

		FOR BHF USE			

LL2

Supportive Living Facility

2019

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2019)

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 Galesburg 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 501 (C) 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 10/1/18 to 9/30/19 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 ACCOUNTANTS' 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

HFS 3745C (N-4-05)

IL478-2471

Facility Name The Kensington

Report Period Beginning: 10/1/18 Ending: 9/30/19

III. STATISTICAL DATA

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

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	<u>51</u>	Single Unit Apartment	<u>51</u>	<u>18,615</u>	1
2	<u>23</u>	Double Unit Apartment	<u>23</u>	<u>8,395</u>	2
3		Other		<u>183</u>	3
4	<u>74</u>	TOTALS	<u>74</u>	<u>27,193</u>	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	<u>13,588</u>	<u>6,679</u>		<u>20,267</u>	5
6	Double Unit	<u>1,091</u>	<u>2,879</u>		<u>3,970</u>	6
7	Other	<u>183</u>			<u>183</u>	7
8	TOTALS	<u>14,862</u>	<u>9,558</u>		<u>24,420</u>	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 89.80%

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

588 Also, indicate the number of unpaid bed-hold days the SLF had during this year. 576 (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: 9/30/2019 Fiscal Year: 9/30/19

* 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 principal? 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 principal? 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 principal? N/A

If no, explain. N/A

STATE OF ILLINOIS

Facility Name: The Kensington

Report Period Beginning:

10/1/18

Ending:

Page 3

9/30/19

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	259,182	234,712	8,642	502,536	(50,216)	452,320	1
2	Housekeeping, Laundry and Maintenance	105,270	35,020	97,142	237,432		237,432	2
3	Heat and Other Utilities			153,036	153,036		153,036	3
4	Other (specify):							4
5	TOTAL General Services	364,452	269,732	258,820	893,004	(50,216)	842,788	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	358,982	1,546	15,099	375,627		375,627	6
7	Activities and Social Services	18,569	1,436		20,005		20,005	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	377,551	2,982	15,099	395,632		395,632	9
	C. General Administration							
10	Administrative and Clerical	141,119	7,250	270,289	418,658	(122,447)	296,211	10
11	Marketing Materials, Promotions and Advertising			43,796	43,796		43,796	11
12	Employee Benefits and Payroll Taxes			113,322	113,322		113,322	12
13	Insurance-Property, Liability and Malpractice			8,536	8,536	25,548	34,084	13
14	Other (specify):							14
15	TOTAL General Administration	141,119	7,250	435,943	584,312	(96,899)	487,413	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	883,122	279,964	709,862	1,872,948	(147,115)	1,725,833	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			9,034	9,034	248,235	257,269	17
18	Interest					249,360	249,360	18
19	Real Estate Taxes					79,900	79,900	19
20	Rent -- Facility and Grounds			594,000	594,000	(594,000)		20
21	Rent -- Equipment							21
22	Other (specify):					47,627	47,627	22
23	TOTAL Ownership			603,034	603,034	31,122	634,156	23
24	GRAND TOTAL (Sum of lines 16 and 23)	883,122	279,964	1,312,896	2,475,982	(115,993)	2,359,989	24

Facility Name: The Kensington

Report Period Beginning 10/1/18 Ending: 9/30/19

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	1.20	17.66	2
3	Certified Nurse Assistants	13.00	10.24	3
4	Activity Director & Assistants	0.75	11.78	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	10.00	12.00	7
8	Dishwashers			8
9	Maintenance Workers	1.00	23.07	9
10	Housekeepers	3.00	10.01	10
11	Laundry			11
12	Managers	1.00	33.40	12
13	Other Administrative			13
14	Clerical	3.25	9.87	14
15	Marketing			15
16	Other Resident Svc Coord	1.00	17.13	16
17	Total (lines 1 thru 16)	34	\$	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: 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 Att Sch IVa for Directors Fees			\$ 520	1
2					2
3					3
4					4
5					5
Total				\$ 520	6

VI. (B) Management fees paid to unrelated parties

Amount of Fee

1	RFMS, Inc.	\$ 79,200	1
2			2
Total		\$ 79,200	3

Facility Name: The Kensington

Report Period Beginning:

10/1/18

Ending:

9/30/19

VIII. OWNERSHIP COSTS

A. Purchase price of land 50,000 Year land was acquired 2017

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	\$ 236,625	\$ 236,625	\$ 670,443	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Condensing Unit			2017	7,320	488	15	488		1,301	6
7	Climate Master Unit AC/Heat Pump			2017	3,895	390	10	390		910	7
8	Tuckpointing			2017	47,576	4,758	10	4,758		10,309	8
9	Compressor/Heater			2018	10,269	684	15	684		1,005	9
10	Blinds, Carpet, Light Fixtures-Library			2019	25,261		12	526	526	526	10
11	Drywall-Library/Activity Room			2019	16,130		12	336	336	336	11
12	Boiler			2019	134,877		15	2,248	2,248	2,248	12
13	Tranquility Compact Horizontal Unit A/C			2019	7,604	190	10	190		190	13
14	Gas Unit Heater-Mechanical Room			2019	4,717	52	10	52		52	14
15							15				15
16											16
17	TOTAL (lines 1 thru 16)				\$ 9,722,649	\$ 6,562		\$ 246,297	\$ 239,735	\$ 687,320	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	\$ 109,214	\$ 2,472	\$ 10,972	8,500	5-15 Yrs	\$ 30,146	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 109,214	\$ 2,472	\$ 10,972	8,500		\$ 30,146	20

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

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

Facility Name: The Kensington Report Period Beginning: 10/1/18 Ending: 9/30/19

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? [X] YES [] NO

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

8. Is movable equipment rental included in building rental?

[X] YES [] NO

9. Rental amount for movable equipment \$ Not Determined

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	\$ 7,254,488	12/1/46	0.0339	\$ 248,868	1
2	LTD. of Illinois				/ /			/ /			2
3					/ /			/ /			3
	Working Capital										
4					/ /			/ /	Amort Exp	11,600	4
5					/ /			/ /	Less Int Inc Offset	(11,108)	5
6					/ /			/ /			6
7	TOTAL Facility Related					\$ 7,680,000	\$ 7,254,488			\$ 249,360	7
	B. Non-Facility Related										
8					/ /			/ /			8
9					/ /			/ /			9
10	TOTALS (lines 7, 8 and 9)					\$ 7,680,000	\$ 7,254,488			\$ 249,360	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: 10/1/18

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9/30/19

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 9/30/19

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 63,378	\$ 120,044	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 208,000)	334,593	334,593	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	14,226	26,070	6
7	Other Prepaid Expenses		16,972	7
8	Accounts Receivable (owners or related parties)	296,724	371,351	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 708,921	\$ 869,030	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	78,947	257,649	15
16	Equipment, at Historical Cost	24,214	109,214	16
17	Accumulated Depreciation (book methods)	(19,837)	(717,466)	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 Const in Progress			22
23	Other(specify): See Attached Sch IX		540,210	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 83,324	\$ 9,704,607	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 792,245	\$ 10,573,637	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 28,387	\$ 52,386	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	25,386	25,386	30
31	Accrued Taxes Payable	72,650	134,836	31
32	Accrued Interest Payable		20,944	32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Interdivisional Payable		2,679,734	35
36	Event Deposits	6,068	6,068	36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 132,491	\$ 2,919,354	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable		7,254,488	39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	Security Deposit	42,000	42,000	42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 42,000	\$ 7,296,488	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 174,491	\$ 10,215,842	45
46	TOTAL EQUITY	\$ 617,754	\$ 357,795	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 792,245	\$ 10,573,637	47

*(See instructions.)

Facility Name: The Kensington

Report Period Beginning: 10/1/18

Ending:

9/30/19

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	\$ 2,579,116	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 2,579,116	3
	B. Other Operating Revenue		
4	Special Services		4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	3,000	8
9	Non-Resident Meals	2,769	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 5,769	11
	C. Non-Operating Revenue		
12	Contributions	100	12
13	Interest and Other Investment Income	10,791	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 10,891	14
	D. Other Revenue (specify):		
15	See Attached Schedule VII	112,396	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 112,396	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 2,708,172	18

2			
	II. Expenses	Amount	
	A. Operating Expenses		
19	General Services	893,004	19
20	Health Care/ Personal Care	395,632	20
21	General Administration	584,312	21
	B. Capital Expense		
22	Ownership	603,034	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)	\$ 2,475,982	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 232,190	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 232,190	31
	III. Net Resident Care Revenue detailed by Payer Source		
32	Medicaid - Net Inpatient Revenue	\$ 1,099,730	32
33	Private Pay - Net Inpatient Revenue	1,479,386	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 2,579,116	37

FACILITY NAME: The Kensington BEGINNING: 10/1/2018
Federal ID #: 38-4002665 ENDING: 9/30/2019

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
	Parkway Estates	Retirement living center
UDI #2, LLC	Maryville Manor	Skilled nursing facility
UDI #3, LLC	Shelbyville Manor	Skilled nursing facility
UDI #4, LLC	Leroy Manor	Skilled nursing facility
UDI #5, LLC	Manor Court of Carb	Skilled nursing facility
	Liberty Estates of Ca	Retirement living center
UDI #7, LLC	Seminary Manor	Skilled nursing facility
	Seminary Estates	Retirement living center
UDI #8, LLC	Hawthorne Inn of Ga	Assisted living facility
UDI #9, LLC	Centralia Manor	Skilled nursing facility
	Centralia Estates	Retirement living center
UDI #10, LLC	Pittsfield Manor	Skilled nursing facility
UDI #11, LLC	Pekin Manor	Skilled nursing facility
	Pekin Estates	Retirement living center
Keokuk Village Drive, LLC	Jerseyville Manor	Skilled nursing facility
UDI #12, LLC	River Hills Manor	Skilled nursing facility
	River Hills Estates	Retirement living center
	River Hills Inn	Assisted living facility
	The Kensington	Supportive Living facility

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
Oxala 33rd Avenue, LLC	Lessor	Galesburg
Kensington SLE, 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
Curtiss Court	Springfield
Davis Square	Pekin
Douglas Terrace	Jacksonville
Edwardsville Terrace	Edwardsville
Effingham Terrace	Effingham
Freeburg Terrace	Freeburg
Freeshlich House	Galesburg
Gaines Mill Place	Springfield
Glenwood Terrace	Springfield
Highview Terrace	Paris
Jacksonville Group Homes:	
Anna Terrace	Jacksonville
Campbell Court	Jacksonville
LaFayette Terrace	Jacksonville
Kepley House	Pittsfield
Lawrence Place	Lincoln
Lincoln Terrace	Lincoln
Maple Terrace	Quincy
Plonka Terrace	Galesburg
Quincy Terrace	Quincy
Schultz House	Danville
Stevens House	Galesburg
Tanner Place	Paris
Taylor House	Springfield
Thelma Terrace	Wood River
Truison House	Galesburg
Valke Terrace	Jerseyville
Walsh Terrace	Galesburg
Wetherell Place	Effingham
Woodriver Group Homes:	
Abersden Terrace	Alton
Linton Terrace	Wood River
Madison Terrace	Wood River
Pershing Terrace	Wood River

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

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

ATTACHED SCHEDULE II

Bed Listing & Home Office Allocation

Facility	Weighted beds @ 09/30/2019					Weighted Average Total	All Homes	
	Nursing Home	Sheltered	SLF	ALC	Estate		Percentage	SNF
	Beds 100%	Care Beds 50%	Beds 40%	Beds 50%	Units 10%		of Total	Percentage of Total
Centralia Estates	-	-	-	-	1	1	0.07%	0.00%
Centralia Manor	120	-	-	-	-	120	8.79%	8.79%
Hawthorne Inn of Galesburg	-	-	-	17	-	17	1.25%	0.00%
Jerseyville Manor	160	-	-	-	-	160	11.72%	11.72%
Kensington	-	-	30	-	-	30	2.20%	0.00%
Leroy Manor	102	-	-	-	-	102	7.47%	7.47%
Liberty Estates of Carbondale	-	-	-	-	1	1	0.07%	0.00%
Manor Court of Carbondale	120	-	-	-	-	120	8.79%	8.79%
Manor Court of Maryville	132	-	-	-	-	132	9.67%	9.67%
Parkway Estates	-	-	-	-	-	-	0.00%	0.00%
Parkway Manor	131	-	-	-	-	131	9.60%	9.60%
Pekin Manor	130	-	-	-	-	130	9.52%	9.52%
Pekin Estates	-	-	-	-	1	1	0.07%	0.00%
Pittsfield Manor	89	-	-	-	-	89	6.52%	6.52%
Keokuk Manor Court (River Hil	84	-	-	-	-	84	6.15%	6.15%
River Hills Estates	-	-	-	-	-	-	0.00%	0.00%
River Hills Inn	-	-	-	16	-	16	1.17%	0.00%
Seminary Estates	-	-	-	-	1	1	0.07%	0.00%
Seminary Manor	121	-	-	-	-	121	8.86%	8.86%
Shelbyville Manor	109	-	-	-	-	109	7.99%	7.99%

	1,298	-	30	33	4	1,365	100%	95.09%	0.00%		
						Allocation Stats					
Healthcare Facilities						Beds	Days in Year	Base Stat	% of total		% of HC
Jerseyville Manor	160	-	-	-	-	160	160	365	58,400	12.2981803%	12.9659068%
Manor Court of Maryville	132	-	-	-	-	132	132	365	48,180	10.1459988%	10.6968731%
Pekin Manor	130	-	-	-	-	130	130	365	47,450	9.9922715%	10.5347993%
Parkway Manor	131	-	-	-	-	131	131	365	47,815	10.0691351%	10.6158362%
Shelbyville Manor	109	-	-	-	-	109	109	365	39,785	8.3781354%	8.8330240%
Seminary Manor	121	-	-	-	-	121	121	365	44,165	9.3004989%	9.8054670%
Centralia Manor	120	-	-	-	-	120	120	365	43,800	9.2236352%	9.7244301%
Leroy Manor	102	-	-	-	-	102	102	136	13,872	2.9212390%	3.0798469%
Pittsfield Manor	89	-	-	-	-	89	89	365	32,485	6.8408628%	7.2122856%
Manor Court of Carbondale	120	-	-	-	-	120	120	365	43,800	9.2236352%	9.7244301%
Keokuk Manor Court (River Hil	84	-	-	-	-	84	84	365	30,660	6.4565447%	6.8071011%
	1,298	-	-	-	-	1,298			450,412	94.8501370%	100.0000000%
Other Facilities											
Centralia Estates	-	-	-	-	1	1	365	365	0.0768636%	1.4925373%	
Hawthorne Inn of Galesburg	-	-	-	17	-	17	365	6,205	1.3066817%	25.3731343%	
Kensington	-	-	30	-	-	30	365	10,950	2.3059088%	44.7761194%	
Liberty Estates of Carbondale	-	-	-	-	1	1	365	365	0.0768636%	1.4925373%	
Parkway Estates	-	-	-	-	-	-	365	-	0.0000000%	0.0000000%	
Pekin Estates	-	-	-	-	1	1	365	365	0.0768636%	1.4925373%	
River Hills Estates	-	-	-	-	-	-	365	-	0.0000000%	0.0000000%	
River Hills Inn	-	-	-	16	-	16	365	5,840	1.2298180%	23.8805970%	
Seminary Estates	-	-	-	-	1	1	365	365	0.0768636%	1.4925373%	
	-	-	30	33	4	67			24,455	5.1498630%	100.0000000%
						1,365	Total	474,867	100.0000000%		

FACILITY NAME: The Kensington
ID#: 38-4002665

BEGINNING: 10/1/2018
ENDING: 9/30/2019

ATTACHED SCHEDULE III **ALLOCATION OF INDIRECT COSTS**
(Detail Schedule)

Allocation Factors:

SLF Home Office Factor **0.0231**

Schedule	Description	Total Expenses Incurred	Non- Allowable Costs	Costs To Be Allocated	Allocated Total	Adjustment Grouping
V-1-1	Labor-Dietary			0	0	0
V-1-2	Supplies-Dietary			0	0	0
V-2-1	Labor-Purchasing			0	0	0
V-2-3	Maintenance			0	0	0
V-3-3	Utilities			0	0	0
V-10-1	Labor - Administrative			0	0	
V-10-1	Labor-Clerical			0	0	0
V-10-2	Supplies			0	0	0
V-10-3	Miscellaneous			0	0	
V-10-3	Postage & Shipping			0	0	
V-10-3	Equipment			0	0	
V-10-3	Equipment Contracts			0	0	
V-10-3	Equip Maintenance & Repair			0	0	
V-10-3	Telephone			0	0	
V-10-3	Board of Directors	22,531		22,531	520	
V-10-3	Legal Fees	20,318		20,318	469	
V-10-3	Professional Services	69,266	69,266	0	0	
V-10-3	Licenses/Fees/Misc	2,231		2,231	51	
V-10-3	Information Technology	3		3	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	Donations	648	648			
V-10-3	Bank Charges	443		443	10	1,050
V-11-3	Advertising			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	1,136		1,136	26	
V-13-3	Liability Insurance	20,998		20,998	484	
V-13-3	Property Insurance			0	0	510
V-17-3	Depreciation Expense			0	0	0
V-18-3	Interest Expense			0	0	
V-18-3	Investment Income			0	0	0
	TOTALS	137,574	69,914	67,660	1,560	1,560

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	(12,322)
1-2	Supplies - Catering and Banquet	(3,282)
1-2	Food - Catering and Banquet	(24,753)
1-2	Non-Resident Meals/Vending	(2,832)
1-3	Sales Tax	(7,027)
See Att Sch III	Home Office Allocation	1,560
14-3	Bad Debt Expense	(149,978)
See Att Sch V	Related Party Lessor net	93,432
18-3	Interest Income Offset	(10,791)
Total Adjustments on Schedule IV		(115,993)
Summary of Interest Expense and Interest Income		
	Interest Income	10,791
	Interest Expense	248,868
	Cost Adjustment, the lesser of Interest Income or Interest Expense	(10,791)

ATTACHED SCHEDULE V

Related Party Cost Adjustment		
Facility Rent		
Kensington SLF, LLC		Schedule Ref
Cost to Related Party Lessor:		
Property Insurance	25,038	IV-22
Mortgage Insurance	47,627	IV-22
Depreciation	248,235	IV-17
Mortgage Interest (offset against interest income)	248,551	IV-18
Amortization	11,600	IV-18
Property Taxes	79,900	IV-17
Bank Charges	1	IV-10
Professional Fees	26,480	IV-10
Total lessor cost	687,432	
Cost Per General Ledger - Facility Rent	(594,000)	IV-20
Cost Adjustment Required	93,432	

FACILITY NAME: The Kensington
ID#: 38-4002665

BEGINNING: 10/1/2018
ENDING: 9/30/2019

ATTACHED SCHEDULE VI

Depreciation Reconciliation

Schedule	Line	Description	Amount
VIII	17-7	Total buildings and improvements	246,297
VIII	20-3	Total equipment and transportation	10,972
		<i>Subtotal</i>	257,269
IV	17-6	Total cost center depreciation	257,269
		<i>Difference</i>	-

ATTACHED SCHEDULE VII

Income Statement Line 15

Schedule	Line	Description	Amount
XII.	15-1	Miscellaneous Catering and Rental	98,796
XII.	15-1	LINKS Revenue	11,903
XII.	15-1	Vending Income	63
XII.	15-1	Resident Processing fees	1,875
XII.	15-1	Tray Service	5
XII.	15-1	Late Payment Fee	(246)
		<i>Total</i>	112,396

ATTACHED SCHEDULE VIII

Facility	Number of Beds			% of Total UDI, Inc.	Total to be Allocated
Centralia Estates	1			0.077%	17
Centralia Manor	120			9.224%	2,078
Hawthorne Inn of Galesburg	17			1.307%	294
Jerseyville Manor	160			12.298%	2,771
Kensington	30			2.306%	520
Leroy Manor	102			2.921%	658
Liberty Estates of Carbondale	1			0.077%	17
Manor Court of Carbondale	120			9.224%	2,078
Manor Court of Maryville	132			10.146%	2,286
Parkway Estates	-			0.000%	0
Parkway Manor	131			10.069%	2,269
Pekin Manor	130			9.992%	2,251
Pekin Estates	1			0.077%	17
Pittsfield Manor	89			6.841%	1,541
Keokuk Manor Court (River Hills M	84			6.457%	1,455
River Hills Estates	-			0.000%	0
River Hills Inn	16			1.230%	277
Seminary Estates	1			0.077%	17
Seminary Manor	121			9.300%	2,095
Shelbyville Manor	109			8.378%	1,888
	1,365			100.00%	22,531

**- Leroy Manor closed on 2/13/19 so the 102 beds have been prorated to compute their weighted average bed days

BOARD OF DIRECTORS FEES	22,500.00	Director:	Title:	
OUT OF STATE CONVENTION	0.00	Robert Wagner	President	4,500.00
TRAVEL	31.00	Audrey Finke	Secretary	4,500.00
MEETING EXPENSES	0.00	Glenna Taylor	Director	4,500.00
		Jerry Gilmore	Director	4,500.00
		David Haney	Director	4,500.00
TOTAL	22,531.00			
LESS OUT OF STATE TRAVEL	0.00			22,500.00
Board of Directors Allocation	22,531.00			

The Kensington

Period Beginning10/1/2018

Period End9/30/2019

ATTACHED SCHEDULE IX

XI. Balance Sheet

Line 23 Other

	Operating	After Consolidation
Replacement Reserve		260,121
Loan Fees, Net		223,791
Real Estate Tax Escrow		32,469
Insurance Escrow		2,000
MIP Escrow		21,829
TOTAL		540,210