### Statements of Financial Position

# May 31, 2016 and December 31, 2015

Assets	 May 31, 2016	December 31, 2015
Cash and cash equivalents	\$ 13,763	43,074
Restricted deposits and funded reserves	361,216	334,112
Accounts receivable, net	11,315	11,980
Prepaid expenses and other current assets	22,822	12,283
Property and equipment (net of accumulated depreciation of \$5,533,994 and \$5,483,179 respectively)	 1,513,882	1,484,697
Total assets	\$ 1,922,998	1,886,146

### Statements of Financial Position

# May 31, 2016 and December 31, 2015

Liabilities and Net Liabilities		May 31, 2016	December 31, 2015
Accounts payable	\$	50,356	100,745
Due to affiliated entity		931,715	780,044
Accrued expenses		399,945	397,360
Residents deposits		39,305	35,869
Long-term debt		1,932,396	1,969,371
Total liabilities		3,353,717	3,283,389
Net (liabilities) assets: Unrestricted Temporarily restricted Total net liabilities	_	(1,437,237) 6,518 (1,430,718)	(1,403,761) 6,518 (1,397,243)
Total liabilities and net liabilities	\$	1,922,998	1,886,146

Statements of Operations and Changes in Net Assets (Liabilities)

Periods ended May 31, 2016 and year ended December 31, 2015

Operating revenues, gains, and other support:         407,119         1,050,459           Resident services         \$ 407,119         1,050,459           Net rental revenue         13,088         30,967           Interest and dividend income         53         140           Contributions, gifts, grants and bequests         636         82,952           Net assets released from restrictions         -         1,655           Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         -         5,277           Recreation and special services         -         5,277           Social services         -         5,277           Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,664         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         33,47		May 31, 2016	December 31, 2015
Net rental revenue         13,088         30,967           Interest and dividend income         53         140           Contributions, gifts, grants and bequests         636         82,952           Net assets released from restrictions         -         1,655           Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         -         5,277           Recreation and special services         -         5,277           Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets	Operating revenues, gains, and other support:		
Interest and dividend income         53         140           Contributions, gifts, grants and bequests         636         82,952           Net assets released from restrictions         –         1,655           Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         –         5,277           Recreation and special services         –         5,277           Social services         –         10,678           Stance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           (Increase) decrease in unrestricted net liabilities         (33,475)	Resident services	\$ 407,119	1,050,459
Contributions, gifts, grants and bequests         636         82,952           Net assets released from restrictions         -         1,655           Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         -         5,277           Recreation and special services         -         5,277           Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         (33,475)         52,490           Net liabilities beginning of year         (1,494,733)         (1,449,733)	Net rental revenue	13,088	30,967
Net assets released from restrictions         —         1,655           Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         —         5,277           Recreation and special services         —         5,277           Social services         —         5,277           Social services         —         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         —         (1,655)           Change in temporarily restricted net assets         —         (1,655)           Change in net assets         —         (1,655)           Net liabilities beginning of year         (1,449,733)         (1,449,733)	Interest and dividend income	53	
Total operating revenues, gains, and other support         420,896         1,166,173           Expenses:         Recreation and special services         - 5,277           Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         -         (1,655)           Change in net assets         (3,475)         52,490           Net liabilities beginning of year         (1,449,733)         (1,449,733)	Contributions, gifts, grants and bequests	636	82,952
Expenses:         -         5,277           Recreation and special services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         -         (1,655)           Change in pet assets         (1,297,243)         (1,449,733)           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Net assets released from restrictions	 	1,655
Recreation and special services         –         5,277           Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         —         (1,655)           Change in temporarily restricted net assets         —         (1,655)           Change in net assets         —         (1,655)           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Total operating revenues, gains, and other support	420,896	1,166,173
Social services         18,459         44,100           Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         (33,475)         52,490           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Expenses:		
Building operations and maintenance         231,023         581,301           Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         —         (1,655)           Change in temporarily restricted net assets         —         (1,655)           Change in net assets         —         (1,655)           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Recreation and special services	=	5,277
Housekeeping         10,678         25,532           General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets: Net assets released from restrictions         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         (33,475)         52,490           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Social services	18,459	44,100
General and administrative         109,604         246,491           Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets: Net assets released from restrictions         -         (1,655)           Change in temporarily restricted net assets         -         (1,655)           Change in net assets         (33,475)         52,490           Net liabilities beginning of year         (1,397,243)         (1,449,733)	Building operations and maintenance	231,023	581,301
Employee benefits         23,302         66,464           Interest         10,491         27,061           Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:         —         (1,655)           Change in temporarily restricted net assets         —         (1,655)           Change in net assets         —         (1,655)           Net liabilities beginning of year         (1,397,243)         (1,449,733)		10,678	25,532
Interest Depreciation         10,491 50,815 115,802         27,061 115,802           Total expenses         454,371 1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475) 54,145           Temporarily restricted net assets: Net assets released from restrictions         — (1,655)           Change in temporarily restricted net assets         — (1,655)           Change in net assets         — (1,655)           Net liabilities beginning of year         (1,397,243) (1,449,733)	General and administrative	109,604	246,491
Depreciation         50,815         115,802           Total expenses         454,371         1,112,028           (Increase) decrease in unrestricted net liabilities         (33,475)         54,145           Temporarily restricted net assets:	Employee benefits	23,302	66,464
Total expenses 454,371 1,112,028  (Increase) decrease in unrestricted net liabilities (33,475) 54,145  Temporarily restricted net assets: Net assets released from restrictions — (1,655)  Change in temporarily restricted net assets — (1,655)  Change in net assets (33,475) 52,490  Net liabilities beginning of year (1,397,243) (1,449,733)	Interest	,	27,061
(Increase) decrease in unrestricted net liabilities(33,475)54,145Temporarily restricted net assets: Net assets released from restrictions—(1,655)Change in temporarily restricted net assets—(1,655)Change in net assets(33,475)52,490Net liabilities beginning of year(1,397,243)(1,449,733)	Depreciation	 50,815	115,802
Temporarily restricted net assets: Net assets released from restrictions  Change in temporarily restricted net assets  Change in net assets  (33,475)  (1,655)  Change in net assets  (1,397,243)  (1,449,733)	Total expenses	 454,371	1,112,028
Net assets released from restrictions-(1,655)Change in temporarily restricted net assets-(1,655)Change in net assets(33,475)52,490Net liabilities beginning of year(1,397,243)(1,449,733)	(Increase) decrease in unrestricted net liabilities	(33,475)	54,145
Change in temporarily restricted net assets  - (1,655)  Change in net assets  (33,475)  52,490  Net liabilities beginning of year  (1,397,243)  (1,449,733)	Temporarily restricted net assets:		
Change in net assets       (33,475)       52,490         Net liabilities beginning of year       (1,397,243)       (1,449,733)	Net assets released from restrictions	 	(1,655)
Net liabilities beginning of year (1,397,243) (1,449,733)	Change in temporarily restricted net assets	=	(1,655)
	Change in net assets	(33,475)	52,490
	Net liabilities beginning of year	(1,397,243)	(1,449,733)
		\$ 	· · · · · · · · · · · · · · · · · · ·

#### Statements of Cash Flows

Periods ended May 31, 2016 and year ended December 31, 2015

	May 31, 2016	December 31, 2015
Cash flows from operating activities:		
Change in net liabilities \$	(33,475)	52,490
Adjustments to reconcile change in net liabilities		
to net cash (used in) provided by operating activities:		
Depreciation	50,815	115,802
Bad debt expense	(149)	30,496
Cash restricted for tenant deposits held in trust	3,436	(4,200)
Change in assets and liabilities:		
Accounts receivable	814	(20,942)
Other assets	(10,540)	5,534
Accounts payable	(50,389)	5,209
Accrued expenses	2,585	1,915
Net cash (used in) provided by operating activities	(36,903)	186,304
Cash flows used in investing activities:		
Acquisition of property and equipment	(80,000)	(335,455)
Deposits into reserve for replacement	(27,104)	(31,090)
Net cash used in investing activities	(107,104)	(366,545)
Cash flows from financing activities:		
Principal payments on long-term debt	(36,975)	(86,855)
Due to affiliate	151,671	197,174
Net cash provided by financing activities	114,696	110,319
Net decrease in cash and cash equivalents	(29,311)	(69,922)
Cash and cash equivalents, beginning of year	43,074	112,996
Cash and cash equivalents, end of year \$	13,763	43,074