

		FOR BHF USE					

LL1

2012
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2012)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH License ID Number: 0039768

Facility Name: Lexington of Lake Zurich

Address: 930 South Rand Road Lake Zurich 60047
Number City Zip Code

County: Lake

Telephone Number: (847) 726-1200 Fax # (847) 726-1265

HFS ID Number:

Date of Initial License for Current Owners: 08/20/94

Type of Ownership:

☐ VOLUNTARY, NON-PROFIT
☐ Charitable Corp.
☐ Trust
IRS Exemption Code

☒ PROPRIETARY
☐ Individual
☐ Partnership
☐ Corporation
☒ "Sub-S" Corp.
☐ Limited Liability Co.
☐ Trust
☐ Other

☐ GOVERNMENTAL
☐ State
☐ County
☐ Other

In the event there are further questions about this report, please contact:
Name: Amanda Springborn Telephone Number: (314) 925-3838
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2012 to 12/31/2012 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or
Administrator
of Provider

(Signed) _____ (Date) _____
(Type or Print Name) _____
(Title) _____

Paid
Preparer

(Signed) _____ (Date) _____
(Print Name and Title) _____
(Firm Name & Address) McGladrey LLP
20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173
(Telephone) (847) 517-7070 Fax # (847) 517-7067

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

Facility Name & ID Number Lexington of Lake Zurich# 0039768 Report Period Beginning: 01/01/2012 Ending: 12/31/2012

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>203</u>	Skilled (SNF)	<u>203</u>	<u>74,298</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>203</u>	TOTALS	<u>203</u>	<u>74,298</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF			<u>16,141</u>	<u>16,141</u>	8
9	SNF/PED					9
10	ICF	<u>47,523</u>	<u>5,136</u>		<u>52,659</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>47,523</u>	<u>5,136</u>	<u>16,141</u>	<u>68,800</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 92.60%

D. How many bed-hold days during this year were paid by the Department?

None (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.

(E.g., day care, "meals on wheels", outpatient therapy)

None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Note : Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location?

Date started 8/20/94

J. Was the facility purchased or leased after January 1, 1978?

YES ☐Date NO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐If YES, enter number
of beds certified 203 and days of care provided 13,040Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL ☒

MODIFIED

CASH* ☐CASH* ☐

Is your fiscal year identical to your tax year?

YES ☒NO ☐Tax Year: 12/31/12Fiscal Year: 12/31/12

* All facilities other than governmental must report on the accrual basis.

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR BHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	387,774	51,829	9,331	448,934		448,934		448,934			1
2	Food Purchase		364,109		364,109		364,109	(16,060)	348,049			2
3	Housekeeping	318,022	46,184		364,206		364,206	380	364,586			3
4	Laundry	90,834	25,080	29,462	145,376		145,376		145,376			4
5	Heat and Other Utilities			211,142	211,142		211,142	7,488	218,630			5
6	Maintenance	41,650		158,342	199,992		199,992	80,879	280,871			6
7	Other (specify):* Mgmt Co.-Allocated I							11,361	11,361			7
8	TOTAL General Services	838,280	487,202	408,277	1,733,759		1,733,759	84,048	1,817,807			8
	B. Health Care and Programs											
9	Medical Director			107,250	107,250		107,250		107,250			9
10	Nursing and Medical Records	4,968,874	382,472	296,199	5,647,545		5,647,545	40,672	5,688,217			10
10a	Therapy											10a
11	Activities	272,097	25,616	8,158	305,871		305,871		305,871			11
12	Social Services	154,267		8,055	162,322		162,322		162,322			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):* Mgmt Co.-Allocated I							5,829	5,829			15
16	TOTAL Health Care and Programs	5,395,238	408,088	419,662	6,222,988		6,222,988	46,501	6,269,489			16
	C. General Administration											
17	Administrative	104,777		1,581,047	1,685,824		1,685,824	(1,543,005)	142,819			17
18	Directors Fees											18
19	Professional Services			272,157	272,157		272,157	(8,598)	263,559			19
20	Dues, Fees, Subscriptions & Promotions			37,785	37,785		37,785	13,892	51,677			20
21	Clerical & General Office Expenses	253,232	29,827	48,971	332,030		332,030	624,057	956,087			21
22	Employee Benefits & Payroll Taxes			1,012,642	1,012,642		1,012,642	15,037	1,027,679			22
23	Inservice Training & Education			8,492	8,492		8,492	1,002	9,494			23
24	Travel and Seminar			325	325		325	2,651	2,976			24
25	Other Admin. Staff Transportation			5,075	5,075		5,075	18,959	24,034			25
26	Insurance-Prop.Liab.Malpractice			369,590	369,590		369,590	4,111	373,701			26
27	Other (specify):* Mgmt Co.-Allocated I							100,521	100,521			27
28	TOTAL General Administration	358,009	29,827	3,336,084	3,723,920		3,723,920	(771,373)	2,952,547			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	6,591,527	925,117	4,164,023	11,680,667		11,680,667	(640,824)	11,039,843			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			177,185	177,185		177,185	384,961	562,146			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			59,612	59,612		59,612	426,531	486,143			32
33	Real Estate Taxes							204,783	204,783			33
34	Rent-Facility & Grounds			1,518,446	1,518,446		1,518,446	(1,514,339)	4,107			34
35	Rent-Equipment & Vehicles			104,736	104,736		104,736	3,544	108,280			35
36	Other (specify):*											36
37	TOTAL Ownership			1,859,979	1,859,979		1,859,979	(494,520)	1,365,459			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		663,508	1,280,491	1,943,999		1,943,999		1,943,999			39
40	Barber and Beauty Shops			24,286	24,286		24,286		24,286			40
41	Coffee and Gift Shops			7,419	7,419		7,419		7,419			41
42	Provider Participation Fee			448,692	448,692		448,692		448,692			42
43	Other (specify):* Non-Allowable Co	143,689		206,346	350,035		350,035	(350,035)				43
44	TOTAL Special Cost Centers	143,689	663,508	1,967,234	2,774,431		2,774,431	(350,035)	2,424,396			44
	GRAND TOTAL COST											
45	(sum of lines 29, 37 & 44)	6,735,216	1,588,625	7,991,236	16,315,077		16,315,077	(1,485,379)	14,829,698			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,023)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,223)	43		5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(1,909)	30		9
10	Interest and Other Investment Income	(29,203)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(10,255)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(21,301)	43		18
19	Entertainment				19
20	Contributions	(6,655)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(31,167)	43		24
25	Fund Raising, Advertising and Promotional	(81,351)	43		25
	Income Taxes and Illinois Personal				
26	Property Replacement Tax	(7,262)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg 5A	(114,140)	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (310,489)		\$	30

BHF USE ONLY							
48		49		50		51	52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,174,890)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,174,890)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,485,379)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1	2	3	4	
		Yes	No	Amount	Reference	
38	Medically Necessary Transport.		X	\$		38
39						39
40	Gift and Coffee Shops		X			40
41	Barber and Beauty Shops		X			41
42	Laboratory and Radiology		X			42
43	Prescription Drugs		X			43
44						44
45	Other-Attach Schedule		X			45
46	Other-Attach Schedule		X			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

Lexington of Lake Zurich

ID# 0039768

Report Period Beginning: 01/01/2012

Ending: 12/31/2012

NON-ALLOWABLE EXPENSES			Sch. V Line	
		Amount	Reference	
1	Diagnostics Managed Care	\$ (825)	43	1
2	Labs Part A	(16,814)	43	2
3	X-Rays-Part A	(19,778)	43	3
4	Marketing Salary	(143,689)	43	4
5	Trust Fees	(75)	43	5
6	Disallow collection	(2,958)	19	6
7	Misc. Income	(892)	21	7
8	Out of Period Legal/Retainer	(30,532)	19	8
9	Reclass LHI to Repairs & Maintenance	1,027	6	9
10	Travel and Seminar Marketing	(325)	24	10
11	Due and subscriptions marketing	(2,077)	20	11
12	Chamber of commerce dues	(250)	20	12
13	Unrealized loss on FMV swap	107,733	43	13
14	Development expenses	(4,685)	43	14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32

33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(114,140)		49

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Use Page 6-Supplemental as necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Page 6-Supplemental		See Page 6-Supplemental		See Page 6-Supplemental		

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line		Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
1	V	19	Professional Fees	\$	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	\$ 330	\$ 330	1
2	V					**			2
3	V	30	Depreciation		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	331,789	331,789	3
4	V	32	Interest Expense		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	435,951	435,951	4
5	V	32	Amortization of Mortgage Costs		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	1,415	1,415	5
6	V	33	Property Taxes		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	198,446	198,446	6
7	V	34	Rental Expense	1,518,446	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(1,518,446)	7
8	V	43	Trust Fees		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	75	75	8
9	V	43	Unrealized loss on FMV swap	107,733	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(107,733)	9
10	V	43	State Replacement	30	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(30)	10
11	V								11
12	V		** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Lexington Health Care Systems						12
13	V		of Lake Zurich Limited Partnership.						13
14	Total			\$ 1,626,209			\$ 968,006	\$ * (658,203)	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V	2 Line	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
		Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	3 Housekeeping supplies	\$	Royal Management Corp.	**	\$ 380	\$	380
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	6,344		6,344
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	281		281
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	863		863
19	V	6 Management allocation - salaries		Royal Management Corp.	**	71,497		71,497
20	V	6 Repairs & maintenance		Royal Management Corp.	**	7,982		7,982
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	373		373
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	11,361		11,361
23	V	10 Medical consultant		Royal Management Corp.	**	3,986		3,986
24	V	10 Management allocation - salaries		Royal Management Corp.	**	36,686		36,686
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	5,829		5,829
26	V	17 Management allocation - salaries		Royal Management Corp.	**	38,042		38,042
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	17,924		17,924
28	V	19 Professional fees		Royal Management Corp.	**	6,638		6,638
29	V	20 Dues & subscriptions		Royal Management Corp.	**	1,217		1,217
30	V	20 Advertising - help wanted		Royal Management Corp.	**	15,002		15,002
31	V	21 Management allocation - salaries		Royal Management Corp.	**	594,569		594,569
32	V	21 Bank charges		Royal Management Corp.	**	3,291		3,291
33	V	21 Office supplies & printing		Royal Management Corp.	**	10,473		10,473
34	V	21 Postage		Royal Management Corp.	**	4,242		4,242
35	V							
36	V							
37	V	**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management						
38	V							
39	Total		\$			\$ 836,980	\$ *	836,980

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	21	Telephone	\$	Royal Management Corp.	**	\$ 12,374	\$ 12,374	15
16	V	24	Travel & seminar		Royal Management Corp.	**	2,976	2,976	16
17	V	25	Auto expense		Royal Management Corp.	**	18,959	18,959	17
18	V	26	Insurance general		Royal Management Corp.	**	4,111	4,111	18
19	V	27	Management allocation - employee benefits		Royal Management Corp.	**	100,521	100,521	19
20	V	30	Depreciation		Royal Management Corp.	**	55,081	55,081	20
21	V	32	Interest		Royal Management Corp.	**	16,801	16,801	21
22	V	32	Amortization of mortgage costs		Royal Management Corp.	**	1,567	1,567	22
23	V	33	Property taxes		Royal Management Corp.	**	6,337	6,337	23
24	V	34	Rent expense		Royal Management Corp.	**	4,107	4,107	24
25	V	35	Equipment rental		Royal Management Corp.	**	1,675	1,675	25
26	V	17	Management fees	1,581,047	Royal Management Corp.	**		(1,581,047)	26
27	V	35	Auto Lease		Royal Management Corp.	**	1,869	1,869	27
28	V	23	Inservice Training		Royal Management Corp.	**	1,002	1,002	28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V		**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management						36
37	V								37
38	V								38
39	Total			\$ 1,581,047			\$ 227,380	\$ * (1,353,667)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

VII. RELATED PARTIES

A. (Continued) Enter below the names of ALL owners and related organizations (parties) as defined in the instructions.

	1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES			
	Name	Ownership %	Name	City	Name	City	Type of Business	
1	James Samatas Discretionary Trust	33.33	Lexington HC Ctr. of Lombard, Inc.	Lombard	Eastgate Manor	Algonquin	Supportive Living	1
2	John Samatas Discretionary Trust	33.33	Lexington HC Ctr. of Bloomingdale, Inc.	Bloomingtondale	of Algonquin, LLC		Facility	2
3	Cynthia Thiem Discretionary Trust	33.34	Lexington HC Ctr. of Elmhurst, Inc.	Elmhurst	Vesta Management	Lombard	Mgmt. Company	3
4			Lexington HC Ctr. of LaGrange, Inc.	LaGrange	Group LLC			4
5			Lexington HC Ctr. of Wheeling, Inc.	Wheeling	Sambell of	Lake Zurich	Real Estate	5
6			Lexington HC Ctr. of Schaumburg, Inc.	Schaumburg	Lake Zurich		Property	6
7			Lexington HC Ctr. of Chicago Ridge, Inc.	Chicago Ridge	Ltd. Ptsp.			7
8			Lexington HC Ctr. of Streamwood, Inc.	Streamwood				8
9			Lexington HC Ctr. of Orland Park, Inc.	Orland Park	Royal Management	Lombard	Mgmt. Company	9
10					Corporation			10
11					Lexington Financial	Lombard	Finance Company	11
12					Services II, LLC			12
13					Lexington Square	Lombard	Independent and	13
14					Life Care of		Assisted Living	14
15					Lombard, LLC			15
16					Lexington Square	Elmhurst	Independent	16
17					Life Care of		Living Facility	17
18					Elmhurst, LLC			18
19					Samvest of Lombard	Lombard	Lessor	19
20					II, LLC			20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/2012 Ending: 12/31/2012

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	James Samatas	Owner/Officer	Administrative	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	\$ 10,596	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	7,760	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	9,393	L17, C7	3
4	Daniel Thiem	Executive VP	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	7,043	L17, C7	4
5	Jason Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	3,250	L17, C7	5
6		Member			Certain individuals work in excess of 40 hours per week.						6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 38,042		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees).
FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME,
ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/2012Ending: 2/31/2012

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	Housekeeping supplies	Bed Days	725,412	10	\$ 3,707	\$	74,298	\$ 380	1
2	5	Utilities - gas & electric	Bed Days	725,412	10	61,939		74,298	6,344	2
3	5	Utilities - water & sewer	Bed Days	725,412	10	2,741		74,298	281	3
4	5	Utilities - maintenance office	Bed Days	725,412	10	8,424		74,298	863	4
5	6	Management allocation - salaries	Bed Days	725,412	10	698,068	698,068	74,298	71,497	5
6	6	Repairs & maintenance	Bed Days	725,412	10	77,933		74,298	7,982	6
7	6	Scavenger & exterminating	Bed Days	725,412	10	3,642		74,298	373	7
8	7	Management allocation - employee	Bed Days	725,412	10	110,922		74,298	11,361	8
9	10	Medical consultant	Bed Days	725,412	10	38,914		74,298	3,986	9
10	10	Management allocation - salaries	Bed Days	725,412	10	358,188	358,188	74,298	36,686	10
11	15	Management allocation - employee	Bed Days	725,412	10	56,916		74,298	5,829	11
12	17	Management allocation - salaries	Bed Days	725,412	10	371,421	371,421	74,298	38,042	12
13	19	Computer consultant & supplies	Bed Days	725,412	10	174,999		74,298	17,924	13
14	19	Professional fees	Bed Days	725,412	10	64,806		74,298	6,638	14
15	20	Dues & subscriptions	Bed Days	725,412	10	11,884		74,298	1,217	15
16	20	Advertising - help wanted	Bed Days	725,412	10	146,469		74,298	15,002	16
17	21	Management allocation - salaries	Bed Days	725,412	10	5,805,098	5,805,098	74,298	594,569	17
18	21	Bank charges	Bed Days	725,412	10	32,134		74,298	3,291	18
19	21	Office supplies & printing	Bed Days	725,412	10	102,249		74,298	10,473	19
20	21	Postage	Bed Days	725,412	10	41,415		74,298	4,242	20
21	21	Telephone	Bed Days	725,412	10	120,819		74,298	12,374	21
22	24	Travel and Seminar	Bed Days	725,412	10	29,058		74,298	2,976	22
23										23
24										24
25	TOTALS					\$ 8,321,746	\$ 7,232,775		\$ 852,330	25

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/2012 Ending: 2/31/2012

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization Royal Management Corp.
Street Address 665 W. North Avenue, Suite 500
City / State / Zip Code Lombard, IL 60148
Phone Number (630) 458-4700
Fax Number (630) 458-4796

	1	2	3	4	5	6	7	8	9	
	Schedule V Line Reference	Item	Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days	725,412	10	\$ 185,111	\$	74,298	\$ 18,959	1
2	26	Insurance general	Bed Days	725,412	10	40,142		74,298	4,111	2
3	27	Management allocation - employee	Bed Days	725,412	10	981,440		74,298	100,521	3
4	30	Depreciation	Bed Days	725,412	10	537,783		74,298	55,081	4
5	32	Interest	Bed Days	725,412	10	164,037		74,298	16,801	5
6	32	Amortization of mortgage costs	Bed Days	725,412	10	15,301		74,298	1,567	6
7	33	Property taxes	Bed Days	725,412	10	61,875		74,298	6,337	7
8	34	Rent expense	Bed Days	725,412	10	40,101		74,298	4,107	8
9	35	Equipment rental	Bed Days	725,412	10	16,356		74,298	1,675	9
10	35	Auto Lease	Bed Days	725,412	10	18,252		74,298	1,869	10
11	23	Inservice Training	Bed Days	725,412	10	9,785		74,298	1,002	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					\$ 2,070,183	\$		\$ 212,030	25

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
		YES	NO				Original	Balance					
	A. Directly Facility Related Long-Term												
1	Lexington Financial Services II, LLC	X		Mortgage	Varies	4/30/07	\$ 7,606,000	\$ 6,814,221	5/1/2017	0.0625	\$ 435,951	2	
3												3	
4												4	
5							Interest on financing insurance premium				1,388	5	
	Working Capital												
6	Shareholders	X		Working Capital	None	Varies	270,033	2,115,153	Demand	Prime +1	23,232	6	
7	JP Morgan Chase N.A.		X	Line of Credit	Varies	6/29/12	5,600,000	1,740,000	6/29/13	Libor +2.25%	34,992	7	
8												8	
9	TOTAL Facility Related						\$ 13,476,033	\$ 10,669,374			\$ 495,563	9	
	B. Non-Facility Related*												
10								Amortization of loan cost			1,415	10	
11								Interest Income offset			(5,971)	11	
12								Allocated from Management Co.			18,368	12	
13								Nonallowable shareholder interest			(23,232)	13	
14	TOTAL Non-Facility Related						\$	\$			\$ (9,420)	14	
15	TOTALS (line 9+line14)						\$ 13,476,033	\$ 10,669,374			\$ 486,143	15	

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2011 report.		Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.		\$	157,200	1																			
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		2011		\$	174,499	2																			
3. Under or (over) accrual (line 2 minus line 1).				\$	17,299	3																			
4. Real Estate Tax accrual used for 2012 report. (Detail and explain your calculation of this accrual on the lines below.)				\$	180,000	4																			
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)		Allocated from Mgmt. Co.			6,337																				
				\$	1,147	5																			
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.																									
TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)				\$		6																			
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	204,783	7																			
Real Estate Tax History:																									
Real Estate Tax Bill for Calendar Year:	2007	137,671	8	<table border="1"> <tr> <td colspan="3">FOR BHF USE ONLY</td> </tr> <tr> <td>13</td> <td>FROM R. E. TAX STATEMENT FOR 2011</td> <td>\$</td> <td>13</td> </tr> <tr> <td>14</td> <td>PLUS APPEAL COST FROM LINE 5</td> <td>\$</td> <td>14</td> </tr> <tr> <td>15</td> <td>LESS REFUND FROM LINE 6</td> <td>\$</td> <td>15</td> </tr> <tr> <td>16</td> <td>AMOUNT TO USE FOR RATE CALCULATION</td> <td>\$</td> <td>16</td> </tr> </table>			FOR BHF USE ONLY			13	FROM R. E. TAX STATEMENT FOR 2011	\$	13	14	PLUS APPEAL COST FROM LINE 5	\$	14	15	LESS REFUND FROM LINE 6	\$	15	16	AMOUNT TO USE FOR RATE CALCULATION	\$	16
FOR BHF USE ONLY																									
13	FROM R. E. TAX STATEMENT FOR 2011	\$	13																						
14	PLUS APPEAL COST FROM LINE 5	\$	14																						
15	LESS REFUND FROM LINE 6	\$	15																						
16	AMOUNT TO USE FOR RATE CALCULATION	\$	16																						
	2008	146,400	9																						
	2009	146,253	10																						
	2010	152,165	11																						
	2011	174,499	12																						
See attached real estate accrual sheet																									

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity. **This denial must be no more than four years old at the time the cost report is filed.**

2011 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME
Lexington of Lake Zurich

COUNTY
Lake

FACILITY IDPH LICENSE NUMBER
0039768

CONTACT PERSON REGARDING THIS REPORT
Karen Gillis

TELEPHONE
(630) 458-4700
FAX #:
(630) 458-4795

A.
Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2011 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2011.

(A)		(B)	(C)	(D)
Tax Index Number		Property Description	Total Tax	Tax Applicable to Nursing Home
1.	14-28-100-020	Nursing Facility	\$ 160,155.57	\$ 160,155.57
2.	14-29-200-033	Nursing Facility	\$ 14,343.02	\$ 14,343.02
3.	Royal Management Corp. (Samvest of Lombard II)		\$ 230,165.98	\$ 6,337.00
4.	05-01-202-021		\$	\$
5.			\$	\$
6.			\$	\$
7.			\$	\$
8.			\$	\$
9.			\$	\$
10.			\$	\$
TOTALS			\$ 404,664.57	\$ 180,835.59

B.
Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? X YES NO

If YES, attach an explanation and a schedule which shows the calculation of the cost allocated to the nursing home.
(Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the original 2011 tax bills which were listed in Section A to this statement. Be sure to use the 2011 tax bill which is normally paid during 2012.

PLEASE NOTE: *Payment information from the Internet* or otherwise is *not considered acceptable tax bill documentation* . Facilities located in Cook County are required to provide copies of their original **second installment tax bill.**

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,901

B. General Construction Type: Exterior Brick Frame Steel

Number of Stories 3

C. Does the Operating Entity?

☐ (a) Own the Facility

☒ (b) Rent from a Related Organization.

☐ (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity?

☒ (a) Own the Equipment

☒ (b) Rent equipment from a Related Organization.

☒ (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

N/A

F. Does this cost report reflect any organization or pre-operating costs which are being amortized?

☐ YES

☒ NO

If so, please complete the following:

1. Total Amount Incurred:

2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization:

4. Dates Incurred:

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Resident Care	250,344	1990	\$ 495,000	1
2	Management Company Allocation			19,959	2
3	TOTALS	250,344		\$ 514,959	3

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

	1 Beds*	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	
4	203		1994	1994	\$ 6,418,908	\$	40	\$ 160,473	\$ 160,473	\$ 2,942,000	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Land Improvements		1994		10,701		10			10,701	9
10	Land Improvements		1994		13,330		10			13,330	10
11	Leasehold Improvements		1994		4,737		15			4,737	11
12	Leasehold Improvements		1995		4,005		15			4,138	12
13	Land Improvements		1995		3,221		10			3,221	13
14	Building Improvements		1995		3,019		40	75	75	1,357	14
15	Building Improvements		1995		64,500	1,654	39	1,654		29,289	15
16	Patio		1996		1,168	38	15	38		1,168	16
17	Compressor		1996		5,145		10			5,145	17
18	Road sidewalk		1997		18,094		20	905	905	14,025	18
19	Foundation/Sprinkler		1997		2,068	59	35	59		915	19
20	Flagpoles		1997		1,573	52	15	52		1,573	20
21	Basement rehab		1998		12,867		10			12,867	21
22	MDS Telnet wiring		1998		3,365		10			3,365	22
23	Flag Pole		1998		787	52	15	52		759	23
24	Resurface/restripe parking lot		1998		4,977		10			4,977	24
25	Transfer 10 beds from shelter care		1998		2,260	57	40	57		802	25
26	1st floor lobby tile		1999		12,153		10			12,154	26
27	Parking lot repair		2000		3,740		10			3,740	27
28	Roof repair		2000		10,770		10			10,771	28
29	Automatic door		2000		1,300		10			1,300	29
30	Kitchen rehab		2000		16,886		10			16,887	30
31	Compressor		2001		4,350		10			4,350	31
32	Boiler vent		2001		3,228		10			3,228	32
33	Fire pump		2001		1,766		10			1,766	33
34	Kitchen rehab		2001		721		10			721	34
35	Elevator infrared curtains		2001		4,500		10			4,500	35
36	Therapy Room Rehab		2004		64,473	3,224	20	3,224		26,865	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Elevator Upgrade	2004	\$ 3,487	\$ 174	20	\$ 174	\$	\$ 1,408	37
38	HVAC Compressor	2004	11,845	592	20	592		4,885	38
39	Sidewalk, raise and support	2005	700	35	20	35		257	39
40	Pavement for parking lot	2005	6,650	333	20	333		2,523	40
41	Water softner	2005	2,635	132	20	132		1,044	41
42	Plumbing and sprinkler	2005	4,469	223	20	223		1,767	42
43	Lobby and lounge rehab	2005	44,560	2,228	20	2,228		17,638	43
44	Therapy room rehab	2005	1,721	86	20	86		624	44
45	First floor therapy room	2005	42,424	2,121	20	2,121		16,302	45
46	Transitional unit	2005	9,898	495	20	495		3,630	46
47	Countertop	2005	845		5			845	47
48	Wallcovering	2005	439		5			439	48
49	Panel Brick Replacement	2006	16,001	800	20	800		5,134	49
50	Landscaping Improvement	2006	4,640		5			4,640	50
51	HVAC	2006	3,999	400	10	400		2,433	51
52	Kitchen Rehab	2006	2,553	255	10	255		1,722	52
53	Wall Mounted Cabinets	2006	10,451	1,045	10	1,045		6,619	53
54	Therapy room rehab	2006	2,829	283	10	283		1,745	54
55	Solo step install	2006	3,689	369	10	369		2,275	55
56	Transitional unit	2006	31,685	1,584	20	1,584		9,637	56
57	Employee Lunchroom rehab	2006	1,766	177	10	177		1,120	57
58	Fine Dining	2006	22,517	1,126	20	1,126		7,131	58
59	Land Improvements	2006	5,374	358	15	358		2,238	59
60	Emergency AC	2006	7,564	756	10	756		4,537	60
61	Wood Flooring	2006	1,526		10	153	153	917	61
62	HVAC	2007	2,716	272	10	272		1,495	62
63	Emergency AC	2007	18,731	1,873	10	1,873		10,302	63
64	First floor remodel-carpentry, flooring, plumbing, painting, fixtures	2007	701,565		40	17,539	17,539	100,849	64
65	Landscaping	2008	15,920	1,061	15	1,061		5,217	66
66	Parking Lot Repairs	2008	4,224	211	20	211		897	67
68	Roof	2008	33,700	1,685	20	1,685		7,723	68
69	Employee Locker Rooms	2008	3,732	93	40	93		395	69
70	TOTAL (lines 4 thru 69)		\$ 7,723,467	\$ 23,903		\$ 203,048	\$ 179,145	\$ 3,369,039	70

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 7,723,467	\$ 23,903		\$ 203,048	\$ 179,145	\$ 3,369,039	1
2	Second floor remodel - carpentry, electrical, flooring,	2008	555,633		27	20,205	20,205	89,239	2
3	painting								3
4	Irrigation System	2009	15,335	1,022	15	1,022		3,407	4
5	Landscaping Enhancements	2009	8,276	552	15	552		1,886	5
6	Quick connects	2009	7,611	381	20	381		1,270	6
7	HVAC Chiller	2009	102,185	5,109	20	5,109		17,882	7
8	HVAC-1st floor admin office	2009	7,295	365	20	365		1,125	8
9	2nd floor remodel	2009	9,331	339	27	339		1,356	9
10	Basement Office	2009	2,755	100	27	100		325	10
11	Patio Pergola	2009	8,905	445	20	445		1,483	11
12	3rd floor remodel-Carpentry,plumbing,electrical,handrails	2009	398,350		27	14,485	14,485	45,869	12
13	painting,alarm system								13
14									14
15									15
16									16
17	Med Room Remodel-painting,flooring	2010	5,531	202	27	202		454	17
18	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	51,465	4,149	27	4,149		8,298	18
19	Exhaust System	2010	83,215	3,035	27	3,035		6,070	19
20	Office spot cooler	2010	3,456	126	27	126		263	20
21	Ceiling insulations	2010	2,640	96	27	96		224	21
22	Remodel pantry-shelves	2010	4,402	161	27	161		362	22
23	Paint over bed lights	2010	5,512	201	27	201		402	23
24	Exterior Door	2010	2,618	95	27	95		198	24
25	Remodel Library/Lounge and physician office-flooring,	2010	7,796	284	27	284		599	25
26	art framing,flooring								26
27	2nd floor remodel-carpentry,plumbing,electrical	2010	4,838	176	27	176		485	27
28	Concrete repair-ramp & railing	2010	10,029	669	15	669		1,505	28
29	Office remodel-doors, carpentry, locks	2011	20,714	753	27	753		1,077	29
30	Landscaping Enhancements	2011	4,987	332	15	332		581	30
31	Fire pump and drain line	2011	8,360	304	27	304		330	31
32	Laundry room remodel-painting, tile	2011	7,835	285	27	285		380	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,062,541	\$ 43,084		\$ 256,919	\$ 213,835	\$ 3,554,109	34

**Improvement type must be detailed in order for the cost report to be considered complete

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2012

Ending:

12/31/2012

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.**

1	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 9,062,541	\$ 43,084		\$ 256,919	\$ 213,835	\$ 3,554,109	1
2	Locker Room-paint, cabinets	2011	7,504	273	27	273		364	2
3	2nd floor remodel-doors and locks	2011	17,692	643	27	643		857	3
4	HVAC Chiller	2011	99,609		27	3,622	3,622	5,131	4
5	Parking lot-Stripe and seal	2011	51,148		20	2,557	2,557	3,196	5
6									6
7	Building wiring	2012	25,124		27	228	228	228	7
8	Replace pipe kitchen	2012	4,202		27	89	89	89	8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18	Building - management company	2002	276,190		40	8,377	8,377	89,686	18
19	HVAC, electrical, security system - management company	2003	2,426		30	617	617	1,581	19
20	Key card system - management company	2004	381		20	19	19	160	20
21	VAV TX controls - management company	2005	116		20	6	6	46	21
22	Building improvements - management company	2006	84		20	6	6	35	22
23	Building improvements - management company	2008	13,384		20	716	716	3,621	23
24	Building improvements - management company	2009	2,498		15	47	47	468	24
25	Building improvements - management company	2010	2,435		15	103	103	411	25
26	Building improvements - management company	2011	1,719		15	82	82	119	26
27	Building improvements - management company		5,938		15	2	2	136	27
28				1,908			(1,908)		28
29	Reconcile book depreciation								29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,572,991	\$ 45,908		\$ 274,306	\$ 228,398	\$ 3,660,237	34

**Improvement type must be detailed in order for the cost report to be considered complete

XI. OWNERSHIP COSTS (continued)

C. Equipment Costs-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$1,464,906	\$111,798	\$223,255	\$111,457	5	\$907,082	71
72	Current Year Purchases	135,396	19,479	19,479		5	19,479	72
73	Fully Depreciated Assets	188,953				5	188,953	73
74	Allocated from Mgmt. Co.	485,790		40,542	40,542	5	280,463	74
75	TOTALS	\$2,275,045	\$131,277	\$283,276	\$151,999		\$1,395,977	75

D. Vehicle Costs. (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79	Allocated from Mgmt Co.			47,412		4,564	4,564		37,745	79
80	TOTALS			\$47,412	\$	\$4,564	\$4,564		\$37,745	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$12,410,407	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$177,185	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$562,146	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$384,961	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$5,093,959	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86	N/A	\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	N/A	\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions.
- ☐ YES☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6	Allocated from Management Company				4,107			6
7	TOTAL				\$ 4,107			7

**

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease
-

9. Option to Buy:
- ☐ YES☐ NO
- Terms: *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?
- ☐ YES☐ NO
16. Rental Amount for movable equipment: \$ 106,411Description: Copier-\$12,659, Mail Sys-\$186,Printer-\$1,975; Med Equip.-\$24,369, Oxy Equip.-\$65,548, Mgmt. Co.-\$1675
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19					19
20	Allocated from Management Company			1,869	20
21	TOTAL		\$	\$ 1,869	21

10. Effective dates of current rental agreement:

Beginning

Ending

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2013	\$
13.	/2014	\$
14.	/2015	\$

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?

☐ YES

☒ NO

It is the policy of this facility to only hire certified nurses aides.
If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:

IN-HOUSE PROGRAM

IN OTHER FACILITY

COMMUNITY COLLEGE

HOURS PER CNA

☐

☐

☐

3. CLINICAL PORTION:

IN-HOUSE PROGRAM

IN OTHER FACILITY

HOURS PER CNA

☐

☐

B. EXPENSES

C. CONTRACTUAL INCOME

ALLOCATION OF COSTS (d)

In the box below record the amount of income your facility received training CNAs from other facilities.

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	CNA Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.

(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.

(c) For in-house training programs only. Do not include fringe benefits.

(d) Allocate based on if the CNA is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own CNAs.

(e) The total amount of Drop-out and Completed Costs for your own CNAs must agree with Sch. V, line 13, col. 8.

(f) Attach a schedule of the facility names and addresses of those facilities for which you trained CNAs.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

	1	2	3	4	5	6	7	8		
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39(3)	hrs	\$	9,728	\$ 543,891	\$	9,728	\$ 543,891	1
2	Licensed Speech and Language Development Therapist	39(3)	hrs		1,979	111,050		1,979	111,050	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39(2),(3)	hrs		10,539	625,550	5,475	10,539	631,025	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39(2)	# of prescrpts				658,033		658,033	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify):									12
13	Other (specify):									13
14	TOTAL			\$	22,246	\$ 1,280,491	\$ 663,508	22,246	\$ 1,943,999	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as CNAs, who help with the above activities should not be listed on this schedule.

This report must be completed even if financial statements are attached.

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 554,975	\$ 556,436	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (351,960))	4,740,314	4,740,314	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)	165,815	215,049	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 5,461,104	\$ 5,511,799	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,906	8,906	12
13	Land		514,959	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	1,002,885	3,154,083	15
16	Equipment, at Historical Cost	911,535	2,322,457	16
17	Accumulated Depreciation (book methods)	(801,728)	(5,093,959)	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): <u>Mortgage Cost Net</u>		27,712	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,121,598	\$ 7,353,066	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 6,582,702	\$ 12,864,865	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 650,376	\$ 650,376	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	1,740,000	1,740,000	29
30	Accrued Salaries Payable	380,832	380,832	30
31	Accrued Taxes Payable (excluding real estate taxes)	4,867	4,867	31
32	Accrued Real Estate Taxes(Sch.IX-B)		180,000	32
33	Accrued Interest Payable		35,618	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Schedule 17A</u>	6,255,305	3,342,386	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 9,031,380	\$ 6,334,079	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	2,115,153	2,115,153	39
40	Mortgage Payable		6,814,221	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 2,115,153	\$ 8,929,374	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 11,146,533	\$ 15,263,453	46
47	TOTAL EQUITY(page 18, line 24)	\$ (4,563,831)	\$ (2,398,588)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 6,582,702	\$ 12,864,865	48

*(See instructions.)

Lexington Health Care Center of Lake Zurich, Inc.
Provider # 0039768
1/1/12-12/31/12

XV. Balance Sheet

C. Current Liabilities

Line 36.

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Due to Merit Hospice	40,000	40,000
PA Audit Settlement	184,416	184,416
Due from remodeling	49,234	49,234
Due to Republic Construction of Illinois, Inc	(37,164)	(37,164)
Accrued Expenses	86,621	86,621
Accrued resident tax	140,102	140,102
Accrued Rent	4,204,321	
Accrued Insurance	127,274	127,274
401K Withholding	3,078	3,078
Due to patient trust fund	21,748	21,748
Escrow Insurance	(128,417)	(128,417)
Prepaid insurance	45,979	45,979
Due to Royal Operations	51,495	51,495
Due to Chicago Ridge	714	714
Interest Rate Swap Liability		1,291,402
Professional Liability Claims	1,555,495	1,555,495
Advance-Bi-weekly Part A Payments	(52,252)	(52,252)
Uncollectible Part A Co. Pmts	(37,339)	(37,339)
	<u>6,255,305</u>	<u>3,342,386</u>

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (2,962,337)	1
2	Restatements (describe):		2
3	Post closing adjustment	(268,910)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (3,231,247)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,332,584)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (1,332,584)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (4,563,831)	24 *

* This must agree with page 17, line 47.

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/2012Ending: 12/31/2012

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

	1	2	
I. Revenue	Amount		
A. Inpatient Care			
1 Gross Revenue -- All Levels of Care	\$ 20,200,324	1	
2 Discounts and Allowances for all Levels	(10,119,076)	2	
3 SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 10,081,248	3	
B. Ancillary Revenue			
4 Day Care		4	
5 Other Care for Outpatients		5	
6 Therapy	3,853,289	6	
7 Oxygen	14,596	7	
8 SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 3,867,885	8	
C. Other Operating Revenue			
9 Payments for Education		9	
10 Other Government Grants		10	
11 CNA Training Reimbursements		11	
12 Gift and Coffee Shop	8,632	12	
13 Barber and Beauty Care	31,945	13	
14 Non-Patient Meals	1,023	14	
15 Telephone, Television and Radio		15	
16 Rental of Facility Space		16	
17 Sale of Drugs	553,572	17	
18 Sale of Supplies to Non-Patients		18	
19 Laboratory	202,995	19	
20 Radiology and X-Ray		20	
21 Other Medical Services	228,280	21	
22 Laundry		22	
23 SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,026,447	23	
D. Non-Operating Revenue			
24 Contributions		24	
25 Interest and Other Investment Income***	5,971	25	
26 SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 5,971	26	
E. Other Revenue (specify):****			
27 Settlement Income (Insurance, Legal, Etc.)		27	
28 Misc. Income/Recovery write off	942	28	
28a		28a	
29 SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 942	29	
30 TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 14,982,493	30	

	1	2	
II. Expenses	Amount		
A. Operating Expenses			
31 General Services	1,733,759	31	
32 Health Care	6,222,988	32	
33 General Administration	3,723,920	33	
B. Capital Expense			
34 Ownership	1,859,979	34	
C. Ancillary Expense			
35 Special Cost Centers	2,325,739	35	
36 Provider Participation Fee	448,692	36	
D. Other Expenses (specify):			
37		37	
38		38	
39		39	
40 TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 16,315,077	40	
41 Income before Income Taxes (line 30 minus line 40)**	(1,332,584)	41	
42 Income Taxes		42	
43 NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,332,584)	43	

	III. Net Inpatient Revenue detailed by Payer Source		
44	Medicaid - Net Inpatient Revenue	\$ 6,448,012	44
45	Private Pay - Net Inpatient Revenue	910,932	45
46	Medicare - Net Inpatient Revenue	1,667,333	46
47	Other-(specify) <u>Managed Care</u>	1,054,971	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	\$ 10,081,248	49

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No^ If not, please attach a reconciliation.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

^ - Entity is a cash basis tax payer.

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

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	2,002	2,385	\$ 139,371	\$ 58.44	1
2	Assistant Director of Nursing	29,502	35,808	1,019,492	28.47	2
3	Registered Nurses	26,164	31,457	1,061,151	33.73	3
4	Licensed Practical Nurses	31,252	37,790	1,023,453	27.08	4
5	CNAs & Orderlies	113,873	135,456	1,687,403	12.46	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	14,415	16,934	193,232	11.41	10
11	Social Service Workers	7,708	8,530	154,267	18.09	11
12	Dietician	1,828	2,222	40,787	18.36	12
13	Food Service Supervisor	2,563	2,839	60,410	21.28	13
14	Head Cook	1,905	2,222	36,286	16.33	14
15	Cook Helpers/Assistants	10,748	12,514	127,206	10.17	15
16	Dishwashers	11,737	13,967	123,085	8.81	16
17	Maintenance Workers	1,847	2,251	41,650	18.50	17
18	Housekeepers	27,630	33,018	318,022	9.63	18
19	Laundry	8,527	10,288	90,834	8.83	19
20	Administrator	1,270	1,803	104,777	58.11	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	10,964	13,841	253,232	18.30	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records	1,854	2,304	38,003	16.49	31
32	Other Health Care Memory Care	3,204	3,918	78,866	20.13	32
33	Other(specify) Marketing	5,068	5,631	143,689	25.52	33
34	TOTAL (lines 1 - 33)	314,061	375,178	\$ 6,735,216 *	\$ 17.95	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	\$ 7,174	1(3)	35
36	Medical Director	Monthly	107,250	9(3)	36
37	Medical Records Consultant	Monthly	2,428	10(3)	37
38	Nurse Consultant	Monthly	99,591	10(3)	38
39	Pharmacist Consultant	Monthly	14,256	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	5,462	11(3)	44
45	Social Service Consultant	Monthly	4,869	12(3)	45
46	Other(specify) Psychosocial	12	3,048	12(3)	46
47	Pulmonary	Monthly	50,560	10(3)	47
48	Medical Consultant	Monthly	3,986	10(7)	48
49	TOTAL (lines 35 - 48)	12	\$ 298,624		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$		50
51	Licensed Practical Nurses				51
52	Certified Nurse Assistants/Aides	5,671	129,364	10(3)	52
53	TOTAL (lines 50 - 52)	5,671	\$ 129,364		53

Lexington Health Care Center of Lake Zurich, Inc.
Provider # 0039768
1/1/12-12/31/12
Section XIX

Schedule 21C

C. Professional Fees

Vendor/Payee	Type	Amount
Ability Network	Computer Consulting	1,076
EFAX Corporate	Computer Consulting	1,165
Ehealth Data Solutions	Computer Consulting	2,400
Elton Designs	Computer Consulting	260
Facility Wizard	Computer Consulting	358
Genesis Technology	Computer Consulting	448
Health MedX	Computer Consulting	15,183
Information Controls	Computer Consulting	1,754
Kronos	Computer Consulting	1,392
Lintech LLC	Computer Consulting	4,308
Microsoft Licensing	Computer Consulting	14,356
MY Innerview	Computer Consulting	6,335
National Datacare	Computer Consulting	2,037
On Shift	Computer Consulting	8,016
Oracle	Computer Consulting	8,626
Paragon Clinical	Computer Consulting	1,200
Realmed	Computer Consulting	71
Relias Learning	Computer Consulting	3,864
Silver Chair Learning Systems	Computer Consulting	3,864
Softchoice Corp	Computer Consulting	1,316
Telemedicine Solutions	Computer Consulting	7,200
Top Notch	Computer Consulting	109
Trisys	Computer Consulting	140
TYMPANI	Computer Consulting	1,196
Virtual Rabbit	Computer Consulting	10
XO Communications	Computer Consulting	118
		<u>86,802</u>

Total Schedule V, line 19 column 3 272,157

Less Collections (2,958)

Out of period legal	(30,532)
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Sambell of Lake Zurich	
James Samatas	330

Lexington Health Care Center of Lake Zurich, Inc.
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Allocated from Management Co.		
Much Shelist	Legal	569
Duane Morris	Legal	38
Cassiday Schade	Legal	2
McGladrey LLP	Accounting	1,358
Illinois Secretary of State	Filing Fees	32
Gilson Labus & Silverman	KEP	380
Tam Kaiden	Investigative Services	48
Bank of America Leasing	UCC Search & Filing	20
Versight Inc.	Annual Report-Health Ins	112
Personnel Planners	U/C Consultant	20
LaSalle Network	Recruiting/Finance	1,438
Pension Administrators, Inc.	401K Administration	277
Gene Whitehorn	Medicaid Reimb Specialist	1,099
Christine Toolan	Social Service Consulting	18
M Werner Consulting	Financial Consultant	964
Computer Services	Computer Consulting	17,924

24,299

Allocated from Samvest of Lombard		
Accounting		263

Total Schedule V, line 19, column 8	263,559
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XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3										N/A			
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

XX. GENERAL INFORMATION:

- (1)

Are nursing employees (RN,LPN,NA) represented by a union?

No
- (2)

Are there any dues to nursing home associations included on the cost report?

No

If YES, give association name and amount.

N/A
- (3)

Did the nursing home make political contributions or payments to a political action organization?

No

If YES, have these costs been properly adjusted out of the cost report?

N/A
- (4)

Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year?

No

If YES, what is the capacity?

N/A
- (5)

Have you properly capitalized all major repairs and equipment purchases?

Yes

What was the average life used for new equipment added during this period?

5 Years
- (6)

Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V.

\$ 65,196

Line

10(2)
- (7)

Have all costs reported on this form been determined using accounting procedures consistent with prior reports?

Yes

If NO, attach a complete explanation.
- (8)

Are you presently operating under a sale and leaseback arrangement?

No

If YES, give effective date of lease.

N/A
- (9)

Are you presently operating under a sublease agreement?

YES

X

NO
- (10)

Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)?

YES

NO

X

If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over.

N/A
- (11)

Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period.

\$ 448,692

This amount is to be recorded on line 42 of Schedule V.
- (12)

Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee?

No

If YES, attach an explanation of the allocation.

- (13)

Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V?

Yes
- (14)

Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B?

No

For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15)

Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V.

\$ 15,037

Has any meal income been offset against related costs?

Yes

Indicate the amount.

\$ 1,023
- (16)

Travel and Transportation

a. Are there costs included for out-of-state travel?

No

If YES, attach a complete explanation.

b. Do you have a separate contract with the Department to provide medical transportation for residents?

No

If YES, please indicate the amount of income earned from such a program during this reporting period.

\$ N/A

c. What percent of all travel expense relates to transportation of nurses and patients?

0

d. Have vehicle usage logs been maintained?

Adequate records have been maintained.

e. Are all vehicles stored at the nursing home during the night and all other times when not in use?

Yes

f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?

Yes

g. Does the facility transport residents to and from day training?

No

Indicate the amount of income earned from providing such transportation during this reporting period.

\$ N/A
- (17)

Has an audit been performed by an independent certified public accounting firm?

No

Firm Name:

N/A
- (18)

Have all costs which do not relate to the provision of long term care been adjusted out out of Schedule V?

Yes
- (19)

If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report?

Yes

Attach invoices and a summary of services for all architect and appraisal fees.