

|  |  |             |  |  |  |
|--|--|-------------|--|--|--|
|  |  | FOR BHF USE |  |  |  |
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LL2

Supportive Living Facility

2017

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2017)

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:

|                          |                       |                                     |                       |                          |              |
|--------------------------|-----------------------|-------------------------------------|-----------------------|--------------------------|--------------|
| <input type="checkbox"/> | VOLUNTARY, NON-PROFIT | <input checked="" type="checkbox"/> | PROPRIETARY           | <input type="checkbox"/> | GOVERNMENTAL |
| <input type="checkbox"/> | Charitable Corp.      | <input type="checkbox"/>            | Individual            | <input type="checkbox"/> | State        |
| <input type="checkbox"/> | Trust                 | <input type="checkbox"/>            | Partnership           | <input type="checkbox"/> | County       |
| IRS Exemption Code       |                       | <input type="checkbox"/>            | Corporation           | <input type="checkbox"/> | Other        |
|                          |                       | <input checked="" type="checkbox"/> | "Sub-S" Corp.         |                          |              |
|                          |                       | <input type="checkbox"/>            | Limited Liability Co. |                          |              |
|                          |                       | <input type="checkbox"/>            | Trust                 |                          |              |
|                          |                       | <input type="checkbox"/>            | 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 01/01/2017 to 12/31/2017 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)  | RSM US LLP<br>20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173 |        |                |
|                                      | (Telephone)            | (847 ) 517-7070                                                     | Fax    | (847) 517-7067 |

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

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                           | 43,435                         | 1 |
| 2 | 1                                   | Double Unit Apartment |                               |                                | 2 |
| 3 |                                     | Other                 |                               | 2,190                          | 3 |
| 4 | 119                                 | TOTALS                | 119                           | 45,625                         | 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  | 27,899                                              | 8,615       |       | 36,514 | 5 |
| 6 | Double Unit  |                                                     |             |       |        | 6 |
| 7 | Other        | 1,639                                               | 365         |       | 2,004  | 7 |
| 8 | TOTALS       | 29,538                                              | 8,980       |       | 38,518 | 8 |

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 84.42%

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

611 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 273 (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 Scheudle 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

ACCRAUAL ☒ MODIFIED CASH\* ☐ CASH\* ☐

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

Tax Year: 12/31/17 Fiscal Year: 12/31/17

\* 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:

01/01/2017

Ending:

12/31/2017

## IV. COST CENTER EXPENSES (please round to the nearest dollar)

| Operating Expenses |                                                               | Costs Per General Ledger |               |            |            | Reclassifications<br>and Adjustments | Adjusted<br>Total |    |
|--------------------|---------------------------------------------------------------|--------------------------|---------------|------------|------------|--------------------------------------|-------------------|----|
|                    |                                                               | Salary/Wage<br>1         | Supplies<br>2 | Other<br>3 | Total<br>4 |                                      |                   |    |
|                    | <b>A. General Services</b>                                    |                          |               |            |            |                                      |                   |    |
| 1                  | Dietary and Food Purchase                                     | 388,973                  | 293,539       | 1,824      | 684,336    | (5,506)                              | 678,830           | 1  |
| 2                  | Housekeeping, Laundry and Maintenance                         | 118,207                  | 29,115        | 199,735    | 347,057    |                                      | 347,057           | 2  |
| 3                  | Heat and Other Utilities                                      |                          |               | 165,609    | 165,609    |                                      | 165,609           | 3  |
| 4                  | Other (specify): Satellite TV                                 |                          |               | 273        | 273        | (273)                                |                   | 4  |
| 5                  | <b>TOTAL General Services</b>                                 | 507,180                  | 322,654       | 367,441    | 1,197,275  | (5,779)                              | 1,191,496         | 5  |
|                    | <b>B. Health Care and Programs</b>                            |                          |               |            |            |                                      |                   |    |
| 6                  | Health Care/ Personal Care                                    | 565,417                  |               | 77         | 565,494    |                                      | 565,494           | 6  |
| 7                  | Activities and Social Services                                | 101,089                  | 7,240         | 25,022     | 133,351    |                                      | 133,351           | 7  |
| 8                  | Other (specify): Nursing Administration                       | 166,509                  |               |            | 166,509    |                                      | 166,509           | 8  |
| 9                  | <b>TOTAL Health Care and Programs</b>                         | 833,015                  | 7,240         | 25,099     | 865,354    |                                      | 865,354           | 9  |
|                    | <b>C. General Administration</b>                              |                          |               |            |            |                                      |                   |    |
| 10                 | Administrative and Clerical                                   | 211,924                  | 18,601        | 765,691    | 996,216    | 79,765                               | 1,075,981         | 10 |
| 11                 | Marketing Materials, Promotions and Advertising               | 98,406                   |               | 55,655     | 154,061    | (154,061)                            |                   | 11 |
| 12                 | Employee Benefits and Payroll Taxes                           |                          |               | 279,013    | 279,013    |                                      | 279,013           | 12 |
| 13                 | Insurance-Property, Liability and Malpractice                 |                          |               | 58,568     | 58,568     |                                      | 58,568            | 13 |
| 14                 | Other (specify): Beauty Shop                                  |                          |               | 19,443     | 19,443     |                                      | 19,443            | 14 |
| 15                 | <b>TOTAL General Administration</b>                           | 310,330                  | 18,601        | 1,178,370  | 1,507,301  | (74,296)                             | 1,433,005         | 15 |
| 16                 | <b>TOTAL Operating Expense<br/>(Sum of lines 5, 9 and 15)</b> | 1,650,525                | 348,495       | 1,570,910  | 3,569,930  | (80,075)                             | 3,489,855         | 16 |
|                    | <b>Capital Expenses</b>                                       |                          |               |            |            |                                      |                   |    |
|                    | <b>D. Ownership</b>                                           |                          |               |            |            |                                      |                   |    |
| 17                 | Depreciation                                                  |                          |               | 73,242     | 73,242     | 253,994                              | 327,236           | 17 |
| 18                 | Interest                                                      |                          |               | 63,309     | 63,309     | 504,444                              | 567,753           | 18 |
| 19                 | Real Estate Taxes                                             |                          |               |            |            | 186,496                              | 186,496           | 19 |
| 20                 | Rent -- Facility and Grounds                                  |                          |               | 1,099,239  | 1,099,239  | (1,099,239)                          |                   | 20 |
| 21                 | Rent -- Equipment                                             |                          |               | 3,362      | 3,362      |                                      | 3,362             | 21 |
| 22                 | Other (specify): Other Administrative                         |                          |               | 27,391     | 27,391     | (27,391)                             |                   | 22 |
| 23                 | <b>TOTAL Ownership</b>                                        |                          |               | 1,266,543  | 1,266,543  | (181,696)                            | 1,084,847         | 23 |
| 24                 | <b>GRAND TOTAL (Sum of lines 16 and 23)</b>                   | 1,650,525                | 348,495       | 2,837,453  | 4,836,473  | (261,771)                            | 4,574,702         | 24 |

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2017 Ending: 12/31/2017

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

|    | Personnel                      | Number of FTE | Average Hourly Wage |    |
|----|--------------------------------|---------------|---------------------|----|
| 1  | Registered Nurses              | 3.05          | \$ 27.70            | 1  |
| 2  | Licensed Practical Nurses      |               |                     | 2  |
| 3  | Certified Nurse Assistants     |               |                     | 3  |
| 4  | Activity Director & Assistants | 2.25          | 13.45               | 4  |
| 5  | Social Service Workers         |               |                     | 5  |
| 6  | Head Cook                      | 6.96          | 17.63               | 6  |
| 7  | Cook Helpers/Assistants        | 8.24          | 10.69               | 7  |
| 8  | Dishwashers                    | 0.71          | 9.70                | 8  |
| 9  | Maintenance Workers            | 0.79          | 18.77               | 9  |
| 10 | Housekeepers                   | 3.77          | 10.49               | 10 |
| 11 | Laundry                        |               |                     | 11 |
| 12 | Managers                       | 1.03          | 49.39               | 12 |
| 13 | Other Administrative           | 4.02          | 23.94               | 13 |
| 14 | Clerical                       | 3.45          | 17.05               | 14 |
| 15 | Marketing                      | 2.75          | 24.51               | 15 |
| 16 | Other: Caregivers              | 14.20         | 12.10               | 16 |
| 17 | Total (lines 1 thru 16)        | 51.22         | \$ 15.41            | 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 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 |

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning:

01/01/2017

Ending:

12/31/2017

## 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<br>Units*                          | FOR BHF USE ONLY | 2<br>Year<br>Acquired | 3<br>Year<br>Constructed | 4<br>Cost     | 5<br>Current Book<br>Depreciation | 6<br>Life<br>in Years | 7<br>Straight Line<br>Depreciation | 8<br>Adjustments | 9<br>Accumulated<br>Depreciation |    |
|----|--------------------------------------|------------------|-----------------------|--------------------------|---------------|-----------------------------------|-----------------------|------------------------------------|------------------|----------------------------------|----|
| 1  |                                      |                  |                       | 2000                     | \$ 4,679,221  | \$                                | 40                    | \$ 116,981                         | \$ 116,981       | \$ 2,016,811                     | 1  |
| 2  |                                      |                  |                       | 2001                     | 3,852,173     |                                   | 40                    | 96,304                             | 96,304           | 1,613,098                        | 2  |
| 3  |                                      |                  |                       |                          |               |                                   |                       |                                    |                  |                                  | 3  |
| 4  |                                      |                  |                       |                          |               |                                   |                       |                                    |                  |                                  | 4  |
| 5  |                                      |                  |                       |                          |               |                                   |                       |                                    |                  |                                  | 5  |
|    | Improvement Type                     |                  |                       |                          |               |                                   |                       |                                    |                  |                                  |    |
| 6  | Flagpoles                            |                  |                       | 2001                     | 2,637         |                                   | 10                    |                                    |                  | 2,637                            | 6  |
| 7  | Tub Conversion - Disposed in 2016    |                  |                       | 2001                     |               |                                   |                       |                                    |                  |                                  | 7  |
| 8  | Nurses Station                       |                  |                       | 2001                     | 6,183         | 225                               | 20                    | 309                                | 84               | 5,101                            | 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        | 781                               | 20                    | 1,074                              | 293              | 14,144                           | 12 |
| 13 | Asphalt Paving                       |                  |                       | 2005                     | 19,397        | 1,145                             | 10                    |                                    | (1,145)          | 19,397                           | 13 |
| 14 | Apartments                           |                  |                       | 2005                     | 18,224        |                                   | 20                    | 911                                | 911              | 10,934                           | 14 |
| 15 | Nurse Call Station                   |                  |                       | 2006                     | 2,761         |                                   | 20                    | 138                                | 138              | 1,622                            | 15 |
| 16 | See Attachments 2 & 3                |                  |                       |                          | 1,627,217     | 65,066                            |                       | 69,422                             | 4,356            | 749,139                          | 16 |
| 17 | TOTAL (lines 1 thru 16)              |                  |                       |                          | \$ 10,229,299 | \$ 67,217                         |                       | \$ 285,139                         | \$ 217,922       | \$ 4,432,883                     | 17 |

C. Equipment Depreciation -- Including Transportation.

|    | Type                    | 1<br>Cost    | 2<br>Current Book<br>Depreciation | 3<br>Straight Line<br>Depreciation | 4<br>Adjustments | 5<br>Life<br>in Years | 6<br>Accumulated<br>Depreciation |    |
|----|-------------------------|--------------|-----------------------------------|------------------------------------|------------------|-----------------------|----------------------------------|----|
| 18 | Movable Equipment       | \$ 1,068,274 | \$ 2,634                          | \$ 30,323                          | 27,689           |                       | \$ 958,461                       | 18 |
| 19 | Vehicles                | 58,868       | 3,391                             | 11,774                             | 8,383            | 5                     | 54,943                           | 19 |
| 20 | TOTAL (lines 18 and 19) | \$ 1,127,141 | \$ 6,025                          | \$ 42,097                          | 36,072           |                       | \$ 1,013,404                     | 20 |

D. Depreciable Non-Care Assets Included in General Ledger.

|    | 1<br>Description and Year Acquired | 2<br>Cost | 3<br>Current Book<br>Depreciation | 4<br>Accumulated<br>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: 01/01/2017 Ending: 2/31/2017

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<br>Year<br>Constructed | 2<br>Number<br>of Units | 3<br>Date of<br>Lease | 4<br>Rental<br>Amount | 5<br>Total Yrs.<br>of Lease | 6<br>Total Years<br>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 \$ 3,362

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                   | \$ 7,192,025 | 1/1/33        | Variable                 | \$ 501,207                    | 1  |
| 2  |                              |           |    |                  | / /          | Amortization of Mortgage Costs |              | / /           |                          | 3,237                         | 2  |
| 3  |                              |           |    |                  | / /          | Insurance Escrow Account       |              | / /           |                          | 434                           | 3  |
|    | Working Capital              |           |    |                  |              |                                |              |               |                          |                               |    |
| 4  | West Suburban bank           |           | X  | Vehicle Purchase | 4/26/13      | 57,910                         | 5,426        | 5/1/18        | 0.0450                   | 561                           | 4  |
| 5  | Bank of America              |           | X  | Line of Credit   | 4/6/02       | 400,000                        | 1,166,000    | 4/30/18       | Variable                 | 58,373                        | 5  |
| 6  |                              |           |    |                  | / /          | Line of Credit Fee             |              | / /           |                          | 1,166                         | 6  |
| 7  | TOTAL Facility Related       |           |    |                  |              | \$ 9,852,910                   | \$ 8,363,451 |               |                          | \$ 564,978                    | 7  |
|    | B. Non-Facility Related      |           |    |                  |              |                                |              |               |                          |                               |    |
| 8  | Interest Income Offset       |           |    |                  | / /          | Miscellaneous Expense          |              | / /           |                          | 2,655                         | 8  |
| 9  |                              |           |    |                  | / /          | Microsoft Financing            |              | / /           |                          | 120                           | 9  |
| 10 | TOTALS (lines 7, 8 and 9)    |           |    |                  |              | \$ 9,852,910                   | \$ 8,363,451 |               |                          | \$ 567,753                    | 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: 01/01/2017

Ending: 12/31/2017

## XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2017

(last day of reporting year)

|    |                                                                           | 1<br>Operating | 2 After<br>Consolidation* |    |
|----|---------------------------------------------------------------------------|----------------|---------------------------|----|
|    | <b>A. Current Assets</b>                                                  |                |                           |    |
| 1  | Cash on Hand and in Banks                                                 | \$ 1,504,304   | \$ 1,516,553              | 1  |
| 2  | Cash-Patient Deposits                                                     |                |                           | 2  |
| 3  | Accounts & Short-Term Notes Receivable-Patients (less allowance 751,512 ) | 540,743        | 540,743                   | 3  |
| 4  | Supply Inventory (priced at )                                             |                |                           | 4  |
| 5  | Short-Term Investments                                                    |                |                           | 5  |
| 6  | Prepaid Insurance                                                         | 95,444         | 95,444                    | 6  |
| 7  | Other Prepaid Expenses                                                    | 21,184         | 21,184                    | 7  |
| 8  | Accounts Receivable (owners or related parties)                           | 37,934         | 275,052                   | 8  |
| 9  | Other(specify):                                                           |                |                           | 9  |
| 10 | <b>TOTAL Current Assets (sum of lines 1 thru 9)</b>                       | \$ 2,199,609   | \$ 2,448,976              | 10 |
|    | <b>B. Long-Term Assets</b>                                                |                |                           |    |
| 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                                | 663,034        | 5,550,078                 | 15 |
| 16 | Equipment, at Historical Cost                                             | 283,146        | 1,127,141                 | 16 |
| 17 | Accumulated Depreciation (book methods)                                   | (509,802)      | (5,446,287)               | 17 |
| 18 | Deferred Charges                                                          |                |                           | 18 |
| 19 | Organization & Pre-Operating Costs                                        |                | 53,809                    | 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 | <b>TOTAL Long-Term Assets (sum of lines 11 thru 23)</b>                   | \$ 530,930     | \$ 6,370,079              | 24 |
| 25 | <b>TOTAL ASSETS (sum of lines 10 and 24)</b>                              | \$ 2,730,539   | \$ 8,819,055              | 25 |

|    |                                                              | 1<br>Operating | 2 After<br>Consolidation* |    |
|----|--------------------------------------------------------------|----------------|---------------------------|----|
|    | <b>C. Current Liabilities</b>                                |                |                           |    |
| 26 | Accounts Payable                                             | \$ 44,863      | \$ 44,863                 | 26 |
| 27 | Officer's Accounts Payable                                   |                |                           | 27 |
| 28 | Accounts Payable-Patient Deposits                            |                |                           | 28 |
| 29 | Short-Term Notes Payable                                     | 1,171,426      | 1,171,426                 | 29 |
| 30 | Accrued Salaries Payable                                     | 156,640        | 156,640                   | 30 |
| 31 | Accrued Taxes Payable                                        | 2,244          | 204,544                   | 31 |
| 32 | Accrued Interest Payable                                     | 8,939          | 92,713                    | 32 |
| 33 | Deferred Compensation                                        |                |                           | 33 |
| 34 | Federal and State Income Taxes                               |                |                           | 34 |
|    | <b>Other Current Liabilities(specify):</b>                   |                |                           |    |
| 35 | See Attachment 4                                             | 754,226        | 365,519                   | 35 |
| 36 |                                                              |                |                           | 36 |
| 37 | <b>TOTAL Current Liabilities (sum of lines 26 thru 36)</b>   | \$ 2,138,338   | \$ 2,035,705              | 37 |
|    | <b>D. Long-Term Liabilities</b>                              |                |                           |    |
| 38 | Long-Term Notes Payable                                      |                |                           | 38 |
| 39 | Mortgage Payable                                             |                | 7,192,025                 | 39 |
| 40 | Bonds Payable                                                |                |                           | 40 |
| 41 | Deferred Compensation                                        |                |                           | 41 |
|    | <b>Other Long-Term Liabilities(specify):</b>                 |                |                           |    |
| 42 |                                                              |                |                           | 42 |
| 43 |                                                              |                |                           | 43 |
| 44 | <b>TOTAL Long-Term Liabilities (sum of lines 38 thru 43)</b> | \$             | \$ 7,192,025              | 44 |
| 45 | <b>TOTAL LIABILITIES (sum of lines 37 and 44)</b>            | \$ 2,138,338   | \$ 9,227,730              | 45 |
| 46 | <b>TOTAL EQUITY</b>                                          | \$ 592,201     | \$ (408,675)              | 46 |
| 47 | <b>TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)</b> | \$ 2,730,539   | \$ 8,819,055              | 47 |

\*(See instructions.)

Facility Name: Eastgate Manor of Algonquin

Report Period Beginning: 01/01/2017 Ending: 12/31/2017

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

|    |                                                                  | 1            |    |
|----|------------------------------------------------------------------|--------------|----|
|    | I. Revenue                                                       | Amount       |    |
|    | <b>A. SLF Resident Care</b>                                      |              |    |
| 1  | Gross SLF Resident Revenue                                       | \$ 4,371,872 | 1  |
| 2  | Discounts and Allowances                                         |              | 2  |
| 3  | <b>SUBTOTAL Resident Care (line 1 minus line 2)</b>              | \$ 4,371,872 | 3  |
|    | <b>B. Other Operating Revenue</b>                                |              |    |
| 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                                           | 22,929       | 8  |
| 9  | Non-Resident Meals                                               | 5,506        | 9  |
| 10 | Laundry                                                          |              | 10 |
| 11 | <b>SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)</b> | \$ 28,435    | 11 |
|    | <b>C. Non-Operating Revenue</b>                                  |              |    |
| 12 | Contributions                                                    |              | 12 |
| 13 | Interest and Other Investment Income                             |              | 13 |
| 14 | <b>SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)</b>   | \$           | 14 |
|    | <b>D. Other Revenue (specify):</b>                               |              |    |
| 15 |                                                                  |              | 15 |
| 16 |                                                                  |              | 16 |
| 17 | <b>SUBTOTAL Other Revenue (sum of lines 15 and 16)</b>           | \$           | 17 |
| 18 | <b>TOTAL REVENUE (sum of lines 3, 11, 14 and 17)</b>             | \$ 4,400,307 | 18 |

|    |                                                                | 2            |    |
|----|----------------------------------------------------------------|--------------|----|
|    | II. Expenses                                                   | Amount       |    |
|    | <b>A. Operating Expenses</b>                                   |              |    |
| 19 | General Services                                               | 1,197,275    | 19 |
| 20 | Health Care/ Personal Care                                     | 865,354      | 20 |
| 21 | General Administration                                         | 1,507,301    | 21 |
|    | <b>B. Capital Expense</b>                                      |              |    |
| 22 | Ownership                                                      | 1,266,543    | 22 |
|    | <b>C. Other Expenses</b>                                       |              |    |
| 23 | Special Cost Centers                                           |              | 23 |
| 24 | Non-Operating Expenses                                         |              | 24 |
| 25 | Other (specify):                                               |              | 25 |
| 26 |                                                                |              | 26 |
| 27 |                                                                |              | 27 |
| 28 | <b>TOTAL EXPENSES (sum of lines 19 thru 27)</b>                | \$ 4,836,473 | 28 |
| 29 | <b>Income Before Income Taxes (line 18 minus line 28)</b>      | \$ (436,166) | 29 |
| 30 | <b>Income Taxes</b>                                            | \$           | 30 |
| 31 | <b>NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)</b> | \$ (436,166) | 31 |
|    | <b>III. Net Resident Care Revenue detailed by Payer Source</b> |              |    |
| 32 | Medicaid - Net Inpatient Revenue                               | \$ 3,344,732 | 32 |
| 33 | Private Pay - Net Inpatient Revenue                            | 1,142,711    | 33 |
| 34 | Medicare - Net Inpatient Revenue                               |              | 34 |
| 35 | Other-(specify) <u>PA Pending</u>                              | (115,571)    | 35 |
| 36 | Other-(specify)                                                |              | 36 |
| 37 | <b>TOTAL (This total must agree to Line 3)</b>                 | \$ 4,371,872 | 37 |

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 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<br>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                                  |
| Sambell of Bloomingdale Ltd. Ptsp.                     | Bloomingdale  | Real Estate Partnership                     |
| Sambell of Chicago Ridge Ltd. Ptsp.                    | Chicago Ridge | Real Estate Partnership                     |
| Sambell of Elmhurst II Ltd. Ptsp.                      | Elmhurst      | Real Estate Partnership                     |
| Sambell of LaGrange Ltd. Ptsp.                         | LaGrange      | Real Estate Partnership                     |
| Lexington Healthcare Systems of Lake Zurich Ltd. Ptsp. | Lake Zurich   | Real Estate Partnership                     |
| Lexington Healthcare Systems of Lombard Ltd. Ptsp.     | Lombard       | Real Estate Partnership                     |
| Lexington Healthcare Systems of Orland Park Ltd. Ptsp. | Orland Park   | Real Estate Partnership                     |
| Sambell of Schaumburg Ltd. Ptsp.                       | Schaumburg    | Real Estate Partnership                     |
| Sambell of Streamwood Ltd. Ptsp.                       | Streamwood    | Real Estate Partnership                     |
| Lexington Healthcare Systems of Wheeling Ltd. Ptsp.    | Wheeling      | Real Estate Partnership                     |

|    | 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       |                           | 20            | 511                        | 511         | 5,878                    | 19 |
| 20 | Apartments                                         | 2006          |                  | 81,813       | 3,638                     | 20            | 4,091                      | 453         | 47,042                   | 20 |
| 21 | Roof Repairs                                       | 2007          |                  | 3,000        | 109                       | 20            | 150                        | 41          | 1,563                    | 21 |
| 22 | Sheers                                             | 2007          |                  | 2,877        |                           | 10            | 216                        | 216         | 2,877                    | 22 |
| 23 | Sheers                                             | 2008          |                  | 5,001        |                           | 10            | 500                        | 500         | 4,703                    | 23 |
| 24 | Painting                                           | 2008          |                  | 2,700        |                           | 10            | 270                        | 270         | 2,610                    | 24 |
| 25 | Land Improvements-patio,topsoil                    | 2009          |                  | 6,420        | 190                       | 15            | 428                        | 238         | 3,660                    | 25 |
| 26 | Paint doors and elevators                          | 2009          |                  | 5,990        |                           | 10            | 599                        | 599         | 4,892                    | 26 |
| 27 | Nurses call system                                 | 2009          |                  | 36,265       |                           | 10            | 3,626                      | 3,626       | 29,616                   | 27 |
| 28 | Apartment conversions - Samvest Rep Prj            | 2009          |                  | 265,855      |                           | 40            | 9,752                      | 9,752       | 86,958                   | 28 |
| 29 | Dining Room/Lobby/Corridor - Samvest Rep Prj       | 2009          |                  | 524,378      | 14,119                    | 15            | 23,360                     | 9,241       | 190,772                  | 29 |
| 30 | HVAC Repairs                                       | 2010          |                  | 3,131        | 114                       | 10            | 313                        | 199         | 2,244                    | 30 |
| 31 | Remodel Offices                                    | 2010          |                  | 37,280       | 1,171                     | 20            | 1,864                      | 693         | 13,676                   | 31 |
| 32 | Apartment conversions - Eastgate Manor             | 2010          |                  | 3,528        | 128                       | 20            | 176                        | 48          | 1,323                    | 32 |
| 33 | Roof Repairs                                       | 2011          |                  | 5,418        | 197                       | 20            | 271                        | 74          | 1,625                    | 33 |
| 34 | Apartment conversions - Eastgate Manor             | 2011          |                  | 133,905      |                           | 20            | 6,695                      | 6,695       | 41,845                   | 34 |
| 35 | Roofing: Spouts, Gutters & Roof - East Wing        | 2012          |                  | 43,577       | 1,585                     | 20            | 2,179                      | 594         | 11,076                   | 35 |
| 36 | Install Draft Damper - Dining Room                 | 2012          |                  | 4,988        | 201                       | 10            | 532                        | 331         | 2,769                    | 36 |
| 37 | Walk-In Cooler Repair - Kitchen                    | 2012          |                  | 11,599       | 334                       | 10            | 1,160                      | 826         | 6,283                    | 37 |
| 38 | Apartment conversions - Eastgate Manor (342 & 141) | 2012          |                  | 35,051       | 1,274                     | 20            | 1,753                      | 479         | 9,553                    | 38 |
| 39 | Smoking/Shower Room                                | 2012          |                  | 12,944       | 471                       | 20            | 647                        | 176         | 3,398                    | 39 |
| 40 | Sealcoat and strip parking lot                     | 2013          |                  | 2,600        | 90                        | 10            | 260                        | 170         | 1,148                    | 40 |
| 41 | HVAC - Heat Exchanger                              | 2013          |                  | 3,886        | 141                       | 10            | 389                        | 248         | 1,692                    | 41 |
| 42 | Furnish and Install 6 ton rooftop unit (RTU)       | 2013          |                  | 10,551       | 384                       | 10            | 1,055                      | 671         | 4,484                    | 42 |
| 43 | Install new grease trap & adjust air fans          | 2013          |                  | 8,900        | 403                       | 10            | 890                        | 487         | 3,560                    | 43 |
| 44 | Lobby Bathrooms - Labor, Paint, Plumbing           | 2013          |                  | 20,488       | 745                       | 10            | 2,049                      | 1,304       | 9,012                    | 44 |
| 45 | Roof Repairs - West Wing                           | 2015          |                  | 66,100       |                           | 20            | 3,305                      | 3,305       | 7,161                    | 45 |
| 46 | Building Wiring                                    | 2015          |                  | 4,610        | 168                       | 20            | 231                        | 63          | 596                      | 46 |
| 47 | Water Conditioner                                  | 2015          |                  | 4,995        | 479                       | 10            | 500                        | 21          | 1,249                    | 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            |                            | -           | 162,248                  | 51 |
| 52 |                                                    |               |                  |              |                           |               |                            |             |                          | 52 |
| 53 | Total (Attachment 2)                               |               |                  | \$ 1,602,708 | \$ 25,941                 |               | \$ 67,771                  | \$ 41,830   | \$ 746,984               | 53 |

| Improvement Type |                                                 | Year<br>Acquired | Year<br>Constructed | Cost         | Current<br>Book<br>Depreciation | Life in<br>Years | Straight Line<br>Depreciation |  | Adjustments | Accumulated<br>Depreciation |    |
|------------------|-------------------------------------------------|------------------|---------------------|--------------|---------------------------------|------------------|-------------------------------|--|-------------|-----------------------------|----|
| 54               | Total From Attachment I                         |                  |                     | 1,602,708    | 25,941                          |                  | 67,771                        |  | 41,830      | 746,984                     | 18 |
| 55               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 19 |
| 56               | Install Exterior Marquee Sign (4)               | 2016             |                     | 2,300        | 368                             | 15               | 153                           |  | (215)       | 153                         | 20 |
| 57               | Dumpster Pad                                    | 2016             |                     | 5,500        | 261                             | 15               | 367                           |  | 106         | 581                         | 21 |
| 58               | Room 327 Remodel                                | 2016             |                     | 2,970        | 108                             | 10               | 297                           |  | 189         | 446                         | 22 |
| 59               | Install Motion Access Operator                  | 2016             |                     | 5,638        | 902                             | 10               | 564                           |  | (338)       | 705                         | 23 |
| 60               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 24 |
| 61               | Stainless Steel heat exchanger                  | 2017             |                     | 8,100        | 8,100                           | 5                | 270                           |  | (7,830)     | 270                         | 25 |
| 62               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 26 |
| 63               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 27 |
| 64               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 28 |
| 65               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 29 |
| 66               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 30 |
| 67               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 31 |
| 68               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 32 |
| 69               |                                                 |                  |                     |              |                                 |                  |                               |  | -           |                             | 33 |
| 70               | Adjust to Book Depreciation                     |                  |                     |              | 29,386                          |                  |                               |  | (29,386)    |                             | 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 |                  |                     | \$ 1,627,217 | \$ 65,066                       |                  | \$ 69,422                     |  | \$ 4,356    | \$ 749,139                  | 53 |

East Gate Manor of Algonquin, LLC  
12/31/2017  
Attachment 4  
Supplementary Information

| <u>XI.C.Line 35</u>                   | <u>Operating</u> | <u>After Consolidation</u> |
|---------------------------------------|------------------|----------------------------|
| Due from Lexington Financial Services | 9,708            | 9,708                      |
| Withholding Dental Insurance          | (572)            | (572)                      |
| Withholding EP/CI/WI                  | (2,439)          | (2,439)                    |
| Withholding Short Term Disability     | 2,158            | 2,158                      |
| Vision Withholding                    | 115              | 115                        |
| 401k Withholding                      | (66)             | (66)                       |
| Accrued 401K                          | 4,435            | 4,435                      |
| Accrued Expenses                      | 38,153           | 38,153                     |
| Accrued Management Fees Nexgen        | 16,699           | 16,699                     |
| Accrued Management Fees Royal         | 24,720           | 24,720                     |
| Accrued Rent                          | 512,682          |                            |
| Interest Rate Swap                    | -                | 123,975                    |
| Due to Republic Construction          | (2,841)          | (2,841)                    |
| Due to National                       | 2,462            | 2,462                      |
| Due to Streamwood                     | (183)            | (183)                      |
| Due to Royal General                  | 12,413           | 12,413                     |
| Security Deposits                     | 120,391          | 120,391                    |
| Resident Trust Fund Liability         | 10,774           | 10,774                     |
| Due to Resident - RFMS Funds          | 5,617            | 5,617                      |
|                                       | <hr/>            | <hr/>                      |
|                                       | 754,226          | 365,519                    |
|                                       | <hr/>            | <hr/>                      |
|                                       | -                | -                          |

Attachment 5

Related Party Management Company-Royal Management Corp

|                                                     |                     |                |
|-----------------------------------------------------|---------------------|----------------|
| Management co. expenses allocated to nursing home   | \$13,441,562        | 81.18%         |
| Management co. expenses allocated to other entities | \$3,115,516         | 18.82%         |
| Including Eastgate Manor                            | <u>\$16,557,078</u> | <u>100.00%</u> |

Basis for allocation of the \$3,115,516 - accumulated costs of the other entities, including Eastgate Manor.

|                                                                              |                   |
|------------------------------------------------------------------------------|-------------------|
| East Gate Manor of Algonquin, LLC                                            | 4,495,921         |
| Other entities managed by Royal Management<br>(other than ten nursing homes) | 25,602,255        |
|                                                                              | <u>30,098,176</u> |
| Eastgate Manor amount                                                        | 465,381           |
| Less Management fee in line 10, page 3                                       | 296,640           |
|                                                                              | <u>168,741</u>    |

Allocation of management company expenses to Eastgate and its proportionate share of Royal Management Corp total expenses of \$16,557,078. The specific expenses to Eastgate Manor would be calculated at 2.81% (18.82% x 14.94%) 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 | 2,575,333        | 36.42%         |
| Eastgate Manor                   | 4,495,921        | 63.58%         |
|                                  | <u>7,071,254</u> | <u>100.00%</u> |

|                       |        |
|-----------------------|--------|
| Total Nexgen Expenses | 10,995 |
|-----------------------|--------|

|                                        |                 |
|----------------------------------------|-----------------|
| Eastgate Manor allocated amount        | 6,991           |
| Less Management fee in line 10, page 3 | <u>96,951</u>   |
|                                        | <u>(89,960)</u> |

Allocation of management company expenses to Eastgate Manor and its proportionate share of Nexgen total expenses of \$10,995

| Owners' Compensation and Hours Worked | Yearly Hours | Compensation       |
|---------------------------------------|--------------|--------------------|
| <u>1/1/17 thru 12/31/17</u>           |              |                    |
| Daniel Thiem                          | 4.00         | \$ 250.00          |
| Phil Thiem                            | 4.00         | \$ 250.00          |
| Jason Samatas                         | 4.00         | \$ 250.00          |
| Jeremy Samatas                        | 4.00         | \$ 250.00          |
| Jillayne Benjamin                     | 4.00         | \$ 250.00          |
| Collin Samatas                        | 4.00         | \$ 250.00          |
| Gabrielle Samatas                     | 4.00         | \$ 250.00          |
|                                       | <u>28.00</u> | <u>\$ 1,750.00</u> |

Eastgate Manor of Algonquin, LLC  
Unit days available  
12/31/17

Converted the following units in 2017:  
none

Based on Occupancy of Companion Suites (per instructions)

Units from 1/1/17 to 12/31/17

|                                    |     |   |     |   |        |
|------------------------------------|-----|---|-----|---|--------|
| Single units; licensed double      | 80  | x | 365 | = | 29,200 |
| Single units; licensed single      | 39  | x | 365 | = | 14,235 |
| Double units; licensed double      | 0   | x | 365 | = | -      |
|                                    | 119 |   |     |   |        |
| Single Units with double occupancy | 0   |   | 365 |   | -      |
| Double units with 2 residents      | 6   | x | 365 | = | 2,190  |
|                                    |     |   |     |   | 45,625 |

|                                    |   |   |   |   |        |
|------------------------------------|---|---|---|---|--------|
| Single units; licensed double      |   | x |   | = | -      |
| Single units; licensed single      |   | x | 0 | = | -      |
| Double units; licensed double      |   | x | 0 | = | -      |
|                                    | 0 |   |   |   |        |
| Single Units with Double Occupancy | 0 | x | 0 |   | -      |
| Double units with 2 residents      |   | x | 0 | = | -      |
|                                    |   |   |   |   | -      |
|                                    |   |   |   |   | 365    |
|                                    |   |   |   |   | 45,625 |

| TOTAL FOR YEAR | Beginning | End | Unit Days |
|----------------|-----------|-----|-----------|
| Single Units   | 119       | 0   | 43,435    |
| Double Units   | 0         | 0   | -         |
|                | 119       | 0   |           |
| Other          |           |     | 2,190     |
|                |           |     | 45,625    |