

Facility Name Heritage Woods of Rockford

Report Period Beginning: 01/01/2008 Ending: 12/31/2008

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	99	Single Unit Apartment	99	36,234	1
2		Double Unit Apartment			2
3		Other			3
4	99	TOTALS	99	36,234	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 Resident Days by Unit and Primary Source of Payment			5	
		Medicaid Recipient	Private Pay	Other		
5	Single Unit	21,898	12,860		34,758	5
6	Double Unit					6
7	Other					7
8	TOTALS	21,898	12,860		34,758	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 95.93%

D. Indicate the number of paid bed-hold days the SLF had during this year 1,315 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 0 (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: 2008 Fiscal Year: 2008

* 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. _____

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IV. COST CENTER EXPENSES (please round to the nearest dollar)

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments 5	Adjusted Total 6	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase		194,615	1,214	195,829		195,829	1
2	Housekeeping, Laundry and Maintenance		25,510	48,356	73,866		73,866	2
3	Heat and Other Utilities			154,551	154,551	(21,676)	132,875	3
4	Other (specify):			6,932	6,932		6,932	4
5	TOTAL General Services		220,125	211,053	431,178	(21,676)	409,502	5
B. Health Care and Programs								
6	Health Care/ Personal Care		3,377		3,377		3,377	6
7	Activities and Social Services		8,325		8,325		8,325	7
8	Other (specify):							8
9	TOTAL Health Care and Programs		11,702		11,702		11,702	9
C. General Administration								
10	Administrative and Clerical		14,450	249,553	264,003	(22,430)	241,573	10
11	Marketing Materials, Promotions and Advertising		5,518	37,186	42,704		42,704	11
12	Employee Benefits and Payroll Taxes							12
13	Insurance-Property, Liability and Malpractice			47,565	47,565		47,565	13
14	Other (specify):			1,063,963	1,063,963		1,063,963	14
15	TOTAL General Administration		19,968	1,398,267	1,418,235	(22,430)	1,395,805	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)		251,795	1,609,320	1,861,115	(44,106)	1,817,009	16
Capital Expenses								
D. Ownership								
17	Depreciation			594,572	594,572		594,572	17
18	Interest			420,233	420,233		420,233	18
19	Real Estate Taxes			90,000	90,000		90,000	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):			75,007	75,007		75,007	22
23	TOTAL Ownership			1,179,812	1,179,812		1,179,812	23
24	GRAND TOTAL (Sum of lines 16 and 23)		251,795	2,789,132	3,040,927	(44,106)	2,996,821	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	0	\$ 28.06	1
2	Licensed Practical Nurses	1	19.58	2
3	Certified Nurse Assistants	15	9.87	3
4	Activity Director & Assistants	1	12.62	4
5	Social Service Workers			5
6	Head Cook	1	15.82	6
7	Cook Helpers/Assistants	9	8.96	7
8	Dishwashers			8
9	Maintenance Workers	1	17.04	9
10	Housekeepers	3	8.03	10
11	Laundry			11
12	Managers	1	34.67	12
13	Other Administrative	3	11.43	13
14	Clerical			14
15	Marketing	1	27.25	15
16	Other			16
17	Total (lines 1 thru 16)	35	\$	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	\$ 135,237	1
2			2
Total		\$ 135,237	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

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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land 416,192 Year land was acquired 2007

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	99			2007	\$ 9,876,648	\$ 358,598	28	\$ 352,737	\$ (5,861)	\$ 433,093	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Land Improvements			662,486	65,454	15	44,166	(21,288)	73,735	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)				\$ 10,539,134	\$ 424,052		\$ 396,903	\$ (27,149)	\$ 506,828	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	\$ 618,949	\$ 170,520	\$ 123,790	(46,730)	5	\$ 192,616	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 618,949	\$ 170,520	\$ 123,790	(46,730)		\$ 192,616	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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IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: _____

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	Illinois Housing Devl		X	First Mortgage	8/24/06	\$ 7,850,000	\$ 7,760,654	3/1/38	5.4000	\$ 410,616	
2	Illinois Housing Devl		X	Second Mortgage	8/24/06	1,914,283	1,914,283	3/1/38	1.0000	9,571	
3				Line of credit	/ /			done	variable	46	
	Working Capital										
4					/ /			/ /			
5					/ /			/ /			
6					/ /			/ /			
7	TOTAL Facility Related					\$ 9,764,283	\$ 9,674,937			\$ 420,233	
	B. Non-Facility Related										
8					/ /			/ /			
9					/ /			/ /			
10	TOTALS (lines 7, 8 and 9)					\$ 9,764,283	\$ 9,674,937			\$ 420,233	

* 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

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2008

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 617,623	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	717,157		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	22,185		6
7	Other Prepaid Expenses	12,833		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): Utlity Security Dep	157		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,369,955	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	1,078,678		13
14	Buildings, at Historical Cost	9,876,648		14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	618,949		16
17	Accumulated Depreciation (book methods)	(699,444)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	367,185		19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(17,193)		20
21	Restricted Funds	1,158,899		21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 12,383,722	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 13,753,677	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 87,851	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable			30
31	Accrued Taxes Payable	90,000		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See Page 7 Attachment	620,387		35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 798,238	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable	9,674,937		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)	\$ 9,674,937	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 10,473,175	\$	45
46	TOTAL EQUITY	\$ 3,280,502	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 13,753,677	\$	47

*(See instructions.)

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

	1	Amount	
	Revenue		
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 3,092,668	1
2	Discounts and Allowances	(708)	2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 3,091,960	3
	B. Other Operating Revenue		
4	Special Services	98,004	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	44,162	8
9	Non-Resident Meals	4,581	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 146,747	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	30,036	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 30,036	14
	D. Other Revenue (specify):		
15	See Page 8 Attachment	34,511	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 34,511	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 3,303,254	18

	2	Amount	
	Expenses		
	A. Operating Expenses		
19	General Services	431,178	19
20	Health Care/ Personal Care	11,702	20
21	General Administration	1,418,235	21
	B. Capital Expense		
22	Ownership	1,179,812	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)	\$ 3,040,927	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 262,327	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 262,327	31

Revenue

A. General Services - Other

Exterminating	1,742
Rubbish Removal	3,973
Vehicle Expense	1,217
Misc Operating Expenses	
Total	6,932

C. General Administration - Other

Consulting	
Legal	5,873
Accounting	
Audit	25,155
Bad Debt	5,721
Contract Labor	1,027,214
Total	1,063,963

D. Ownership

Letter of Credit Fee	250
Mortgage Insurance Premium	39,027
Partnership Management Fee	
Asset Management Fee	20,000
Incentive Manangement Fee	
Tax Credit Fee & Incentive Fee	1,975
Amortization Expense	13,755
Business Interruption	
Property Damage Loss	
Total	75,007

Reclassifications and Adjustments

Heat & Other Utilities (21,676) Cable

Administrative and Clerical (22,430) Telephone Revenue

BALANCE SHEET

Current Liabilities

Accrued Liabilities	20,922
Payroll Benefits	
Reservation Deposits	1,400
Unearned Revenue	28,290
Line of Credit	
Accrued Developer Fee	569,775
Total Other Current Liabilities	620,387

INCOME STATEMENT

15 D. Other Revenue

Other - Audit entry	3,370
Postage	35
Rebate	216
Property Tax Adjustments	30,815
Donations	75

Total Other Revenue **34,511**