

Facility Name Victory Centre of BartlettReport Period Beginning: 1/1/2007 Ending: 12/31/2007

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	104	Single Unit Apartment	104	37,960	1
2		Double Unit Apartment			2
3		Other			3
4	104	TOTALS	104	37,960	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	11,018	11,761		22,779	5
6	Double Unit					6
7	Other					7
8	TOTALS	11,018	11,761		22,779	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 60.01%D. Indicate the number of paid bed-hold days the SLF had during this year 367 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 182 (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

ACCURAL MODIFIED CASH* CASH* I. Is your fiscal year identical to your tax year? YES NOTax Year: 12/31/07 Fiscal Year: 12/31/07

* 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? YesIf 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 the required 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 facility make 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	255,939	141,356	8,617	405,912	(2,461)	403,451	1
2	Housekeeping, Laundry and Maintenance	74,159	25,417	64,008	163,584	1,434	165,018	2
3	Heat and Other Utilities			144,824	144,824	571	145,395	3
4	Other (specify):							4
5	TOTAL General Services	330,098	166,773	217,449	714,320	(456)	713,864	5
B. Health Care and Programs								
6	Health Care/ Personal Care	386,007	489	7,161	393,657		393,657	6
7	Activities and Social Services	66,312		8,180	74,492		74,492	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	452,319	489	15,341	468,149		468,149	9
C. General Administration								
10	Administrative and Clerical	246,341	9,781	364,157	620,279	140,548	760,827	10
11	Marketing Materials, Promotions and Advertising	116,579		148,570	265,149	(138)	265,011	11
12	Employee Benefits and Payroll Taxes			194,142	194,142	20,271	214,413	12
13	Insurance-Property, Liability and Malpractice			62,356	62,356	2,934	65,290	13
14	Other (specify):			12,122	12,122		12,122	14
15	TOTAL General Administration	362,920	9,781	781,347	1,154,048	163,615	1,317,663	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,145,337	177,043	1,014,137	2,336,517	163,159	2,499,676	16
Capital Expenses								
D. Ownership								
17	Depreciation			513,648	513,648	(34,846)	478,802	17
18	Interest			1,106,909	1,106,909	(559,329)	547,580	18
19	Real Estate Taxes			118,798	118,798		118,798	19
20	Rent -- Facility and Grounds					11,655	11,655	20
21	Rent -- Equipment			220	220		220	21
22	Other (specify):			17,852	17,852		17,852	22
23	TOTAL Ownership			1,757,427	1,757,427	(582,520)	1,174,907	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,145,337	177,043	2,771,564	4,093,944	(419,361)	3,674,583	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	0.97	\$ 28.65	1
2	Licensed Practical Nurses	1.67	25.44	2
3	Certified Nurse Assistants	11.29	10.20	3
4	Activity Director & Assistants	1.56	20.44	4
5	Social Service Workers	-		5
6	Head Cook	0.60	39.67	6
7	Cook Helpers/Assistants	9.55	10.41	7
8	Dishwashers	-		8
9	Maintenance Workers	0.74	20.71	9
10	Housekeepers	1.93	10.53	10
11	Laundry	-		11
12	Managers	-		12
13	Other Administrative	4.90	21.49	13
14	Clerical	0.55	23.59	14
15	Marketing	1.30	43.16	15
16	Other	-		16
17	Total (lines 1 thru 16)	35.07	\$ 15.70	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%	4.64	\$ 17,087	1
2	Jerry Finis	29%	4.64	25,631	2
3	Robert Helle	13%			3
4	E. Keledjian	29%			4
5					5
Total				\$ 42,718	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>
See Attached	

OTHER RELATED BUSINESS ENTITIES		
Name <u>3</u>	City <u>4</u>	Type of Business <u>5</u>
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? \$ _____

(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 909,090 Year land was acquired 2006

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	104		2006		\$ 13,844,577	\$ 513,648	28	\$ 395,559	\$ (118,089)	\$ 395,559	1	
2											2	
3		Allocated from Pathway Senior Living, LLC				4,015			(4,015)		3	
4											4	
5											5	
Improvement Type												
6	Total From Supplemental Page 5's											6
7		Land Improvement	2006		265,482		20	13,274	13,274	13,274	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)				\$ 14,110,059	\$ 517,663		\$ 408,833	\$ (108,830)	\$ 408,833	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	\$ 699,687	\$	\$ 69,969	69,969	10	\$ 69,969	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 699,687	\$	\$ 69,969	69,969		\$ 69,969	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								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	Total Book Depreciation								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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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	Allocated from Pathway SL, LLC			/ /	11,655			6
7	TOTAL				\$ 11,655			7

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

9. Rental amount for movable equipment \$ 220

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	IHDA		X	1st Mortgage	/ /	\$	\$ 10,261,144	/ /		\$ 593,427	1
2	IHDA		X	2nd Mortgage	/ /		2,970,107	/ /		14,925	2
3					/ /			/ /			3
	Working Capital										
4	Pathway Development	X			/ /		266,530	/ /		27,877	4
5	Allocated from Pathway SL, LLC				/ /			/ /		1,474	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$	\$ 13,497,781			\$ 637,703	7
	B. Non-Facility Related										
8	Interest Income		X		/ /			/ /		-560,803	8
9	Interest - Escrows		X		/ /			/ /		470,679	9
10	TOTALS (lines 7, 8 and 9)					\$	\$ 13,497,781			\$ 547,579	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 12/31/2007

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 325,791	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	227,024		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	25,022		6
7	Other Prepaid Expenses	5,138		7
8	Accounts Receivable (owners or related parties)	14,577		8
9	Other(specify): See Attached	821,431		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,418,983	\$	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	909,090		13
14	Buildings, at Historical Cost	13,844,577		14
15	Leasehold Improvements, at Historical Cost	265,482		15
16	Equipment, at Historical Cost	700,314		16
17	Accumulated Depreciation (book methods)	(513,648)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(5,004)		20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached	839,166		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 16,039,977	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 17,458,960	\$	25

		1	2	
		Operating	After	
			Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 1,118,065	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	65,170		30
31	Accrued Taxes Payable	104,000		31
32	Accrued Interest Payable	28,985		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
Other Current Liabilities(specify):				
35				35
36	See Attached	1,936		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,318,156	\$	37
D. Long-Term Liabilities				
38	Long-Term Notes Payable	10,527,674		38
39	Mortgage Payable	2,970,107		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)	\$ 13,497,781	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 14,815,937	\$	45
46	TOTAL EQUITY	\$ 2,643,023	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 17,458,960	\$	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	\$ 2,183,830	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,183,830	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	560,803	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 560,803	14
D. Other Revenue (specify):			
15	See Attached	37,318	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 37,318	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 2,781,951	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	714,320	19
20	Health Care/ Personal Care	468,149	20
21	General Administration	1,154,048	21
B. Capital Expense			
22	Ownership	1,757,427	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)	\$ 4,093,944	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (1,311,993)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (1,311,993)	31