

Facility Name Victory Centre of River Woods

Report 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	89	Single Unit Apartment	89	32,485	1
2	20	Double Unit Apartment	20	7,300	2
3		Other		5,356	3
4	109	TOTALS	109	45,141	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	29,088	3,397		32,485	5
6	Double Unit	5,476	639		6,115	6
7	Other	4,796	560		5,356	7
8	TOTALS	39,360	4,596		43,956	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 97.37%

D. Indicate the number of paid bed-hold days the SLF had during this year 1,469 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 927 (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: 12/31/07 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? Yes

If no, explain. N/A

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

Facility Name: Victory Centre of River Woods

Report Period Beginning:

1/1/2007

Ending: 12/31/2007

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	288,583	234,936	6,935	530,454	(4,047)	526,407	1
2	Housekeeping, Laundry and Maintenance	97,408	26,943	46,244	170,595	(1,486)	169,109	2
3	Heat and Other Utilities			131,694	131,694	578	132,272	3
4	Other (specify):							4
5	TOTAL General Services	385,991	261,879	184,873	832,743	(4,955)	827,788	5
B. Health Care and Programs								
6	Health Care/ Personal Care	501,572	1,155	13,954	516,681		516,681	6
7	Activities and Social Services	38,761		9,586	48,347		48,347	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	540,333	1,155	23,540	565,028		565,028	9
C. General Administration								
10	Administrative and Clerical	251,966	6,644	777,764	1,036,374	(374,549)	661,825	10
11	Marketing Materials, Promotions and Advertising	83,611		21,518	105,129	(238)	104,891	11
12	Employee Benefits and Payroll Taxes			257,489	257,489	20,493	277,982	12
13	Insurance-Property, Liability and Malpractice			67,903	67,903	4,534	72,437	13
14	Other (specify):			34,329	34,329		34,329	14
15	TOTAL General Administration	335,577	6,644	1,159,003	1,501,224	(349,760)	1,151,464	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,261,901	269,678	1,367,416	2,898,995	(354,715)	2,544,280	16
Capital Expenses								
D. Ownership								
17	Depreciation			493,070	493,070	(23,176)	469,894	17
18	Interest			535,242	535,242	(34,734)	500,508	18
19	Real Estate Taxes			64,297	64,297		64,297	19
20	Rent -- Facility and Grounds					11,783	11,783	20
21	Rent -- Equipment			6,217	6,217		6,217	21
22	Other (specify):			12,390	12,390		12,390	22
23	TOTAL Ownership			1,111,216	1,111,216	(46,127)	1,065,089	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,261,901	269,678	2,478,632	4,010,211	(400,842)	3,609,369	24

Facility Name: Victory Centre of River Woods

Report Period Beginning: 1/1/2007 Ending: 12/31/2007

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	1.03	\$ 31.40	1
2	Licensed Practical Nurses	2.19	22.34	2
3	Certified Nurse Assistants	15.79	10.13	3
4	Activity Director & Assistants	1.42	13.14	4
5	Social Service Workers	-		5
6	Head Cook	0.90	25.82	6
7	Cook Helpers/Assistants	10.50	11.00	7
8	Dishwashers	-		8
9	Maintenance Workers	1.40	17.57	9
10	Housekeepers	2.02	10.95	10
11	Laundry	-		11
12	Managers	-		12
13	Other Administrative	5.30	20.49	13
14	Clerical	0.58	21.58	14
15	Marketing	1.26	31.95	15
16	Other	-		16
17	Total (lines 1 thru 16)	42.40	\$ 14.31	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%	4.69	\$ 17,275	1
2	Jerry Finis	29%	4.69	25,912	2
3	Robert Helle	13%			3
4	E. Keledjian	29%			4
5					5
Total				\$ 43186.48	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).

Facility Name: Victory Centre of River Woods

Report Period Beginning: 1/1/2007

Ending: 12/31/2007

VIII. OWNERSHIP COSTS

A. Purchase price of land 918,820 Year land was acquired 2003

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	109		2003	2003	\$ 10,971,031	\$ 399,640	28	\$ 391,823	\$ (7,818)	\$ 1,788,137	1	
2											2	
3		Allocated from Pathway Senior Living, LLC				4,059			(4,059)		3	
4											4	
5											5	
Improvement Type												
6	Total From Supplemental Page 5's											6
7		Site Improvements		2003	63,245	4,216	20	3,162	(1,054)	12,649	7	
8		Nurse Call System		2005	3,762	722	20	188	(534)	376	8	
9		Electrical Unit		2007	517	86	20	26	(60)	26	9	
10		Phone System		2007	1,141	76	20	57	(19)	57	10	
11		Hvac Repairs		2007	2,936	147	20	147	(0)	147	11	
12											12	
13											13	
14											14	
15											15	
16											16	
17	TOTAL (lines 1 thru 16)				\$ 11,042,632	\$ 408,946		\$ 395,403	\$ (13,544)	\$ 1,801,391	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	\$ 744,903	\$ 88,182	\$ 74,490	(13,692)	10	\$ 289,631	18
19	Vehicles					5	-	19
20	TOTAL (lines 18 and 19)	\$ 744,903	\$ 88,182	\$ 74,490	(13,692)		\$ 289,631	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 River Woods

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

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.

Facility Name & ID Number Victory Centre of River Woods

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

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 & ID Number Victory Centre of River Woods

Report Period Beginning:

1/1/2007

Ending:

12/31/2007

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: Victory Centre of River Woods

Report Period Beginning: 1/1/2007

Ending: 2/31/2007

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		/ /	11,783			6
7	TOTAL			\$ 11,783			7

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

9. Rental amount for movable equipment \$ 6,217

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	6/1/02	\$ 7,150,000	\$ 6,830,208	12/1/33	7.2000	\$ 511,866
2	Cook County		X	2nd Mortgage	6/13/02	1,800,000	1,647,454	12/1/43	1.0000	16,649
3	IHDA		X	3rd Mortgage	6/1/02	750,000	662,508	12/1/33	1.0000	6,727
	Working Capital									
4	Pathway		X	Loan Payable	/ /		57,383	/ /		
5					/ /			/ /		
6					/ /			/ /		
7	TOTAL Facility Related					\$ 9,700,000	\$ 9,197,553			\$ 535,242
	B. Non-Facility Related									
8	Interest Income		X		/ /			/ /		(36,224)
9	Allocated from Pathway SL, LLC				/ /			/ /		1,490
10	TOTALS (lines 7, 8 and 9)					\$ 9,700,000	\$ 9,197,553			\$ 500,508

* 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: Victory Centre of River Woods

Report Period Beginning: 1/1/2007

Ending: 12/31/2007

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	\$ 370,191	\$	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	725,622		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	67,628		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	6,317		8
9	Other(specify): See Attached	1,114,274		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,284,032	\$	10
B. Long-Term Assets				
11	Long-Term Notes Receivable	85,974		11
12	Long-Term Investments			12
13	Land	918,820		13
14	Buildings, at Historical Cost	10,971,031		14
15	Leasehold Improvements, at Historical Cost	63,245		15
16	Equipment, at Historical Cost	750,323		16
17	Accumulated Depreciation (book methods)	(2,500,253)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(53,590)		20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached	394,753		23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 10,630,303	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 12,914,335	\$	25

		1	2	
		Operating	After	
			Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 606,745	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	65,198		30
31	Accrued Taxes Payable	64,500		31
32	Accrued Interest Payable	48,414		32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
Other Current Liabilities(specify):				
35				35
36	See Attached	700		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 785,557	\$	37
D. Long-Term Liabilities				
38	Long-Term Notes Payable	6,887,591		38
39	Mortgage Payable	2,309,962		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)	\$ 9,197,553	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 9,983,110	\$	45
46	TOTAL EQUITY	\$ 2,931,225	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 12,914,335	\$	47

*(See instructions.)

Facility Name: Victory Centre of River Woods

Report Period Beginning: 1/1/2007

Ending:

12/31/2007

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	\$ 3,705,947	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 3,705,947	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	36,224	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 36,224	14
D. Other Revenue (specify):			
15	See Attached	4,047	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 4,047	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 3,746,218	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	832,743	19
20	Health Care/ Personal Care	565,028	20
21	General Administration	1,501,224	21
B. Capital Expense			
22	Ownership	1,111,216	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)	\$ 4,010,211	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ (263,993)	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ (263,993)	31