



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<br>Type of Unit | 2 3 4<br>Resident Days by Unit and Primary Source of Payment |             |       | 5      |   |
|---|-------------------|--|-------------|-------|--------|---|
|   |                   | Medicaid Recipient   | Private Pay | Other |        |   |
| 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**

ACCRUAL  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

Facility Name: The Kensington

Report Period Beginning:

1/1/17

Ending:

9/30/17

## 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                                     | 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                                  | <b>TOTAL General Services</b>                                 | 289,264                  | 220,764       | 179,250    | 689,278    | (20,228)                             | 669,050           | 5  |
| <b>B. Health Care and Programs</b> |   |                          |               |            |            |                                      |                   |    |
| 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                                  | <b>TOTAL Health Care and Programs</b>                         | 239,859                  | 1,587         | 11,289     | 252,735    |                                      | 252,735           | 9  |
| <b>C. General Administration</b>   |   |                          |               |            |            |                                      |                   |    |
| 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                                 | <b>TOTAL General Administration</b>                           | 135,362                  | 3,896         | 269,397    | 408,655    | (31,497)                             | 377,158           | 15 |
| 16                                 | <b>TOTAL Operating Expense<br/>(Sum of lines 5, 9 and 15)</b> | 664,485                  | 226,247       | 459,936    | 1,350,668  | (51,725)                             | 1,298,943         | 16 |
| <b>Capital Expenses</b>            |   |                          |               |            |            |                                      |                   |    |
| <b>D. Ownership</b>                |   |                          |               |            |            |                                      |                   |    |
| 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                                 | <b>TOTAL Ownership</b>  |                          |               | 447,875    | 447,875    | 53,041                               | 500,916           | 23 |
| 24                                 | <b>GRAND TOTAL (Sum of lines 16 and 23)</b>                   | 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 | <b>Total (lines 1 thru 16)</b> | <b>29</b>     | <b>\$</b>           | <b>17</b> |

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        |
| <b>Total</b> |                            |                    |  | <b>\$ 653</b>                                    | <b>6</b> |

VI. (B) Management fees paid to unrelated parties

|              | Amount of Fee |                    |
|--------------|---------------|--------------------|
| 1            | RFMS, Inc.    | \$ 60,400 1        |
| 2            |               |                    |
| <b>Total</b> |               | <b>\$ 60,400 3</b> |

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).

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<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                       | 74                      |                                  | 2016                  |                          | \$ 9,465,000 | \$                                | 40                    | \$ 177,468                         | \$ 177,468       | \$ 197,190                       | 1  |
| 2                       |                         |                                  |                       |                          |              |                                   |                       |                                    |                  |                                  | 2  |
| 3                       |                         |                                  |                       |                          |              |                                   |                       |                                    |                  |                                  | 3  |
| 4                       |                         |                                  |                       |                          |              |                                   |                       |                                    |                  |                                  | 4  |
| 5                       |                         |                                  |                       |                          |              |                                   |                       |                                    |                  |                                  | 5  |
| <b>Improvement Type</b> |                         |                                  |                       |                          |              |                                   |                       |                                    |                  |                                  |    |
| 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<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       | \$ 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<br>Description and Year Acquired | 2<br>Cost | 3<br>Current Book<br>Depreciation | 4<br>Accumulated<br>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 | <b>TOTAL</b>      |                  |                 |               | \$            |                     |                             | 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      |               |                          |                               |
|    | <b>A. Directly Facility Related</b> |           |    |                 |              |                |              |               |                          |                               |
|    | <b>Long-Term</b>                    |           |    |                 |              |                |              |               |                          |                               |
| 1  | Cambridge Realty Capital            |           | X  | Mortgage        | 12/1/16      | \$ 7,680,000   | \$ 7,567,852 | 12/1/46       | 0.0339                   | \$ 194,003                    |
| 2  | LTD. of Illinois                    |           |    |                 | / /          |                |              | / /           |                          |                               |
| 3  |                                     |           |    |                 | / /          |                |              | / /           |                          |                               |
|    | <b>Working Capital</b>              |           |    |                 |              |                |              |               |                          |                               |
| 4  |                                     |           |    |                 | / /          |                |              | / /           | Misc. Int Exp            | 1                             |
| 5  |                                     |           |    |                 | / /          |                |              | / /           | Less Int Inc Offset      | (562)                         |
| 6  |                                     |           |    |                 | / /          |                |              | / /           |                          |                               |
| 7  | <b>TOTAL Facility Related</b>       |           |    |                 |              | \$ 7,680,000   | \$ 7,567,852 |               |                          | \$ 193,442                    |
|    | <b>B. Non-Facility Related</b>      |           |    |                 |              |                |              |               |                          |                               |
| 8  |                                     |           |    |                 | / /          |                |              | / /           |                          |                               |
| 9  |                                     |           |    |                 | / /          |                |              | / /           |                          |                               |
| 10 | <b>TOTALS (lines 7, 8 and 9)</b>    |           |    |                 |              | \$ 7,680,000   | \$ 7,567,852 |               |                          | \$ 193,442                    |

\* 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: 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          | 2                    |    |
|----|--|------------|----------------------|----|
|    |  | Operating  | After Consolidation* |    |
|    | <b>A. Current Assets</b>   |            |                      |    |
| 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 | <b>TOTAL Current Assets (sum of lines 1 thru 9)</b>                      | \$ 680,110 | \$ 760,337           | 10 |
|    | <b>B. Long-Term Assets</b>   |            |                      |    |
| 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 | <b>TOTAL Long-Term Assets (sum of lines 11 thru 23)</b>                  | \$ 80,631  | \$ 10,153,981        | 24 |
| 25 | <b>TOTAL ASSETS (sum of lines 10 and 24)</b>                             | \$ 760,741 | \$ 10,914,318        | 25 |

|    |  | 1          | 2                    |    |
|----|--|------------|----------------------|----|
|    |  | Operating  | After Consolidation* |    |
|    | <b>C. Current Liabilities</b>                                |            |                      |    |
| 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 |
|    | <b>Other Current Liabilities(specify):</b>                   |            |                      |    |
| 35 | Interdivisional Payable                                      | 324,383    | 3,004,117            | 35 |
| 36 | Event Deposits   | 5,868      | 5,868                | 36 |
| 37 | <b>TOTAL Current Liabilities (sum of lines 26 thru 36)</b>   | \$ 455,076 | \$ 3,144,602         | 37 |
|    | <b>D. Long-Term Liabilities</b>                              |            |                      |    |
| 38 | Long-Term Notes Payable                                      |            |                      | 38 |
| 39 | Mortgage Payable   |            | 7,567,852            | 39 |
| 40 | Bonds Payable  |            |                      | 40 |
| 41 | Deferred Compensation  |            |                      | 41 |
|    | <b>Other Long-Term Liabilities(specify):</b>                 |            |                      |    |
| 42 | Security Deposits  | 37,500     | 37,500               | 42 |
| 43 |  |            |                      | 43 |
| 44 | <b>TOTAL Long-Term Liabilities (sum of lines 38 thru 43)</b> | \$ 37,500  | \$ 7,605,352         | 44 |
| 45 | <b>TOTAL LIABILITIES (sum of lines 37 and 44)</b>            | \$ 492,576 | \$ 10,749,954        | 45 |
| 46 | <b>TOTAL EQUITY</b>  | \$ 268,165 | \$ 164,364           | 46 |
| 47 | <b>TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)</b> | \$ 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              |           |
| <b>A. SLF Resident Care</b>        |  |                     |           |
| 1                                  | Gross SLF Resident Revenue                                       | \$ 1,890,667        | 1         |
| 2                                  | Discounts and Allowances   |                     | 2         |
| 3                                  | <b>SUBTOTAL Resident Care (line 1 minus line 2)</b>              | <b>\$ 1,890,667</b> | <b>3</b>  |
| <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   | 1,750               | 8         |
| 9                                  | Non-Resident Meals   | 2,586               | 9         |
| 10                                 | Laundry  |                     | 10        |
| 11                                 | <b>SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)</b> | <b>\$ 4,336</b>     | <b>11</b> |
| <b>C. Non-Operating Revenue</b>    |  |                     |           |
| 12                                 | Contributions  | 4,093               | 12        |
| 13                                 | Interest and Other Investment Income                             | 333                 | 13        |
| 14                                 | <b>SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)</b>   | <b>\$ 4,426</b>     | <b>14</b> |
| <b>D. Other Revenue (specify):</b> |  |                     |           |
| 15                                 | See Attached Schedule VII  | 120,202             | 15        |
| 16                                 |  |                     | 16        |
| 17                                 | <b>SUBTOTAL Other Revenue (sum of lines 15 and 16)</b>           | <b>\$ 120,202</b>   | <b>17</b> |
| 18                                 | <b>TOTAL REVENUE (sum of lines 3, 11, 14 and 17)</b>             | <b>\$ 2,019,631</b> | <b>18</b> |

|  |  | 2                   |           |
|--|--|---------------------|-----------|
| II. Expenses   |  | Amount              |           |
| <b>A. Operating Expenses</b>                                   |  |                     |           |
| 19   | General Services   | 689,278             | 19        |
| 20   | Health Care/ Personal Care                                     | 252,735             | 20        |
| 21   | General Administration   | 408,655             | 21        |
| <b>B. Capital Expense</b>                                      |  |                     |           |
| 22   | Ownership  | 447,875             | 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>                | <b>\$ 1,798,543</b> | <b>28</b> |
| 29   | <b>Income Before Income Taxes (line 18 minus line 28)</b>      | <b>\$ 221,088</b>   | <b>29</b> |
| 30   | <b>Income Taxes</b>  | <b>\$</b>           | <b>30</b> |
| 31   | <b>NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)</b> | <b>\$ 221,088</b>   | <b>31</b> |
| <b>III. Net Resident Care Revenue detailed by Payer Source</b> |  |                     |           |
| 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   | <b>TOTAL (This total must agree to Line 3)</b>                 | <b>\$ 1,890,667</b> | <b>37</b> |

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                                   |
|---|--|--|
| <b>UDI #1, LLC</b><br>Parkway Manor<br>Parkway Estates  | Skilled nursing facility<br>Retirement living center                             | Marion<br>Marion                       |
| <b>UDI #2, LLC</b><br>Maryville Manor   | Skilled nursing facility   | Maryville                              |
| <b>UDI #3, LLC</b><br>Shelbyville Manor   | Skilled nursing facility   | Shelbyville                            |
| <b>UDI #4, LLC</b><br>Leroy Manor   | Skilled nursing facility   | Leroy                                  |
| <b>UDI #5, LLC</b><br>Manor Court of Carbondale<br>Liberty Estates of Carbondale                | Skilled nursing facility<br>Retirement living center                             | Carbondale<br>Carbondale               |
| <b>UDI #6, LLC</b><br>Care Center of Abingdon   | Skilled nursing facility   | Abingdon                               |
| <b>UDI #7, LLC</b><br>Seminary Manor<br>Seminary Estates<br>Hawthorne Inn of Galesburg          | Skilled nursing facility<br>Retirement living center<br>Assisted living facility | Galesburg<br>Galesburg<br>Galesburg    |
| <b>UDI #8, LLC</b><br>Centralia Manor<br>Centralia Estates                                      | Skilled nursing facility<br>Retirement living center                             | Centralia<br>Centralia                 |
| <b>UDI #9, LLC</b><br>Pittsfield Manor  | Skilled nursing facility   | Pittsfield                             |
| <b>UDI #10, LLC</b><br>Pekin Manor<br>Pekin Estates   | Skilled nursing facility<br>Retirement living center                             | Pekin<br>Pekin                         |
| <b>UDI #11, LLC</b><br>Jerseyville Manor  | Skilled nursing facility   | Jerseyville                            |
| <b>Keokuk Village Drive, LLC</b><br>River Hills Manor<br>River Hills Estates<br>River Hills Inn | Skilled nursing facility<br>Retirement living center<br>Assisted living facility | Keokuk, IA<br>Keokuk, IA<br>Keokuk, IA |
| <b>UDI #12, LLC</b><br>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 SLF, 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 |
| Eflingham Terrace         | Eflingham    |
| 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       |
| Ponka Terrace             | Galesburg    |
| Quincy Terrace            | Quincy       |
| Schultz House             | Danville     |
| Stevens House             | Galesburg    |
| Tanner Place              | Paris        |
| Taylor House              | Springfield  |
| Thelma Terrace            | Wood River   |
| Trulson House             | Galesburg    |
| Vahle Terrace             | Jerseyville  |
| Walsh Terrace             | Galesburg    |
| Wetherell Place           | Eflingham    |
| 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 |
|---------------------------|---------------|--------------------------------|

FACILITY NAME: UDI FY 2017

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

**ATTACHED SCHEDULE II**

**Bed Listing & Home Office Allocation**

| Facility                        | Weighted beds @ 09/30/2017 |                     |          |          |              |     | Weighted Average Total | All Homes Percentage of Total | SNF Percentage of Total |         |              |              |
|---------------------------------|----------------------------|---------------------|----------|----------|--------------|-----|------------------------|-------------------------------|-------------------------|---------|--------------|--------------|
|                                 | Nursing Home Beds          | Sheltered Care Beds | SLF Beds | ALC Beds | Estate Units | 10% |                        |                               |                         |         |              |              |
| Care Center of Abingdon         | 82                         | 0                   | 0        | 0        | 0            | 0   | 82                     | 5.67%                         | 5.67%                   |         |              |              |
| Centralia Estates               | 0                          | 0                   | 0        | 0        | 0            | 1   | 1                      | 0.07%                         | 0.00%                   |         |              |              |
| Centralia Manor                 | 120                        | 0                   | 0        | 0        | 0            | 0   | 120                    | 8.29%                         | 8.29%                   |         |              |              |
| Hawthorne Inn of Galesburg      | 0                          | 0                   | 0        | 17       | 0            | 0   | 17                     | 1.17%                         | 0.00%                   |         |              |              |
| Jerseyville Manor               | 160                        | 0                   | 0        | 0        | 0            | 0   | 160                    | 11.06%                        | 11.06%                  |         |              |              |
| Kensington                      | 0                          | 0                   | 30       | 0        | 0            | 0   | 30                     | 2.07%                         | 0.00%                   |         |              |              |
| Leroy Manor                     | 102                        | 0                   | 0        | 0        | 0            | 0   | 102                    | 7.05%                         | 7.05%                   |         |              |              |
| Liberty Estates of Carbondale   | 0                          | 0                   | 0        | 0        | 0            | 1   | 1                      | 0.07%                         | 0.00%                   |         |              |              |
| Manor Court of Carbondale       | 120                        | 0                   | 0        | 0        | 0            | 0   | 120                    | 8.29%                         | 8.29%                   |         |              |              |
| Manor Court of Maryville        | 132                        | 0                   | 0        | 0        | 0            | 0   | 132                    | 9.12%                         | 9.12%                   |         |              |              |
| Parkway Estates                 | 0                          | 0                   | 0        | 0        | 0            | 0   | 0                      | 0.00%                         | 0.00%                   |         |              |              |
| Parkway Manor                   | 131                        | 0                   | 0        | 0        | 0            | 0   | 131                    | 9.05%                         | 9.05%                   |         |              |              |
| Pekin Manor                     | 130                        | 0                   | 0        | 0        | 0            | 0   | 130                    | 8.98%                         | 8.98%                   |         |              |              |
| Pekin Estates                   | 0                          | 0                   | 0        | 0        | 0            | 1   | 1                      | 0.07%                         | 0.00%                   |         |              |              |
| Pittsfield Manor                | 89                         | 0                   | 0        | 0        | 0            | 0   | 89                     | 6.15%                         | 6.15%                   |         |              |              |
| Keokuk Manor Court (River Hill) | 84                         | 0                   | 0        | 0        | 0            | 0   | 84                     | 5.81%                         | 5.81%                   |         |              |              |
| River Hills Estates             | 0                          | 0                   | 0        | 0        | 0            | 0   | 0                      | 0.00%                         | 0.00%                   |         |              |              |
| River Hills Inn                 | 0                          | 0                   | 0        | 16       | 0            | 0   | 16                     | 1.11%                         | 0.00%                   |         |              |              |
| Seminary Estates                | 0                          | 0                   | 0        | 0        | 0            | 1   | 1                      | 0.07%                         | 0.00%                   |         |              |              |
| Seminary Manor                  | 121                        | 0                   | 0        | 0        | 0            | 0   | 121                    | 8.36%                         | 8.36%                   |         |              |              |
| Shelbyville Manor               | 109                        | 0                   | 0        | 0        | 0            | 0   | 109                    | 7.53%                         | 7.53%                   |         |              |              |
|                                 | 1,380                      | 0                   | 30       | 33       | 4            |     | 1,447                  | 100%                          | 95.37%                  | 0.00%   |              |              |
| <b>Healthcare Facilities</b>    |                            |                     |          |          |              |     |                        |                               |                         |         |              |              |
|                                 |                            |                     |          |          |              |     |                        |                               |                         |         |              |              |
| Care Center of Abingdon         | 82                         | 0                   | 0        | 0        | 0            |     | 82                     | 82                            | 365                     | 29,930  | 5.6668970%   | 5.9420290%   |
| Jerseyville Manor               | 160                        | 0                   | 0        | 0        | 0            |     | 160                    | 160                           | 365                     | 58,400  | 11.0573601%  | 11.5942029%  |
| Manor Court of Maryville        | 132                        | 0                   | 0        | 0        | 0            |     | 132                    | 132                           | 365                     | 48,180  | 9.1223220%   | 9.5652174%   |
| Pekin Manor                     | 130                        | 0                   | 0        | 0        | 0            |     | 130                    | 130                           | 365                     | 47,450  | 8.9841050%   | 9.4202899%   |
| Parkway Manor                   | 131                        | 0                   | 0        | 0        | 0            |     | 131                    | 131                           | 365                     | 47,815  | 9.0532135%   | 9.4927536%   |
| Shelbyville Manor               | 109                        | 0                   | 0        | 0        | 0            |     | 109                    | 109                           | 365                     | 39,785  | 7.5328265%   | 7.8985507%   |
| Seminary Manor                  | 121                        | 0                   | 0        | 0        | 0            |     | 121                    | 121                           | 365                     | 44,165  | 8.3621285%   | 8.7681159%   |
| Centralia Manor                 | 120                        | 0                   | 0        | 0        | 0            |     | 120                    | 120                           | 365                     | 43,800  | 8.2930200%   | 8.6956522%   |
| Leroy Manor                     | 102                        | 0                   | 0        | 0        | 0            |     | 102                    | 102                           | 365                     | 37,230  | 7.0490670%   | 7.3913043%   |
| Pittsfield Manor                | 89                         | 0                   | 0        | 0        | 0            |     | 89                     | 89                            | 365                     | 32,485  | 6.1506565%   | 6.4492754%   |
| Manor Court of Carbondale       | 120                        | 0                   | 0        | 0        | 0            |     | 120                    | 120                           | 365                     | 43,800  | 8.2930200%   | 8.6956522%   |
| Keokuk Manor Court (River Hill) | 84                         | 0                   | 0        | 0        | 0            |     | 84                     | 84                            | 365                     | 30,660  | 5.8051140%   | 6.0869565%   |
|                                 | 1,380                      | 0                   | 0        | 0        | 0            |     | 1,380                  |                               |                         | 503,700 | 95.3697305%  | 100.0000000% |
| <b>Other Facilities</b>         |                            |                     |          |          |              |     |                        |                               |                         |         |              |              |
| Centralia Estates               | 0                          | 0                   | 0        | 0        | 1            |     | 1                      | 1                             | 365                     | 365     | 0.0691085%   | 1.4925373%   |
| Hawthorne Inn of Galesburg      | 0                          | 0                   | 0        | 17       | 0            |     | 17                     | 17                            | 365                     | 6,205   | 1.1748445%   | 25.3731343%  |
| Kensington                      | 0                          | 0                   | 30       | 0        | 0            |     | 30                     | 30                            | 365                     | 10,950  | 2.0732550%   | 44.7761194%  |
| Liberty Estates of Carbondale   | 0                          | 0                   | 0        | 0        | 1            |     | 1                      | 1                             | 365                     | 365     | 0.0691085%   | 1.4925373%   |
| Parkway Estates                 | 0                          | 0                   | 0        | 0        | 0            |     | 0                      | -                             | 365                     | -       | 0.0000000%   | 0.0000000%   |
| Pekin Estates                   | 0                          | 0                   | 0        | 0        | 1            |     | 1                      | 1                             | 365                     | 365     | 0.0691085%   | 1.4925373%   |
| River Hills Estates             | 0                          | 0                   | 0        | 0        | 0            |     | 0                      | -                             | 365                     | -       | 0.0000000%   | 0.0000000%   |
| River Hills Inn                 | 0                          | 0                   | 0        | 16       | 0            |     | 16                     | 16                            | 365                     | 5,840   | 1.1057360%   | 23.8805970%  |
| Seminary Estates                | 0                          | 0                   | 0        | 0        | 1            |     | 1                      | 1                             | 365                     | 365     | 0.0691085%   | 1.4925373%   |
|                                 | 0                          | 0                   | 30       | 33       | 4            |     | 67                     |                               |                         | 24,455  | 4.6302695%   | 100.0000000% |
|                                 |                            |                     |          |          |              |     | 1,447                  | Total                         |                         | 528,155 | 100.0000000% |              |

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               | 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                   |
|          | <b>TOTALS</b>              | <b>143,243</b>          | <b>69,892</b>       | <b>73,351</b>         | <b>1,521</b>    | <b>1,521</b>        |

SEE ACCOUNTANTS' COMPILATION REPORT

FACILITY NAME: The Kensington  
 ID#: 38-4002665

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

**ATTACHED SCHEDULE IV**

**IV. Cost Center Expenses**

**Reclassifications and Adjustments**

| Reported on<br>Schedule IV on<br>Line   | Description                     | Adjustments<br>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)                |
| <i>Total Adjustments on Schedule IV</i> |                                 | <u>1,316</u>         |

**Summary of Interest Expense and Interest Income**

|   |         |
|---|---------|
| Interest Income   | 562     |
| Interest Expense  | 194,004 |
| Cost Adjustment, the lesser of<br>Interest Income or Interest Expense | (562)   |

**ATTACHED SCHEDULE V**

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

**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 | 7,477    |
|          |      | <i>Subtotal</i>                    | 186,217  |
| IV       | 17-6 | Total cost center depreciation     | 186,217  |
|          |      | <i>Difference</i>                  | <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          | 1,100          |
|          |      | <i>Total</i>                      | <u>120,202</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 TRAVEL | 0.00      | Robert Wagner   | President | 6,000.00  |
| MEETING EXPENSES               | 0.00      | Audrey Finke    | Secretary | 6,000.00  |
|                                |           | 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  
Period End

1/1/2017  
9/30/2017

**ATTACHED SCHEDULE IX**

**XI. Balance Sheet**

Line 23 Other

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