

Facility Name Kensington (The)

Report Period Beginning: 01/31/07 Ending: 12/31/07

III. STATISTICAL DATA

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

Date of change in certified units NA

	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	18,615	1
2	23	Double Unit Apartment	23	8,395	2
3		Other			3
4	74	TOTALS	74	27,010	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 Resident Days by Unit and Primary Source of Payment			5	
		Medicaid Recipient	Private Pay	Other		
5	Single Unit	5,731	9,130		14,861	5
6	Double Unit		5,635		5,635	6
7	Other					7
8	TOTALS	5,731	14,765		20,496	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 75.88%

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

213 Also, indicate the number of unpaid bed-hold days the SLF had during this year. None (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)

Catering and banquet facility use

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/07 Fiscal Year: 12/31/07

* 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? _____

If no, explain. _____

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? _____

If no, explain. _____

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? _____

If no, explain. _____

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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	137,202	191,140	790	329,132	(38,860)	290,272	1
2	Housekeeping, Laundry and Maintenance	79,421	43,634	54,665	177,720		177,720	2
3	Heat and Other Utilities			119,015	119,015		119,015	3
4	Other (specify):							4
5	TOTAL General Services	216,623	234,774	174,470	625,867	(38,860)	587,007	5
B. Health Care and Programs								
6	Health Care/ Personal Care	137,533	3,262	655	141,450		141,450	6
7	Activities and Social Services	16,906	1,622	50	18,578		18,578	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	154,439	4,884	705	160,028		160,028	9
C. General Administration								
10	Administrative and Clerical	100,013	12,582	52,801	164,188	33,424	197,612	10
11	Marketing Materials, Promotions and Advertising			27,612	27,612	8	27,620	11
12	Employee Benefits and Payroll Taxes			85,035	85,035	8,844	93,879	12
13	Insurance-Property, Liability and Malpractice			22,422	22,422	138	22,560	13
14	Other (specify):							14
15	TOTAL General Administration	100,013	12,582	187,870	299,257	42,414	341,671	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	471,075	252,240	363,045	1,085,152	3,554	1,088,706	16
Capital Expenses								
D. Ownership								
17	Depreciation			44,705	44,705	83,375	128,080	17
18	Interest			84,512	84,512	24,737	109,249	18
19	Real Estate Taxes			18,878	18,878	200	19,078	19
20	Rent -- Facility and Grounds			327,000	327,000	(324,426)	2,574	20
21	Rent -- Equipment							21
22	Other (specify): Farm Expenses			7,489	7,489	(7,489)		22
23	TOTAL Ownership			482,584	482,584	(223,603)	258,981	23
24	GRAND TOTAL (Sum of lines 16 and 23)	471,075	252,240	845,629	1,567,736	(220,049)	1,347,687	24

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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	17.00	2
3	Certified Nurse Assistants	6	8.17	3
4	Activity Director & Assistants	1	8.00	4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	4	6.95	7
8	Dishwashers			8
9	Maintenance Workers	1	15.38	9
10	Housekeepers	2	7.52	10
11	Laundry	1	6.97	11
12	Managers	1	24.74	12
13	Other Administrative			13
14	Clerical	2	7.39	14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	19	\$ 102.12	17

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				\$	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

	Amount of Fee	
1	\$	1
2		2
Total		\$ 3

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
None			

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: _____ If yes, what is the value of those services? \$ _____
 (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).

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VIII. OWNERSHIP COSTS

A. Purchase price of land 50,000 Year land was acquired 1994

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		1994		\$ 1,889,000	\$ 47,225	32	\$ 60,127	\$ 12,902	\$ 786,665	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Sidewalks, parking lot and fencing		1994	50,000	2,500	20	2,500		32,708	6
7		Storm Sewer		1995	24,886	995	25	995	0	12,526	7
8		Pavement		1995	22,000		15	1,467	1,467	18,334	8
9		Windows		1995	4,799	240	20	240	(0)	3,020	9
10		Lighting		1995	9,147		10			9,147	10
11		Exterior Building Repair		1995	5,381	215	25	215	0	2,619	11
12		Paint and Carpet		1995	17,429	1,162	5		(1,162)	17,429	12
13		Heat Pumps		1995	8,618	575	10		(575)	8,618	13
14		Water Heater		1997	3,101	258	10	258		3,101	14
15		Heat Pumps		1999	5,136	514	10	514	(0)	4,452	15
16		See Attached Schedule III			631,024	28,513		39,827	11,314	191,270	16
17		TOTAL (lines 1 thru 16)			\$ 2,670,521	\$ 82,197		\$ 106,143	\$ 23,946	\$ 1,089,889	17

C. Equipment Depreciation -- Including Transportation.

	1 Type	2 Cost	3 Current Book Depreciation	4 Straight Line Depreciation	5 Adjustments	6 Life in Years	7 Accumulated Depreciation	
18	Movable Equipment	\$ 300,153	\$ 22,181	\$ 19,285	(2,896)	3-15 yrs	\$ 139,304	18
19	Vehicles	9,003				4 yrs	9,003	19
20	TOTAL (lines 18 and 19)	\$ 309,156	\$ 22,181	\$ 19,285	(2,896)		\$ 148,307	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	Land 1997	\$ 188,183	\$	\$	21
22	Buildings & Improvements 1997	17,500	693	9,150	22
23					23
24	TOTALS (lines 21, 22 and 23)	\$ 205,683	\$ 693	\$ 9,150	24

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IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: See attached schedule V

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 \$ _____

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						
		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	JP Morgan Chase		X	refinance purchase of facility	5/9/06	\$ 8,274,000	\$	4/1/11	Variable*	\$ 22,180	1					
2	JP Morgan Chase		X	Loan fee amort. - See att. Sch V	/ /			/ /		2,545	2					
3	RFMS	X		Funding working capital	/ /		1,764,898	/ /		84,399	3					
Working Capital																
4					/ /			/ /			4					
5	Miscellaneous		X	Security deposits	/ /			/ /		113	5					
6	Home office allocation		X		/ /			/ /		12	6					
7	TOTAL Facility Related					\$ 8,274,000	\$ 1,764,898			\$ 109,249	7					
B. Non-Facility Related																
8				* 5.38 at 12/31/06	/ /			/ /			8					
9				paid off during 2007	/ /			/ /			9					
10	TOTALS (lines 7, 8 and 9)					\$ 8,274,000	\$ 1,764,898			\$ 109,249	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.

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XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/07

(last day of reporting year)

	1	2		
	Operating	After Consolidation*		
A. Current Assets				
1	Cash on Hand and in Banks	\$ 103,720	\$ 103,720	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	168,151	168,151	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 271,871	\$ 271,871	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	188,183	238,183	13
14	Buildings, at Historical Cost	14,000	1,903,000	14
15	Leasehold Improvements, at Historical Cost	377,698	785,021	15
16	Equipment, at Historical Cost	244,559	309,156	16
17	Accumulated Depreciation (book methods)	(222,822)	(1,010,075)	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):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 601,618	\$ 2,225,285	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 873,489	\$ 2,497,156	25

*(See instructions.)

	1	2		
	Operating	After Consolidation*		
C. Current Liabilities				
26	Accounts Payable	\$ 125,322	\$ 125,322	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	28,026	28,026	30
31	Accrued Taxes Payable	61,101	61,101	31
32	Accrued Interest Payable	35,174	37,842	32
33	Deferred Compensation	105	105	33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35				35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 249,728	\$ 252,396	37
D. Long-Term Liabilities				
38	Long-Term Notes Payable	1,764,898	1,764,898	38
39	Mortgage Payable			39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	Interest Bearing Sec. Deposits	72,795	72,795	42
43	Event deposits	4,523	4,523	43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 1,842,216	\$ 1,842,216	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,091,944	\$ 2,094,612	45
46	TOTAL EQUITY	\$ (1,218,455)	\$ 402,544	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 873,489	\$ 2,497,156	47

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

		1	
Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 453,804	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 453,804	3
B. Other Operating Revenue			
4	Special Services		4
5	Other Health Care Services	993,244	5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	3,100	8
9	Non-Resident Meals	3,641	9
10	Laundry	1,965	10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$ 1,001,950	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	15	13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$ 15	14
D. Other Revenue (specify):			
15	See Attached schedule VIII	148,013	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 148,013	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 1,603,782	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	625,867	19
20	Health Care/ Personal Care	160,028	20
21	General Administration	299,257	21
B. Capital Expense			
22	Ownership	482,584	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 1,567,736	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 36,046	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 36,046	31

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ATTACHED SCHEDULE I

VII. Related Organizations

A. Other Related Business Entities

<u>Name</u>	<u>City and State</u>	<u>Type of Business</u>
1 LB Properties, Inc. and Subs	Galesburg, Illinois	Real estate
2 RFMS, Inc.	Galesburg, Illinois	Administrative services
3 Edwin Enterprises, LLC and Subs	Galesburg, Illinois	Real estate
4 B S F & G Farms	Galesburg, Illinois	Real estate
5 Centralia Retirement Center	Galesburg, Illinois	Real estate
6 D & B Partnership	Galesburg, Illinois	Real estate
7 Illini Health care Properties #1	Galesburg, Illinois	Real estate
8 Illini Health care Properties #3	Galesburg, Illinois	Real estate
9 Illini Health Care Properties #6	Galesburg, Illinois	Real estate
10 North Street Apartments	Galesburg, Illinois	Real estate
11 DF Ranch	Galesburg, Illinois	Real estate
12 Diamond L Ranch	Galesburg, Illinois	Ranch operator
13 Estancia Ranch Properties, LLC	Scottsdale, Arizona	Real estate
14 AIRFMS, Inc.	Galesburg, Illinois	Owner/operator of air transportation
15 Badger Enterprises	Galesburg, Illinois	Owner/operator of a hotel
16 Mid-Illini Healthcare, Inc.	Galesburg, Illinois	Real estate
17 Midwest Healthcare, Inc. and Subs	Galesburg, Illinois	Administrative services
18 Galesburg Institutional Pharmacy, and Sul	Galesburg, Illinois	Pharmaceutical and home health care provider
19 DF Partnership	Galesburg, Illinois	Real estate
20 Beardstown Homes Partnership	Galesburg, Illinois	Real estate
21 Calhoun Partnership	Galesburg, Illinois	Real estate
22 Danville Homes Partnership	Galesburg, Illinois	Real estate
23 Galesburg Homes Partnership	Galesburg, Illinois	Real estate
24 Greenville Homes Partnership	Galesburg, Illinois	Real estate
25 Havana Homes Partnership	Galesburg, Illinois	Real estate
26 Jacksonville Home Partnership	Galesburg, Illinois	Real estate
27 Milledgeville Home Partnership	Galesburg, Illinois	Real estate
28 Rockford Home Partnership	Galesburg, Illinois	Real estate
29 Quincy Home Partnership	Galesburg, Illinois	Real estate
30 Freemont, LLC	Galesburg, Illinois	Real estate
31 LeRoy Development, Inc	Galesburg, Illinois	Real estate
32 Poseidon, Inc.	Galesburg, Illinois	Real estate
33 Valleyview, LLC	Galesburg, Illinois	Real estate
34 AJ Fike, Inc.	Galesburg, Illinois	Motor sports
35 Aaron Fike, Inc	Galesburg, Illinois	Motor sports

ATTACHED SCHEDULE II

VII. Related Organizations

C. Costs Derrived From Transactions with Related Parties

<u>Entity</u>	<u>Services</u>	<u>Expense per Books</u>	<u>Cost to Related Party</u>
RFMS	Administrative Services:	18,000	See attached schedule VIII
LB Properties, Inc Rent		327,000	See attached schedule VII

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Att Schedule III

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VIII. OWNERSHIP COSTS

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		
	Improvement Type											
16a	Carpet		1999		1,190	119	5		(119)	1,190	6	
16b	Exterior Painting		1999		20,181	807	25	807		6,727	7	
16c	Awning		2000		4,718	472	10	472		3,617	8	
16d	Roofing		2000		5,638	376	10	564	188	4,182	9	
16e	Parapet		2000		282,813	8,318	20	14,141	5,823	101,342	10	
16f	Parapet		2001		3,191	94	20	160	66	1,064	11	
16g	Carpet		2001		844	121	5		(121)	844	12	
16h	Lounge remodel		2002		71,319	2,229	10	7,131	4,902	38,037	13	
16i	Hot water line replacement		2004		4,202	168	25	168		546	14	
16j	Carpet		2005		10,808	2,162	5	2,162		6,125	15	
16k	Quarry Tile		2005		19,824	991	20	991		2,478		
16l	4X4 Tables		2005		2,701	180	15	180		390		
16m	Heat pumps		2005		41,918	4,192	10	4,192		9,082		
16n	Flower pot accessories		2005		366	73	10		(73)	366		
16o	4X4 Tables		2005		2,701	180	15	180		375		
16p	Flooring, lighting, and wall coverings		2006		85,021	4,251	20	4,251		8,502		
16q	Remodel		2006		39,485	1,974	15	2,632	658	4,607		
16r	Carpet		2007		2,896	338	5	338		338		
16s	Tuck Pointing		2007		7,225	361	10	361		361		
16t	Painting		2007		3,750	156	5	313	157	313		
16u	Ballroom Repair		2007		11,895	496	10	329	(167)	329		
16v	Duro-Last Single Ply Roof Membrane		2007		4,040	168	10	168		168		
16w	Wallpaper		2007		4,298	287	5	287		287		
16x												
16y												
16z												
17	TOTAL (to schedule VIII B. line 16)					\$ 631,024	\$ 28,513		\$ 39,827	\$ 11,314	\$ 191,270	17

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ATTACHED SCHEDULE IV

IV. Cost Center Expenses

Reclassifications and Adjustments

Reported on Schedule IV on Line	Description	Adjustments Col 5
1-1	Labor - Catering and Banquet	(31,768)
1-2	Supplies - Catering and Banquet	(7,092)
17-3	Depr Sch VIII B.17. col 8	23,946
17-3	Depr Sch VIII C.20. col 4	(2,896)
17-3	Farm Depreciation	(693)
22-3	Farm Expenses	(7,489)
See Att Sch V	Related Party lessor net adj	(241,909)
See Att Sch VI	Related Party Mgmt fee adj	47,852
<i>Total Adjustments on Schedule IV</i>		(220,049)

ATTACHED SCHEDULE V

	Related Party Cost Adjustment Facility Rent LB Properties, Inc.	Schedule Ref
Cost to Related Party Lessor:		
Depreciation	60,366	IV-17
Interest	22,180	IV-18
Loan Fee Amortization	2,545	IV-18
Total lessor cost	85,091	
Cost Per General Ledger - Facility Rent	(327,000)	IV-20
Cost Adjustment Required	(241,909)	

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ATTACHED SCHEDULE VI

RELATED PARTY COST ADJUSTMENT - MGMT FEES TO RFMS, INC.

Allocation factors:

Facilities- All 2.60%

COSTS TO BE ALLOCATED:	TOTAL	NON-		Allocated Costs	Schedule Reference
		ALLOWABLE	ALLOWABLE		
SALARIES-OWNER	304,387		304,387	7,914	IV-10-1
SALARIES AND WAGES	1,406,824	36,825	1,369,999	35,622	IV-10-1
ADVERTISING	318		318	8	IV-11-3
INSURANCE	5,302		5,302	138	IV-13-3
PAYROLL TAXES & OTHER BENEFITS/OWN	20,183		20,183	525	IV-12-3
PAYROLL TAXES & OTHER BENEFITS	322,740	2,799	319,941	8,319	IV-12-3
UTILITIES	40,408	162	40,246	1,046	IV-10-3
TELEPHONE	33,545		33,545	872	IV-10-3
BUILDING RENTAL	99,000		99,000	2,574	IV-20-3
DEPRECIATION	102,007		102,007	2,652	IV-17-3
INTEREST	464		464	12	IV-18-3
PROFESSIONAL FEES:					
LEGAL FEES	5,596		5,596	146	IV-10-3
ACCOUNTING FEES	104,226		104,226	2,710	IV-10-3
OUTSIDE MANAGEMENT CONSULTANTS	1,500		1,500	39	IV-10-3
SUPPLIES	180,316		180,316		
TRAVEL:					
AIRPLANE RENTAL	22,942		22,942	597	IV-10-3
VEHICLE EXPENSE	7,013		7,013	182	IV-10-3
TRAVEL REIMBURSEMENTS	41,670	25,381	16,289	424	IV-10-3
MEAL EXPENSE	13,391	4,242	9,149	238	IV-10-3
MISCELLANEOUS:					
TRAINING	11,184		11,184	291	IV-10-3
REAL ESTATE TAXES	7,680		7,680	200	IV-19-3
BLDG & EQUIP MAINTENANCE	51,636		51,636	1,343	IV-10-3
OTHER			0	0	IV-14-3
PRINTING					
Totals	2,782,332	69,409	2,712,923	65,852	

Management fees reported on Schedule IV line 10 column 3 18,000

Total adjustment for management costs 47,852

Attached Schedule Via
 Facility Allocation

Facility	Number of Beds	Number of Beds of Month	Y-T-D	Percent of Total
Allen Court	10	10	102	0.543
Asadellton Terrace	10	10	102	0.543
Balfourton Place	10	10	102	0.543
Braun Terrace	10	10	102	0.543
Bradway Terrace	10	10	102	0.543
Case Center of Abington	50	10	301	2.287
Carolee Lane Terrace	10	10	102	0.543
Carthage Terrace	10	10	102	0.543
Case Willis	10	10	102	0.543
Centralia Estates	0	10	96	0.289
Centralia Manor	120	10	1401	4.228
Chambers Square	10	10	102	0.543
Collins Square	10	10	102	0.543
Cook Co. #1	10	10	102	0.543
Cook Co. #2	10	10	102	0.543
Curtain Court	10	10	102	0.543
Davies Square	10	10	102	0.543
Douglas Terrace	10	10	102	0.543
Dunbarville Terrace	10	10	102	0.543
Elmhurst Terrace	10	10	102	0.543
Freemont Terrace	10	10	102	0.543
Freemont Terrace	10	10	102	0.543
Froehlich House	10	10	102	0.543
Gaines Hill Place	10	10	102	0.543
Glennwood Terrace	10	10	102	0.543
Godson Jones Terrace	10	10	102	0.543
Gravin Square	10	10	102	0.543
Hallow Terrace	10	10	102	0.543
Hammett House	10	10	102	0.543
Hartland Terrace	10	10	102	0.543
Hartland Terrace	10	10	102	0.543
Hunt Terrace	10	10	102	0.543
Indianapolis Manor	10	10	102	0.543
Irzaville Manor	20	10	1204	3.737
Kankakee Group 1	10	10	102	0.543
Kankakee Group 11	10	10	102	0.543
Kanthal House	10	10	102	0.543
Kensington	70	10	888	2.659
Lehigh House	10	10	102	0.543
Lake Co. Group 1	10	10	102	0.543
Lawrence Place	10	10	102	0.543
Leroy Manor	70	10	600	1.843
Lincoln Terrace	10	10	102	0.543
Little Village	10	10	102	0.543
Mayville Manor	120	10	1440	4.227
McFerson Court	10	10	102	0.543
Manor Terrace	10	10	102	0.543
McFryman Terrace	10	10	102	0.543
McHerald Terrace	10	10	102	0.543
Highmore Terrace	10	10	102	0.543
Manor Place	10	10	102	0.543
Marlowe Estates	0	10	96	0.289
Marlowe Manor	110	10	1461	4.181
Martin Estate	10	10	102	0.543
Martin Manor	10	10	102	0.543
Maple Terrace	10	10	102	0.543
Mickelfield Manor	80	10	672	2.058
Minola Terrace	10	10	102	0.543
Prairie House	10	10	102	0.543
Quincy Terrace	10	10	102	0.543
Ridge Terrace	10	10	102	0.543
Rockford Group	10	10	102	0.543
Rose House	10	10	102	0.543
Roths House	10	10	102	0.543
Rubov Terrace	10	10	102	0.543
Seminary Estates	10	10	102	0.543
Seminary Manor	120	10	1452	4.258
Shelbyville Manor	120	10	1440	4.227
South Manor	10	10	102	0.543
SEPC - Dalebury - One	210	10	2520	7.617
Starr Square	10	10	102	0.543
Stevens House	10	10	102	0.543
Stouffer Terrace	10	10	102	0.543
Taylor House	10	10	102	0.543
Thames Terrace	10	10	102	0.543
Torrence Place	10	10	102	0.543
Trilium	10	10	102	0.543
Urbah Terrace	10	10	102	0.543
Walsh Terrace	10	10	102	0.543
Wood Pine Group	10	10	102	0.543
Liberty Estates - Danville	10	10	102	0.543
Wagoner Estates	0	10	96	0.289
Waltham Inn - Calen	60	10	600	1.768
Achievement	240	10	2940	8.617
Windsor Pointe	0	10	96	0.289
Liberty Estates - Peoria	10	10	102	0.543
Liberty Estates - Free	10	10	102	0.543
Liberty Estates - Peru	0	10	96	0.289
Waltham Inn - Danv	30	10	1080	3.153
Waltham Inn - Peru	55	10	660	1.913
Waltham Inn - Peoria	40	10	540	1.589
Waltham Inn - Freeport	10	10	420	1.238
Waltham Inn - Peinocet	40	10	480	1.413
Waltham Inn - Clinton	10	10	120	0.354
Waltham Inn - Paris	10	10	120	0.354
Liberty Estates - Ste	10	10	144	0.426
Liberty Estates - Oak	0	10	96	0.289
Highland Manor - Elko	80	10	1020	2.981
Highland Manor - Mesquit	70	10	840	2.463
Highland Manor - Fallon	70	10	600	1.768
PLAC	310	10	4010	11.813
Windsor Manor	10	10	420	1.238
Manor Court - Freeport	10	10	420	1.238
Manor Court - Peoria	50	10	600	1.768
Facility - All	3883	1058	34152	100.000

FACILITY NAME: Kensington (The)
ID#: 37-1337014

BEGINNING: 01/31/07
ENDING: 12/31/07

ATTACHED SCHEDULE VII

Depreciation Reconciliation

Schedule	Line	Description	Amount
VIII	17-7	Total buildings and improvements	106,143
VIII	20-3	Total equipment and transportation	19,285
Attached schedule VIII		Related party cost adjustment depreciation	2,652
		<i>Subtotal</i>	<u>128,080</u>
IV	17-6	Total cost center depreciation	<u>128,080</u>
		<i>Difference</i>	<u><u>-</u></u>

ATTACHED SCHEDULE VIII

Income Statement Line 15

Schedule	Line	Description	Amount
XII.	15-1	Miscellaneous Catering and Rental	142,091
XII.	15-1	Farm Income	5,322
XII.	15-1	Resident Processing fees	600
		<i>Total</i>	<u><u>148,013</u></u>