

		FOR BHF USE			

LL2

Supportive Living Facility

2013

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2013)

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

Number City Zip Code

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	☒	PROPRIETARY	☐	GOVERNMENTAL
☐	Charitable Corp.	☐	Individual	☐	State
☐	Trust	☐	Partnership	☐	County
IRS Exemption Code		☐	Corporation	☐	Other
		☒	"Sub-S" Corp.		
		☐	Limited Liability Co.		
		☐	Trust		
		☐	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 01/01/2013 to 12/31/2013 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) (Date)

(Type or Print Name)

(Title)

Paid
Preparer

(Signed) (Date)

(Print Name
and Title)

(Firm Name & Address) McGladrey LLP
20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173

(Telephone) (847) 517-7070 Fax (847) 517-7067

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

Facility Name Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2013 Ending: 12/31/2013

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	<u>113</u>	Single Unit Apartment	<u>113</u>	<u>41,245</u>	1
2	<u>6</u>	Double Unit Apartment	<u>6</u>	<u>2,190</u>	2
3		Other		<u>1,451</u>	3
4	<u>119</u>	TOTALS	<u>119</u>	<u>44,886</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>28,713</u>	<u>10,380</u>		<u>39,093</u>	5
6	Double Unit	<u>2,406</u>	<u>867</u>		<u>3,273</u>	6
7	Other					7
8	TOTALS	<u>31,119</u>	<u>11,247</u>		<u>42,366</u>	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 94.39%

D. Indicate the number of paid bed-hold days the SLF had during this year 866 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 501 (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: 12/31/13 Fiscal Year: 12/31/13

* 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:

01/01/2013

Ending:

12/31/2013

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	325,287	286,983	1,822	614,092	(4,699)	609,393	1
2	Housekeeping, Laundry and Maintenance	114,062	27,490	146,222	287,774		287,774	2
3	Heat and Other Utilities			152,978	152,978		152,978	3
4	Other (specify): Satellite TV			823	823	(823)		4
5	TOTAL General Services	439,349	314,473	301,845	1,055,667	(5,522)	1,050,145	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	592,224			592,224		592,224	6
7	Activities and Social Services	90,250	7,177	16,564	113,991		113,991	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	682,474	7,177	16,564	706,215		706,215	9
	C. General Administration							
10	Administrative and Clerical	186,079	22,781	371,081	579,941	44,071	624,012	10
11	Marketing Materials, Promotions and Advertising	103,375		88,274	191,649	(191,649)		11
12	Employee Benefits and Payroll Taxes			238,061	238,061		238,061	12
13	Insurance-Property, Liability and Malpractice			55,018	55,018		55,018	13
14	Other (specify): Other Administrative			19,432	19,432	(19,432)		14
15	TOTAL General Administration	289,454	22,781	771,866	1,084,101	(167,010)	917,091	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,411,277	344,431	1,090,275	2,845,983	(172,532)	2,673,451	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			61,867	61,867	264,813	326,680	17
18	Interest			10,502	10,502	454,942	465,444	18
19	Real Estate Taxes					189,059	189,059	19
20	Rent -- Facility and Grounds			1,097,798	1,097,798	(1,097,798)		20
21	Rent -- Equipment			256	256		256	21
22	Other (specify):							22
23	TOTAL Ownership			1,170,423	1,170,423	(188,984)	981,439	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,411,277	344,431	2,260,698	4,016,406	(361,516)	3,654,890	24

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning 01/01/2013 Ending: 12/31/2013

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	4.36	\$ 29.15	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants			3
4	Activity Director & Assistants	2.91	14.52	4
5	Social Service Workers			5
6	Head Cook	5.55	14.95	6
7	Cook Helpers/Assistants	10.15	8.99	7
8	Dishwashers			8
9	Maintenance Workers	1.10	20.31	9
10	Housekeepers	3.39	9.44	10
11	Laundry			11
12	Managers Administrator	1.04	46.84	12
13	Other Administrative	3.38	13.17	13
14	Clerical			14
15	Marketing	2.01	24.27	15
16	Other Caregivers	14.46	10.78	16
17	Total (lines 1 thru 16)	48.35	\$ 13.98	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:

01/01/2013

Ending:

12/31/2013

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				2000	\$ 4,679,221	\$	40	\$ 116,981	\$ 116,981	\$ 1,548,893	1
2				2001	3,852,173		40	96,304	96,304	1,227,879	2
3											3
4											4
5											5
	Improvement Type										
6	Flagpoles			2001	2,637	176	10	176		2,198	6
7	Tub Conversion			2001	1,185		10			1,185	7
8	Nurses Station			2001	6,183	309	20	309		3,864	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		9,847	12
13	Asphalt Paving			2005	19,397	1,940	10	1,940		16,003	13
14	Apartments			2005	18,224	911	20	911		7,290	14
15	Nurse Call Station			2006	2,761	138	20	138		1,070	15
16	See Attachment 2				1,527,004	27,569		71,500	43,931	458,486	16
17	TOTAL (lines 1 thru 16)				\$ 10,134,876	\$ 32,117		\$ 289,333	\$ 257,216	\$ 3,281,321	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	\$ 1,100,304	\$ 21,902	\$ 29,499	7,597	10	\$ 890,423	18
19	Vehicles	58,868	7,849	7,849		5	7,849	19
20	TOTAL (lines 18 and 19)	\$ 1,159,172	\$ 29,750	\$ 37,347	7,597		\$ 898,272	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: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2013 Ending: 2/31/2013

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 \$ 256

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	\$ 8,247,574	1/1/33	Variable	\$ 502,497	1
2					/ /			/ /			2
3					/ /	Amortization of Mortgage Costs		/ /		3,237	3
	Working Capital										
4	West Suburban Bank		X	Vehicle Purchase	4/26/13	57,910	51,704	5/1/18	0.0450	1,743	4
5	Bank of America		X	Line of Credit	4/6/02	400,000	254,000	9/30/14	Variable	8,760	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 9,852,910	\$ 8,553,278			\$ 516,236	7
	B. Non-Facility Related										
8					/ /	Less interest income		/ /		(50,792)	8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 9,852,910	\$ 8,553,278			\$ 465,444	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: 01/01/2013

Ending: 12/31/2013

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2013

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 536,673	\$ 589,524	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 251,754)	648,680	648,680	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	35,844	274,927	8
9	Other(specify): <u>Interest Receivable</u>	670	670	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,221,867	\$ 1,513,801	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	568,611	5,455,655	15
16	Equipment, at Historical Cost	315,177	1,159,172	16
17	Accumulated Depreciation (book methods)	(283,421)	(4,179,593)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs		62,758	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)	\$ 694,919	\$ 7,583,330	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,916,786	\$ 9,097,131	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 53,165	\$ 53,165	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	305,704	305,704	29
30	Accrued Salaries Payable	84,269	84,269	30
31	Accrued Taxes Payable	2,979	185,979	31
32	Accrued Interest Payable		36,299	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	<u>See Attachment 3</u>	214,493	1,511,836	35
36	<u>See Attachment 3</u>	6,223	6,223	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 666,833	\$ 2,183,475	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		8,247,574	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)	\$	\$ 8,247,574	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 666,833	\$ 10,431,049	45
46	TOTAL EQUITY	\$ 1,249,953	\$ (1,333,918)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 1,916,786	\$ 9,097,131	47

*(See instructions.)

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2013 Ending: 12/31/2013

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	\$ 4,438,033	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 4,438,033	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	3,841	8
9	Non-Resident Meals	4,465	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 8,306	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	50,792	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 50,792	14
	D. Other Revenue (specify):		
15	See Attachment 3	3,991	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 3,991	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 4,501,122	18

	Expenses	Amount	
	A. Operating Expenses		
19	General Services	1,055,667	19
20	Health Care/ Personal Care	706,215	20
21	General Administration	1,084,101	21
	B. Capital Expense		
22	Ownership	1,170,423	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)	\$ 4,016,406	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 484,716	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 484,716	31

East Gate Manor of Algonquin, LLC
12/31/2013
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 Trust	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 Health Care Center of Schaumburg, Inc.	Schaumburg

Lexington Health Care Center of Streamwood, Inc.	Streamwood
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

East Gate Manor of Algonquin, LLC
Leasehold Improvements (continued)
12/31/2013

Attachment 2

	Improvement Type	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments
18	Sealcoat parking lot	2006		3,240	189	10	189	-
19	Kitchen Rehab	2006		10,222	511	20	511	-
20	Apartments	2006		81,813	4,091	20	4,091	-
21	Roof Repairs	2007		3,000	150	20	150	-
22	Sheers	2007		2,877	288	10	288	-
23	Sheers	2008		5,001	500	10	500	-
24	Painting	2008		2,700	270	10	270	-
25	Land Improvements-patio,topsoil	2009		6,420	428	15	428	-
26	Paint doors and elevators	2009		5,990	599	10	599	-
27	Nurses call system	2009		36,265	3,626	10	3,626	-
28	Apartment conversions - Samvest Rep Prj	2009		265,855		40	9,752	(9,752)
29	Dining Room/Lobby/Corridor - Samvest Rep Prj	2009		524,378		15	23,360	(23,360)
30	HVAC Repairs	2010		3,131	313	10	313	-
31	Remodel Offices	2010		37,280	1,864	20	1,864	-
32	Apartment conversions - Eastgate Manor	2010		3,528	176	20	176	-
33	Roof Repairs	2011		5,418	271	20	271	-
34	Apartment conversions - Eastgate Manor	2011		133,905	6,695	20	6,695	-
35	Roofing: Spouts, Gutters & Roof - East Wing	2012		43,577	2,179	20	2,179	-
36	Install Draft Damper - Dining Room	2012		4,987	532	10	532	-
37	Walk-In Cooler Repair - Kitchen	2012		11,599	1,160	10	1,160	-
38	Apartment conversions - Eastgate Manor (342 & 141)	2012		35,051	1,753	20	1,753	-
39	Smoking/Shower Room	2012		12,944	647	20	647	-
40	Sealcoat and strip parking lot	2013		2,600	108	10	108	-
41	HVAC - Heat Exchanger	2013		3,887	138	10	138	-
42	Furnish and Install 6 ton rooftop unit (RTU)	2013		10,551	264	10	264	-
43	Install new grease trap & adjust air fans	2013		8,900	-	10	-	-
44	Lobby Bathrooms - Labor, Paint, Plumbing	2013		20,489	817	10	817	-

45									
46									
47									
48	Allocation from Real Estate Entity								
49	Land Improvements	2000		79,149		15	2		(2)
50	Land Improvements	2001		162,248		15	10,817		(10,817)
51									
52	Total (Attachment 2) to Schedule VIII - Line 16			\$ 1,527,004	\$ 27,569		\$ 71,500		\$ (43,931)

Accumulated
Depreciation

2,322	18
3,833	19
30,681	20
963	21
1,799	22
2,703	23
1,530	24
1,948	25
2,496	26
15,110	27
47,949	28
97,334	29
992	30
6,220	31
617	32
542	33
15,064	34
2,361	35
641	36
1,643	37
2,543	38
809	39
108	40
138	41
264	42
-	43
817	44

	45
	46
	47
	48
79,149	49
137,910	50
	51
\$ 458,486	52

East Gate Manor of Algonquin, LLC
12/31/2013
Attachment 3
Supplementary Information

<u>XI.C.Line 35</u>	<u>Operating</u>	<u>After Consolidation</u>
Withholding Dental Insurance	(256)	(256)
Withholding EP/CI/WI	(189)	(189)
401k Withholding	10	10
Accrued 401K	7,253	7,253
Accrued Expenses	8,768	8,768
Accrued Management Fees Nexgen	21,292	21,292
Interest Rate Swap	-	1,297,343
Due to Republic Construction	5,267	5,267
Due to Royal General	5,481	5,481
Security Deposits	158,844	158,844
Resident Trust Fund Liability	8,023	8,023
	214,493	1,511,836
	-	-

<u>XI.C.Line 36</u>	<u>Operating</u>	<u>After Consolidation</u>
Prepaid Insurance	(17,060)	(17,060)
Due to Escrow	23,283	23,283
	6,223	6,223
	-	-

<u>XII.D.Line 15</u>	<u>Amount</u>
Carpet Proration	3,377
Supportive Living Mini Market	234
Miscellaneous Income	380
	3,991
	-

East Gate Manor of Algonquin, LLC
Page 4, Schedule VII, C-Related Party Costs
12/31/2013

Attachment 4

Related Party Management Company-Royal Management Corp

Total cost allocated to nursing home	\$10,828,112	79.16%
Total cost allocated to other entities	\$2,851,249	20.84%
Including Eastgate Manor	\$13,679,361	100.00%

Basis for allocation of the \$2,851,249-accumulated costs of the other entities, including Eastgate Manor.

East Gate Manor of Algonquin, LLC	3,611,713
Other entities managed by Royal Management (other than ten nursing homes)	46,218,694
	<u>49,830,407</u>

Eastgate Manor percentage of the \$2,851,249	7.25%
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Eastgate Manor amount	206,659
Less Management fee in line 10, page 3	146,244
	<u>60,415</u>

Eastgate Manor's allocation of management company expenses is its proportionate share of Royal Management Corp total expenses of \$13,679,361. The specific expenses to Eastgate Manor would be calculated at 1.51% ($20.84\% \times 7.25\%$) 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	9,015,678	71.40%
Eastgate Manor	3,611,713	28.60%
	<u>12,627,391</u>	<u>100.00%</u>

Total Nexgen Expenses	412,202
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Eastgate Manor amount	117,899
Less Management fee in line 10, page 3	<u>135,137</u>
	<u>(17,238)</u>

Eastgate Manor's allocation of management company expenses is its proportionate share of Nexgen total expenses of \$412,202.

Owners' Compensation and Average Hours Worked	<u>Average Hours</u>	<u>Compensation</u>
1/1/13 thru 12/31/13		
Jeremy Samatas	15.0	68,645
Phil Thiem	2.5	11,441