

		FOR BHF USE			

LL2

Supportive Living Facility

2012

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2012)

IMPORTANT NOTICE

THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN SECTION 146.265 OF THE 89 IL ADMIN CODE. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS.

I. Facility ID Number: 1000059

Facility Name: Eastgate Manor of Algonquin

Address: 101 Eastgate Court Algonquin 60102

County: McHenry

Telephone Number: (847) 458-2800 Fax # (847) 458-0017

Federal Employer ID Number:

Date Current Owners were Certified: 2/27/06

Type of Ownership:

VOLUNTARY, NON-PROFIT

Charitable Corp.

Trust

IRS Exemption Code

X PROPRIETARY

Individual

Partnership

Corporation

"Sub-S" Corp.

X Limited Liability Co.

Trust

Other

GOVERNMENTAL

State

County

Other

In the event there are further questions about this report, please contact:

Name: Amanda Springborn Telephone Number: (314) 925-3838

Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2012 to 12/31/2012 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed)

(Type or Print Name)

(Title)

Paid Preparer

(Signed)

(Print Name and Title)

(Firm Name & Address)

(Telephone)

MAIL TO: BUREAU OF HEALTH FINANCE

IL DEPT OF HEALTHCARE AND FAMILY SERVICES

201 S. Grand Avenue East

Springfield, IL 62763-0001

Phone # (217) 782-1630

HFS 3745C (N-4-05)

IL478-2471

Facility Name Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2012 Ending: 12/31/2012

III. STATISTICAL DATA

A. Certified units; enter number of units and unit days

Date of change in certified units 7/3/12

	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	<u>110</u>	Single Unit Apartment	<u>113</u>	<u>40,917</u>	1
2	<u>8</u>	Double Unit Apartment	<u>6</u>	<u>2,452</u>	2
3		Other		<u>4,339</u>	3
4	<u>118</u>	TOTALS	<u>119</u>	<u>47,708</u>	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	<u>27,708</u>	<u>10,926</u>		<u>38,634</u>	5
6	Double Unit	<u>4,287</u>	<u>1,727</u>		<u>6,014</u>	6
7	Other					7
8	TOTALS	<u>31,995</u>	<u>12,653</u>		<u>44,648</u>	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 93.59%

D. Indicate the number of paid bed-hold days the SLF had during this year 752 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 741 (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 ☐ Note : Non-allowable costs have been eliminated in Schedule IV, Column 5.

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: 12/31/12 Fiscal Year: 12/31/12

* 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? N/A
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

STATE OF ILLINOIS

Page 3

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

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	313,806	311,742	1,824	627,372	(6)	627,366	1
2	Housekeeping, Laundry and Maintenance	110,080	5,990	124,120	240,190		240,190	2
3	Heat and Other Utilities			163,467	163,467		163,467	3
4	Other (specify): Satellite TV			763	763	(763)		4
5	TOTAL General Services	423,886	317,732	290,174	1,031,792	(769)	1,031,023	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	559,735			559,735		559,735	6
7	Activities and Social Services	82,276	5,405	19,743	107,424		107,424	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	642,011	5,405	19,743	667,159		667,159	9
	C. General Administration							
10	Administrative and Clerical	310,325		403,033	713,358	34,917	748,275	10
11	Marketing Materials, Promotions and Advertising	4,733		74,089	78,822	(81,987)	(3,165)	11
12	Employee Benefits and Payroll Taxes			213,521	213,521		213,521	12
13	Insurance-Property, Liability and Malpractice			48,847	48,847		48,847	13
14	Other (specify): Other Administrative			13,400	13,400	(13,400)		14
15	TOTAL General Administration	315,058		752,890	1,067,948	(60,470)	1,007,478	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,380,955	323,137	1,062,807	2,766,899	(61,239)	2,705,660	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			48,626	48,626	270,088	318,714	17
18	Interest			18,969	18,969	499,911	518,880	18
19	Real Estate Taxes					174,465	174,465	19
20	Rent -- Facility and Grounds			1,087,024	1,087,024	(1,087,024)		20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			1,154,619	1,154,619	(142,560)	1,012,059	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,380,955	323,137	2,217,426	3,921,518	(203,799)	3,717,719	24

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning 01/01/2012 Ending: 12/31/2012

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	4.00	\$ 28.76	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants			3
4	Activity Director & Assistants	2.73	14.64	4
5	Social Service Workers			5
6	Head Cook	4.98	14.72	6
7	Cook Helpers/Assistants	10.45	8.88	7
8	Dishwashers			8
9	Maintenance Workers	1.08	20.14	9
10	Housekeepers	3.23	9.36	10
11	Laundry			11
12	Managers Administrator	1.04	42.10	12
13	Other Administrative	5.65	18.98	13
14	Clerical			14
15	Marketing			15
16	Other Caregivers	14.17	10.71	16
17	Total (lines 1 thru 16)	47.32	\$ 13.94	17

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 Attachment 1			

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See Attachment 1					

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).

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	See Attachment 1		See Attachment 5	\$ Attachment 5	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

Amount of Fee

1	N/A	\$	1
2			2
Total		\$	3

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

VIII. OWNERSHIP COSTS

A. Purchase price of land 311,565 Year land was acquired 2000

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	118			2000	\$ 4,679,221	\$	40	\$ 116,981	\$ 116,981	\$ 1,431,912	1
2				2001	3,852,173		40	96,304	96,304	1,131,576	2
3											3
4											4
5											5
	Improvement Type										
6	Flagpoles			2001	2,637	176	10	176		2,022	6
7	Tub Conversion			2001	1,185		10			1,185	7
8	Nurses Station			2001	6,183	309	20	309		3,555	8
9	2nd Floor Carpet			2001	1,339		10			1,339	9
10	Fire Alarm Doors			2001	835		10			835	10
11	2 Exterior Signs			2001	2,432		10			2,432	11
12	Nurse Call Station			2004	21,485	1,074	20	1,074		8,773	12
13	Asphalt Paving			2005	19,397	1,940	10	1,940		14,063	13
14	Apartments			2005	18,224	911	20	911		6,378	14
15	Nurse Call Station			2006	2,761	138	20	138		932	15
16	See Attachment 2				1,480,577	21,832		71,038	49,206	386,985	16
17	TOTAL (lines 1 thru 16)				\$ 10,088,449	\$ 26,380		\$ 288,871	\$ 262,491	\$ 2,991,987	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	\$ 1,097,292	\$ 22,246	\$ 29,843	7,597	10	\$ 860,926	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)		\$ 22,246	\$ 29,843	7,597		\$ 860,926	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	N/A	\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)		\$	\$	24

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2012 Ending: 2/31/2012

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 Year Constructed	2 Number of Units	3 Date of Lease	4 Rental Amount	5 Total Yrs. of Lease	6 Total Years Renewal Option*	
3	Original Building	N/A		/ /	\$			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental?

☐ YES ☐ NO

9. Rental amount for movable equipment \$ N/A

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	Lexington Financial Services	X		Mortgage	5/22/08	\$ 9,395,000	\$ 8,481,102	1/1/33	Variable	\$ 515,643	1
2					/ /	Security Deposits and other		/ /		348	2
3					/ /	Amortization of Mortgage Costs		/ /		3,237	3
	Working Capital										
4	Members Loans-East Gate	X		Working Capital	Various	1,792,483		/ /	Variable	2,800	4
5	Bank of America		X	Line of Credit	4/6/02	400,000	485,000	9/30/13	Variable	15,821	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 11,587,483	\$ 8,966,102			\$ 537,849	7
	B. Non-Facility Related										
8					/ /	Less interest income		/ /		(16,169)	8
9					/ /	Related party interest		/ /		(2,800)	9
10	TOTALS (lines 7, 8 and 9)					\$ 11,587,483	\$ 8,966,102			\$ 518,880	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: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2012

Ending: 12/31/2012

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2012

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 535,669	\$ 586,964	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 139,805)	760,232	760,232	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	11,915	11,915	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	223,689	274,746	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,531,505	\$ 1,633,857	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	94,552	94,552	12
13	Land		311,565	13
14	Buildings, at Historical Cost		4,679,221	14
15	Leasehold Improvements, at Historical Cost	525,424	5,409,228	15
16	Equipment, at Historical Cost	253,297	1,097,292	16
17	Accumulated Depreciation (book methods)	(223,876)	(3,852,913)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs		65,995	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)	\$ 649,397	\$ 7,804,940	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,180,902	\$ 9,438,797	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 39,298	\$ 39,298	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	485,000	485,000	29
30	Accrued Salaries Payable	41,837	41,837	30
31	Accrued Taxes Payable	2,620	167,620	31
32	Accrued Interest Payable		36,158	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See Attachment 3	246,909	2,071,557	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 815,664	\$ 2,841,470	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		8,481,102	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)	\$	\$ 8,481,102	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 815,664	\$ 11,322,572	45
46	TOTAL EQUITY	\$ 1,365,238	\$ (1,883,775)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 2,180,902	\$ 9,438,797	47

*(See instructions.)

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2012 Ending: 12/31/2012

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

	Revenue	Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 4,539,817	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 4,539,817	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	3,133	8
9	Non-Resident Meals	4,164	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 7,297	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	21,573	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 21,573	14
	D. Other Revenue (specify):		
15	See Attachment 3	3,479	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 3,479	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 4,572,166	18

	Expenses	Amount	
	A. Operating Expenses		
19	General Services	1,031,792	19
20	Health Care/ Personal Care	667,159	20
21	General Administration	1,067,948	21
	B. Capital Expense		
22	Ownership	1,154,619	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)	\$ 3,921,518	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 650,648	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 650,648	31

Eastgate Manor of Algonquin, LLC
12/31/2012
Attachment 1

VI.A

Owners:

<u>Name</u>	<u>% Ownership</u>
Jason Samatas Discretionary Trust	8.571%
Jeremy Samatas Discretionary Trust	8.571%
Jillayne Samatas Discretionary Turst	8.571%
Collin Samatas Discretionary Trust	8.572%
Gabrielle Samatas Discretionary Trust	8.572%
Philip Thiem Discretionary Trust	8.571%
Daniel Thiem Discretionary Trust	8.571%
Chester Plodzien	20.000%
George Samatas 1998 Gamma Trust for Jason UAD 11/25/98	2.858%
George Samatas 1998 Gamma Trust for Jeremy UAD 11/25/98	2.858%
George Samatas 1998 Gamma Trust for Jillayne UAD 11/25/98	2.857%
George Samatas 1998 Gamma Trust for Collin UAD 11/25/98	2.857%
George Samatas 1998 Gamma Trust for Gabrielle UAD 11/25/98	2.857%
George Samatas 1998 Gamma Trust for Philip UAD 11/25/98	2.857%
George Samatas 1998 Gamma Trust for Daniel UAD 11/25/98	2.857%

VIII. A

<u>Related Organizations: Related SLF's and Healthcare Business</u>	<u>City</u>
Lexington Health Care Center of Lombard, Inc.	Lombard
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Elmhurst, Inc.	Elmhurst
Lexington Health Care Center of LaGrange, Inc.	LaGrange
Lexington Health Care Center of Lake Zurich, Inc.	Lake Zurich
Lexington Heatlh Care Center of Schaumburg, Inc.	Schaumburg

Lexington Health Care Center of Streamwood, Inc.	Stremwood
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Orland Park, Inc.	Orland Park
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge

<u>Other Related Business Entities</u>	<u>City</u>	<u>Type</u>
Samvest of Algonquin Limited Partnership	Algonquin	Real Estate Partnership
Royal Management Company	Lombard	Management Company
Lexington Financial Services, L.L.C.	Lombard	Finance Co.
Nexgen Partners, LLC	Lombard	Management Company
Lexington Square Life Care of Lombard, LLC	Lombard	Independent and Assisted Living Facility
Lexington Square Life Care of Elmhurst, LLC	Elmhurst	Independent Living Facility
Vesta Management Group, LLC	Lombard	Management Company

Improvement Type		Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
18	Sealcoat parking lot	2006		3,240	324	10	324	-	2,133	18
19	Kitchen Rehab	2006		10,222	511	20	511	-	3,322	19
20	Apartments	2006		81,813	4,091	20	4,091	-	26,590	20
21	Roof Repairs	2007		3,000	150	20	150	-	813	21
22	Sheers	2007		2,877	288	10	288	-	1,511	22
23	Sheers	2008		5,001	500	10	500	-	2,202	23
24	Painting	2008		2,700	270	10	270	-	1,260	24
25	Land Improvements-patio,topsoil	2009		6,420	428	15	428	-	1,520	25
26	Paint doors and elevators	2009		5,990	599	10	599	-	1,897	26
27	Nurses call system	2009		36,265	3,626	10	3,626	-	11,484	27
28	Apartment conversions - Samvest Rep Prj	2009		265,855		40	9,752	(9,752)	38,197	28
29	Dining Room/Lobby/Corridor - Samvest Rep Prj	2009		524,378		15	23,360	(23,360)	73,974	29
30	HVAC Repairs	2010		3,131	313	10	313	-	678	30
31	Remodel Offices	2010		37,280	1,864	20	1,864	-	4,356	31
32	Apartment conversions - East gate	2010		3,528	176	20	176	-	441	32
33	Roof Repairs	2011		5,418	271	20	271	-	271	33
34	Apartment conversions - East gate	2011		133,905	6,695	20	6,695	-	8,369	34
35	Roofing: Spouts, Gutters & Roof - East Wing	2012		43,577	182	20	182	-	182	35
36	Install Draft Damper - Dining Room	2012		4,987	109	10	109	-	109	36
37	Walk-In Cooler Repair - Kitchen	2012		11,599	483	10	483	-	483	37
38	Apartment conversions - East gate (342 & 141)	2012		35,051	790	20	790	-	790	38
39	Smoking/Shower Room	2012		12,944	162	20	162	-	162	39
40										40
41										41
42	Allocation from Real Estate Entity									42
43	Land Improvements	2000		79,149		15	5,277	(5,277)	79,147	43
44	Land Improvements	2001		162,248		15	10,817	(10,817)	127,094	44

45											45
46	Total (Attachment 2) to Schedule VIII - Line 16			\$ 1,480,577	\$ 21,832		\$ 71,038		\$ (49,206)	\$ 386,985	46

Eastgate Manor of Algonquin, LLC
12/31/2012
Attachment 3
Supplementary Information

<u>XI.C.Line 35</u>	<u>Operating</u>	<u>After Consolidation</u>
Withholding Dental Insurance	(257)	(257)
Withholding EP/CI/WI	(154)	(154)
401k Withholding	822	822
Accrued Vacation/Sick	37,206	37,206
Accrued 401K	5,215	5,215
Accrued Expenses	14,865	14,865
Accrued Management Fees Nexgen	12,085	12,085
Interest Rate Swap	-	1,824,648
Due to Republic Construction	7,070	7,070
Due to Royal General	7,816	7,816
Security Deposits	153,165	153,165
Resident Trust Fund Liability	9,361	9,361
Due to Resident - RFMS Funds	(285)	(285)
	<u>246,909</u>	<u>2,071,557</u>

<u>XII.D.Line 15</u>	<u>Amount</u>
Carpet Proration	3,173
Supportive Living Mini Market	6
Miscellaneous Income	300
	<u>3,479</u>

Eastgate Manor of Algonquin, LLC
Page 4, Schedule VII, C-Related Party Costs
12/31/2012

Attachment 4

Related Party Management Company-Royal Management Corp

Total cost allocated to nursing home	\$10,391,928	78.38%
Total cost allocated to other entities	\$2,866,609	21.62%
Including Eastgate manor	<u>\$13,258,537</u>	<u>100.00%</u>

Basis for allocation of the \$2,866,609-accumulated costs of the other entities, including Eastgate.

Eastgate Manor of Algonquin, LLC	3,686,922
Other entities managed by Royal Management (other than ten nursing homes)	47,304,417
	<u>50,991,339</u>

Eastgate percentage of the \$2,866,609	7.23%
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Eastgate Manor amount	207,270
Less Management fee in line 10, page 3	145,536
	<u>61,734</u>

Eastgate's allocation of management company expenses is its proportionate share of Royal Management Corp total expenses of \$13,258,537. The specific expenses to Eastgate would be calculated at 1.56% (21.62% x 7.23%) of individual expenses of Royal Management Corp as shown on the attached detail.

Attachment 5

Related Party Management Company-Nexgen

Other Entities Managed by Nexgen	9,057,208	71.07%
Eastgate	3,686,922	28.93%
	<u>12,744,130</u>	<u>100.00%</u>

Total Nexgen Expenses	381,765
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Eastgate Manor amount	110,446
Less Management fee in line 10, page 3	<u>137,389</u>
	<u>(26,943)</u>

Eastgate's allocation of management company expenses is its proportionate share of Nexgen total expenses of \$381,765

Owners' Compensation and Average Hours Worked	Average Hours	Compensation
1/1/12 thru 12/31/12		
Jeremy Samatas	15.0	61,994
Phil Thiem	2.5	10,332

III.A

Converted the following units in 2012:

Converted 324 (shower room that was decertified), certified 7/3/12
Converted Units 141 AB (Companion Suites) to Units 141 A and 141 B (Studio/Oxford), certified 5/7/12

Based on Occupancy of Companion Suites (per instructions)

Units from 1/1/12 to 5/7/12

Single units; licensed double	74	x	128	=	9,472
Single units; licensed single	36	x	128	=	4,608
Double units; licensed double	8	x	128	=	1,024
	118				

Single Units with double occupancy					
A, B, C, D, E, F	7		128		896
Double units with 2 residents	6	x	128	=	768
(Note: 2 companion suites did not have a 2nd resident for all or substantially all of 2012)					16,768

Effective 5/8/12 - 7/3/12 Convert 141 from Companion to singles

Single units; licensed double	74	x	57	=	4,218
Single units; licensed single	38	x	57	=	2,166
Double units; licensed double	6	x	57	=	342
	118				

Single Units with Double Occupancy	-
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A, B, C, D, E, F	7 x	57	399
<u>Double units with 2 residents</u>	5 x	57 =	285
(Note: 2 companion suites did not have a 2nd resident for all or substantially all of 2012)			<u>7,410</u>
			<u>24,178</u>

Effective 7/3/12-12/31/12 Convert decertified shower room to Turnberry (Unit 324)

Single units; licensed double	74 x	181 =	13,394
Single units; licensed single	39 x	181 =	7,059
Double units; licensed double	6 x	181 =	1,086
	<u>119</u>		
<u>Single Units with Double Occupancy</u>			-
A, B, C, D, E, F	6 x	181	1,086
<u>Double units with 2 residents</u>	5 x	181 =	905
(Note: 2 companion suites did not have a 2nd resident for all or substantially all of 2012)			<u>23,530</u>
			<u>366</u>
			<u>47,708</u>

TOTAL FOR YEAR	Beginning	End	Unit Days
Single Units	110	113	40,917
Double Units	<u>8</u>	<u>6</u>	2,452
	<u>118</u>	<u>119</u>	
Other			4,339
			<u>47,708</u>