

Facility Name Franciscan CourtReport Period Beginning: 1/1/2008 Ending: 12/31/2008

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	46	Single Unit Apartment	46	16,836	1
2	24	Double Unit Apartment	24	8,784	2
3		Other		5,840	3
4	70	TOTALS	70	31,460	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	7,894	11,870		19,764	5
6	Double Unit	738	5,118		5,856	6
7	Other		803		803	7
8	TOTALS	8,632	17,791		26,423	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 83.99%D. Indicate the number of paid bed-hold days the SLF had during this year 53 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

ACCRAUAL MODIFIED CASH* CASH* I. Is your fiscal year identical to your tax year? YES NOTax Year: 12/31/2008 Fiscal Year: 12/31/2008

* 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	100,211	87,598		187,809		187,809	1
2	Housekeeping, Laundry and Maintenance	47,738	204	47,089	95,031		95,031	2
3	Heat and Other Utilities			93,233	93,233		93,233	3
4	Other (specify):							4
5	TOTAL General Services	147,949	87,802	140,322	376,073		376,073	5
B. Health Care and Programs								
6	Health Care/ Personal Care	327,596	5,974		333,570		333,570	6
7	Activities and Social Services	8,822	9,005		17,827		17,827	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	336,418	14,979		351,397		351,397	9
C. General Administration								
10	Administrative and Clerical	117,385	10,138	276,911	404,434	(115,207)	289,227	10
11	Marketing Materials, Promotions and Advertising			15,899	15,899		15,899	11
12	Employee Benefits and Payroll Taxes			87,370	87,370	(13,768)	73,602	12
13	Insurance-Property, Liability and Malpractice			56,707	56,707		56,707	13
14	Other (specify):							14
15	TOTAL General Administration	117,385	10,138	436,887	564,410	(128,975)	435,435	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	601,752	112,919	577,209	1,291,880	(128,975)	1,162,905	16
Capital Expenses								
D. Ownership								
17	Depreciation			300,935	300,935	(27,821)	273,114	17
18	Interest			477,287	477,287	(17,109)	460,178	18
19	Real Estate Taxes			139,719	139,719		139,719	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment			4,714	4,714		4,714	21
22	Other (specify):			24,686	24,686		24,686	22
23	TOTAL Ownership			947,341	947,341	(44,930)	902,411	23
24	GRAND TOTAL (Sum of lines 16 and 23)	601,752	112,919	1,524,550	2,239,221	(173,905)	2,065,316	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	1.12	\$ 30.16	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	10.69	11.56	3
4	Activity Director & Assistants	0.43	9.86	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	4.21	11.45	7
8	Dishwashers			8
9	Maintenance Workers	1.32	11.27	9
10	Housekeepers	0.90	8.97	10
11	Laundry			11
12	Managers			12
13	Other Administrative	1.00	39.52	13
14	Clerical	1.54	10.96	14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	21.22	\$ 13.63	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	Zach Caulkins	75%	40	\$ 82,207	1
2	Rene Caulkins	0%	40	82,207	2
3					3
4					4
5					5
Total				\$ 164414	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>
N/A	

OTHER RELATED BUSINESS ENTITIES		
Name <u>3</u>	City <u>4</u>	Type of Business <u>5</u>
Franciscan Properties, LLC		Building Company

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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land \$ _____ 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	70		2005	2005	\$ 5,075,288	\$ 143,392	39	\$ 130,136	\$ (13,256)	\$ 395,829	1
2			2006	2006	9,000	253	39	231	(22)	683	2
3											3
4											4
5											5
		Improvement Type									
6	Total From Supplemental Page 5's				678,523	48,642		44,145	(4,497)	133,266	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)				\$ 5,762,811	\$ 192,287		\$ 174,512	\$ (17,775)	\$ 529,778	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	\$ 892,771	\$ 102,456	\$ 92,983	(9,473)	10	\$ 284,157	18
19	Vehicles	37,457	6,192	5,619	(573)	5	5,619	19
20	TOTAL (lines 18 and 19)	\$ 930,228	\$ 108,648	\$ 98,602	(10,046)		\$ 289,776	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	2005	622,852		20	41,523	41,523	128,031	2
3	2006	2,730		20	182	182	425	3
4	2006	4,714		20	314	314	733	4
5	2006	1,791		20	358	358	806	5
6	2006	7,610		20	195	195	496	6
7	2006	700		20	18	18	43	7
8	2006	320		20	8	8	20	8
9	2006	1,642		20	164	164	493	9
10	2006	4,675		20	312	312	935	10
11	2007	2,856		20	73	73	88	11
12	2007	1,279		20	33	33	40	12
13	2007	5,000		20	128	128	155	13
14	2007	3,761		20	96	96	117	14
15	2007	954		20	24	24	25	15
16	2007	343		20	9	9	9	16
17	2007	2,838		20	284	284	426	17
18	2008	3,190		20	266	266	266	18
19	2008	1,668		20	20	20	20	19
20	2008	3,800		20	45	45	45	20
21	2008	4,000		20	64	64	64	21
22	2008	1,800		20	29	29	29	22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30
31								31
32								32
33					48,642	(48,642)		33
34		\$ 678,523	\$ 48,642		\$ 44,145	\$ (4,497)	\$ 133,266	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.

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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 NO9. Rental amount for movable equipment \$ 4,714

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	US Bank		X	Mortgage	12/30/05	\$ 5,945,000	\$ 5,276,501	6/30/12	Prime	\$ 285,350
2	US Bank		X	Loan Payable	12/30/05		1,168,917	/ /	Prime	191,804
3					/ /			/ /		
	Working Capital									
4	Misc. Interest		X		/ /			/ /		133
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$ 5,945,000	\$ 6,445,418			\$ 477,287
	B. Non-Facility Related									
8	Interest Income				/ /			/ /		-17,109
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$ 5,945,000	\$ 6,445,418			\$ 460,178

* 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 12/31/08

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 1,314,204	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	214,512		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	6,866		6
7	Other Prepaid Expenses	12,442		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Attached	6,402		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,554,426	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	916,502		13
14	Buildings, at Historical Cost	5,721,637		14
15	Leasehold Improvements, at Historical Cost	32,086		15
16	Equipment, at Historical Cost	931,871		16
17	Accumulated Depreciation (book methods)	(919,493)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached	88,140		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 6,770,743	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 8,325,169	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 28,111	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	192,085		29
30	Accrued Salaries Payable	6,210		30
31	Accrued Taxes Payable	140,237		31
32	Accrued Interest Payable	35,065		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36	See Attached	167,618		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 569,326	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	1,107,664		38
39	Mortgage Payable	5,145,669		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)	\$ 6,253,333	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 6,822,659	\$	45
46	TOTAL EQUITY	\$ 1,502,510	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 8,325,169	\$	47

*(See instructions.)

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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	\$ 2,820,217	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,820,217	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	17,109	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 17,109	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)	\$ 2,837,326	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	376,073	19
20	Health Care/ Personal Care	351,397	20
21	General Administration	564,410	21
B. Capital Expense			
22	Ownership	947,341	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)	\$ 2,239,221	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 598,105	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 598,105	31