

		FOR BHF USE			

LL2

Supportive Living Facility

2016

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2016)

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: East Gate 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

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2016 to 12/31/2016 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)

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

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

Email Address:

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 East Gate Manor of Algonquin

Report Period Beginning: 01/01/2016 Ending: 12/31/2016

III. STATISTICAL DATA

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

Date of change in certified units See Attachment 7

	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	118	Single Unit Apartment	119	43,317	1
2	1	Double Unit Apartment		237	2
3		Other			3
4	119	TOTALS	119	43,554	4

B. Census-For the entire report period.

	1	2	3	4	5	
	Type of Unit	Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	24,399	13,532		37,931	5
6	Double Unit	120	93		213	6
7	Other	2,127	975		3,102	7
8	TOTALS	26,646	14,600		41,246	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 94.70%

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

797 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 155 (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

ACCRAUAL ☒ MODIFIED CASH* ☐ CASH* ☐

I. Is your fiscal year identical to your tax year? ☒ YES ☐ NO

Tax Year: 12/31/16 Fiscal Year: 12/31/16

* 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

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Facility Name: East Gate Manor of Algonquin

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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	376,119	290,431	1,824	668,374	(6,571)	661,803	1
2	Housekeeping, Laundry and Maintenance	108,720	28,190	207,952	344,862		344,862	2
3	Heat and Other Utilities			175,485	175,485		175,485	3
4	Other (specify):			952	952	(952)		4
5	TOTAL General Services	484,839	318,621	386,213	1,189,673	(7,523)	1,182,150	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	576,339		109	576,448		576,448	6
7	Activities and Social Services	107,986	10,676	23,940	142,602		142,602	7
8	Other (specify):	126,951			126,951		126,951	8
9	TOTAL Health Care and Programs	811,276	10,676	24,049	846,001		846,001	9
	C. General Administration							
10	Administrative and Clerical	204,487	19,345	578,454	802,286	61,881	864,167	10
11	Marketing Materials, Promotions and Advertising	113,024		64,711	177,735	(177,735)		11
12	Employee Benefits and Payroll Taxes			308,550	308,550		308,550	12
13	Insurance-Property, Liability and Malpractice			58,770	58,770		58,770	13
14	Other (specify):			20,935	20,935		20,935	14
15	TOTAL General Administration	317,511	19,345	1,031,420	1,368,276	(115,854)	1,252,422	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	1,613,626	348,642	1,441,682	3,403,950	(123,377)	3,280,573	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			71,857	71,857	256,699	328,556	17
18	Interest			11,244	11,244	471,625	482,869	18
19	Real Estate Taxes					195,546	195,546	19
20	Rent -- Facility and Grounds			1,117,061	1,117,061	(1,117,061)		20
21	Rent -- Equipment			3,731	3,731		3,731	21
22	Other (specify):			48,836	48,836	(48,836)		22
23	TOTAL Ownership			1,252,729	1,252,729	(242,027)	1,010,702	23
24	GRAND TOTAL (Sum of lines 16 and 23)	1,613,626	348,642	2,694,411	4,656,679	(365,404)	4,291,275	24

Facility Name: East Gate Manor of Algonquin

Report Period Beginning: 01/01/2016 Ending: 12/31/2016

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses	3.17	\$ 24.87	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants			3
4	Activity Director & Assistants	3.41	14.46	4
5	Social Service Workers			5
6	Head Cook	5.84	17.08	6
7	Cook Helpers/Assistants	7.77	9.26	7
8	Dishwashers	1.92	9.46	8
9	Maintenance Workers	1.05	17.41	9
10	Housekeepers	3.50	10.04	10
11	Laundry			11
12	Managers	1.03	45.40	12
13	Other Administrative	2.06	35.02	13
14	Clerical	3.45	17.07	14
15	Marketing	2.03	25.92	15
16	Other	16.55	11.42	16
17	Total (lines 1 thru 16)	51.78	\$	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			

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 6	\$ Attachment 6	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

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).

OTHER RELATED BUSINESS ENTITIES					
<u>Name</u>	<u>3</u>	<u>City</u>	<u>4</u>	<u>Type of Business</u>	<u>5</u>
See Attachment 1					

Facility Name: East Gate Manor of Algonquin

Report Period Beginning:

01/01/2016

Ending:

12/31/2016

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	\$ 1,899,830	1
2				2001	3,852,173		40	96,304	96,304	1,516,793	2
3											3
4											4
5											5
	Improvement Type										
6	Flagpoles			2001	2,637	88	10	88		2,637	6
7	Tub Conversion - Disposed in 2016			2001							7
8	Nurses Station			2001	6,183	309	20	309		4,792	8
9	2nd Floor Carpet - Disposed in 2016			2001							9
10	Fire Alarm Doors - Disposed in 2016			2001							10
11	2 Exterior Signs - Disposed in 2016.			2001							11
12	Nurse Call Station			2004	21,485	1,074	20	1,074		13,069	12
13	Asphalt Paving			2005	19,397		10			19,397	13
14	Apartments			2005	18,224	911	20	911		10,023	14
15	Nurse Call Station			2006	2,761	138	20	138		1,484	15
16	See Attachments 2 & 3				1,619,118	35,235		71,051	35,816	679,715	16
17	TOTAL (lines 1 thru 16)				\$ 10,221,199	\$ 37,755		\$ 286,856	\$ 249,101	\$ 4,147,740	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	\$ 1,068,274	\$ 29,926	\$ 29,926	\$		\$ 928,141	18
19	Vehicles	58,868	11,774	11,774		5	43,170	19
20	TOTAL (lines 18 and 19)	\$ 1,127,142	\$ 41,700	\$ 41,700	\$		\$ 971,311	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: East Gate Manor of Algonquin

Report Period Beginning: 01/01/2016 Ending: 2/31/2016

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 \$ 3,731

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	\$ 7,484,773	1/1/33	Variable	\$ 468,405	1
2					/ /	Insurance Policy Adjustment		/ /		480	2
3					/ /	Amortization of Mortgage Costs		/ /		3,237	3
	Working Capital										
4	West Suburban bank		X	Vehicle Purchase	4/26/13	57,910	17,010	5/1/18	0.0450	1,079	4
5	Bank of America		X	Line of Credit	4/6/02	400,000	660,000	4/30/17	Variable	9,666	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 9,852,910	\$ 8,161,783			\$ 482,867	7
	B. Non-Facility Related										
8	Interest Income Offset				/ /	Less: Interest Income		/ /		(17)	8
9					/ /	Microsoft Financing		/ /		19	9
10	TOTALS (lines 7, 8 and 9)					\$ 9,852,910	\$ 8,161,783			\$ 482,869	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: East Gate Manor of Algonquin

Report Period Beginning: 01/01/2016

Ending: 12/31/2016

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2016

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 372,365	\$ 376,603	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>678,761</u>)	1,651,906	1,651,906	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	28,059	28,059	6
7	Other Prepaid Expenses	6,636	6,636	7
8	Accounts Receivable (owners or related parties)		274,967	8
9	Other(specify): <u>Interest Receivable</u>	2,682	2,682	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,061,648	\$ 2,340,853	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	654,934	5,541,978	15
16	Equipment, at Historical Cost	283,146	1,127,141	16
17	Accumulated Depreciation (book methods)	(436,560)	(5,119,051)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs		53,046	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)	\$ 596,072	\$ 6,688,452	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,657,720	\$ 9,029,305	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 25,916	\$ 25,916	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	671,583	671,583	29
30	Accrued Salaries Payable	147,881	147,881	30
31	Accrued Taxes Payable	2,501	202,501	31
32	Accrued Interest Payable		67,720	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	<u>See Attachment 4</u>	684,548	770,351	35
36	<u>Due to Master Insurance</u>	1,952	1,952	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,534,381	\$ 1,887,904	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable	5,427	5,427	38
39	Mortgage Payable		7,484,773	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)	\$ 5,427	\$ 7,490,200	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 1,539,808	\$ 9,378,104	45
46	TOTAL EQUITY	\$ 1,117,912	\$ (348,799)	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 2,657,720	\$ 9,029,305	47

*(See instructions.)

Facility Name: East Gate Manor of Algonquin

Report Period Beginning: 01/01/2016

Ending:

12/31/2016

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

		1	
	I. Revenue	Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 4,820,701	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 4,820,701	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	23,332	8
9	Non-Resident Meals	6,571	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 29,903	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	17	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 17	14
	D. Other Revenue (specify):		
15	Food stamps	36,239	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 36,239	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 4,886,860	18

		2	
	II. Expenses	Amount	
	A. Operating Expenses		
19	General Services	1,189,673	19
20	Health Care/ Personal Care	846,001	20
21	General Administration	1,368,276	21
	B. Capital Expense		
22	Ownership	1,252,729	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)	\$ 4,656,679	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 230,181	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 230,181	31
	III. Net Resident Care Revenue detailed by Payer Source		
32	Medicaid - Net Inpatient Revenue	\$ 3,107,392	32
33	Private Pay - Net Inpatient Revenue	1,550,572	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify) <u>PA Pending</u>	162,737	35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 4,820,701	37

VI.A		
Owners:		
	<u>Name</u>	<u>% Ownership</u> Okay based on email
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 Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge
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 Lombard, Inc.	Lombard
Lexington Health Care Center of Orland Park, Inc.	Orland Park
Lexington Health Care Center of Schaumburg, Inc.	Schaumburg
Lexington Health Care Center of Streamwood, Inc.	Streamwood
Lexington Health Care Center of Wheeling, Inc.	Wheeling

<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
Heron Point Management Corporation	Lombard	Management Company
Samvest of Lombard II, LLC	Lombard	Lessor
North Heron Investments, LLC	Lombard	Finance Co.
Merit Sleep Management, LLC	Lombard	Management Company
Lexington Home Health Care, Inc.	Lombard	Home Health
Lexington Hospice Services, LLC	Lombard	Hospice
Lexington Private Home Care	Lombard	Healthcare

	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		10		-	2,322	18
19	Kitchen Rehab	2006		10,222	511	20	511	-	5,367	19
20	Apartments	2006		81,813	4,091	20	4,091	-	42,952	20
21	Roof Repairs	2007		3,000	150	20	150	-	1,413	21
22	Sheers	2007		2,877	288	10	288	-	2,661	22
23	Sheers	2008		5,001	500	10	500	-	4,203	23
24	Painting	2008		2,700	270	10	270	-	2,340	24
25	Land Improvements-patio,topsoil	2009		6,420	428	15	428	-	3,232	25
26	Paint doors and elevators	2009		5,990	599	10	599	-	4,293	26
27	Nurses call system	2009		36,265	3,626	10	3,626	-	25,989	27
28	Apartment conversions - Samvest Rep Prj	2009		265,855		40	9,752	9,752	77,206	28
29	Dining Room/Lobby/Corridor - Samvest Rep Prj	2009		524,378		15	23,360	23,360	167,412	29
30	HVAC Repairs	2010		3,131	313	10	313	-	1,931	30
31	Remodel Offices	2010		37,280	1,864	20	1,864	-	11,812	31
32	Apartment conversions - Eastgate Manor	2010		3,528	176	20	176	-	1,146	32
33	Roof Repairs	2011		5,418	271	20	271	-	1,355	33
34	Apartment conversions - Eastgate Manor	2011		133,905	6,695	20	6,695	-	35,150	34
35	Roofing: Spouts, Gutters & Roof - East Wing	2012		43,577	2,179	20	2,179	-	8,897	35
36	Install Draft Damper - Dining Room	2012		4,988	532	10	532	-	2,237	36
37	Walk-In Cooler Repair - Kitchen	2012		11,599	1,160	10	1,160	-	5,123	37
38	Apartment conversions - Eastgate Manor (342 & 141)	2012		35,051	1,753	20	1,753	-	7,801	38
39	Smoking/Shower Room	2012		12,944	647	20	647	-	2,750	39
40	Sealcoat and strip parking lot	2013		2,600	260	10	260	-	888	40
41	HVAC - Heat Exchanger	2013		3,886	389	10	389	-	1,303	41
42	Furnish and Install 6 ton rooftop unit (RTU)	2013		10,551	1,055	10	1,055	-	3,428	42
43	Install new grease trap & adjust air fans	2013		8,900	890	10	890	-	2,670	43
44	Lobby Bathrooms - Labor, Paint, Plumbing	2013		20,489	2,049	10	2,049	-	6,963	44
45	Roof Repairs - West Wing	2015		66,100	3,305	20	3,305	-	3,856	45
46	Building Wiring	2015		4,610	231	20	231	-	365	46
47	Water Conditioner	2015		4,995	500	10	500	-	749	47
48								-		48
49	Allocation from Real Estate Entity							-		49
50	Land Improvements	2000		79,149		15		-	79,149	50
51	Land Improvements	2001		162,248		15	2,704	2,704	162,248	51
52										52
53	Total (Attachment 2)			\$ 1,602,709	\$ 34,731		\$ 70,547	\$ 35,816	\$ 679,211	53

Improvement Type		Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation		Adjustments	Accumulate d Depreciation	
54	Total From Attachment I			1,602,709	34,731		70,547		35,816	679,211	18
55									-		19
56	Install Exterior Marquee Sign (4)	2016		2,300	-	15	-		-	-	20
57	Dumpster Pad	2016		5,500	214	15	214		-	214	21
58	Room 327 Remodel	2016		2,970	149	10	149		-	149	22
59	Install Motion Access Operator	2016		5,638	141	10	141		-	141	23
60									-		24
61									-		25
62									-		26
63									-		27
64									-		28
65									-		29
66									-		30
67									-		31
68									-		32
69									-		33
70									-		34
71									-		35
72									-		36
73									-		37
74									-		38
75									-		39
76									-		40
77									-		41
78									-		42
79									-		43
80									-		44
81									-		45
82									-		46
83									-		47
84									-		48
85									-		49
86									-		50
87									-		51
88											52
89	Total (Attachment 2) to Schedule VIII - Line 16			\$ 1,619,118	\$ 35,235		\$ 71,051		\$ 35,816	\$ 679,715	53

East Gate Manor of Algonquin, LLC
12/31/2016
Attachment 4
Supplementary Information

<u>XI.C.Line 35</u>	<u>Operating</u>	<u>After Consolidation</u>
SOA - Rent Receivable	-	(350,685)
Due from Lexington Financial Services	572	572
Withholding Dental Insurance	(376)	(376)
Withholding EP/CI/WI	(833)	(833)
Withholding Short Term Disability	362	362
Vision Withholding	252	252
Accrued 401K	6,503	6,503
Accrued Expenses	41,282	41,282
Accrued Management Fees Nexgen	27,728	27,728
Accrued Management Fees Royal	72,000	72,000
Accrued Rent	350,685	350,685
Interest Rate Swap	-	436,488
Due to Republic Construction	(3,061)	(3,061)
Due to National	2,462	2,462
Due to Royal General	5,128	5,128
Security Deposits	165,353	165,353
Resident Trust Fund Liability	12,327	12,327
Due to Resident - RFMS Funds	4,164	4,164
	684,548	770,351

Attachment 5

Related Party Management Company-Royal Management Corp

Management co. expenses allocated to nursing home	\$12,154,672	79.72%
Management co. expenses allocated to other entities	\$3,092,822	20.28%
Including Eastgate Manor	<u>\$15,247,494</u>	<u>100.00%</u>

Basis for allocation of the \$3,092,822 - accumulated costs of the other entities, including Eastgate Manor.

East Gate Manor of Algonquin, LLC	4,241,590
Other entities managed by Royal Management (other than ten nursing homes)	24,847,539
	<u>29,089,129</u>
Eastgate Manor amount	450,975
Less Management fee in line 10, page 3	288,000
	<u>162,975</u>

Allocation of management company expenses to Eastgate and its proportionate share of Royal Management Corp total expenses of \$15,247,494. The specific expenses to Eastgate Manor would be calculated at 2.96% (20.28% x 14.58%) of individual expenses of Royal Management Corp as shown on the attached detail.

Attachment 6

Related Party Management Company-Nexgen

Accumulated Costs:		
Other Entities Managed by Nexgen	2,559,349	37.63%
Eastgate Manor	4,241,590	62.37%
	<u>6,800,939</u>	<u>100.00%</u>

Total Nexgen Expenses	15,109
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Eastgate Manor allocated amount	9,423
Less Management fee in line 10, page 3	<u>111,504</u>
	<u>(102,081)</u>

Allocation of management company expenses to Eastgate Manor and its proportionate share of Nexgen total expenses of \$15,109

Owners' Compensation and Hours Worked	<u>Yearly Hours</u>	<u>Compensation</u>
<u>1/1/16 thru 12/31/16</u>		
Daniel Thiem	4.00	\$ 500.00
Phil Thiem	4.00	\$ 500.00
Jason Samatas	4.00	\$ 500.00
Jeremy Samatas	4.00	\$ 500.00
Jillayne Benjamin	4.00	\$ 500.00
Collin Samatas	4.00	\$ 500.00
Gabrielle Samatas	4.00	\$ 500.00
	<u>28.00</u>	<u>\$ 3,500.00</u>

Eastgate Manor of Algonquin, LLC
Unit days available
12/31/16

Attachment 7

Converted the following units in 2016:
Converted Unit 327 from Companion to Cambridge 1 BR 8/24/16

Based on Occupancy of Companion Suites (per instructions)				
Units from 1/1/16 to 8/24/16				
Single units; licensed double	79	x	237	= 18,723
Single units; licensed single	39	x	237	= 9,243
Double units; licensed double	1	x	237	= 237
	119			
<u>Single Units with double occupancy</u>				
	0		237	= -
<u>Double units with 2 residents</u>				
	11	x	237	= 2,607
				30,810

Effective 8/25/16-12/31/16 Converted 327 from Companion to Cambridge/1BR

Single units; licensed double	80	x	129	= 10,320
Single units; licensed single	39	x	129	= 5,031
Double units; licensed double	0	x	129	= -
	119			
<u>Single Units with Double Occupancy</u>				
	0	x	129	= -
<u>Double units with 2 residents</u>				
	9	x	129	= 1,161
				16,512
	366			47,322

TOTAL FOR YEAR	Beginning	End	Unit Days
Single Units	118	119	43,317
Double Units	1	0	237
	119	119	
Other			3,768
			47,322
Other			3,142
			46,577