u>	City <u>4</u>	Type of Business <u>5</u>
Rockford Supportive Living, LLC		Building Co.
See Attached		See Attached

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 32,895 Year land was acquired

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	136		2005	2005	\$ 6,841,013	\$ 270,694	35	\$ 195,458	\$ (75,236)	\$ 488,645	1
2											2
3											3
4											4
5											5
Improvement Type											
6	Total From Supplemental Page 5's				39,604	7,796		784	(7,012)	784	6
7	Awning			2006	2,900		20	145	145	290	7
8	Construction Stations 2 & 3 Floor Nurses Station			2006	6,394		20	213	213	533	8
9	6 New Cameras/Cable/Power Supply			2006	3,342		20	84	84	251	9
10	Install Pull Station Covers 1-2-3-4 & 5 Floor			2006	2,521		20	42	42	168	10
11	Install Door Holders On Elevator Lobby Door 1/2/3/4/& 5 th			2006	1,460		20	24	24	97	11
12	Repair Valve On Jockey Line, Replaced Mercoid Switch O			2006	1,944		20	8	8	105	12
13	Fence Work For New Garbage Area			2007	2,625		20	11	11	11	13
14	Electric Work For New Garbage Area			2007	925		20	4	4	4	14
15	Install Gas Heater, Pipes, B-Vent, Thermostat			2007	4,579		20	210	210	210	15
16	Leasehold Improvements			2007	1,229		20	36	36	36	16
17	TOTAL (lines 1 thru 16)				\$ 6,908,536	\$ 278,490		\$ 197,019	\$ (81,471)	\$ 491,134	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	\$ 56,910	\$	\$ 3,551	3,551	10	\$ 6,537	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 56,910	\$	\$ 3,551	3,551		\$ 6,537	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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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	652		20	19	19	19	2
3	2007	27,699		20	577	577	577	3
4	2007	10,053		20	168	168	168	4
5	2007	1,200		20	20	20	20	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					7,796	(7,796)		33
34		\$ 39,604	\$ 7,796		\$ 784	\$ (7,012)	\$ 784	34

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

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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.

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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: Rockford Supportive Living Center

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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	Office Lease			/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental? YES NO

9. Rental amount for movable equipment \$ 14,915

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	Cambridge Realty		X	Mortgage	/ /	\$	\$ 6,788,968	/ /		\$ 553,451
2					/ /			/ /		
3					/ /			/ /		
	Working Capital									
4	LOC - Venture Fund	X			/ /			/ /		48,530
5	Non-Allowable Interest				/ /			/ /		-48,530
6					/ /			/ /		
7	TOTAL Facility Related					\$	\$ 6,788,968			\$ 553,451
	B. Non-Facility Related									
8	Interest Income		X		/ /			/ /		-71
9	Interest Income - Bldg. Co.				/ /			/ /		-497
10	TOTALS (lines 7, 8 and 9)					\$	\$ 6,788,968			\$ 552,883

* 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: **Rockford Supportive Living Center**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	\$ 3,193	\$ 193,856	1
2	Cash-Patient Deposits	11,253	11,253	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	616,603	616,603	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	34,753	34,753	6
7	Other Prepaid Expenses	2,944	2,944	7
8	Accounts Receivable (owners or related parties)	980	980	8
9	Other(specify): See Attached	144,545	439,738	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 814,271	\$ 1,300,127	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		254,481	13
14	Buildings, at Historical Cost		6,841,013	14
15	Leasehold Improvements, at Historical Cost	41,572	41,572	15
16	Equipment, at Historical Cost	54,208	207,718	16
17	Accumulated Depreciation (book methods)	(14,440)	(680,810)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	1,650	17,333	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(1,650)	(10,316)	20
21	Restricted Funds	16,430	16,430	21
22	Other Long-Term Assets (specify):			22
23	Other(specify):		216,374	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 97,770	\$ 6,903,795	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 912,041	\$ 8,203,922	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 1,481,229	\$ 1,481,229	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	42,119	42,119	30
31	Accrued Taxes Payable	62,248	62,248	31
32	Accrued Interest Payable		431	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
Other Current Liabilities(specify):				
35				35
36	See Attached	17,804	1,779,028	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,603,400	\$ 3,365,055	37
D. Long-Term Liabilities				
38	Long-Term Notes Payable		6,788,968	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)	\$	\$ 6,788,968	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 1,603,400	\$ 10,154,023	45
46	TOTAL EQUITY	\$ (691,359)	\$ (1,950,101)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 912,041	\$ 8,203,922	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	\$ 2,802,879	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,802,879	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	1,342	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 1,342	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)	\$ 2,804,221	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	720,380	19
20	Health Care/ Personal Care	663,190	20
21	General Administration	906,983	21
B. Capital Expense			
22	Ownership	851,824	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)	\$ 3,142,377	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (338,156)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (338,156)	31