

Facility Name Victory Centre Of Park Forest

Report Period Beginning: 1/1/2006 Ending: 12/31/2006

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	72	Single Unit Apartment	72	26,280	1
2	7	Double Unit Apartment	7	2,555	2
3		Other		1,948	3
4	79	TOTALS	79	30,783	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 Total	
		Medicaid Recipient	Private Pay	Other		
5	Single Unit	22,968	2,854		25,822	5
6	Double Unit	2,002	249		2,251	6
7	Other	1,733	215		1,948	7
8	TOTALS	26,703	3,318		30,021	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 97.52%

D. Indicate the number of paid bed-hold days the SLF had during this year

855 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 425 (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: 12/31/06 Fiscal Year: 12/31/06

* 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? N/A

If no, explain. N/A

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? N/A

If no, explain. N/A

STATE OF ILLINOIS

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Facility Name: Victory Centre Of Park Forest

Report Period Beginning:

1/1/2006

Ending: 12/31/2006

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	193,681	162,756	2,105	358,542	(1,561)	356,981	1
2	Housekeeping, Laundry and Maintenance	43,019	15,917	43,598	102,534	1,327	103,861	2
3	Heat and Other Utilities			80,327	80,327	451	80,778	3
4	Other (specify):							4
5	TOTAL General Services	236,700	178,673	126,030	541,403	217	541,620	5
B. Health Care and Programs								
6	Health Care/ Personal Care	391,151		5,017	396,168		396,168	6
7	Activities and Social Services	34,278		7,550	41,828		41,828	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	425,429		12,567	437,996		437,996	9
C. General Administration								
10	Administrative and Clerical	158,948	13,366	242,778	415,092	55,548	470,640	10
11	Marketing Materials, Promotions and Advertising	65,690		24,187	89,877	(90,120)	(243)	11
12	Employee Benefits and Payroll Taxes			181,471	181,471	3,733	185,204	12
13	Insurance-Property, Liability and Malpractice			51,117	51,117	3,750	54,867	13
14	Other (specify):							14
15	TOTAL General Administration	224,638	13,366	499,553	737,557	(27,089)	710,468	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	886,767	192,039	638,150	1,716,956	(26,872)	1,690,084	16
Capital Expenses								
D. Ownership								
17	Depreciation			340,510	340,510	(19,774)	320,736	17
18	Interest			487,112	487,112	(1,139)	485,973	18
19	Real Estate Taxes			37,863	37,863		37,863	19
20	Rent -- Facility and Grounds					11,355	11,355	20
21	Rent -- Equipment			4,157	4,157	885	5,042	21
22	Other (specify):			26,322	26,322		26,322	22
23	TOTAL Ownership			895,964	895,964	(8,673)	887,291	23
24	GRAND TOTAL (Sum of lines 16 and 23)	886,767	192,039	1,534,114	2,612,920	(35,545)	2,577,375	24

Victory Centre Of Park Forest

Report Period Beginning: 11/2006
 Ending: 12/31/2006

Sch. V Line

NON-ALLOWABLE EXPENSES		
	Amount	Reference
1 Non-Straight Line Depreciation	(21,520)	17 1
2 Late Fees/Finance	(1,185)	10 2
3 Meals & Entertainment	(112)	10 3
4 Contributions	(150)	10 4
5 Bad Debt - Tenant	(33,197)	10 5
6 Resident Gifts	(35)	10 6
7 Marketing Salaries	(65,690)	11 7
8 Marketing Employee Benefits	(14,000)	12 8
9 Marketing Consultant	(1,580)	10 9
10 Advertising & Promotions	(24,186)	11 10
11 Management Fees	(5,004)	10 11
12 Interest Income	(1,138)	18 12
13		13
14 Pathway Senior Living, LLC		14
15 Maintenance	1,327	2 15
16 Utilities	451	3 16
17 Admin & Clerical	24,974	10 17
18 Promotion	(244)	11 18
19 Employee Benefits	17,733	12 19
20 Insurance	3,750	13 20
21 Depreciation	1,746	17 21
22 Office Rent	11,355	20 22
23 Equipment Rental	855	21 23
24 Interest	(1)	18 24
25 Management Fees	(146,673)	10 25
26		26
27		27
28 Meal Program Income	(1,561)	01 28
29		29
30		30
31		31
32		32
33		33
34		34
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36		36
37		37
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93		93
94		94
95		95
96		96
97		97
98		98
99		99
100		100
101 Total	(35,545)	101

Facility Name: Victory Centre Of Park Forest

Report Period Beginning 1/1/2006 Ending: 12/31/2006

V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.02	\$ 26.64	1
2	Licensed Practical Nurses	1.60	25.18	2
3	Certified Nurse Assistants	11.90	10.15	3
4	Activity Director & Assistants	0.98	15.03	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	8.21	11.34	7
8	Dishwashers			8
9	Maintenance Workers	1.02	8.75	9
10	Housekeepers	1.89	6.25	10
11	Laundry			11
12	Managers			12
13	Other Administrative	1.81	42.21	13
14	Clerical			14
15	Marketing	0.97	32.71	15
16	Other	0.13	13.81	16
17	Total (lines 1 thru 16)	29.51	\$ 14.45	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	Brian Cloch	29%	4.82	\$ 28,764	1	
2	Jerry Finis	29%	4.82	40,524	2	
3	Robert Helle	13%	4.82	36,806	3	
4	E Keledijan	29%	4.82	30,763	4	
5					5	
				Total	\$ 136,857	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	1	City	2
See Attached		See Attached	

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See Attached		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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Report Period Beginning:

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VIII. OWNERSHIP COSTS

A. Purchase price of land 146,208 Year land was acquired 2002

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	87		2002	2002	\$ 7,210,303	\$ 262,167	28	\$ 257,511	\$ (4,656)	\$ 1,225,093	1	
2	Allocated from Pathway					1,746			(1,746)		2	
3											3	
4											4	
5											5	
Improvement Type												
6	Total From Supplemental Page 5's											6
7	Land Improvements			2002	323,939	22,449	20	16,197	(6,252)	80,985	7	
8	Entrance Canopy			2003	1,892	208	20	95	(113)	378	8	
9	Flagpole			2003	1,570	192	20	79	(114)	314	9	
10	Outdoor Sign			2003	3,225	395	20	161	(234)	645	10	
11	Carpeting			2006	3,462	5	20	173	168	173	11	
12	Carpeting			2006	9,587	15	20	479	464	479	12	
13											13	
14											14	
15											15	
16											16	
17	TOTAL (lines 1 thru 16)				\$ 7,553,978	\$ 287,177		\$ 274,695	\$ (12,482)	\$ 1,308,068	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	\$ 460,417	\$ 55,079	\$ 46,042	(9,037)	10	\$ 221,855	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)		\$ 460,417	\$ 55,079	\$ 46,042	(9,037)	\$ 221,855	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

Facility Name & ID Number Victory Centre Of Park Forest

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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	
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
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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 & ID Number Victory Centre Of Park Forest

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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
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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 & ID Number Victory Centre Of Park Forest

Report Period Beginning:

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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
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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: Victory Centre Of Park Forest

Report Period Beginning: 1/1/2006

Ending: 2/31/2006

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	Allocated from Pathway		/ /	11,355			6
7	TOTAL			\$ 11,355			7

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

9. Rental amount for movable equipment \$ 5,042

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	
		Related**				Amount of Note					
	Name of Lender	YES	NO	Purpose of Loan	Date of Note	Original	Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense	
A. Directly Facility Related											
Long-Term											
1	Reilly Mortgage Corp		X	1st Mortgage	2/1/01	\$ 5,500,000	\$ 5,382,544	4/1/42	7.7100	\$ 443,530	1
2	IHDA		X	2nd Mortgage	11/4/02	500,000	472,061	/ /		5,000	2
3					/ /			/ /			3
Working Capital											
4	Pathway Development	X		Working Capital	/ /		402,197	Demand	Prime+1	38,582	4
5					/ /			/ /			5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 6,000,000	\$ 6,256,802			\$ 487,112	7
B. Non-Facility Related											
8	Interest Income				/ /			/ /		(1,138)	8
9	Allocated from Pathway				/ /			/ /		(1)	9
10	TOTALS (lines 7, 8 and 9)					\$ 6,000,000	\$ 6,256,802			\$ 485,973	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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Facility Name: Victory Centre Of Park Forest

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12/31/2006

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2006

(last day of reporting year)

	1	2	
	Operating	After Consolidation*	
A. Current Assets			
1	Cash on Hand and in Banks	\$ 102,412	\$ 1
2	Cash-Patient Deposits		2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	483,795	3
4	Supply Inventory (priced at)		4
5	Short-Term Investments		5
6	Prepaid Insurance	27,794	6
7	Other Prepaid Expenses	9,502	7
8	Accounts Receivable (owners or related parties)	1,166	8
9	Other(specify): See Attached	523,181	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,147,850	\$ 10
B. Long-Term Assets			
11	Long-Term Notes Receivable		11
12	Long-Term Investments		12
13	Land	146,208	13
14	Buildings, at Historical Cost	7,210,303	14
15	Leasehold Improvements, at Historical Cost	323,939	15
16	Equipment, at Historical Cost	467,104	16
17	Accumulated Depreciation (book methods)	(2,177,234)	17
18	Deferred Charges		18
19	Organization & Pre-Operating Costs	740,180	19
20	Accumulated Amortization - Organization & Pre-Operating Costs		20
21	Restricted Funds	122,116	21
22	Other Long-Term Assets (specify):		22
23	Other(specify): See Attached	160,928	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 6,993,544	\$ 24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 8,141,394	\$ 25

*(See instructions.)

	1	2	
	Operating	After Consolidation*	
C. Current Liabilities			
26	Accounts Payable	\$ 199,706	\$ 26
27	Officer's Accounts Payable		27
28	Accounts Payable-Patient Deposits		28
29	Short-Term Notes Payable		29
30	Accrued Salaries Payable	30,760	30
31	Accrued Taxes Payable	128,675	31
32	Accrued Interest Payable	50,452	32
33	Deferred Compensation		33
34	Federal and State Income Taxes		34
	Other Current Liabilities(specify):		
35			35
36	See Attached	1,928	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 411,521	\$ 37
D. Long-Term Liabilities			
38	Long-Term Notes Payable	402,197	38
39	Mortgage Payable	5,854,605	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)	\$ 6,256,802	\$ 44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 6,668,323	\$ 45
46	TOTAL EQUITY	\$ 1,473,071	\$ 46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 8,141,394	\$ 47

Other Current Assets:	<u>Operating</u>	<u>After Consolidation</u>	Other Current Liabilities	<u>Operating</u>	<u>After Consolidation</u>
09A Payroll/Benefit Reserve	67,000	-	36A Resident Activity Fund	1,928	-
09B Operating Expense	2,100	-	36B	-	-
09C Village Inspection	1,000	-	36C	-	-
09D R E Tax Escrow-Reilly	76,717	-	36D	-	-
09E Insurance Escrow-Reilly	80,056	-	36E	-	-
09F Tif Agreement Receivable	296,206	-	36F	-	-
09G Resident Allowance	102	-	36G	-	-
09H	-	-	36H	-	-
09I	-	-	36I	-	-
09J	-	-	36J	-	-
	<u>523,181</u>	<u>-</u>		<u>1,928</u>	<u>-</u>
Other Non-Current Assets:	<u>Operating</u>	<u>After Consolidation</u>	Other Non-Current Liabilities	<u>Operating</u>	<u>After Consolidation</u>
23A Ff&E Reserve - Reilly	140,476	-	43A	-	-
23B Mip Escrow	20,452	-	43B	-	-
23C	-	-	43C	-	-
23D	-	-	43D	-	-
23E	-	-	43E	-	-
23F	-	-	43F	-	-
23G	-	-	43G	-	-
23H	-	-	43H	-	-
23I	-	-	43I	-	-
23J	-	-	43J	-	-
	<u>160,928</u>	<u>-</u>		<u>-</u>	<u>-</u>

Facility Name: Victory Centre Of Park Forest

Report Period Beginning: 1/1/2006

Ending: 12/31/2006

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	\$ 2,460,428	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 2,460,428	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	1,138	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 1,138	14
D. Other Revenue (specify):			
15	See Attached	3,293	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 3,293	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 2,464,859	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	541,403	19
20	Health Care/ Personal Care	437,996	20
21	General Administration	737,557	21
B. Capital Expense			
22	Ownership	895,964	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)	\$ 2,612,920	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ (148,061)	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ (148,061)	31

15A	Nsf Fees (Adj. Out P.3A)	250
15B	Unclaimed Refund Income	1,482
15C	Meal Program Income(Adj Out P.3A)	1,561
15D		
15E		
15F		
15G		
15H		
15I		
15J		
15K		
15L		
15M		
15N		
15O		
15P		
15Q		
15R		
15S		

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