

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	<u>224</u>	Skilled (SNF)	<u>224</u>	<u>81,760</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>224</u>	TOTALS	<u>224</u>	<u>81,760</u>	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment				
		3 Medicaid Recipient	4 Private Pay	5 Other	6 Total	
8	SNF			<u>15,407</u>	<u>15,407</u>	8
9	SNF/PED					9
10	ICF	<u>34,712</u>	<u>9,134</u>	<u>8,434</u>	<u>52,280</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>34,712</u>	<u>9,134</u>	<u>23,841</u>	<u>67,687</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 82.79%

D. How many bed-hold days during this year were paid by the Department? (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? None

G. 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, Col. 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 10/9/84

J. Was the facility purchased or leased after January 1, 1978?
YES Date New Construction NO

K. Was the facility certified for Medicare during the reporting year?
YES NO If YES, enter number of beds certified 224 and days of care provided 13,535

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRAUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/09 Fiscal Year: 12/31/09

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

Facility Name & ID Number Lexington Health Care Center-Lombard # 0028860 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	417,361	33,924	16,131	467,416		467,416		467,416		1
2	Food Purchase		338,385		338,385		338,385	(17,168)	321,217		2
3	Housekeeping	364,467	39,983		404,450		404,450	557	405,007		3
4	Laundry	97,944	23,388		121,332		121,332		121,332		4
5	Heat and Other Utilities			261,936	261,936		261,936	9,212	271,148		5
6	Maintenance	42,258		169,506	211,764		211,764	56,951	268,715		6
7	Other (specify):* Mgmt Co. - Allocated							6,253	6,253		7
8	TOTAL General Services	922,030	435,680	447,573	1,805,283		1,805,283	55,805	1,861,088		8
	B. Health Care and Programs										
9	Medical Director			67,800	67,800		67,800		67,800		9
10	Nursing and Medical Records	4,283,110	300,945	67,160	4,651,215		4,651,215	50,910	4,702,125		10
10a	Therapy			1,298,382	1,298,382		1,298,382		1,298,382		10a
11	Activities	283,174	27,360	21,444	331,978		331,978		331,978		11
12	Social Services	197,283		7,139	204,422		204,422		204,422		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co. - Allocated							6,147	6,147		15
16	TOTAL Health Care and Programs	4,763,567	328,305	1,461,925	6,553,797		6,553,797	57,057	6,610,854		16
	C. General Administration										
17	Administrative	105,535		1,359,875	1,465,410		1,465,410	(1,310,623)	154,787		17
18	Directors Fees										18
19	Professional Services			87,571	87,571		87,571	26,255	113,826		19
20	Dues, Fees, Subscriptions & Promotions			36,662	36,662		36,662	798	37,460		20
21	Clerical & General Office Expenses	372,129	42,630	17,792	432,551		432,551	453,875	886,426		21
22	Employee Benefits & Payroll Taxes			958,214	958,214		958,214	17,119	975,333		22
23	Inservice Training & Education			6,483	6,483		6,483	22	6,505		23
24	Travel and Seminar			5,395	5,395		5,395	1,223	6,618		24
25	Other Admin. Staff Transportation			1,891	1,891		1,891	20,069	21,960		25
26	Insurance-Prop.Liab.Malpractice			223,718	223,718		223,718	7,077	230,795		26
27	Other (specify):* Mgmt Co. - Allocated							70,481	70,481		27
28	TOTAL General Administration	477,664	42,630	2,697,601	3,217,895		3,217,895	(713,704)	2,504,191		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	6,163,261	806,615	4,607,099	11,576,975		11,576,975	(600,842)	10,976,133		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.

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost 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	
	D. Ownership											
30	Depreciation			206,189	206,189		206,189	304,608	510,797			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			26,264	26,264		26,264	(5,561)	20,703			32
33	Real Estate Taxes							146,856	146,856			33
34	Rent-Facility & Grounds			1,592,994	1,592,994		1,592,994	(1,588,598)	4,396			34
35	Rent-Equipment & Vehicles			69,573	69,573		69,573	4,315	73,888			35
36	Other (specify):*											36
37	TOTAL Ownership			1,895,020	1,895,020		1,895,020	(1,138,380)	756,640			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		472,911	1,700	474,611		474,611		474,611			39
40	Barber and Beauty Shops			27,474	27,474		27,474		27,474			40
41	Coffee and Gift Shops			2,638	2,638		2,638		2,638			41
42	Provider Participation Fee			122,640	122,640		122,640		122,640			42
43	Other (specify):* Non-allowable cost			144,851	144,851		144,851	(144,851)				43
44	TOTAL Special Cost Centers		472,911	299,303	772,214		772,214	(144,851)	627,363			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	6,163,261	1,279,526	6,801,422	14,244,209		14,244,209	(1,884,073)	12,360,136			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

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	BHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(49)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,413)	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				9
10	Interest and Other Investment Income	(54,769)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,208)	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				18
19	Entertainment	(3,458)	43		19
20	Contributions	(6,397)	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	(27,930)	43		24
25	Fund Raising, Advertising and Promotional	(16,700)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(61,151)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See PG5A	(137,441)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (315,516)		\$	30

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)	(1,568,557)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,568,557)		36
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,884,073)		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

BHF USE ONLY							
48		49		50		51	52

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center-Lombard

ID# 0028860

Report Period Beginning: 01/01/2009

Ending: 12/31/2009

Sch. V Line

NON-ALLOWABLE EXPENSES

Amount

Reference

1	Diagnostics Managed Care	\$ (4,424)	43	1
2	Labs-Part A	(15,822)	43	2
3	X-Rays-Part A	(22,759)	43	3
4	Marketing Salary	(85,363)	43	4
5	Trust Fees	(450)	43	5
6	Misc Income	(760)	21	6
7	Collections	(7,081)	19	7
8	Out of period legal	(782)	19	8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
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44				44
45				45
46				46
47				47
48				48
49	Total	(137,441)		49

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
James Samatas	33.33%	See Attached Schedule B		See Attached Schedule B		
John Samatas	33.33%					
Cynthia Thiem	33.34%					

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	34 Rental Expense	\$ 1,592,994	Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	\$	(1,592,994)	1
2	V	30 Depreciation		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	242,315	242,315	2
3	V	32 Interest Expense		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	30,987	30,987	3
4	V	32 Amortization of mortgage costs		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	821	821	4
5	V	33 Property taxes		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	140,994	140,994	5
6	V	43 State replacement tax		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	21,411	21,411	6
7	V	43 Trust fees		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	450	450	7
8	V	19 Professional Fees		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	100	100	8
9	V	21 Miscellaneous		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	416	416	9
10	V							10
11	V			**-The owners of Lexington Health Care Center of Lombard, Inc. own				11
12	V			100% of Lexington Health Care Systems of Lombard Limited Partnership.				12
13	V							13
14	Total		\$ 1,592,994			\$ 437,494	\$ * (1,155,500)	14

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

Facility Name & ID Number Lexington Health Care Center-Lombard# 0028860Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	3 Housekeeping supplies	\$	Royal Management Corp.	**	\$ 557	\$	557	15	
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	7,930		7,930	16	
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	215		215	17	
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	1,067		1,067	18	
19	V	6 Management allocation - salaries		Royal Management Corp.	**	48,473		48,473	19	
20	V	6 Repairs & maintenance		Royal Management Corp.	**	8,060		8,060	20	
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	418		418	21	
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	6,253		6,253	22	
23	V	10 Medical consultant		Royal Management Corp.	**	3,263		3,263	23	
24	V	10 Management allocation - salaries		Royal Management Corp.	**	47,647		47,647	24	
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	6,147		6,147	25	
26	V	17 Management allocation - salaries		Royal Management Corp.	**	49,252		49,252	26	
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	22,539		22,539	27	
28	V	19 Professional fees		Royal Management Corp.	**	11,479		11,479	28	
29	V	20 Dues & subscriptions		Royal Management Corp.	**	445		445	29	
30	V	20 Advertising - help wanted		Royal Management Corp.	**	353		353	30	
31	V	21 Management allocation - salaries		Royal Management Corp.	**	497,100		497,100	31	
32	V	21 Bank charges		Royal Management Corp.	**	9,989		9,989	32	
33	V	21 Office supplies & printing		Royal Management Corp.	**	14,097		14,097	33	
34	V	21 Postage		Royal Management Corp.	**	4,609		4,609	34	
35	V	21 Telephone		Royal Management Corp.	**	13,787		13,787	35	
36	V	23 Inservice Training		Royal Management Corp.	**	22		22	36	
37	V								37	
38	V	** Certain owners of Lexington Health Care Center of Lombard, Inc. own 100% of Royal Management Corp.								38
39	Total		\$			\$ 753,702	\$ *	753,702	39	

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

SEE ACCOUNTANTS' COMPILATION REPORT

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	24 Travel & seminar	\$	Royal Management Corp.	**	\$ 1,223	\$ 1,223	
16	V	25 Auto expense		Royal Management Corp.	**	20,069	20,069	
17	V	26 Insurance general		Royal Management Corp.	**	7,077	7,077	
18	V	27 Management allocation - employee benefits		Royal Management Corp.	**	70,481	70,481	
19	V	30 Depreciation		Royal Management Corp.	**	62,293	62,293	
20	V	32 Interest		Royal Management Corp.	**	17,364	17,364	
21	V	32 Amortization of mortgage costs		Royal Management Corp.	**	36	36	
22	V	33 Property taxes		Royal Management Corp.	**	5,862	5,862	
23	V	34 Rent expense		Royal Management Corp.	**	4,396	4,396	
24	V	35 Equipment rental		Royal Management Corp.	**	1,013	1,013	
25	V	17 Management fees	1,359,875	Royal Management Corp.	**		(1,359,875)	
26	V	35 Auto Lease expense		Royal Management Corp.	**	3,302	3,302	
27	V							
28	V							
29	V							
30	V							
31	V							
32	V							
33	V							
34	V							
35	V							
36	V							
37	V	** Certain owners of Lexington Health Care Center of Lombard, Inc. own 100% of Royal Management Corp.						
38	V							
39	Total		\$ 1,359,875			\$ 193,116	\$ * (1,166,759)	

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

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Lombard, Inc.

Provider # 0028660

1/1/09-12/31/09

Schedule 6B

VII. Related Parties

Related Nursing Homes

<u>Name of facility</u>	<u>City</u>
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
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 Schaumburg, Inc.	Schaumburg
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge
Lexington Health Care Center of Streamwood, Inc.	Streamwood
Lexington Health Care Center of Orland Park, Inc.	Orland Park

<u>Other Related Business Entities</u>	<u>City</u>	<u>Type of Business</u>
Eastgate Manor	Algonquin	Supportive Living Facility
Vesta Management Group LLC	Lombard	Management Company
Lexington Health Care Systems of Lombard Ltd. Ptsp.	Lombard	Real Estate Property
Royal Management Corporation	Lombard	Management Company
Lexington Financial Services, LLC	Lombard	Finance Company

See Accountants' Compilation Report

Facility Name & ID Number Lexington Health Care Center-Lombard # 0028860 Report Period Beginning: 01/01/2009 Ending: 12/31/2009

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	3.63	9.08	Salary	\$ 11,979	L17, C7	1
2	John Samatas	Owner/officer	Admin/Plant Ops.	33.33	See Schedule 7A	3.97	7.94	Salary	19,367	L17, C7	2
3	Cynthia Thiem	Owner/officer	Administrative	33.34	See Schedule 7A	3.63	9.08	Salary	9,108	L17, C7	3
4	Jason Samatas	Officer	Admin/SNF Ops	0.00	See Schedule 7A	5.67	11.35	Salary	8,798	L17, C7	4
5											5
6											6
7											7
8											8
9			Certain individuals work in excess of 40 hours.								9
10											10
11											11
12											12
13								TOTAL	\$ 49,252		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 Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009

Ending: 2/31/2009

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	3	Housekeeping supplies	Bed Days	720,658	10	\$ 4,909	\$ 81,760	\$ 557	1	
2	5	Utilities - gas & electric	Bed Days	720,658	10	69,894	81,760	7,930	2	
3	5	Utilities - water & sewer	Bed Days	720,658	10	1,894	81,760	215	3	
4	5	Utilities - maintenance office	Bed Days	720,658	10	9,406	81,760	1,067	4	
5	6	Management allocation - salaries	Bed Days	720,658	10	427,259	427,259	81,760	48,473	5
6	6	Repairs & maintenance	Bed Days	720,658	10	71,047	81,760	8,060	6	
7	6	Scavenger & exterminating	Bed Days	720,658	10	3,681	81,760	418	7	
8	7	Management allocation - employees	Bed Days	720,658	10	55,118	81,760	6,253	8	
9	10	Medical consultant	Bed Days	720,658	10	28,762	81,760	3,263	9	
10	10	Management allocation - salaries	Bed Days	720,658	10	419,975	419,975	81,760	47,647	10
11	15	Management allocation - employees	Bed Days	720,658	10	54,178	81,760	6,147	11	
12	17	Management allocation - salaries	Bed Days	720,658	10	434,122	434,122	81,760	49,252	12
13	19	Computer consultant & supplies	Bed Days	720,658	10	198,663	81,760	22,539	13	
14	19	Professional fees	Bed Days	720,658	10	101,182	81,760	11,479	14	
15	20	Dues & subscriptions	Bed Days	720,658	10	3,923	81,760	445	15	
16	20	Advertising - help wanted	Bed Days	720,658	10	3,108	81,760	353	16	
17	21	Management allocation - salaries	Bed Days	720,658	10	4,381,596	4,381,596	81,760	497,100	17
18	21	Bank charges	Bed Days	720,658	10	88,048	81,760	9,989	18	
19	21	Office supplies & printing	Bed Days	720,658	10	124,253	81,760	14,097	19	
20	21	Postage	Bed Days	720,658	10	40,624	81,760	4,609	20	
21	21	Telephone	Bed Days	720,658	10	121,527	81,760	13,787	21	
22	23	Inservice Training	Bed Days	720,658	10	193	81,760	22	22	
23									23	
24									24	
25	TOTALS					\$ 6,643,362	\$ 5,662,952	\$ 753,702	25	

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009

Ending: 2/31/2009

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 Co.

Street Address

665 W. North Ave.

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	24	Travel & seminar	Bed Days	720,658	10	\$ 10,782	\$ 81,760	\$ 1,223	1
2	25	Auto expense	Bed Days	720,658	10	176,898	81,760	20,069	2
3	26	Insurance general	Bed Days	720,658	10	62,379	81,760	7,077	3
4	27	Management allocation - employees	Bed Days	720,658	10	621,243	81,760	70,481	4
5	30	Depreciation	Bed Days	720,658	10	549,069	81,760	62,293	5
6	32	Interest	Bed Days	720,658	10	153,050	81,760	17,364	6
7	32	Amortization of mortgage costs	Bed Days	720,658	10	321	81,760	36	7
8	33	Property taxes	Bed Days	720,658	10	51,670	81,760	5,862	8
9	34	Rent expense	Bed Days	720,658	10	38,747	81,760	4,396	9
10	35	Equipment rental	Bed Days	720,658	10	8,933	81,760	1,013	10
11	35	Auto Lease expense	Bed Days	720,658	10	29,103	81,760	3,302	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					\$ 1,702,195	\$	\$ 193,116	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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										
										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	GMAC		X	Mortgage	\$39,766.00	4/11/94	\$ 3,978,766	\$	4/11/09	0.0875	\$ 2,858	1							
2												2							
3												3							
4												4							
5							Interest on financing insurance premium				693	5							
Working Capital																			
6	LaSalle Bank, N.A.		X	Line of Credit	Varies	4/6/02	1,200,000		6/30/10	Prime/Libor	9,353	6							
7	Shareholder Loan	X		Working Capital	Varies	7/16/08	499,000	499,000			16,218	7							
8	Shareholder Loan	X		Capital Improvements	Varies	4/30/08	2,230,000	2,230,000	Demand	Prime	28,129	8							
9	TOTAL Facility Related				\$39,766.00		\$ 7,907,766	\$ 2,729,000			\$ 57,251	9							
B. Non-Facility Related*																			
10										Interest Income Offset	(10,422)	10							
11										Offset of Shareholder Interest	(44,347)	11							
12										Amortization of Mortgage Costs	857	12							
13										Allocation of Management Costs	17,364	13							
14	TOTAL Non-Facility Related						\$	\$			\$ (36,548)	14							
15	TOTALS (line 9+line14)						\$ 7,907,766	\$ 2,729,000			\$ 20,703	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:** 2008 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 2008 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2008.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2008 real estate tax bill to Healthcare and Family Services, Bureau of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2009 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, please call the Bureau of Health Finance at (217) 782-1630.

2008 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington Health Care Center-Lombard COUNTY Dupage

FACILITY IDPH LICENSE NUMBER 0028860

CONTACT PERSON REGARDING THIS REPORT Susan Rojek

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 2008 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 2008.

	(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.	<u>06-19-307-002</u>	<u></u>	\$ <u>142,576.84</u>	\$ <u>142,576.84</u>
2.	<u>Royal Management Corp. (Samvest of Lombard II)</u>	<u></u>	\$ <u>164,952.68</u>	\$ <u>5,862.00</u>
3.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
4.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
5.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
6.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
7.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
8.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
9.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
10.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
		TOTALS	\$ <u>307,529.52</u>	\$ <u>148,438.84</u>

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 2008 tax bills which were listed in Section A to this statement. Be sure to use the 2008 tax bill which is normally paid during 2009.

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.**

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009 Ending:

12/31/2009

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,770 B. General Construction Type: Exterior Concrete Blcok 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).

Lombard Lexington Square Life Care, Inc.: Retirement Community; 261 units; 309,000 square feet

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 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	<u>Resident Care</u>	<u>30,000</u>	<u>1984</u>	<u>\$ 616,761</u>	<u>1</u>
2	<u>Allocated from management company</u>			<u>20,006</u>	<u>2</u>
3	TOTALS	30,000		\$ 636,767	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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 BHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
4	215	1984	1984	\$ 3,661,472	\$	35	\$ 104,614	\$ 104,614	\$ 2,639,309	4
5	9	1995	1995	284,156	8,119	35	8,119		117,722	5
6										6
7										7
8										8
	Improvement Type**									
9	Building Improvements	1990		96,219		10			96,218	9
10	Leasehold Improvements Additions	1995		71,493		10			71,493	10
11	Building Improvements	1994		20,200		10			20,200	11
12	Building Improvements	1995		14,535	415	35	415		6,021	12
13	Building Improvements - dishwasher hood	1996		2,748		10			2,748	13
14	Building Improvements - outside painting	1996		11,308		10			11,308	14
15	Building Improvements - dining room	1996		3,752		10			3,752	15
16	Leasehold Improvements	1992		16,299	466	35	466		8,151	16
17	Leasehold Improvements	1994		21,836		10			21,836	17
18	Leasehold Improvements - 2nd floor	1996		19,319		10			18,353	18
19	Leasehold Improvements - bathroom rehal	1996		9,216		10			8,909	19
20	Leasehold Improvements - fan coil repairs	1996		6,669	191	35	191		2,542	20
21	Land Improvements	1993		2,985		15			2,985	21
22	Land Improvements	1995		4,596	306	15	306		4,442	22
23	Capitalized Repairs	1986		1,730		10			1,730	23
24	Building Improvements - basement	1996		18,993		10			18,993	24
25	Leasehold Improvements - Corner Guards	1997		520		10			520	25
26	Leasehold Improvements - Corridor flooring	1997		10,380		10			10,380	26
27	BI: Kitchen Rehab	1998		2,494		10			2,494	27
28	Wiring for MDS project	1998		3,365		10			3,365	28
29	Install Fire Sprinklers in Mechanical Rms	1998		4,600	131	35	131		1,511	29
30	Tile for Lobby	1998		20,530		10			20,530	30
31	Walk in Freezers/Coolers	1998		3,183	91	35	91		1,046	31
32	Fire Wall Repairs	1998		12,411	355	35	355		4,079	32
33	Underground storage tank	1998		2,613		10			2,613	33
34	Repave parking lot	1999		7,625	508	15	508		5,337	34
35	Lounge Floor Tile	1999		2,963	148	10	148		2,963	35
36										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 Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009 Ending: 12/31/2009

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	Rewire Building	1999	\$ 9,083	\$ 260	35	\$ 260	\$	\$ 2,726	37
38	Heat exchanger for water heater	1999	1,660		5			1,660	38
39	Compressor and tank for freezer	1999	2,924		5			2,924	39
40	Plumbing Improvements	2000	2,833	283	10	283		2,691	40
41	Relocate 2nd floor sprinklers	2000	2,200	63	35	63		597	41
42	Water heater repairs	2000	3,831		5			3,831	42
43	Automatic door	2000	4,556	130	35	130		1,236	43
44	Install sprinklers	2001	6,082	608	10	608		5,220	44
45	Infrared curtains for elevator	2001	4,500	450	10	450		3,675	45
46	Elevator upgrade	2002	3,006		5			3,006	46
47	Condensor	2002	2,679		5			2,679	47
48	Resurfacing Parking Lot	2003	30,690	1,535	20	1,535		9,847	48
49	Plumbing loop repairs	2003	6,125	613	10	613		3,727	49
50	Fire alarm panel/call system	2003	8,495	425	20	425		2,938	50
51	Facility Rehab - Painting	2003	6,872	687	10	687		4,283	51
52	Facility Rehab - Floor Tile	2003	28,888	1,444	20	1,444		9,080	52
53	Nurse call system	2003	49,451	2,473	20	2,473		15,042	53
54	Brick paved sidewalk/entryway	2003	5,855	293	20	293		1,879	54
55	Facility redecorating - painting/wallpaper	2003	314,478	15,724	20	15,724		110,068	55
56	Fire alarm panel/call system	2003	276,327	13,816	20	13,816		96,714	56
57	Floor Tile	2003	58,720	2,936	20	2,936		20,552	57
58	Carpeting/cove base	2003	29,518	2,952	10	2,952		20,663	58
59	Water heater	2004	9,209	921	10	921		4,758	59
60	Kitchen sewer and dishroom	2004	31,233	1,562	20	1,562		7,939	60
61	Landscaping	2005	3,255	163	20	163		719	61
62	HVAC	2005	8,028	401	20	401		1,672	62
63	Kitchen sewer, dishroom and ceiling	2005	22,924	1,146	20	1,146		5,253	63
64	Lobby and reception redecorating - painting/wallpaper	2005	37,999	1,900	20	1,900		8,867	64
65	Rehab therapy room - electrical, carpet, tile	2005	66,393	3,320	20	3,320		15,492	65
66	Rehab 1st floor therapy room - electrical, carpet, tile	2005	39,341	1,967	20	1,967		9,179	66
67	Wallpaper, tile, electrical for transitional unit	2005	22,946	1,147	20	1,147		5,449	67
68	Window treatments	2005	8,053	403	20	403		1,846	68
69	Tile, flooring, and wallpaper	2005	57,699	2,885	20	2,885		13,223	69
70	TOTAL (lines 4 thru 69)		\$ 5,504,063	\$ 71,237		\$ 175,851	\$ 104,614	\$ 3,510,985	70

SEE ACCOUNTANTS' COMPILATION REPORT

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

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		\$ 5,504,063	\$ 71,237		\$ 175,851	\$ 104,614	\$ 3,510,985	1
2	Countertops	2005	845	169	5	169		789	2
3	Curtains and blinders	2005	4,672	935	5	935		4,076	3
4	Mini scroll	2005	527	105	5	105		447	4
5	Medical Records Storage/Office Room	2006	5,901	148	40	148		468	5
6	Office Remodel	2006	5,537	138	40	138		414	6
7	Piping	2006	4,511	301	15	301		1,003	7
8	HVAC	2006	7,985	200	40	200		600	8
9	Emergency A/C	2006	9,385	235	40	235		705	9
10	Adm Office-HVAC	2006	6,421	161	40	161		549	10
11	Sink installation	2006	2,561	64	40	64		240	11
12	Land Improvements Patio	2006	23,736	1,582	15	1,582		5,274	12
13	Brick Pavers	2007	8,500	567	15	567		1,512	13
14	Landscaping	2007	16,420	821	20	821		1,984	14
15	Parking Lot	2007	13,219	661	20	661		1,597	15
16	Roof	2007	9,800	490	20	490		1,348	16
17	HVAC	2007	8,197	410	20	410		1,025	17
18	LHI-Emergency A/C	2007	11,126	556	20	556		1,205	18
19	LHI-Plumbing & Sprinkler	2007	6,799	680	10	680		1,530	19
20	Automatic Doors in Common Areas	2007	20,874	1,044	20	1,044		2,523	20
21	Tike System & Foundation	2007	4,500	225	20	225		469	21
22	Exterior of Building Painting	2007	16,600	830	20	830		1,868	22
23	Landscaping	2008	21,600	1,440	15	1,440		2,520	23
24	Parking Lot	2008	9,625	481	20	481		762	24
25	Roof Repair	2008	11,001	550	20	550		733	25
26	HVAC	2008	20,164	1,102	20	1,102		1,649	26
27	Sink and Toilet	2008	4,000	400	10	400		667	27
28	Elevator Upgrades	2008	171,955	4,299	40	4,299		5,374	28
29	Metal Doors	2008	3,907	195	20	195		342	29
30	Basement Renovation	2008	25,195	1,260	20	1,260		2,100	30
31	Trash Compactor	2008	11,590	580	20	580		870	31
32	Painting Gazebo	2008	4,450	223	20	223		315	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 5,975,668	\$ 92,089		\$ 196,703	\$ 104,614	\$ 3,555,943	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009 Ending: 12/31/2009

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		\$ 5,975,668	\$ 92,089		\$ 196,703	\$ 104,614	\$ 3,555,943	1
2	2nd floor remodel-Electric, flooring,painting	2008	561,165		27	20,406	20,406	22,107	2
3	Kitchen Upgrade-Carpentry, painting, plumbing	2008	18,364		27	668	668	724	3
4	1st floor remodel-painting, electrical, flooring,plumbing	2008	547,836		27	19,921	19,921	38,182	4
5	Irrigation System	2009	14,235	395	15	395		395	5
6	Landscaping Enhancements	2009	22,005	734	15	734		734	6
7	Roof	2009	139,578	2,908	20	2,908		2,908	7
8	Fan Coil	2009	5,607	210	20	210		210	8
9	Quick Connectors	2009	5,300	177	20	177		177	9
10	Room Convector	2009	4,962	62	20	62		62	10
11	Nurse Call System	2009	35,509	215	27	215		215	11
12	Electrical key pad	2009	5,995	91	27	91		91	12
13	PT Room Countertops	2009	4,050	12	27	12		12	13
14	2nd floor remodel-Electric, flooring,painting	2009	2,935	89	27	89		89	14
15	Patio Pergola	2009	10,849	90	20	90		90	15
16									16
17									17
18	Building-management company	2002	276,840		40	8,429	8,429	65,192	18
19	HVAC, electrical, security system-management company	2003	2,432		30	173	173	1,077	19
20	Key card system-management company	2004	382		20	20	20	104	20
21	VAV TX controls-management compnay	2005	116		20	6	6	28	21
22	Building Improvements-management company	2006	85		20	6	6	18	22
23	Building Improvements-management company	2008	9,194		20	720	720	867	23
24	Building Improvements-management company	2009	691		20	12	12	12	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)		\$ 7,643,798	\$ 97,072		\$ 252,047	\$ 154,975	\$ 3,689,237	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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	\$ 1,125,743	\$ 101,615	\$ 182,870	\$ 81,255	5	\$ 596,357	71
72	Current Year Purchases	229,010	7,501	22,953	15,452	5-7	22,953	72
73	Fully Depreciated Assets	97,649					97,649	73
74	Allocated from Mgmt Co.	304,420		46,506	46,506		221,422	74
75	TOTALS	\$ 1,756,822	\$ 109,116	\$ 252,329	\$ 143,213		\$ 938,381	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	Allocated from Mgmt Co.			44,945		6,421	6,421		28,354	79
80	TOTALS			\$ 44,945	\$	\$ 6,421	\$ 6,421		\$ 28,354	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)	\$ 10,082,332	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 206,188	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 510,797	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 304,609	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 4,655,972	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	3rd Floor Remodel	\$ 489,531	92
93			93
94			94
95		\$ 489,531	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.

SEE ACCOUNTANTS' COMPILATION REPORT

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? YES NO

If NO, see instructions.

	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			4,396			6
7	TOTAL			\$ 4,396			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: \$ 70,586 Description: Copier-\$6,676;Fax Mach-\$2,034;Oxygen-\$38,582;Med Equip-\$22,281;Mgmt. Co.-\$1013

(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			3,302	20
21	TOTAL		\$	\$ 3,302	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.	<u>/2010</u>	\$ _____
13.	<u>/2011</u>	\$ _____
14.	<u>/2012</u>	\$ _____

* 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.

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

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.)

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

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		3	4
		1	2		
		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)	\$			

C. CONTRACTUAL INCOME

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

\$

D. NUMBER OF CNAs TRAINED

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.
- 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	10A(3)	hrs	\$	6,493	\$ 453,315	\$	6,493	\$ 453,315	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		2,672	174,976		2,672	174,976	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		12,067	670,091		12,067	670,091	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 prescripts				472,911		472,911	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Wound Therapy</u>	39(3)					1,700		1,700	12
13	Other (specify):									13
14	TOTAL			\$	21,232	\$ 1,298,382	\$ 474,611	21,232	\$ 1,772,993	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.

SEE ACCOUNTANTS' COMPILATION REPORT

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of **12/31/2009**

(last day of reporting year)

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

		1 Operating	2 After Consolidation*	
A. Current Assets				
1	Cash on Hand and in Banks	\$ 320,531	\$ 1,115,865	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>462,783</u>)	2,053,846	2,053,846	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	116,310	116,310	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	381,109	758	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,871,796	\$ 3,286,779	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		636,767	13
14	Buildings, at Historical Cost		3,945,628	14
15	Leasehold Improvements, at Historical Cost	2,362,718	3,698,170	15
16	Equipment, at Historical Cost	820,373	1,801,767	16
17	Accumulated Depreciation (book methods)	(1,189,570)	(4,655,972)	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 (spe <u>CIP</u>)		489,531	22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,993,521	\$ 5,915,891	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,865,317	\$ 9,202,670	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 568,606	\$ 568,606	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	2,138	2,138	28
29	Short-Term Notes Payable	499,000	499,000	29
30	Accrued Salaries Payable	385,354	385,354	30
31	Accrued Taxes Payable (excluding real estate taxes)	7,198	7,198	31
32	Accrued Real Estate Taxes(Sch.IX-B)		146,400	32
33	Accrued Interest Payable		6,155	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	<u>See Sch 17A</u>	557,921	636,903	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 2,020,217	\$ 2,251,754	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable		2,230,000	39
40	Mortgage Payable			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)	\$	\$ 2,230,000	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,020,217	\$ 4,481,754	46
47	TOTAL EQUITY(page 18, line 24)	\$ 2,845,100	\$ 4,720,916	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,865,317	\$ 9,202,670	48

Lexington Health Care Center of Lombard, Inc.
1/1/09-12/31/09
Provider # 0028660

Schedule 17A

XV. Balance Sheet
C. Current Liabilities

36. Other current liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Notes Payable		65,000
401K Withholding	27,867	27,867
Due to Royal	19,205	19,205
Due to Wheeling	850	850
Due to Republic Construction	13,312	13,312
Accrued Expenses	81,452	81,452
Accrued Royl Genl Mgmt Fees	52,924	52,924
Accrued Rent	(13,982)	
Accrued Wage Assignments	167	167
Deferred Income	376,126	376,126
	<u>557,921</u>	<u>636,903</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 2,965,344	1
2	Restatements (describe):		2
3	Post closing adjustment	(172,747)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 2,792,597	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	1,912,503	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	(1,860,000)	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)	\$ 52,503	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)	\$ 2,845,100	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard# 0028860Report Period Beginning: 01/01/2009Ending: 12/31/2009

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	\$ 17,992,990	1
2	Discounts and Allowances for all Levels	(6,497,097)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 11,495,893	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	3,125,971	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 3,125,971	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	3,093	12
13	Barber and Beauty Care	29,728	13
14	Non-Patient Meals	49	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	455,007	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	107,781	19
20	Radiology and X-Ray	19,690	20
21	Other Medical Services	176,128	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 791,476	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	10,422	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 10,422	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Miscellaneous Income	760	28
28a	Bed Hold Early Discharge	732,190	28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 732,950	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 16,156,712	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,805,283	31
32	Health Care	6,553,797	32
33	General Administration	3,217,895	33
B. Capital Expense			
34	Ownership	1,895,020	34
C. Ancillary Expense			
35	Special Cost Centers	649,574	35
36	Provider Participation Fee	122,640	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 14,244,209	40
41	Income before Income Taxes (line 30 minus line 40)**	1,912,503	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 1,912,503	43

* 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.
This entity is a cash basis tax payer

*** 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 **Lexington Health Care Center-Lombard**

0028860

Report Period Beginning: **01/01/2009**

Ending:

12/31/2009

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	1,762	1,942	\$ 114,116	\$ 58.76	1
2	Assistant Director of Nursing	10,289	11,284	370,440	32.83	2
3	Registered Nurses	53,111	57,314	1,848,887	32.26	3
4	Licensed Practical Nurses	15,010	16,333	421,357	25.80	4
5	CNAs & Orderlies	110,129	116,316	1,348,313	11.59	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	9,960	10,841	152,027	14.02	8
9	Activity Director					9
10	Activity Assistants	20,185	21,925	283,174	12.92	10
11	Social Service Workers	12,692	13,264	197,283	14.87	11
12	Dietician	6,667	7,089	68,121	9.61	12
13	Food Service Supervisor	2,050	2,232	42,805	19.18	13
14	Head Cook	2,092	2,232	50,363	22.56	14
15	Cook Helpers/Assistants	6,191	6,876	72,097	10.49	15
16	Dishwashers	20,871	22,216	183,975	8.28	16
17	Maintenance Workers	2,245	2,424	42,258	17.43	17
18	Housekeepers	38,411	41,416	364,467	8.80	18
19	Laundry	10,167	11,208	97,944	8.74	19
20	Administrator	1,951	2,073	105,535	50.91	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	20,778	22,444	372,129	16.58	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	1,686	1,811	27,970	15.44	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	346,247	371,240	\$ 6,163,261 *	\$ 16.60	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	2,760	\$ 16,131	1(3)	35
36	Medical Director	Monthly	67,800	9(3)	36
37	Medical Records Consultant	20	1,196	10(3)	37
38	Nurse Consultant	410	42,635	10(3)	38
39	Pharmacist Consultant	Monthly	12,060	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	4,738	11(3)	44
45	Social Service Consultant	Monthly	4,835	12(3)	45
46	Other(specify) <u>Psychosocial</u>	Monthly	2,304	12(3)	46
47	<u>Clinical Consultant</u>	Monthly	11,269	10(3)	47
48	<u>Medical Consultant</u>	Monthly	3,263	10(7)	48
49	TOTAL (lines 35 - 48)	3,190	\$ 166,231		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard

0028860

Report Period Beginning: 01/01/2009

Ending: 12/31/2009

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	
Diane Adrovich	Administrator	0%	\$ 19,258	Workers' Compensation Insurance	\$ 114,777	IDPH License Fee	\$ 1,990	
Christopher Correll	Administrator	0%	86,277	Unemployment Compensation Insurance	60,537	Advertising: Employee Recruitment	30,092	
				FICA Taxes	453,317	Health Care Worker Background Check		
				Employee Health Insurance	254,442	(Indicate # of checks performed <u>16</u>)	192	
				Employee Meals	17,119	Patient Background Checks	67 808	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Licenses & Fess	993	
				401K	27,890	Miscellaneous Dues & Subscriptions	2,492	
				Other Employee Benefits	43,081	AANAC Membership Dues	95	
				Uniform Allowance	4,170	Management Company Allocation	798	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 105,535	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
						Less: Public Relations Expense ()		
						Non-allowable advertising ()		
						Yellow page advertising ()		
						TOTAL (agree to Sch. V, line 20, col. 8) \$ 37,460		
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description			Amount	Description	Line #	Amount	Description	Amount
Management Fees Operating			\$ 900,533	N/A			Out-of-State Travel	\$
Management Fees General			459,342					
Eliminated in Column 7							In-State Travel	5,395
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,359,875	TOTAL		\$	Seminar Expense	
							Management Company Allocation	1,223
							Entertainment Expense ()	
							(agree to Sch. V, line 24, col. 8)	
							TOTAL	\$ 6,618

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

Lexington Health Care Center of Lombard
 FYE 12/31/09
 Section XIX.

Schedule 21C

C. Professional Fees

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
MNJ Technologies Direct	Computer Consulting	123
National Datacare	Computer Consulting	1,633
SilverChair Learning Systems	Computer Consulting	4,200
Vision Share Inc.	Computer Consulting	863
Visual Click	Computer Consulting	124
Grabowski Law Cener	Computer Consulting	7,081
Cassiday Schade	Legal	11,079
James Samatas	Legal	225
McGladrey & Pullen	Accounting	22,988
Much Shelist	Legal	2,554
Pension Administrators	Pension Administration	1,199
Personnel Planners	U/C Consulting	1,840
Reed Smith/Sachnoff & Weaver	Legal	906
RSM McGladrey	Accounting	12,095
Contrac Healthcare	Regulatory Consultant	942
		<u>67,852</u>

Total Schedule V, line 19, column 3 87,571

Less: Collections (7,081)
 Out of period legal (782)

Lexington Health Care Systems of Lombard Partnerships
 James Samatas 100

Allocated from Management Co.

James Samatas	Legal	66
Reed Smith	Legal	2,693
Much Shelist	Legal	1,695
Serpico, Petrosino, Dipiero	Legal	12
KMZ Rosenmann	Legal	1,963
McGladrey & Pullen LLP	Accounting	826
RSM McGladrey, Inc.	Accounting	635
LaSalle Network	Accounting	1,074
Gilson Labus & Silverman	Accounting	536
Aronberg, Goldgehn Davis	401(k) Administration	2
ING Life & Annuity	401(k) Administration	129
Pension Administrators, Inc.	401(k) Administration	572
Personnel Planners, Inc.	Unemployment Consultant	34
Gene Whitehorn	Medicaid Reim. Specialist	898
Computer Services	Computer Consultant	22,539

Allocated from Samvest of Lombard | Accounting 103
 Legal 241

Total Schedule V, line 19, column 8 113,826

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington Health Care Center-Lombard# 0028860Report Period Beginning: 01/01/2009 Ending: 12/31/2009**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? 6 Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 61,527 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 during this cost report period. \$ 122,640
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. \$ 17,119 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 49
- (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? N/A
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 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.

SEE ACCOUNTANTS' COMPILATION REPORT