

		FOR BHF USE			

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: 1000062

Facility Name: The Kensington

Address: 311 East Simmons St 61401

County: Knox

Telephone Number: (309) 342-2577 Fax # (309) 342-6343

Federal Employer ID Number:

Date Current Owners were Certified: 1/1/17

Type of Ownership:

X

VOLUNTARY, NON-PROFIT

X

Charitable Corp.

Trust

IRS Exemption Code 501c(3)

PROPRIETARY

Individual

Partnership

Corporation

"Sub-S" Corp.

Limited Liability Co.

Trust

Other

GOVERNMENTAL

State

County

Other

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

Name: Ron Wilson

Telephone Number: (309) 343-1550

Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/17 to 9/30/17 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) SEE ACCOUNTANT'S COMPILATION REPORT

(Print Name and Title) Larry Templin Partner

(Firm Name & Address) Templin Healthcare Accounting Services, LLP P.O. Box 9, Dunlap, IL 61525

(Telephone) (630) 361-2868 Fax # ()

MAIL TO: BUREAU OF HEALTH FINANCE

IL DEPT OF HEALTHCARE AND FAMILY SERVICES

201 S. Grand Avenue East

Springfield, IL 62763-0001

Phone # (217) 782-1630

Facility Name The Kensington Report Period Beginning: 1/1/17 Ending: 9/30/17

III. STATISTICAL DATA

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

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	51	Single Unit Apartment	51	13,923	1
2	23	Double Unit Apartment	23	6,279	2
3		Other		617	3
4	74	TOTALS	74	20,819	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	9,471	7,110		16,581	5
6	Double Unit	1,385	273		1,658	6
7	Other					7
8	TOTALS	10,856	7,383		18,239	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 87.61%

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

240 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 61 (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: 9/30/17 Fiscal Year: 9/30/17

* 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

Facility Name: The Kensington

Report Period Beginning:

1/1/17

Ending:

Page 3

9/30/17

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	199,874	191,446	7,442	398,762	(20,228)	378,534	1
2	Housekeeping, Laundry and Maintenance	89,390	29,318	60,479	179,187		179,187	2
3	Heat and Other Utilities			111,329	111,329		111,329	3
4	Other (specify):							4
5	TOTAL General Services	289,264	220,764	179,250	689,278	(20,228)	669,050	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	221,291	21	11,289	232,601		232,601	6
7	Activities and Social Services	18,568	1,566		20,134		20,134	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	239,859	1,587	11,289	252,735		252,735	9
	C. General Administration							
10	Administrative and Clerical	135,362	3,896	122,220	261,478	(37,558)	223,920	10
11	Marketing Materials, Promotions and Advertising			30,786	30,786		30,786	11
12	Employee Benefits and Payroll Taxes			110,387	110,387		110,387	12
13	Insurance-Property, Liability and Malpractice			5,504	5,504	6,561	12,065	13
14	Other (specify): Farm Expenses			500	500	(500)		14
15	TOTAL General Administration	135,362	3,896	269,397	408,655	(31,497)	377,158	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	664,485	226,247	459,936	1,350,668	(51,725)	1,298,943	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			2,374	2,374	183,843	186,217	17
18	Interest			1	1	193,441	193,442	18
19	Real Estate Taxes					60,360	60,360	19
20	Rent -- Facility and Grounds			445,500	445,500	(445,500)		20
21	Rent -- Equipment							21
22	Other (specify): Mortgage Insurance					60,897	60,897	22
23	TOTAL Ownership			447,875	447,875	53,041	500,916	23
24	GRAND TOTAL (Sum of lines 16 and 23)	664,485	226,247	907,811	1,798,543	1,316	1,799,859	24

Facility Name: The Kensington

Report Period Beginning 1/1/17 Ending: 9/30/17

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses	1	18.84	2
3	Certified Nurse Assistants	8	10.26	3
4	Activity Director & Assistants	1	11.75	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	9	11.19	7
8	Dishwashers			8
9	Maintenance Workers	1	21.31	9
10	Housekeepers	2	9.97	10
11	Laundry	1	10.48	11
12	Managers	1	36.98	12
13	Other Administrative			13
14	Clerical	4	10.62	14
15	Marketing			15
16	Other Resident Svc Coord	1	21.37	16
17	Total (lines 1 thru 16)	29	\$	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 Attached Schedule I	

OTHER RELATED BUSINESS ENTITIES

Name 3	City 4	Type of Business 5
See Attached Schedule I		

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: Unlimited Development, Inc. If yes, what is the value of those services? \$ Not Determined

(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 Attached Schedule VIII	N/A	Less than 1	\$ 653	1
2					2
3					3
4					4
5					5
Total				\$ 653	6

VI. (B) Management fees paid to unrelated parties Amount of Fee

1	RFMS, Inc.	\$ 60,400	1
2			2
Total		\$ 60,400	3

Facility Name: The Kensington

Report Period Beginning:

1/1/17

Ending:

9/30/17

VIII. OWNERSHIP COSTS

A. Purchase price of land 50,000 Year land was acquired 2016

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	74		2016		\$ 9,465,000	\$	40	\$ 177,468	\$ 177,468	\$ 197,190	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Condensing Unit			2017	7,320	325	15	325		325	6
7	Climate Master Unit AC/Heat Pump			2017	6,720	154	10	154		154	7
8	Tuckpointing			2017	47,576	793	10	793		793	8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 9,526,616	\$ 1,272		\$ 178,740	\$ 177,468	\$ 198,462	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	\$ 106,389	\$ 1,102	\$ 7,477	6,375	5-15 Yrs	\$ 8,182	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 106,389	\$ 1,102	\$ 7,477	6,375		\$ 8,182	20

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

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21		\$	\$	\$	21
22	N/A				22
23					23
24	TOTALS (lines 21, 22 and 23)	\$	\$	\$	24

Facility Name: The Kensington

Report Period Beginning: 1/1/17

Ending: 9/30/17

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: See Attached Schedule I

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? ☒ YES ☐ NO

		1	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building			/ /	\$			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental?

☒ YES ☐ NO

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

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

X. INTEREST EXPENSE

	1	2		3	4	6		7	8	9	
	Name of Lender	Related**		Purpose of Loan	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense	
		YES	NO			Original	Balance				
	A. Directly Facility Related										
	Long-Term										
1	Cambridge Realty Capital		X	Mortgage	12/1/16	\$ 7,680,000	\$ 7,567,852	12/1/46	0.0339	\$ 194,003	1
2	LTD. of Illinois				/ /			/ /			2
3					/ /			/ /			3
	Working Capital										
4					/ /			/ /	Misc. Int Exp	1	4
5					/ /			/ /	Less Int Inc Offset	(562)	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 7,680,000	\$ 7,567,852			\$ 193,442	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 7,680,000	\$ 7,567,852			\$ 193,442	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.

STATE OF ILLINOIS

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Facility Name: The Kensington

Report Period Beginning: 1/1/17

Ending:

9/30/17

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 9/30/17

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 48,109	\$ 103,021	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 29,000)	608,745	608,745	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	23,256	48,571	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 680,110	\$ 760,337	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		50,000	13
14	Buildings, at Historical Cost		9,465,000	14
15	Leasehold Improvements, at Historical Cost	58,791	61,616	15
16	Equipment, at Historical Cost	24,214	106,389	16
17	Accumulated Depreciation (book methods)	(2,374)	(206,644)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): See Attached Sch IX		677,620	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 80,631	\$ 10,153,981	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 760,741	\$ 10,914,318	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 20,548	\$ 22,492	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	29,071	29,071	30
31	Accrued Taxes Payable	75,206	61,675	31
32	Accrued Interest Payable		21,379	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Interdivisional Payable	324,383	3,004,117	35
36	Event Deposits	5,868	5,868	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 455,076	\$ 3,144,602	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		7,567,852	39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	Security Deposits	37,500	37,500	42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 37,500	\$ 7,605,352	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 492,576	\$ 10,749,954	45
46	TOTAL EQUITY	\$ 268,165	\$ 164,364	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 760,741	\$ 10,914,318	47

*(See instructions.)

Facility Name: The Kensington

Report Period Beginning: 1/1/17

Ending:

9/30/17

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	\$ 1,890,667	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,890,667	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	1,750	8
9	Non-Resident Meals	2,586	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 4,336	11
	C. Non-Operating Revenue		
12	Contributions	4,093	12
13	Interest and Other Investment Income	333	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 4,426	14
	D. Other Revenue (specify):		
15	See Attached Schedule VII	120,202	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 120,202	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 2,019,631	18

		2	
	II. Expenses	Amount	
	A. Operating Expenses		
19	General Services	689,278	19
20	Health Care/ Personal Care	252,735	20
21	General Administration	408,655	21
	B. Capital Expense		
22	Ownership	447,875	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)	\$ 1,798,543	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 221,088	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 221,088	31
	III. Net Resident Care Revenue detailed by Payer Source		
32	Medicaid - Net Inpatient Revenue	\$ 799,538	32
33	Private Pay - Net Inpatient Revenue	1,091,129	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 1,890,667	37

FACILITY NAME:	The Kensington	BEGINNING:	1/1/17
Federal ID #:	0	ENDING:	8/30/17

ATTACHED SCHEDULE I

VII. Related Organizations

A. Other Related Business Entities

Unlimited Development, Inc. is the sole member of the following LLC's:

Facility Name	Type	City
---------------	------	------

UDI #1, LLC		
Parkway Manor	Skilled nursing facility	Marion
Parkway Estates	Retirement living center	Marion

UDI #2, LLC		
Maryville Manor	Skilled nursing facility	Maryville

UDI #3, LLC		
Shelbyville Manor	Skilled nursing facility	Shelbyville

UDI #4, LLC		
Leroy Manor	Skilled nursing facility	Leroy

UDI #5, LLC		
Manor Court of Carbondale	Skilled nursing facility	Carbondale
Liberty Estates of Carbondale	Retirement living center	Carbondale

UDI #6, LLC		
Care Center of Abingdon	Skilled nursing facility	Abingdon

UDI #7, LLC		
Seminary Manor	Skilled nursing facility	Galesburg
Seminary Estates	Retirement living center	Galesburg
Hawthorne Inn of Galesburg	Assisted living facility	Galesburg

UDI #8, LLC		
Centralia Manor	Skilled nursing facility	Centralia
Centralia Estates	Retirement living center	Centralia

UDI #9, LLC		
Pittsfield Manor	Skilled nursing facility	Pittsfield

UDI #10, LLC		
Pekin Manor	Skilled nursing facility	Pekin
Pekin Estates	Retirement living center	Pekin

UDI #11, LLC		
Jerseyville Manor	Skilled nursing facility	Jerseyville

Keokuk Village Drive, LLC		
River Hills Manor	Skilled nursing facility	Keokuk, IA
River Hills Estates	Retirement living center	Keokuk, IA
River Hills Inn	Assisted living facility	Keokuk, IA

UDI #12, LLC		
The Kensington	Supportive Living facility	Galesburg

Community Living Options, Inc. is the sole member of the following:

Unlimited Development, Inc.	see above	Galesburg
Centralia East McCord, LLC	Lessor	Galesburg
Galesburg North Seminary, LLC	Lessor	Galesburg
Jerseyville North State, LLC	Lessor	Galesburg
Shelbyville Route 128, LLC	Lessor	Galesburg
Marion Williamson County Parkway, LLC	Lessor	Galesburg
Leroy South Buck, LLC	Lessor	Galesburg
2245 Seminary Street, LLC	Lessor	Galesburg
Pittsfield Lowry, LLC	Lessor	Galesburg
Pekin El Camino, LLC	Lessor	Galesburg
Abingdon West Martin, LLC	Lessor	Galesburg
Keokuk Village Circle, Ltd., NFP	Lessor	Galesburg
Elko Ruby Vista, LLC	Lessor	Galesburg
Lakeland Highlands Road Facility, LLC	Lessor	Galesburg
Ocala 33rd Avenue, LLC	Lessor	Galesburg
Kensington S.F. LC	Lessor	Galesburg

Community Living Options, Inc. operates the following DD facilities:

Beardstown Terrace	Beardstown
Bellefontaine Place	Waterloo
Braun's Terrace	Greenville
Carthage Terrace	Carthage
Curtis Court	Springfield
Davies Square	Pekin
Douglas Terrace	Jacksonville
Edwardsville Terrace	Edwardsville
Effingham Terrace	Effingham
Freeburg Terrace	Freeburg
Froehlich House	Galesburg
Gaines Mill Place	Springfield
Glenwood Terrace	Springfield
Highview Terrace	Paris
Jacksonville Group Homes:	
Anna Terrace	Jacksonville
Campbell Court	Jacksonville
LaFayette Terrace	Jacksonville
Kapley House	Pittsfield
Lawrence Place	Lincoln
Lincoln Terrace	Lincoln
Maple Terrace	Quincy
Pionka Terrace	Galesburg
Quincy Terrace	Quincy
Schultz House	Danville
Stevens House	Galesburg
Tanner Place	Paris
Taylor House	Springfield
Thelma Terrace	Wood River
Tulson House	Galesburg
Vahle Terrace	Jerseyville
Wadsh Terrace	Galesburg
Wetherell Place	Effingham
Woodriver Group Homes:	
Aberdeen Terrace	Alton
Linton Terrace	Wood River
Madison Terrace	Wood River
Pershing Terrace	Wood River

Community Living Options, Inc. operates the following CILA facilities:

Allen Court	Clinton
Audrey Court	Clinton
Eisenhower Terrace	Jacksonville
Hawthorne Terrace	Galesburg

ATTACHED SCHEDULE I

VII. Related Organizations

C. Costs Derived From Transactions with Related Parties

LTC Support Services, LLC	Galesburg, IL	Healthcare management services
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FACILITY NAME: UDI FY 2017

BEGINNING: 10/1/2016
ENDING: 9/30/2017

ATTACHED SCHEDULE II

Bed Listing & Home Office Allocation

Weighted beds @ 09/30/2017									
	Nursing Home	Sheltered	SLF	ALC	Estate	Weighted	All Homes	SNF	
	Beds	Care Beds	Beds	Beds	Units	Average	Percentage	Percentage	
Facility	100%	50%	40%	50%	10%	Total	of Total	of Total	
Care Center of Abingdon	82	0	0	0	0	82	5.67%	5.67%	
Centralia Estates	0	0	0	0	1	1	0.07%	0.00%	
Centralia Manor	120	0	0	0	0	120	8.29%	8.29%	
Hawthorne Inn of Galesburg	0	0	0	17	0	17	1.17%	0.00%	
Jerseyville Manor	160	0	0	0	0	160	11.06%	11.06%	
Kensington	0	0	30	0	0	30	2.07%	0.00%	
Leroy Manor	102	0	0	0	0	102	7.05%	7.05%	
Liberty Estates of Carbondale	0	0	0	0	1	1	0.07%	0.00%	
Manor Court of Carbondale	120	0	0	0	0	120	8.29%	8.29%	
Manor Court of Maryville	132	0	0	0	0	132	9.12%	9.12%	
Parkway Estates	0	0	0	0	0	0	0.00%	0.00%	
Parkway Manor	131	0	0	0	0	131	9.05%	9.05%	
Pekin Manor	130	0	0	0	0	130	8.98%	8.98%	
Pekin Estates	0	0	0	0	1	1	0.07%	0.00%	
Pittsfield Manor	89	0	0	0	0	89	6.15%	6.15%	
Keokuk Manor Court (River Hil	84	0	0	0	0	84	5.81%	5.81%	
River Hills Estates	0	0	0	0	0	0	0.00%	0.00%	
River Hills Inn	0	0	0	16	0	16	1.11%	0.00%	
Seminary Estates	0	0	0	0	1	1	0.07%	0.00%	
Seminary Manor	121	0	0	0	0	121	8.36%	8.36%	
Shelbyville Manor	109	0	0	0	0	109	7.53%	7.53%	
	1,380	0	30	33	4	1,447	100%	95.37%	0.00%
Healthcare Facilities							Beds	Allocation Stats	
Care Center of Abingdon	82	0	0	0	0	82	82	365	29,930
Jerseyville Manor	160	0	0	0	0	160	160	365	58,400
Manor Court of Maryville	132	0	0	0	0	132	132	365	48,180
Pekin Manor	130	0	0	0	0	130	130	365	47,450
Parkway Manor	131	0	0	0	0	131	131	365	47,815
Shelbyville Manor	109	0	0	0	0	109	109	365	39,785
Seminary Manor	121	0	0	0	0	121	121	365	44,165
Centralia Manor	120	0	0	0	0	120	120	365	43,800
Leroy Manor	102	0	0	0	0	102	102	365	37,230
Pittsfield Manor	89	0	0	0	0	89	89	365	32,485
Manor Court of Carbondale	120	0	0	0	0	120	120	365	43,800
Keokuk Manor Court (River Hil	84	0	0	0	0	84	84	365	30,660
	1,380	0	0	0	0	1,380			503,700
Other Facilities									
Centralia Estates	0	0	0	0	1	1	1	365	365
Hawthorne Inn of Galesburg	0	0	0	17	0	17	17	365	6,205
Kensington	0	0	30	0	0	30	30	365	10,950
Liberty Estates of Carbondale	0	0	0	0	1	1	1	365	365
Parkway Estates	0	0	0	0	0	0	-	365	-
Pekin Estates	0	0	0	0	1	1	1	365	365
River Hills Estates	0	0	0	0	0	0	-	365	-
River Hills Inn	0	0	0	16	0	16	16	365	5,840
Seminary Estates	0	0	0	0	1	1	1	365	365
	0	0	30	33	4	67			24,455
						1,447	Total		528,155

FACILITY NAME: The Kensington
ID#: 38-4002665

BEGINNING: 1/1/2017
ENDING: 9/30/2017

ATTACHED SCHEDULE III

ALLOCATION OF INDIRECT COSTS
(Detail Schedule)

Allocation Factors:

SLF Home Office Factor 0.0207

Schedule	Description	Total Expenses Incurred	Non- Allowable Costs	Costs To Be Allocated	Allocated Total	Adjustment Grouping
V-1-1	Labor-Dietary	0		0	0	0
V-1-2	Supplies-Dietary	0		0	0	0
V-2-1	Labor-Purchasing	0		0	0	0
V-3-3	Utilities	0		0	0	0
V-10-1	Labor - Administrative	0		0	0	
V-10-1	Labor-Clerical	0		0	0	0
V-10-2	Supplies	0		0	0	0
V-10-3	Miscellaneous			0	0	
V-10-3	Postage & Shipping	0		0	0	
V-10-3	Equipment	0		0	0	
V-10-3	Equipment Contracts	0		0	0	
V-10-3	Equip Maintenance & Repair	0		0	0	
V-10-3	Telephone	0		0	0	
V-10-3	Board of Directors	31,500		31,500	653	
V-10-3	Legal Fees	29,573		29,573	613	
V-10-3	Professional Services	80,959	69,409	11,550	239	
V-10-3	Licenses/Fees/Misc	25		25	1	
V-10-3	Inservice Training			0	0	
V-10-3	Travel			0	0	
V-10-3	Vehicle Expense			0	0	
V-10-3	Bad Debt Expense			0	0	
V-10-3	Bank Charges	703		703	15	1,521
V-11-3	Advertising	483	483	0	0	
V-11-3	Subscriptions & Fees			0	0	0
V-12-3	Worker's Compensation			0	0	
V-12-3	Other Employee Expense			0	0	
V-12-3	FICA			0	0	
V-12-3	State Unemployment Tax			0	0	
V-12-3	Health Insurance			0	0	0
V-13-3	Vehicle Insurance			0	0	
V-13-3	Liability Insurance			0	0	
V-13-3	Property Insurance			0	0	0
V-17-3	Depreciation Expense			0	0	0
V-18-3	Interest Expense			0	0	
V-18-3	Investment Income			0	0	0
	TOTALS	143,243	69,892	73,351	1,521	1,521

SEE ACCOUNTANTS' COMPILATION REPORT

ATTACHED SCHEDULE IV

IV. Cost Center Expenses
Reclassifications and Adjustments

Reported on Schedule IV on		Adjustments
Line	Description	Col 5
1-1	Labor - Catering and Banquet	(9,037)
1-2	Supplies - Catering and Banquet	(2,339)
1-2	Non-Resident Meals/Vending	(2,689)
1-3	Sales Tax	(6,163)
See Att Sch III	Home Office Allocation	1,521
17-3	Farm Depreciation	(500)
14-3	Bad debt expense	(39,422)
See Att Sch V	Related Party lessor net	60,278
18-3	Interest Income Offset	(333)
Total Adjustments on Schedule IV		1,316
Summary of Interest Expense and Interest Income		
	Interest Income	562
	Interest Expense	194,004
	Cost Adjustment, the lesser of Interest Income or Interest Expense	(562)

ATTACHED SCHEDULE V

Related Party Cost Adjustment		
Facility Rent		
Kensington SLF, LLC		Schedule Ref
Cost to Related Party Lessor:		
Property Insurance	6,561	IV-22
Mortgage Insurance	60,897	IV-22
Depreciation	183,843	IV-17
Mortgage Interest (less interest income offset)	193,774	IV-18
Property Taxes	60,360	IV-17
Lincenses/Fees	250	IV-10
Bank Charges	93	IV-10
Total lessor cost	505,778	
Cost Per General Ledger - Facility Rent	(445,500)	IV-20
Cost Adjustment Required	60,278	

FACILITY NAME: The Kensington
ID#: 38-4002665

BEGINNING: 1/1/2017
ENDING: 9/30/2017

ATTACHED SCHEDULE VI

Depreciation Reconciliation

Schedule	Line	Description	Amount
VIII	17-7	Total buildings and improvements	178,740
VIII	20-3	Total equipment and transportation	<u>7,477</u>
		<i>Subtotal</i>	186,217
IV	17-6	Total cost center depreciation	<u>186,217</u>
		<i>Difference</i>	<u><u>-</u></u>

ATTACHED SCHEDULE VII

Income Statement Line 15

Schedule	Line	Description	Amount
XII.	15-1	Miscellaneous Catering and Rental	99,935
XII.	15-1	LINKS Revenue	19,064
XII.	15-1	Vending Income	103
XII.	15-1	Resident Processing fees	<u>1,100</u>
		<i>Total</i>	<u><u>120,202</u></u>

ATTACHED SCHEDULE VIII

Facility	Number of Beds			% of Total UDI, Inc.	Total to be Allocated
Care Center of Abingdon	82			5.667%	1,785
Centralia Estates	1			0.069%	22
Centralia Manor	120			8.293%	2,612
Hawthorne Inn of Galesburg	17			1.175%	370
Jerseyville Manor	160			11.057%	3,483
Kensington	30			2.073%	653
Leroy Manor	102			7.049%	2,220
Liberty Estates of Carbondale	1			0.069%	22
Manor Court of Carbondale	120			8.293%	2,612
Manor Court of Maryville	132			9.122%	2,874
Parkway Estates	-			0.000%	0
Parkway Manor	131			9.053%	2,852
Pekin Manor	130			8.984%	2,830
Pekin Estates	1			0.069%	22
Pittsfield Manor	89			6.151%	1,937
Keokuk Manor Court (River Hills M	84			5.805%	1,829
River Hills Estates	-			0.000%	0
River Hills Inn	16			1.106%	348
Seminary Estates	1			0.069%	22
Seminary Manor	121			8.362%	2,634
Shelbyville Manor	109			7.533%	2,373
	1,447			100.00%	31,500

BOARD OF DIRECTORS FEES	31,500.00	Director:	Title:	
OUT OF STATE CONVENTION	0.00	Robert Wagner	President	6,000.00
TRAVEL	0.00	Audrey Finke	Secretary	6,000.00
MEETING EXPENSES	0.00	Karen Wakefield	Director	1,500.00
		Glenna Taylor	Director	6,000.00
		Jerry Gilmore	Director	6,000.00
		David Haney	Director	6,000.00
TOTAL	31,500.00			
LESS OUT OF STATE TRAVEL	0.00			
Board of Directors Allocation	31,500.00			31,500.00

The Kensington

Period Beginning 1/1/2017
Period End 9/30/2017

ATTACHED SCHEDULE IX

XI. Balance Sheet

Line 23 Other

	Operating	After Consolidation
Replacement Reserve		391,751
Loan Fees, Net		218,431
Real Estate Tax Escrow		33,339
Insurance Escrow		2,000
MIP Escrow		32,099
TOTAL		677,620