

Facility Name Heritage Woods of Watseka

Report Period Beginning: 01/01/2010 Ending: 12/31/2010

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	65	Single Unit Apartment	65	23,725	1
2		Double Unit Apartment			2
3		Other			3
4	65	TOTALS	65	23,725	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	11,873	11,408		23,281	5
6	Double Unit					6
7	Other					7
8	TOTALS	11,873	11,408		23,281	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 98.13%

D. Indicate the number of paid bed-hold days the SLF had during this year
154 Also, indicate the number of unpaid bed-hold days the SLF had during this year. zero (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 NO

Tax Year: 12/31/2010 Fiscal Year: 12/31/2010

* 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 the required payments of interest and principle? _____

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	173,465	127,755	1,738	302,958		302,958	1
2	Housekeeping, Laundry and Maintenance	54,788	9,904	24,905	89,597		89,597	2
3	Heat and Other Utilities			116,326	116,326	(14,321)	102,005	3
4	Other (specify):			7,700	7,700		7,700	4
5	TOTAL General Services	228,253	137,659	150,669	516,581	(14,321)	502,260	5
B. Health Care and Programs								
6	Health Care/ Personal Care	264,003	1,102		265,105		265,105	6
7	Activities and Social Services	25,119	3,743		28,862		28,862	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	289,122	4,845		293,967		293,967	9
C. General Administration								
10	Administrative and Clerical	77,670	8,517	701,977	788,164	(13,150)	775,014	10
11	Marketing Materials, Promotions and Advertising	28,100	3,416	32,553	64,069		64,069	11
12	Employee Benefits and Payroll Taxes			136,603	136,603		136,603	12
13	Insurance-Property, Liability and Malpractice			8,856	8,856		8,856	13
14	Other (specify):			12,438	12,438		12,438	14
15	TOTAL General Administration	105,770	11,933	892,427	1,010,130	(13,150)	996,980	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	623,145	154,437	1,043,096	1,820,678	(27,471)	1,793,207	16
Capital Expenses								
D. Ownership								
17	Depreciation							17
18	Interest			2,000	2,000		2,000	18
19	Real Estate Taxes							19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):			1,610	1,610		1,610	22
23	TOTAL Ownership			3,610	3,610		3,610	23
24	GRAND TOTAL (Sum of lines 16 and 23)	623,145	154,437	1,046,706	1,824,288	(27,471)	1,796,817	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	\$ 21.07	1
2	Licensed Practical Nurses	1	20.09	2
3	Certified Nurse Assistants	10	9.39	3
4	Activity Director & Assistants	1	12.03	4
5	Social Service Workers			5
6	Head Cook	1	12.50	6
7	Cook Helpers/Assistants	8	8.97	7
8	Dishwashers			8
9	Maintenance Workers	1	11.76	9
10	Housekeepers	2	8.48	10
11	Laundry			11
12	Managers	1	22.66	12
13	Other Administrative	1	12.62	13
14	Clerical			14
15	Marketing	1	24.85	15
16	Other			16
17	Total (lines 1 thru 16)	27	\$	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

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
DSI Flora Operator		Flora	
DSI Ottawa Operator		Ottawa	
DSI Manteno Operator		Manteno	

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).

VI. (B) Management fees paid to unrelated parties

Amount of Fee

1	BMA MANAGEMENT, LTD.	\$ 89,439	1
2			2
Total		\$ 89,439	3

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VIII. OWNERSHIP COSTS

N/A - LEASED

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					\$	\$		\$	\$	\$	1
2											2
3											3
4											4
5											5
Improvement Type											
6											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)				\$	\$		\$	\$	\$	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	\$	\$	\$	\$		\$	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$	\$	\$	\$		\$	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: DSI Watseka Owner, LLC

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	2004	65	10/24/07	\$ 564,216	30		3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL		65		\$ 564,216			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	Name of Lender	2		3	4	6		7	8	9						
			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						/ /	\$	\$	/ /		\$	1					
2						/ /			/ /			2					
3						/ /			/ /			3					
		Working Capital															
4		COUNTRY BANK		X	LINE OF CREDIT	11/1/10	322,000	ZERO	10/31/11	VARIABLE	2,000	4					
5						/ /			/ /			5					
6						/ /			/ /			6					
7		TOTAL Facility Related						\$ 322,000	\$			\$ 2,000	7				
		B. Non-Facility Related															
8						/ /			/ /			8					
9						/ /			/ /			9					
10		TOTALS (lines 7, 8 and 9)						\$ 322,000	\$			\$ 2,000	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.

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2010

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 44,038	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	97,691		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	9,404		6
7	Other Prepaid Expenses	3,814		7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 154,947	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost			16
17	Accumulated Depreciation (book methods)			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):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 154,947	\$	25

*(See instructions.)

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 25,563	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	30,888		30
31	Accrued Taxes Payable			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	48,936		35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 105,387	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			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)	\$	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 105,387	\$	45
46	TOTAL EQUITY	\$ 49,560	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 154,947	\$	47

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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	\$ 1,925,335	1
2	Discounts and Allowances	(2,201)	2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 1,923,134	3
B. Other Operating Revenue			
4	Special Services	60,001	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	7,779	8
9	Non-Resident Meals	2,834	9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 70,614	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	323	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 323	14
D. Other Revenue (specify):			
15	Insurance Adjustments	2,999	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 2,999	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 1,997,070	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	516,581	19
20	Health Care/ Personal Care	293,967	20
21	General Administration	1,010,130	21
B. Capital Expense			
22	Ownership	3,610	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)	\$ 1,824,288	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 172,782	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 172,782	31

COST CENTER EXPENSES

A. General Services - Other

Exterminating	730
Rubbish Removal	3,779
Vehicle Expense	2,474
Transportation Service	-
Water Softener	717
Misc Operating	-
Total	7,700

C. General Administration - Other

Consulting	2,444
Legal	-
Accounting	-
Audit	3,349
Contract labor	1,000
Bad Debt	5,645
Total	12,438

D. Ownership

Assessment Income	-
Letter of Credit	1,610
Mortgage Insurance Premium	
Partnership Management Fee	
Asset Management Fee	
Incentive Manangement Fee	
Tax Credit Fee & Incentive Fee	
Amortization Expense	
Remarketing and Trustee Fee	
Property Damage Loss	
Interest Income	
Total	1,610

Reclassifications and Adjustments

Heat & Other Utilities (14,321) Cable

Administrative and Clerical (13,150) Telephone Revenue

BALANCE SHEET

C. Current Liabilities

Accrued Liabilities	10,509
Accrued Asset Mgmt Fee	
Accrued Partnership Fee	
Accrued Incentive Mgmt Fee	
Security Deposits	23,051
Unearned Revenue	9,876
Accrued MIP	
Reservation Deposit	5,500
Total Other Current Liabilities	48,936