

Facility Name & ID Number Lee Manor

0024356 Report Period Beginning: 01/01/04 Ending: 12/31/04

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 beds N/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	282	Skilled (SNF)	282	103,212	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	282	TOTALS	282	103,212	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 Patient Days by Level of Care and Primary Source of Payment			5 Total	
		2 Public Aid Recipient	3 Private Pay	4 Other		
8	SNF	7,757		4,179	11,936	8
9	SNF/PED					9
10	ICF	36,115	12,444	751	49,310	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	43,872	12,444	4,930	61,246	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 59.34%

D. How many bed-hold days during this year were paid by Public Aid? 0 (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? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES NO 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 6/29/79

J. Was the facility purchased or leased after January 1, 1978?
YES Date N/A NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 46 and days of care provided 4,179

Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/04 Fiscal Year: 12/31/04

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

STATE OF ILLINOIS

Facility Name & ID Number Lee Manor # 0024356 Report Period Beginning: 01/01/04 Ending: 12/31/04

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

	Operating Expenses	Costs Per General Ledger				Reclassification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
A. General Services											
1	Dietary	330,461	39,544	11,287	381,292		381,292	(1,828)	379,464		1
2	Food Purchase		301,834		301,834		301,834	(5,648)	296,186		2
3	Housekeeping	284,998	32,027		317,025		317,025		317,025		3
4	Laundry	60,525	24,692		85,217		85,217	(5,820)	79,397		4
5	Heat and Other Utilities			215,892	215,892		215,892		215,892		5
6	Maintenance	45,198	12,424	53,452	111,074		111,074		111,074		6
7	Other (specify):*										7
8	TOTAL General Services	721,182	410,521	280,631	1,412,334		1,412,334	(13,296)	1,399,038		8
B. Health Care and Programs											
9	Medical Director			24,000	24,000		24,000		24,000		9
10	Nursing and Medical Records	3,154,481	316,498	3,907	3,474,886		3,474,886		3,474,886		10
10a	Therapy			456,968	456,968		456,968		456,968		10a
11	Activities	160,785	34,781	2,480	198,046		198,046		198,046		11
12	Social Services	55,483		5,613	61,096		61,096		61,096		12
13	Nurse Aide Training										13
14	Program Transportation										14
15	Other (specify):*										15
16	TOTAL Health Care and Programs	3,370,749	351,279	492,968	4,214,996		4,214,996		4,214,996		16
C. General Administration											
17	Administrative	163,464		93,333	256,797		256,797		256,797		17
18	Directors Fees										18
19	Professional Services			113,085	113,085		113,085	(21,034)	92,051		19
20	Dues, Fees, Subscriptions & Promotions			20,426	20,426		20,426	(4,309)	16,117		20
21	Clerical & General Office Expenses	235,540	40,396	56,723	332,659		332,659	39	332,698		21
22	Employee Benefits & Payroll Taxes			618,000	618,000		618,000	5,648	623,648		22
23	Inservice Training & Education			6,393	6,393		6,393		6,393		23
24	Travel and Seminar			3,982	3,982		3,982		3,982		24
25	Other Admin. Staff Transportation			6,348	6,348		6,348		6,348		25
26	Insurance-Prop.Liab.Malpractice			192,400	192,400		192,400		192,400		26
27	Other (specify):*										27
28	TOTAL General Administration	399,004	40,396	1,110,690	1,550,090		1,550,090	(19,656)	1,530,434		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,490,935	802,196	1,884,289	7,177,420		7,177,420	(32,952)	7,144,468		29

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number **Lee Manor**

#0024356

Report Period Beginning: 01/01/04 Ending: 12/31/04

12/31/04

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			65,649	65,649		65,649	157,136	222,785			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			17,428	17,428		17,428	377,474	394,902			32
33	Real Estate Taxes							416,522	416,522			33
34	Rent-Facility & Grounds			1,325,980	1,325,980		1,325,980	(1,325,980)				34
35	Rent-Equipment & Vehicles			7,232	7,232		7,232		7,232			35
36	Other (specify):*											36
37	TOTAL Ownership			1,416,289	1,416,289		1,416,289	(374,848)	1,041,441			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		145,589	9,900	155,489		155,489		155,489			39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			154,818	154,818		154,818		154,818			42
43	Other (specify):* Nonallowable Costs			137,856	137,856		137,856	(137,856)				43
44	TOTAL Special Cost Centers		145,589	302,574	448,163		448,163	(137,856)	310,307			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,490,935	947,785	3,603,152	9,041,872		9,041,872	(545,656)	8,496,216			45

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

**See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending: 12/31/04

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.

In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	39,411	30		9
10	Interest and Other Investment Income	(1,019)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(2,520)	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	(148)	43		18
19	Entertainment	(2,420)	43		19
20	Contributions	(8,575)	43		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers	(7,950)	19		22
23	Malpractice Insurance for Individuals				23
24	Bad Debt	(63,465)	43		24
25	Fund Raising, Advertising and Promotional	(60,120)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Schedule 5A	(13,297)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (120,103)		\$	30

OHF 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)	(425,553)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (425,553)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (545,656)		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	Exceptional Care Program		x			44
45	Other-Attach Schedule		x			45
46	Other-Attach Schedule		x			46
47	TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Lee Manor
Provider #: 0024356
01/01/04 to 12/31/04

Schedule 5A

VI. Adjustment Detail
Line 29 - Other

<u>Non-allowable expenses</u>	<u>Amount</u>	<u>Reference</u>
X-Ray	(4,309)	43
Laboratory	(358)	43
Trust fees	(250)	43
Misc. Income offset	(732)	32
Vending Income offset	(1,828)	1
Laundry Income offset	(5,820)	4
Total	<u><u>(13,297)</u></u>	

SEE ACCOUNTANTS' COMPILATION REPORT

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Gamma Trusts (7)	45	See Schedule 6A		Seneca Building	Des Plaines	Lessor
Dorothy Vangel QSS Trust	33.75			Limited Partnership		
Descendants' GST Trusts (5)	11.25					
Chester Plodzien	10					

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	30 Depreciation	\$	Seneca Building Limited Partnership	100.00%	\$ 117,725	\$	117,725	1
2	V	32 Interest		Seneca Building Limited Partnership	100.00%	378,493		378,493	2
3	V	33 Real estate taxes		Seneca Building Limited Partnership	100.00%	404,209		404,209	3
4	V	34 Rent - Facility & Grounds	1,325,980	Seneca Building Limited Partnership	100.00%			(1,325,980)	4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total		\$ 1,325,980			\$ 900,427	\$ *	(425,553)	14

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

Seneca Nursing Home, Inc. d/b/a Lee Manor Nursing Residence

Provider #0024356

12/31/2004

Schedule 6A

Page 6, Schedule VII, Part A: Related Nursing Home

<u>Name</u>	<u>City</u>
Lexington Health Care Center of Schaumburg, Inc.	Schaumburg
Lexington Health Care Center of Lombard, Inc.	Lombard
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Streamwood, Inc.	Streamwood
Lexington Health Care Center of Elmhurst, Inc.	Elmhurst
Lexington Health Care Center of LaGrange, Inc.	LaGrange
Lexington Health Care Center of Lake Zurich, Inc.	Lake Zurich
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Orland Park, Inc.	Orland Park
Butterfield Health Care II, Inc. - Meadowbrook Manor	Naperville
Butterfield Health Care, Inc. - Meadowbrook Manor	Bolingbrook

See Accountants' Compilation Report

Facility Name & ID Number Lee Manor # 0024356 Report Period Beginning: 01/01/04 Ending: 12/31/04

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	Chester Plodzien	Owner/Officer	Administrative	10.00	None	40+	100.00	Salary	\$ 54,000	L17,C1	1
2	Chester Plodzien	Owner/Officer	Administrative	10.00	None	40+	100.00	Mgmt. Fee	9,333	L17,C3	2
3	Nicholas Vangel	Administrative	Administrative	0.00	None	8+	20.00	Mgmt. Fee	42,000	L17,C3	3
4	Jason Samatas	Administrative	Administrative	6.4285**	127,845	8+	20.00	Mgmt. Fee	42,000	L17,C3	4
5	Sean Dimas	Administrative	Administrative	6.67*	None	40+	100.00	Salary	22,088	L17,C1	5
6											6
7			See Schedule 7A								7
8											8
9		*Ownership of Lee Manor held by Decendants S Corp Trust F/B/O Sean William Dimas									9
10		**Ownership of Lee Manor held by George Samatas 1998 Gamma Trust for Jason U/A/D 11/25/98									10
11											11
12											12
13								TOTAL	\$ 169,421		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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356 Report Period Beginning: 01/01/04

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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

Name of Related Organization _____
 Street Address _____
 City / State / Zip Code _____
 Phone Number () _____
 Fax Number () _____

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

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					\$	\$		\$	1
2									2
3									3
4									4
5									5
6			N/A						6
7									7
8									8
9									9
10									10
11									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				\$	\$		\$	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor # 0024356 Report Period Beginning: 01/01/04 Ending: 12/31/04

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	
						Original	Balance					
	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									
	A. Directly Facility Related											
	Long-Term											
1	Bank One, NA		X	Mortgage	\$40,806.00	8/15/03	\$ 6,500,000	\$ 6,323,843	8/15/10	0.0575	\$ 373,691	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Bank One, NA		X	Line of Credit	Interest only	8/15/03	2,000,000	643,753	8/15/04	Variable	17,428	6
7	Advacare Systems		X	Purchase of Beds	\$408.00	12/15/03	4,894	816	12/15/04	None		7
8	Shareholder loan	X			Interest only		200,000	200,000	Demand	0.0400		8
9	TOTAL Facility Related				\$41,214.00		\$ 8,704,894	\$ 7,168,412			\$ 397,995	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$ (3,093)	14
15	TOTALS (line 9+line14)						\$ 8,704,894	\$ 7,168,412			\$ 394,902	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ None 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.) SEE ACCOUNTANTS' COMPILATION REPORT

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

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lee Manor COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0024356

CONTACT PERSON REGARDING THIS REPORT Chester Plodzior

TELEPHONE (847)635-4000 FAX #: (847) 827-5796

A. Summary of Real Estate Tax Cos

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 200:

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. 09-20-400-033-0000	Seneca Nursing Home	\$ 408,894.00	\$ 408,894.00
2. _____	_____	\$ _____	\$ _____
3. _____	_____	\$ _____	\$ _____
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>408,894.00</u>	\$ <u>408,894.00</u>

B. Real Estate Tax Cost Allocation:

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

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (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 2003 tax bills which were listed in Section A to this statement. Be sure to use the 200 tax bill which is normally paid during 2004

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning:

01/01/04

Ending:

12/31/04

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 106,300 B. General Construction Type: Exterior Brick, Dryvit Frame Fire-Proof brick Number of Stories 5C. 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 ground: (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

NoneF. 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: N/A 2. Number of Years Over Which it is Being Amortized: N/A3. Current Period Amortization: N/A 4. Dates Incurred: N/A

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	Land	110,000	1977	\$ 273,400	1
2					2
3	TOTALS	110,000		\$ 273,400	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

1	2	3	4	5	6	7	8	9	
Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4	272	1979	1979	\$ 4,087,968	\$	40	102,999	\$ 102,999	\$ 2,520,397
5		1979	1979	337,653		40	8,441	8,441	214,708
6	10	1985	1985	226,649	3,512	40	6,475	2,963	126,263
7									
8									
Improvement Type**									
9	Improvements	1979		6,000		N/A			
10	Improvements	1981		42,962		20			49,962
11	Audit Adjustment	1979		2,779		40	69	69	1,766
12	Audit Adjustment	1981		90,599		40	2,265	2,265	14,967
13	Improvements	1983		46,881		20			46,881
14	Audit Adjustment	1984		25,000		20	1,250	1,250	24,375
15	Improvements	1986		36,400	1,893	20	1,820	(73)	33,670
16	Improvements	1988		8,536	271	31.5	271		4,359
17	Improvements	1989		7,785		31.5	311	311	4,924
18	Improvements	1989		9,621	552	15	641	89	9,621
19	Improvements	1991		18,843		15	1,256	1,256	16,869
20	Improvements	1992		61,618	1,956	20	3,081	1,125	39,283
21	Improvements	1993		4,548	117	20	227	110	2,611
22	Improvements	1993		36,719		40	917	917	10,087
23	Improvements	1994		16,738		40	418	418	4,389
24	Improvements	1994		8,299	213	40		(213)	8,299
25	Improvements	1995		8,287	155	40	415	260	3,942
26	Improvements	1995		87,711	2,318	40	2,156	(162)	20,500
27	Brick work	1996		3,040	78	20	152	74	1,292
28	Roof Replacement	1996		1,465	38	20	73	35	621
29	Facia, Overhang renovation	1996		75,200		39	1,902	1,902	16,180
30	Hot Water heater	1996		16,084		39	417	417	3,542
31	Insulation	1997		38,770	892	39	994	102	7,455
32	Roofing	1997		5,875		39	150	150	1,125
33									
34									
35									
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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-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	Refurbishing of hallways and patient rooms	1997	\$ 59,595	\$	20	\$ 2,980	\$ 2,980	\$ 22,579		37
38	Tile	1997	20,696		20	1,035	1,035	7,842		38
39	Electrical improvements	1997	4,112		20	206	206	1,561		39
40	Plumbing Improvements	1997	3,773		20	188	188	1,425		40
41	Basement remodeling	1998	13,578	348	20	679	331	4,413		41
42	smoke dampers	1998	2,235	57	20	112	55	728		42
43	Circulating pump	1998	2,630	67	20	132	65	858		43
44	Fire alarm system	1998	4,715	121	20	236	115	1,534		44
45	Compressor	1998	7,653	196	20	382	186	2,483		45
46	Boiler Valve	1998	3,233	83	20	162	79	1,053		46
47	Window Glazing	1998	2,566	66	20	128	62	832		47
48	Landscaping	1998	977	25	20	48	23	312		48
49	Patio Brick	1998	2,590	66	20	130	64	845		49
50	Ceiling Tiles	1998	2,233		20	112	112	1,573		50
51	Window Treatments	1998	2,470	131	20	124	(7)	806		51
52	Sliding Doors	1999	854		20	43	43	236		52
53	Air Conditioning improvements	1999	685		20	34	34	187		53
54	Code Alert Wandering Svstem	1999	511		20	26	26	143		54
55	Elevator upgrade	1999	50,000	1,295	20	2,500	1,205	13,750		55
56	Roof Improvements	1999	3,567		20	178	178	979		56
57	Hallway renovation-ceiling tile,wiring,painting , doos & tile	2000	40,411	1,036	39	1,036		4,781		57
58	Elevators	2000	20,000	513	39	513		2,459		58
59	hallway renovation-Labor	2000	9,048	232	39	232		1,073		59
60	Hallway Renovation- materials. Painting and labor	2000	7,303	187	39	187		851		60
61	Painting- labor	2000	2,859	73	39	73		332		61
62	Compressor	2000	20,674	530	39	530		2,187		62
63	windows	2000	91,557	2,348	39	2,348		9,686		63
64	Automatic Doors	2000	1,985	51	39	51		244		64
65	Painting - Labor	2000	11,630	298	39	298		1,304		65
66										66
67										67
68										68
69										69
70	TOTAL (lines 4 thru 69)		\$ 5,706,170	\$ 19,718		\$ 151,403	\$ 131,685	\$ 3,275,144		70

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-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	
1	Totals from Page 12A, Carried Forward		\$ 5,706,170	\$ 19,718		\$ 151,403	\$ 131,685	\$ 3,275,144	1
2	Furnace Room Improvements	2001	3,259	84	39	84		318	2
3	Third floor remodeling	2001	72,480	1,858	39	1,858		6,034	3
4	fourth floor remodeling	2001	64,481	1,653	39	1,653		5,027	4
5	water heater, wallpaper & tile	2001	19,553	501	39	501		1,942	5
6	remodeling	2001	5,768	148	39	148		537	6
7	Window Systems	2001	8,059	207	39	207		819	7
8	Renovation Floor 2 & 5, balance of floor 3&4	2002	340,426	8,729	39	8,729		22,193	8
9	Renovation floor 1, residual of floor 2 & 5	2002	181,976	4,666	39	4,666		9,527	9
10	Building Signs	2002	1,449	37	39	37		85	10
11	Beauty Parlor	2002	681	17	39	17		36	11
12	Alarm	2002	893	23	39	23		58	12
13	Door Enunciator	2002	1,944	50	39	50		127	13
14	2nd Floor Renovation	2003	87,417	2,661	39	2,241	(420)	2,432	14
15	Exterior Rehab - Dryvit	2003	23,197	201	39	595	394	646	15
16	Exterior Rehab - Dryvit	2003	36,728		39	942	942	1,022	16
17	Fuel Tank	2003	16,616		39	426	426	462	17
18	Alarm System	2003	35,000		39	897	897	974	18
19	Kitchen Repairs	2003	2,005		39	51	51	56	19
20	Parking lot repairs	2003	2,155		39	55	55	60	20
21	Door Hardware	2003	1,354		39	35	35	38	21
22	Carpet for offices	2003	1,468		39	38	38	40	22
23	Landscaping	2003	6,386		39	164	164	178	23
24	Rebuild Kitchen Stairwell	2003	1,580		39	41	41	44	24
25	Grab bars	2003	1,102		39	28	28	30	25
26	water Heater & Storage Tanks	2003	13,634		39	350	350	380	26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 6,635,781	\$ 40,553		\$ 175,239	\$ 134,686	\$ 3,328,209	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-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	
1	Totals from Page 12B, Carried Forward		\$ 6,635,781	\$ 40,553		\$ 175,239	\$ 134,686	\$ 3,328,209	1
2	Landscaping	2004	11,953	166	15	398	232	221	2
3	Dialysis room	2004	3,188	57	27.5	57		57	3
4	Air handler	2004	8,529		27.5	155	155	155	4
5	Back entrance renovation	2004	4,104		27.5	75	75	75	5
6	Building face resurfacing	2004	47,218		27.5	859	859	859	6
7	Chimney inducer	2004	32,366		27.5	588	588	588	7
8	Dialysis room	2004	13,645		27.5	248	248	248	8
9	Floor renovation	2004	78,376		27.5	1,425	1,425	1,425	9
10	Tunner cleaning	2004	1,260		27.5	23	23	23	10
11	Refuse disposal	2004	5,012		27.5	91	91	91	11
12	Roofing	2004	14,500		27.5	264	264	264	12
13	Security System	2004	59,500		27.5	1,082	1,082	1,082	13
14	Water heater & storage tank	2004	20,208		27.5	367	367	367	14
15	Painting	2004	3,510		27.5	64	64	64	15
16	Pump	2004	4,922		27.5	89	89	89	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	TOTAL (lines 1 thru 33)		\$ 6,944,072	\$ 40,776		\$ 181,024	\$ 140,248	\$ 3,333,817	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-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	\$ 384,305	\$ 39,580	\$ 39,580	\$	Various	\$ 162,245	71
72	Current Year Purchases	30,537	2,181	2,181		7 years	2,181	72
73	Fully Depreciated Assets	765,618					765,618	73
74								74
75	TOTALS	\$ 1,180,460	\$ 41,761	\$ 41,761	\$		\$ 930,044	75

D. Vehicle Depreciation (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										79
80	TOTALS			\$	\$	\$	\$		\$	80

E. Summary of Care-Related Assets

	1	2	
	Reference	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)	\$ 8,397,932	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 82,537	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 222,785	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 140,248	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 4,263,861	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		\$	\$	\$	86
87	N/A				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								6
7	TOTAL				\$			7

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.	<u>/2005</u>	\$ _____
13.	<u>/2006</u>	\$ _____
14.	<u>/2007</u>	\$ _____

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: \$ 7,232 Description: See Sch 14A
 (Attach a schedule detailing the breakdown of movable equipment)

* 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.

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					20
21	TOTAL		\$	\$	21

Lee Manor
Provider #: 0024356
12/31/04

Schedule 14A

XII. Rental Costs

Line 16 Rental amount for movable equipment:

Lessor	Equipment Type	Cost
Advanced systems	Mattresses	1,028
KCI	Medical equipment	922
Pitney - Bowes	Postage meter	187
ADT Security Service	Security equipment	273
City Capital	Copier	4,822
		<u>7,232</u>

SEE ACCOUNTANTS' COMPILATION REPORT

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

<p>1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD? 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.</p>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	<p>2. CLASSROOM PORTION:</p> IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> COMMUNITY COLLEGE <input type="checkbox"/> HOURS PER AIDE _____	<p>3. CLINICAL PORTION:</p> IN-HOUSE PROGRAM <input type="checkbox"/> IN OTHER FACILITY <input type="checkbox"/> HOURS PER AIDE _____
--	--	---	--

B. EXPENSES

ALLOCATION OF COSTS (d)

	Facility			
	1	2	3	4
	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 Nurse Aide Competency Tests				
9 TOTALS	\$	\$	\$	\$
10 SUM OF line 9, col. 1 and 2 (e)	\$			

- (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 aide 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 aides.

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF AIDES TRAINED

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

- (e) The total amount of Drop-out and Completed Costs for your own aides 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 aides.
- SEE ACCOUNTANTS' COMPILATION REPORT

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

	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	L10a, C3	hrs	\$	15,041	\$ 210,572	\$	15,041	\$ 210,572	1
2	Licensed Speech and Language Development Therapist	L10a, C3	hrs		2,370	33,186		2,370	33,186	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10a, C3	hrs		19,383	213,210		19,383	213,210	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescripts				145,589		145,589	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): <u>See Schedule 16A</u>	L39, C3				9,900			9,900	13
14	TOTAL			\$	36,794	\$ 466,868	\$ 145,589	36,794	\$ 612,457	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 nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Lee Manor

Provider #: 0024356

01/01/04 to 12/31/04

Schedule 16A

XIV. Special Services

Line 13 Other (specify):

Service	Line Reference	Outside Practioner Units	Cost	Supplies
Dialysis	L39, C3		3,920	
Dentist	L39, C3		5,980	
		Total	<u>9,900</u>	

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 17

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending:

12/31/04

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/04

(last day of reporting year)

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	\$ 58,436	\$ 59,037	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 345,626)	1,468,761	1,468,761	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	115,045	115,045	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	(730,727)	(3,473)	8
9	Other(specify): Escrow - taxes		137,209	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 911,515	\$ 1,776,579	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		273,400	13
14	Buildings, at Historical Cost	760,288	5,459,590	14
15	Leasehold Improvements, at Historical Cost	1,001,820	1,484,482	15
16	Equipment, at Historical Cost	1,185,774	1,180,460	16
17	Accumulated Depreciation (book methods)	(1,524,018)	(4,263,861)	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): Mortgage costs		38,677	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,423,864	\$ 4,172,748	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,335,379	\$ 5,949,327	25

		1	2	
		Operating	After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 705,790	\$ 705,790	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	376,744	376,744	28
29	Short-Term Notes Payable	844,569	844,569	29
30	Accrued Salaries Payable	283,201	283,201	30
31	Accrued Taxes Payable (excluding real estate taxes)	152,099	152,099	31
32	Accrued Real Estate Taxes(Sch.IX-B)		400,315	32
33	Accrued Interest Payable	154	154	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	See Schedule 17A	55,243	62,157	36
37	See Schedule 17A	34,122	34,122	37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 2,451,922	\$ 2,859,151	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable			39
40	Mortgage Payable		6,323,843	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)	\$	\$ 6,323,843	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,451,922	\$ 9,182,994	46
47	TOTAL EQUITY(page 18, line 24)	\$ (116,543)	\$ (3,233,667)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,335,379	\$ 5,949,327	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Seneca Nursing Home Inc., d/b/a Lee Manor Nursing Residence

Provider # 0024356

12/31/2004

Schedule 17A

XV. Balance Sheet

C. Current Liabilities

Operating

Consolidation

Line 36 - Other Current Liabilities

Accrued Expenses	513	513
Due to Related Party	-	6,914
Accrued Insurance	46,678	46,678
401(k) Withholding	8,052	8,052
<u>Total - Line 36</u>	<u>55,243</u>	<u>62,157</u>

Line 37 - Other Current Liabilities

Due to Third Party	34,122	34,122
<u>Total - Line 36</u>	<u>34,122</u>	<u>34,122</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 754,607	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 754,607	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(871,150)	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)	\$ (871,150)	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)	\$ (116,543)	24 *

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending:

Page 19
12/31/04

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	
Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 10,634,308	1
2	Discounts and Allowances for all Levels	(3,666,449)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 6,967,859	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	873,862	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 873,862	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care	4,629	13
14	Non-Patient Meals	1,828	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	136,760	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	9,860	19
20	Radiology and X-Ray		20
21	Other Medical Services	168,161	21
22	Laundry	5,820	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 327,058	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	1,019	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 1,019	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Misc Income	924	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 924	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 8,170,722	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,412,334	31
32	Health Care	4,214,996	32
33	General Administration	1,550,090	33
B. Capital Expense			
34	Ownership	1,416,289	34
C. Ancillary Expense			
35	Special Cost Centers	293,345	35
36	Provider Participation Fee	154,818	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 9,041,872	40
41	Income before Income Taxes (line 30 minus line 40)**	(871,150)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (871,150)	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? Yes 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. SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending:

12/31/04

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	1,312	1,400	\$ 54,287	\$ 38.78	1
2	Assistant Director of Nursing	419	426	11,263	26.44	2
3	Registered Nurses	42,578	42,578	1,161,597	27.28	3
4	Licensed Practical Nurses	10,001	10,001	248,684	24.87	4
5	Nurse Aides & Orderlies	128,503	128,503	1,376,537	10.71	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	4,370	4,810	52,580	10.93	8
9	Activity Director					9
10	Activity Assistants	17,506	18,714	160,785	8.59	10
11	Social Service Workers	4,717	5,133	55,483	10.81	11
12	Dietician					12
13	Food Service Supervisor					13
14	Head Cook					14
15	Cook Helpers/Assistants	39,379	42,135	330,461	7.84	15
16	Dishwashers					16
17	Maintenance Workers	3,296	3,640	45,198	12.42	17
18	Housekeepers	37,696	40,796	284,998	6.99	18
19	Laundry	7,902	8,699	60,525	6.96	19
20	Administrator	1,960	2,000	87,376	43.69	20
21	Assistant Administrator	1,155	1,227	22,088	18.00	21
22	Other Administrative	2,000	2,080	54,000	25.96	22
23	Office Manager					23
24	Clerical	12,687	13,713	235,540	17.18	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	4,207	4,561	50,874	11.15	31
32	Other Health Care(specify)					32
33	Other(specify) See Schedule 20A	6,640	7,280	198,659	27.29	33
34	TOTAL (lines 1 - 33)	326,328	337,696	\$ 4,490,935 *	\$ 13.30	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	244	\$ 11,287	C1, C3	35
36	Medical Director	Monthly	24,000	L9, C3	36
37	Medical Records Consultant	20	2,407	C10, C3	37
38	Nurse Consultant				38
39	Pharmacist Consultant				39
40	Physical Therapy Consultant	16	1,500	L10, C3	40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	32	2,480	L11, C3	44
45	Social Service Consultant	96	5,013	L12, C3	45
46	Other(specify)				46
47	Religious service	Monthly	600	L12, C3	47
48					48
49	TOTAL (lines 35 - 48)	408	\$ 47,287		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	N/A		51
52	Nurse Aides			52
53	TOTAL (lines 50 - 52)	\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

Seneca Nursing Home, Inc. d/b/a Lee Manor Nursing Residence
Provider # 0024356
12/31/2004

Schedule 20A

Name	Number of Hrs. Actually Worked	# of hours Paid	Reporting period Total Sal &
Nurse Supervisor	4388	4868	140,073
MDS Coordinator	2252	2412	58,586
Total	6,640	7,280	198,659

See Accountants' Compilation Report

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending: 12/31/04

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Elizabeth Meyers	Administrator	0	\$ 15,038	Workers' Compensation Insurance	\$ 64,200	IDPH License Fee	\$	
Sean Dimas	Asst. Administrator	6.67	22,088	Unemployment Compensation Insurance	35,728	Advertising: Employee Recruitment		
Chester Plodzien	Administrative	10	54,000	FICA Taxes	323,427	Health Care Worker Background Check (Indicate # of checks performed <u>45</u>)	540	
Carol L Terrill	Administrator	0	72,338	Employee Health Insurance	160,311	Illinois Council on Long-Term Care	6,389	
				Employee Meals	5,648	Miscellaneous Dues & Subscriptions	3,484	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous License and Permits	4,931	
				401(K) Contributions	26,695	Misc. Inspections	773	
				Other employee benefits	7,639			
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 163,464			Less: Public Relations Expense	()	
B. Administrative - Other						Non-allowable advertising	()	
Description			Amount			Yellow page advertising	()	
Management Fees			\$ 93,333					
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 93,333	TOTAL (agree to Schedule V, line 22, col.8)	\$ 623,648	TOTAL (agree to Sch. V, line 20, col. 8)	\$ 16,117	
C. Professional Services				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Vendor/Payee	Type		Amount	Description	Line #	Amount	Description	Amount
Richard P Sora	Legal		\$ 7,674				Out-of-State Travel	\$
Schiff Hardin & Wait	Legal		11,844					
Sachnoff & Waver LTD	Legal		869				In-State Travel	
James Samatas	Legal		368	N/A				
Daniel G. Austin	Legal		413					
MC Cracken Walsh	Legal		2,346				Seminar Expense	3,982
Dennis W. Hetler	Legal		9,967					
American Express TBS	Accounting		9,716					
Altschuler Melvoin & Glasser	Accounting		12,355				Entertainment Expense	()
Peterek & House	Accounting		8,000				(agree to Sch. V, line 24, col. 8)	
Systematic Management	Billing Consultant		14,720				TOTAL	\$ 3,982
See Schedule 21A			34,813					
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$2500 attach copy of invoices.)			\$ 113,085	TOTAL		\$		

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Lee Manor
Provider # 0024356
12/31/04

Schedule 21A

XIX. SUPPORT SCHEDULE
C. Professional Services

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
ADP	Data Processing	12,710
Unemployment Tax Consultant		703
NE Financial	Recruiting	4,900
Century Personnel	Recruiting	16,500
		<u>34,813</u>
Total (agree to Schedule V, line 19, column 3)		113,085
Out-of-period reclassification		(276)
Reclassification to General - Misc.		(771)
Reclassification due to collection fees		(7,674)
Reclassification to RE taxes		(12,313)
Total (agree to Schedule V, line 19, column 8)		<u>92,051</u>

SEE ACCOUNTANTS' COMPILATION REPORT

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
 (See instructions.)

	1 Improvement Type	2 Month & Year Improvement Was Made	3 Total Cost	4 Useful Life	5-13 Amount of Expense Amortized Per Year								
					5 FY2001	6 FY2002	7 FY2003	8 FY2004	9 FY2005	10 FY2006	11 FY2007	12 FY2008	13 FY2009
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3													
4													
5													
6					N/A								
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lee Manor

0024356

Report Period Beginning: 01/01/04

Ending: 12/31/04

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? Yes
If YES, give association name and amount. ICLTC - \$6,389
- (3) Did the nursing home make political contributions or payments to a political 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? 7 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 81,317 Line 10
- (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 of Public Aid during this cost report period. \$ 154,818
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 of Public Aid, 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 benefit: on Schedule V. \$ 5,648 Has any meal income been offset against related costs? N/A Indicate the amount. \$ N/A
- (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? N/A
- 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? No
- 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 The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, 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.

SEE ACCOUNTANTS' COMPILATION REPORT

	Salaries	Supplies	Other	Total	Reclass- ifications	Reclassified Total	Adjusted Adjustments	Adjusted Total
1. Dietary	330,461	39,544	11,287	381,292	0	381,292	-1,828	379,464
2. Food Purchase	0	301,834	0	301,834	0	301,834	-5,648	296,186
3. Housekeeping	284,998	32,027	0	317,025	0	317,025	0	317,025
4. Laundry	60,525	24,692	0	85,217	0	85,217	-5,820	79,397
5. Heat and Other Utilities	0	0	215,892	215,892	0	215,892	0	215,892
6. Maintenance	45,198	12,424	53,452	111,074	0	111,074	0	111,074
7. Other (specify)*	0	0	0	0	0	0	0	0
8. Total General Services	721,182	410,521	280,631	1,412,334	0	1,412,334	-13,296	1,399,038
9. Medical Director	0	0	24,000	24,000	0	24,000	0	24,000
10. Nursing & Medical Records	3,154,481	316,498	3,907	3,474,886	0	3,474,886	0	3,474,886
10a. Therapy	0	0	456,968	456,968	0	456,968	0	456,968
11. Activities	160,785	34,781	2,480	198,046	0	198,046	0	198,046
12. Social Services	55,483	0	5,613	61,096	0	61,096	0	61,096
13. Nurse Aide Training	0	0	0	0	0	0	0	0
14. Program Transportation	0	0	0	0	0	0	0	0
15. Other (specify)*	0	0	0	0	0	0	0	0
16. Total Health Care & Programs	3,370,749	351,279	492,968	4,214,996	0	4,214,996	0	4,214,996
17. Administrative	163,464	0	93,333	256,797	0	256,797	0	256,797
18. Directors Fees	0	0	0	0	0	0	0	0
19. Professional Services	0	0	113,085	113,085	0	113,085	-21,034	92,051
20. Fees, Subscriptions & Promotion	0	0	20,426	20,426	0	20,426	-4,309	16,117
21. Clerical & General Office	235,540	40,396	56,723	332,659	0	332,659	39	332,698
22. Employee Benefits & Payroll	0	0	618,000	618,000	0	618,000	5,648	623,648
23. Inservice Training & Education	0	0	6,393	6,393	0	6,393	0	6,393
24. Travel and Seminar	0	0	3,982	3,982	0	3,982	0	3,982
25. Other Admin. Staff Trans	0	0	6,348	6,348	0	6,348	0	6,348
26. Insurance-Prop.Liab.Malpractice	0	0	192,400	192,400	0	192,400	0	192,400
27. Other (specify)*	0	0	0	0	0	0	0	0
28. Total General Adminis	399,004	40,396	1,110,690	1,550,090	0	1,550,090	-19,656	1,530,434
29. Total General Administrative	4,490,935	802,196	1,884,289	7,177,420	0	7,177,420	-32,952	7,144,468
30. Depreciation	0	0	65,649	65,649	0	65,649	157,136	222,785
31. Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0
32. Interest	0	0	17,428	17,428	0	17,428	377,474	394,902
33. Real Estate	0	0	0	0	0	0	416,522	416,522
34. Rent - Facility & Grounds	0	0	1,325,980	1,325,980	0	1,325,980	-1,325,980	0
35. Rent - Equipment & Vehicles	0	0	7,232	7,232	0	7,232	0	7,232
36. Other (specify):*	0	0	0	0	0	0	0	0
37. Total Ownership	0	0	1,416,289	1,416,289	0	1,416,289	-374,848	1,041,441
38. Medically Necessary T	0	0	0	0	0	0	0	0
39. Ancillary Service Cent	0	145,589	9,900	155,489	0	155,489	0	155,489
40. Barber and Beauty Shop	0	0	0	0	0	0	0	0
41. Coffee and Gift Shops	0	0	0	0	0	0	0	0
42	0	0	154,818	154,818	0	154,818	0	154,818
43. Other (specify):*	0	0	137,856	137,856	0	137,856	-137,856	0
44. Total Special Cost Ce	0	145,589	302,574	448,163	0	448,163	-137,856	310,307
45. Grand Total	4,490,935	947,785	3,603,152	9,041,872	0	9,041,872	-545,656	8,496,216

	Operating	After Consolidation
General Service Cost Center		
1. Cash on hand and in banks	58,436	59,037
2. Cash - Patient Deposits	0	0
3. Accounts & Notes Receivable	-1,468,761	-1,468,761
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	115,045	115,045
7. Other Prepaid Expenses	0	0
8. Accounts Receivable-Owner/Related Party	-730,727	-3,473
9. Other (specify):	0	137,209
10. Total current assets	-2,026,007	-1,160,943
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	0	0
13. Land	0	273,400
14. Buildings, at Historical Cost	760,288	5,459,590
15. Leasehold Improvements, Historical Cost	1,001,820	1,484,482
16. Equipment, at Historical Cost	1,185,774	1,180,460
17. Accumulated Depreciation (book methods)	-1,524,018	-4,263,861
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	0	0
23. other (specify):	0	38,677
24. Total Long-Term Assets	1,423,864	4,172,748
25. Total Assets	-602,143	3,011,805
CURRENT LIABILITIES		
26. Accounts Payable	705,790	705,790
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	376,744	376,744
29. Short-Term Notes Payable	844,569	844,569
30. Accrued Salaries Payable	283,201	283,201
31. Accrued Taxes Payable	152,099	152,099
32. Accrued Real Estate Taxes	0	400,315
33. Accrued Interest Payable	154	154
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	55,243	62,157
37. Other Current Liabilities (specify):	34,122	34,122
38. Total Current Liabilities	2,451,922	2,859,151
LONG TERM LIABILITES		
39. Long-Term Notes Payable	0	0
40. Mortgage Payable	0	6,323,843
41. Bonds Payable	0	0
42. Deferred Compensation	0	0
43. Other Long-Term Liabilities (specify):	0	0
44. Other Long-Term Liabilities (specify):	0	0
45. Total Long-Term Liabilities	0	6,323,843
46. Total Liabilities	2,451,922	9,182,994
47. Total Equity	-116,543	-6,171,189
48. Total Liabilities and Equity	2,335,379	3,011,805

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	10,634,308
2. Discounts and Allowances for all Levels	-3,666,449
Subtotal - Inpatient Care	6,967,859
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	873,862
7. Oxygen	0
Subtotal - Ancillary Revenue	873,862
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	0
13. Barber and Beauty Care	4,629
14. Non-Patient Meals	1,828
15. Telephone, Television, and Radio	0
16. Rental of Facility Space	0
17. Sale of Drugs	136,760
18. Sale of Supplies to Non-Patients	0
19. Laboratory	9,860
20. Radiology and X-Ray	0
21. Other Medical Services	168,161
22. Laundry	5,820
Subtotal - Other Operating Revenue	327,058
24. Contributions	0
25. Interest and Other Investments Income	1,019
Subtotal - Non-Operating Revenue	1,019
27. Other Revenue (specify):	0
28. Other Revenue (specify):	924
Subtotal - Other Revenue	924
30. Total Revenue	8,170,722
31. General Services	1,412,334
32. Health Care	4,214,996
33. General Administration	1,550,090
34. Ownership	1,416,289
35. Special Cost Centers	293,345
35. Provider Participation Fee	154,818
37. Other	0
40. Total Expenses	9,041,872
41. Income Before Income Taxes	-871,150
42. Income Taxes	0
43. Net Income or Loss for the Year	-871,150

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