

Facility Name Rockford Supportive Living CenterReport 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	123	Single Unit Apartment	123	45,018	1
2	13	Double Unit Apartment	13	4,758	2
3		Other			3
4	136	TOTALS	136	49,776	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	28,034	2,253		30,287	5
6	Double Unit	2,963	238		3,201	6
7	Other					7
8	TOTALS	30,997	2,491		33,488	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 67.28%D. Indicate the number of paid bed-hold days the SLF had during this year 421 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 89 (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

ACCRAUAL MODIFIED CASH* CASH* I. Is your fiscal year identical to your tax year? YES NOTax Year: 12/31/08 Fiscal Year: 12/31/08

* 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	162,843	284,149	3,621	450,613	(1,399)	449,214	1
2	Housekeeping, Laundry and Maintenance	175,622	72,879	459,200	707,701	(371,828)	335,873	2
3	Heat and Other Utilities			127,902	127,902	(4,015)	123,887	3
4	Other (specify):							4
5	TOTAL General Services	338,465	357,028	590,723	1,286,216	(377,242)	908,974	5
B. Health Care and Programs								
6	Health Care/ Personal Care	705,845	13,589		719,434		719,434	6
7	Activities and Social Services	52,588	8,344		60,932		60,932	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	758,433	21,933		780,366		780,366	9
C. General Administration								
10	Administrative and Clerical	155,800	13,474	325,243	494,517	(156,356)	338,161	10
11	Marketing Materials, Promotions and Advertising	49,604		65,934	115,538	8,641	124,179	11
12	Employee Benefits and Payroll Taxes			205,010	205,010		205,010	12
13	Insurance-Property, Liability and Malpractice			13,009	13,009	120	13,129	13
14	Other (specify):					17,065	17,065	14
15	TOTAL General Administration	205,404	13,474	609,196	828,074	(130,530)	697,544	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,302,302	392,435	1,199,919	2,894,656	(507,772)	2,386,884	16
Capital Expenses								
D. Ownership								
17	Depreciation			10,085	10,085	209,741	219,826	17
18	Interest			106,308	106,308	413,154	519,462	18
19	Real Estate Taxes			51,052	51,052	(8,052)	43,000	19
20	Rent -- Facility and Grounds			763,857	763,857	(759,167)	4,690	20
21	Rent -- Equipment			14,520	14,520	2,190	16,710	21
22	Other (specify):					5,620	5,620	22
23	TOTAL Ownership			945,822	945,822	(136,514)	809,308	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,302,302	392,435	2,145,741	3,840,478	(644,286)	3,196,192	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	3.13	\$ 23.16	1
2	Licensed Practical Nurses	3.72	22.64	2
3	Certified Nurse Assistants	16.10	11.35	3
4	Activity Director & Assistants	2.06	12.29	4
5	Social Service Workers			5
6	Head Cook	1.81	14.64	6
7	Cook Helpers/Assistants	5.68	9.11	7
8	Dishwashers			8
9	Maintenance Workers	1.82	12.98	9
10	Housekeepers	6.66	9.12	10
11	Laundry			11
12	Managers			12
13	Other Administrative	1.00	29.78	13
14	Clerical	3.77	11.98	14
15	Marketing	1.00	23.85	15
16	Other			16
17	Total (lines 1 thru 16)	46.75	\$ 13.39	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	Management Fees - Lef Construction	\$ 48,000 1
2		
Total		\$ 48,000 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 Property 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: 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 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)	\$ 684,103	1
2											2
3											3
4											4
5											5
		Improvement Type									
6	Total From Supplemental Page 5's				497,770	10,085		16,529	6,444	19,018	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)				\$ 7,338,783	\$ 280,779		\$ 211,987	\$ (68,792)	\$ 703,121	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	\$ 96,994	\$	\$ 7,839	7,839	10	\$ 14,369	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 96,994	\$	\$ 7,839	7,839		\$ 14,369	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	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1									1
2	<u>Awning</u>	2006	2,900		20	145	145	435	2
3	<u>Construction Stations 2 & 3 Floor Nurses Station</u>	2006	6,394		20	320	320	853	3
4	<u>6 New Cameras/Cable/Power Supply</u>	2006	3,342		20	167	167	418	4
5	<u>Install Pull Station Covers 1-2-3-4 & 5 Floor</u>	2006	2,521		20	126	126	294	5
6	<u>Install Door Holders On Elevator Lobby Door 1/2/3/4/& 5Th</u>	2006	1,460		20	73	73	170	6
7	<u>Repair Valve On Jockey Line, Replaced Mercoild Switch On Contro</u>	2006	1,944		20	97	97	203	7
8	<u>Fence Work For New Garbage Area</u>	2007	2,625		20	131	131	142	8
9	<u>Electric Work For New Garbage Area</u>	2007	925		20	46	46	50	9
10	<u>Install Gas Heater, Pipes, B-Vent, Thermostat</u>	2007	4,579		20	229	229	439	10
11	<u>Leasehold Improvements</u>	2007	1,229		20	61	61	97	11
12	<u>Leasehold Improvements</u>	2007	652		20	33	33	52	12
13	<u>Remodel Lobby & Office</u>	2007	27,699		20	1,385	1,385	1,962	13
14	<u>Water Leak Repair</u>	2007	10,053		20	503	503	670	14
15	<u>Roof Repair</u>	2007	1,200		20	60	60	80	15
16	<u>Install Hanging Electric Unit Heater</u>	2008	1,670		20	70	70	70	16
17	<u>Replacement Nurse Call System</u>	2008	2,685		20	78	78	78	17
18	<u>Labor - New Windows In Balcony</u>	2008	5,688		20	119	119	119	18
19	<u>Move Parking Lot Light (Per Idot)</u>	2008	3,270		20	164	164	164	19
20	<u>Electrical Work - New Transformer Pad</u>	2008	12,000		20	350	350	350	20
21	<u>Architctual Sheet Metal; Wall Claddings; Flashings</u>	2008	6,560		20	191	191	191	21
22	<u>Video Security System</u>	2008	20,714		20	432	432	432	22
23	<u>Sprinkler Repair</u>	2008	3,650		20	152	152	152	23
24	<u>Electrical Service</u>	2008	8,846		20	221	221	221	24
25	<u>Electrical Work New Transformer Pad</u>	2008	4,000		20	200	200	200	25
26	<u>Flooring</u>	2008	55,293		20	1,843	1,843	1,843	26
27	<u>Windows, Tiles, Carpet Border</u>	2008	27,777		20	810	810	810	27
28	<u>Flooring</u>	2008	8,304		20	208	208	208	28
29	<u>Boiler Service</u>	2008	2,880		20	72	72	72	29
30	<u>Flooring</u>	2008	6,495		20	325	325	325	30
31	<u>Remove And Install Flooring</u>	2008	22,968		20	957	957	957	31
32	<u>Flooring</u>	2008	27,646		20	1,152	1,152	1,152	32
33	<u>Flooring</u>	2008	27,646		20	1,037	1,037	1,037	33
34	TOTAL (lines 1 thru 33)		\$ 315,615	\$		\$ 11,757	\$ 11,757	\$ 14,246	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	2008	17,608		20	734	734	734	2
3	2008	14,199		20	532	532	532	3
4	2008	24,800		20	827	827	827	4
5	2008	36,555		20	1,219	1,219	1,219	5
6	2008	3,107		20	91	91	91	6
7	2008	3,950		20	82	82	82	7
8	2008	2,600		20	33	33	33	8
9	2008	7,594		20	158	158	158	9
10	2008	8,666		20	181	181	181	10
11	2008	5,643		20	47	47	47	11
12	2008	10,000		20	83	83	83	12
13	2008	9,284		20	77	77	77	13
14	2008	8,134		20	136	136	136	14
15	2008	20,255		20	84	84	84	15
16	2008	9,760		20	488	488	488	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					10,085		(10,085)	33
34		\$ 182,155	\$ 10,085		\$ 4,772	\$ (5,313)	\$ 4,772	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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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	Alloc. From Mang. Office		/ /	4,690			5
6			/ /				6
7	TOTAL			\$ 4,690			7

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

9. Rental amount for movable equipment \$ 16,710

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				
		YES	NO			Original	Balance				
A. Directly Facility Related Long-Term											
1	Cambridge Realty		X	Mortgage	/ /	\$	\$ 6,745,338	/ /		\$ 520,541	1
2					/ /			/ /			2
3					/ /			/ /			3
Working Capital											
4	LOC - Venture Fund	X			/ /			/ /		106,308	4
5	Non -Allowable Interest				/ /			/ /		-106,308	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$	\$ 6,745,338			\$ 520,541	7
B. Non-Facility Related											
8	Interest Income - Bldg. Co.				/ /			/ /		-1,075	8
9	Interest Income				/ /			/ /		-4	9
10	TOTALS (lines 7, 8 and 9)					\$	\$ 6,745,338			\$ 519,462	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: **Rockford Supportive Living Center**Report Period Beginning: **1/1/2008**Ending: **12/31/2008****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	\$ 136,121	\$ 333,524	1
2	Cash-Patient Deposits	8,029	8,029	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	658,782	658,782	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	24,293	24,293	6
7	Other Prepaid Expenses	7,346	7,346	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): See Attached	259,078	536,774	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,093,649	\$ 1,568,748	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	48,132	48,132	15
16	Equipment, at Historical Cost	150,055	303,565	16
17	Accumulated Depreciation (book methods)	(24,525)	(961,589)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs		15,683	19
20	Accumulated Amortization - Organization & Pre-Operating Costs		(11,473)	20
21	Restricted Funds	11,975	11,975	21
22	Other Long-Term Assets (specify):			22
23	Other(specify):		210,754	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 185,637	\$ 6,712,541	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,279,286	\$ 8,281,289	25

*(See instructions.)

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 2,889,807	\$ 2,889,807	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	2,652	2,652	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	43,357	43,357	30
31	Accrued Taxes Payable	82,809	82,809	31
32	Accrued Interest Payable		34,184	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36			1,725,237	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 3,018,625	\$ 4,778,046	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable		6,745,338	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)	\$	\$ 6,745,338	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 3,018,625	\$ 11,523,384	45
46	TOTAL EQUITY	\$ (1,739,339)	\$ (3,242,095)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 1,279,286	\$ 8,281,289	47

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	\$ 2,792,487	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 2,792,487	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
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	4	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 4	14
D. Other Revenue (specify):			
15			15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 2,792,491	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	1,286,216	19
20	Health Care/ Personal Care	780,366	20
21	General Administration	828,074	21
B. Capital Expense			
22	Ownership	945,822	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 3,840,478	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ (1,047,987)	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ (1,047,987)	31