

Facility Name & ID Number Lexington of Wheeling

0040923 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>215</u>	Skilled (SNF)	<u>215</u>	<u>78,475</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>215</u>	TOTALS	<u>215</u>	<u>78,475</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>12,513</u>	<u>12,513</u>	8
9	SNF/PED					9
10	ICF	<u>48,172</u>	<u>5,787</u>		<u>53,959</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>48,172</u>	<u>5,787</u>	<u>12,513</u>	<u>66,472</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 84.70%

D. How many bed-hold days during this year were paid by the Department? None (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

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 removed on 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 5/12/95

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 215 and days of care provided 7,856

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 of Wheeling # 0040923 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	375,661	42,397	15,582	433,640		433,640		433,640		1
2	Food Purchase		309,155		309,155		309,155	(15,911)	293,244		2
3	Housekeeping	334,355	38,562		372,917		372,917	535	373,452		3
4	Laundry	93,432	24,648		118,080		118,080		118,080		4
5	Heat and Other Utilities			232,381	232,381		232,381	8,841	241,222		5
6	Maintenance	39,168		137,343	176,511		176,511	57,555	234,066		6
7	Other (specify):* Alloc. From Mgmt Co							6,002	6,002		7
8	TOTAL General Services	842,616	414,762	385,306	1,642,684		1,642,684	57,022	1,699,706		8
	B. Health Care and Programs										
9	Medical Director			36,200	36,200		36,200		36,200		9
10	Nursing and Medical Records	3,945,753	270,874	37,141	4,253,768		4,253,768	48,865	4,302,633		10
10a	Therapy			1,041,117	1,041,117		1,041,117		1,041,117		10a
11	Activities	261,622	29,024	7,049	297,695		297,695		297,695		11
12	Social Services	184,726		6,947	191,673		191,673		191,673		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Alloc. From Mgmt Co							5,900	5,900		15
16	TOTAL Health Care and Programs	4,392,101	299,898	1,128,454	5,820,453		5,820,453	54,765	5,875,218		16
	C. General Administration										
17	Administrative	98,790		1,262,858	1,361,648		1,361,648	(1,215,585)	146,063		17
18	Directors Fees										18
19	Professional Services			84,724	84,724		84,724	28,498	113,222		19
20	Dues, Fees, Subscriptions & Promotions			39,085	39,085		39,085	330	39,415		20
21	Clerical & General Office Expenses	370,739	41,876	29,560	442,175		442,175	399,222	841,397		21
22	Employee Benefits & Payroll Taxes			787,296	787,296		787,296	15,381	802,677		22
23	Inservice Training & Education			6,159	6,159		6,159	21	6,180		23
24	Travel and Seminar			4,698	4,698		4,698	1,174	5,872		24
25	Other Admin. Staff Transportation			3,370	3,370		3,370	19,263	22,633		25
26	Insurance-Prop.Liab.Malpractice			200,855	200,855		200,855	6,793	207,648		26
27	Other (specify):* Alloc. From Mgmt Co							67,649	67,649		27
28	TOTAL General Administration	469,529	41,876	2,418,605	2,930,010		2,930,010	(677,254)	2,252,756		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	5,704,246	756,536	3,932,365	10,393,147		10,393,147	(565,467)	9,827,680		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 Lexington of Wheeling

#0040923

Report Period Beginning:

01/01/2009

Ending:

12/31/2009

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			89,608	89,608		89,608	376,539	466,147			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			44,059	44,059		44,059	411,779	455,838			32
33	Real Estate Taxes							462,258	462,258			33
34	Rent-Facility & Grounds			1,848,631	1,848,631		1,848,631	(1,844,412)	4,219			34
35	Rent-Equipment & Vehicles			18,509	18,509		18,509	4,142	22,651			35
36	Other (specify):*											36
37	TOTAL Ownership			2,000,807	2,000,807		2,000,807	(589,694)	1,411,113			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		355,239	250	355,489		355,489		355,489			39
40	Barber and Beauty Shops			25,574	25,574		25,574		25,574			40
41	Coffee and Gift Shops			5,943	5,943		5,943		5,943			41
42	Provider Participation Fee			117,713	117,713		117,713		117,713			42
43	Other (specify):* Non-allowable cost			157,760	157,760		157,760	(157,760)				43
44	TOTAL Special Cost Centers		355,239	307,240	662,479		662,479	(157,760)	504,719			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	5,704,246	1,111,775	6,240,412	13,056,433		13,056,433	(1,312,921)	11,743,512			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	(530)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,419)	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	(40)	30		9
10	Interest and Other Investment Income	(58,780)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(774)	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	(737)	43		18
19	Entertainment				19
20	Contributions	(7,563)	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	(84,861)	43		24
25	Fund Raising, Advertising and Promotional	(35,191)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(992)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See PG5A	(141,951)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (337,838)		\$	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)	(975,083)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (975,083)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,312,921)		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 of WheelingID# 0040923Report Period Beginning: 01/01/2009Ending: 12/31/2009

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Diagnostics Managed Care	\$ (110)	43	1
2	Labs-Part A	(11,807)	43	2
3	X-Rays Part A	(9,306)	43	3
4	Marketing Salary	(118,681)	21	4
5	Rotary Club Dues	(435)	20	5
6	Trust Fees	(150)	43	6
7	Collections	(2,899)	19	7
8	Out of period legal and retainer	(1,454)	19	8
9	Reclass LHI to maintenance	2,891	6	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
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39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(141,951)		49

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
James Samatas Discretionary Trust	33.33	See attached Schedule B		See attached Schedule B		
John Samatas Discretionary Trust	33.33					
Cynthia Thiem Discretionary Trust	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	19 Professional fees	\$	Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	\$ 200	\$ 200	1	
2	V							2	
3	V	30 Depreciation		Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	316,789	316,789	3	
4	V	32 Amortization of mortgage costs		Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	1,397	1,397	4	
5	V	32 Interest expense		Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	452,461	452,461	5	
6	V	33 Property taxes		Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	456,631	456,631	6	
7	V	34 Rental expense	1,848,631	Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**		(1,848,631)	7	
8	V	43 Trust Fees		Lexington Health Care Systems of Wheeling Ltd. Ptsp.	**	150	150	8	
9	V							9	
10	V							10	
11	V							11	
12	V							12	
13	V	**The owners of Lexington Health Care Center of Wheeling, Inc. own 100% of Lexington Health Care Systems of Wheeling Ltd. Ptsp.							13
14	Total		\$ 1,848,631			\$ 1,227,628	\$ * (621,003)	14	

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

VII. RELATED PARTIES (continued)

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

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

1	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.	**	\$ 535	\$	535	15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	7,611		7,611	16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	206		206	17
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	1,024		1,024	18
19	V	6 Management allocation - salaries		Royal Management Corp.	**	46,526		46,526	19
20	V	6 Repairs & maintenance		Royal Management Corp.	**	7,737		7,737	20
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	401		401	21
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	6,002		6,002	22
23	V	10 Medical consultant		Royal Management Corp.	**	3,132		3,132	23
24	V	10 Management allocation - salaries		Royal Management Corp.	**	45,733		45,733	24
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	5,900		5,900	25
26	V	17 Management allocation - salaries		Royal Management Corp.	**	47,273		47,273	26
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	21,633		21,633	27
28	V	19 Professional fees		Royal Management Corp.	**	11,018		11,018	28
29	V	20 Dues & subscriptions		Royal Management Corp.	**	427		427	29
30	V	20 Advertising - help wanted		Royal Management Corp.	**	338		338	30
31	V	21 Management allocation - salaries		Royal Management Corp.	**	477,127		477,127	31
32	V	21 Bank charges		Royal Management Corp.	**	9,588		9,588	32
33	V	21 Office supplies & printing		Royal Management Corp.	**	13,530		13,530	33
34	V	21 Postage		Royal Management Corp.	**	4,424		4,424	34
35	V	23 Inservice Training		Royal Management Corp.	**	21		21	35
36	V								36
37	V								37
38	V	** Certain owners of Lexington Health Care Center of Wheeling, Inc. own 100% of Royal Management Corp.							38
39	Total		\$			\$ 710,186	\$ *	710,186	39

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

Facility Name & ID Number Lexington of Wheeling# 0040923Report 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	21 Telephone	\$	Royal Management Corp.	**	\$ 13,234	\$ 13,234	
16	V	24 Travel & seminar		Royal Management Corp.	**	1,174	1,174	
17	V	25 Auto expense		Royal Management Corp.	**	19,263	19,263	
18	V	26 Insurance general		Royal Management Corp.	**	6,793	6,793	
19	V	27 Management allocation - employee benefits		Royal Management Corp.	**	67,649	67,649	
20	V	30 Depreciation		Royal Management Corp.	**	59,790	59,790	
21	V	32 Interest		Royal Management Corp.	**	16,666	16,666	
22	V	32 Amortization of mortgage costs		Royal Management Corp.	**	35	35	
23	V	33 Property taxes		Royal Management Corp.	**	5,627	5,627	
24	V	34 Rent expense		Royal Management Corp.	**	4,219	4,219	
25	V	35 Equipment rental		Royal Management Corp.	**	973	973	
26	V	17 Management fees	1,262,858	Royal Management Corp.	**		(1,262,858)	
27	V	35 Auto Lease		Royal Management Corp.	**	3,169	3,169	
28	V							
29	V							
30	V							
31	V							
32	V							
33	V							
34	V							
35	V							
36	V							
37	V							
38	V	** Certain owners of Lexington Health Care Center of Wheeling, Inc. own 100% of Royal Management Corp.						
39	Total		\$ 1,262,858			\$ 198,592	\$ * (1,064,266)	

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

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Wheeling, Inc.

Provider # 0040923

1/1/09-12/31/09

Schedule 6B

VII. Related Parties

Related Nursing Homes

Name of facility

City

Lexington Health Care Center of Lombard, Inc.

Lombard

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

Other Related Business Entities

Eastgate Manor

Algonquin Supportive Living Facility

Vesta Management Group LLC

Lombard Management Company

Lexington Health Care Systems of Wheeling Ltd. Partnership

Wheeling 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 of Wheeling # 0040923 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	3.48	8.71	Salary	\$ 11,498	L17, C7	1	
2	John Samatas	Owner/Offier	Admin/Plant Ops	33.33%	See Schedule 7A	3.81	7.62	Salary	18,588	L17, C7	2	
3	Cynthia Thiem	Owner/officer	Administrative	33.34%	See Schedule 7A	3.48	8.71	Salary	8,743	L17, C7	3	
4	Jason Samatas	Officer	Admin/SNF Ops	0.00	See Schedule 7A	5.44	10.89	Salary	8,444	L17, C7	4	
5											5	
6											6	
7											7	
8					Certain Individuals work in excess of 40 hours per week.							8
9											9	
10											10	
11											11	
12											12	
13								TOTAL	\$ 47,273		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 of Wheeling# 0040923

Report Period Beginning:

01/01/2009Ending: 2/31/2009

VIII. ALLOCATION OF INDIRECT COSTS

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

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.

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 Available	720,658	10	\$ 4,909	\$ 78,475	\$ 535	1	
2	5	Utilities - gas & electric	Bed Days Available	720,658	10	69,894	78,475	7,611	2	
3	5	Utilities - water & sewer	Bed Days Available	720,658	10	1,894	78,475	206	3	
4	5	Utilities - maintenance office	Bed Days Available	720,658	10	9,406	78,475	1,024	4	
5	6	Management allocation - salaries	Bed Days Available	720,658	10	427,259	427,259	78,475	46,526	5
6	6	Repairs & maintenance	Bed Days Available	720,658	10	71,047	78,475	7,737	6	
7	6	Scavenger & exterminating	Bed Days Available	720,658	10	3,681	78,475	401	7	
8	7	Management allocation - employees	Bed Days Available	720,658	10	55,118	78,475	6,002	8	
9	10	Medical consultant	Bed Days Available	720,658	10	28,762	78,475	3,132	9	
10	10	Management allocation - salaries	Bed Days Available	720,658	10	419,975	419,975	78,475	45,733	10
11	15	Management allocation - employees	Bed Days Available	720,658	10	54,178	78,475	5,900	11	
12	17	Management allocation - salaries	Bed Days Available	720,658	10	434,122	434,122	78,475	47,273	12
13	19	Computer consultant & supplies	Bed Days Available	720,658	10	198,663	78,475	21,633	13	
14	19	Professional fees	Bed Days Available	720,658	10	101,182	78,475	11,018	14	
15	20	Dues & subscriptions	Bed Days Available	720,658	10	3,923	78,475	427	15	
16	20	Advertising - help wanted	Bed Days Available	720,658	10	3,108	78,475	338	16	
17	21	Management allocation - salaries	Bed Days Available	720,658	10	4,381,596	4,381,596	78,475	477,127	17
18	21	Bank charges	Bed Days Available	720,658	10	88,048	78,475	9,588	18	
19	21	Office supplies & printing	Bed Days Available	720,658	10	124,253	78,475	13,530	19	
20	21	Postage	Bed Days Available	720,658	10	40,624	78,475	4,424	20	
21	21	Telephone	Bed Days Available	720,658	10	121,527	78,475	13,234	21	
22	24	Travel and Seminar	Bed Days Available	720,658	10	10,782	78,475	1,174	22	
23	23	Inservice Training	Bed Days Available	720,658	10	193	78,475	21	23	
24									24	
25	TOTALS					\$ 6,654,144	\$ 5,662,952	\$ 724,594	25	

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Wheeling

0040923

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 Ave.
 City / State / Zip Code Lombard, IL 60148
 Phone Number (630) 478-4700
 Fax Number (630) 478-4796

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days Available	720,658	10	\$ 176,898	\$ 78,475	\$ 19,263	1
2	26	Insurance general	Bed Days Available	720,658	10	62,379	78,475	6,793	2
3	27	Management allocation - employees	Bed Days Available	720,658	10	621,243	78,475	67,649	3
4	30	Depreciation	Bed Days Available	720,658	10	549,069	78,475	59,790	4
5	32	Interest	Bed Days Available	720,658	10	153,050	78,475	16,666	5
6	32	Amortization of mortgage costs	Bed Days Available	720,658	10	321	78,475	35	6
7	33	Property taxes	Bed Days Available	720,658	10	51,670	78,475	5,627	7
8	34	Rent expense	Bed Days Available	720,658	10	38,747	78,475	4,219	8
9	35	Equipment rental	Bed Days Available	720,658	10	8,933	78,475	973	9
10	35	Auto Lease	Bed Days Available	720,658	10	29,103	78,475	3,169	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					\$ 1,691,413	\$	\$ 184,184	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Lexington of Wheeling

0040923

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									
						Name of Lender	Related**					Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
							YES								NO	Original				Balance
	A. Directly Facility Related																			
	Long-Term																			
1	Lexington Financial						\$	\$			\$	1								
2	Services II, L.L.C	X		Mortgage	Varies	4/30/07	7,573,000	7,255,718	5/1/2017	0.0625	452,461	2								
3												3								
4												4								
5							Interest on financing insurance premium				579	5								
	Working Capital																			
6	Shareholders	X		Working Capital	None	Various	675,000	2,916,197	Demand	Prime +1	29,767	6								
7	JP Morgan Chase N.A.		X	Line of Credit	Varies	4/30/07	1,100,000		5/1/10	Libor +1	13,533	7								
8												8								
9	TOTAL Facility Related						\$ 9,348,000	\$ 10,171,915			\$ 496,340	9								
	B. Non-Facility Related*																			
10								Amortization of loan costs			1,432	10								
11								Interest income offset			(28,833)	11								
12								Allocated from management co.			16,666	12								
13								Less: Interest to shareholders			(29,767)	13								
14	TOTAL Non-Facility Related						\$	\$			\$ (40,502)	14								
15	TOTALS (line 9+line14)						\$ 9,348,000	\$ 10,171,915			\$ 455,838	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.)

Facility Name & ID Number Lexington of Wheeling

0040923

Report Period Beginning:

01/01/2009 Ending:

12/31/2009

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 85,551 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.

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

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.

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

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

N/A

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? YES NO
If so, please complete the following:

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____

3. Current Period Amortization: _____ 4. Dates Incurred: _____

Nature of Costs:

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

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	<u>Resident Care</u>	<u>137,650</u>	<u>1993</u>	<u>\$ 595,000</u>	<u>1</u>
2	<u>Allocated from Management Company</u>		<u>2002</u>	<u>19,738</u>	<u>2</u>
3	TOTALS	137,650		\$ 614,738	3

SEE ACCOUNTANTS' COMPILATION REPORT

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	205		1995	1995	\$ 6,537,447	\$	10-40	\$ 163,223	\$ 163,223	\$ 2,402,461	4
5	10		2000	2000	98,710	2,468	40	2,468		23,444	5
6											6
7											7
8											8
	Improvement Type**										
9		Building improvement	1995		3,587			239	239	3,507	9
10		Land improvement - sidewalk replacement	1996		1,927	128	15	128		1,734	10
11		Leasehold improvement - pines & sod	1996		3,431	229	15	229		3,089	11
12		Basement rehab	1997		18,611		15			18,611	12
13		Building improvement - curtains/track	1997		1,936		10	55	55	691	13
14		Landscaping	1997		2,002	134	35	134		1,670	14
15		Wiring for MDS	1998		3,552		15			3,552	15
16		Parking Lot	1998		2,952		10			2,952	16
17		Roof repair	2000		1,980	198	10	198		1,881	17
18		Remodel HVAC/exhaust system - office area	2000		7,480	374	10	374		3,553	18
19		Automatic Door	2000		1,300	130	20	130		1,235	19
20		Rods for beside curtains	2000		2,525	252	10	252		2,397	20
21		Floor tile	2000		10,298	1,030	10	1,030		9,784	21
22		Parking lot seal coating and repair	2001		2,177	218	10	218		1,851	22
23		Infrared curtain units for 3 elevators	2001		4,500		10			4,500	23
24		Boiler vent repairs	2001		3,084	308	5	308		2,621	24
25		Kitchen wall rebuild	2003		22,500	1,125	10	1,125		7,125	25
26		Elevator upgrade	2004		11,077	554	20	554		3,139	26
27		Landscaping	2005		450	23	20	23		102	27
28		HVAC system	2005		27,711	1,386	20	1,386		5,889	28
29		Lobby, lounge, and reception rehab	2005		22,731	1,137	20	1,137		4,547	29
30		Lower level therapy room rehab	2005		8,100	405	20	405		1,991	30
31		First floor therapy room addition	2005		32,167	1,608	20	1,608		8,041	31
32		Transitional unit addition	2005		18,758	938	20	938		3,986	32
33		Basement rehab	2005		13,105	655	20	655		2,948	33
34		Countertops	2005		845	169	5	169		789	34
35		Window treatments	2005		4,090	818	5	818		4,090	35
36							10				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 of Wheeling

0040923

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	Landscaping Enhancement	2006	\$ 4,558	\$ 304	15	\$ 304		\$ 1,038	37
38	HVAC	2006	10,034	1,003	10	1,003		3,093	38
39	Emergency A/C	2006	8,110	811	10	811		2,636	39
40	Administration HVAC	2006	6,058	606	10	606		1,969	40
41	Modular units attached to wall	2006	11,010	1,101	10	1,101		3,762	41
42	Transitional Unit	2006	8,017	401	10	401		1,203	42
43	Employee lunch room rehab	2006	2,361	236	10	236		846	43
44	Alzheimers Remodel	2007	606	15	40	15		30	44
45	Alzheimers Remodel	2007	10,535	263	40	263		526	45
46	Install wireless LAN	2006	5,307	531	10	531		1,593	46
47	Automatic Doors Patio	2006	2,232	223	10	223		781	47
48	Parking Lot	2007	3,777	189	20	189		441	48
49	HVAC	2007	4,842	242	20	242		484	49
50	First Floor Remodel-carpentry, flooring, door frames, plumbing	2007	484,373		40	12,110	12,110	36,329	50
51	First Floor Remodel-painting, carpentry, flooring, plumbing	2007	161,654		40	4,041	4,041	12,123	51
52	Landscaping	2008	14,600	973	15	973		1,703	52
53	Second Floor Remodel-carpentry, flooring, electrical, painting	2008	485,694		27	17,662	17,662	20,606	53
54	Special care unit-carpentry, electrical, painting, alarm systems	2008	40,930		27	1,488	1,488	1,736	54
55	Irrigation System	2009	15,185	422	15	422		422	55
56	Landscaping Enhancements	2009	21,445	715	15	715		715	56
57	Roof repairs	2009	137,000	1,713	20	1,713		1,713	57
58	Stamped Concrete	2009	10,512	64	27	64		64	58
59	Quick connects	2009	9,678	242	20	242		242	59
60									60
61	2nd Floor remodel-Carpentry	2009	8,116	246	27	246		246	61
62	Patio Fence	2009	4,824	20	20	20		20	62
63	Patio Pergola	2009	8,299	311	20	311		311	63
64	3rd floor remodel-Carpentry, flooring, electrical, wallpaper	2009	443,781		27	8,069	8,069	8,069	64
65	alarms sytem, painting.								65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 8,792,571	\$ 24,918		\$ 231,805	\$ 206,887	\$ 2,634,881	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	Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 8,792,571	\$ 24,918		\$ 231,805	\$ 206,887	\$ 2,634,881	1
2									2
3									3
4									4
5	Land improvements - management company	2002	273,133		40	8,090	8,090	64,320	5
6	HVAC, electrical, security system - management company	2003	2,399		30	166	166	1,063	6
7	Key card system - management company	2004	377		20	19	19	102	7
8	VAV TX controls - management company	2005	115		20	6	6	28	8
9	Interior Signs-management company	2006	84		5	6	6	18	9
10	Building improvements - management company	2008	9,071		5	691	691	856	10
11	Building improvements - management company	2009	682			12	12	12	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									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,078,432	\$ 24,918		\$ 240,795	\$ 215,877	\$ 2,701,280	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 of Wheeling

0040923

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	\$ 708,846	\$ 55,652	\$ 124,045	\$ 68,393	5	\$ 365,143	71
72	Current Year Purchases	629,553	9,038	50,507	41,469		50,507	72
73	Fully Depreciated Assets	24,509					24,509	73
74	Alloc. From Mgmt Co.	300,345		44,637	44,637		218,457	74
75	TOTALS	\$ 1,663,253	\$ 64,690	\$ 219,189	\$ 154,499		\$ 658,616	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	Alloc. From Mgmt Co.			44,343		6,163	6,163		27,974	79
80	TOTALS			\$ 44,343	\$	\$ 6,163	\$ 6,163		\$ 27,974	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)	\$ 11,400,766	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 89,608	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 466,147	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 376,539	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 3,387,870	85

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

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

G. Construction-in-Progress

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

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

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

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?

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	<u>Allocated from Mgmt Co.</u>				<u>4,219</u>			6
7	TOTAL				\$ <u>4,219</u>			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: \$ 19,482 Description: Copier-\$4,905; Fax Mach-\$4,072; Offi Equip-\$177; Oxy-\$7,627; Med Eq-\$1,728 Alloc. Mgmt Co.973

(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	<u>Allocated from Mgmt Co.</u>			<u>3,169</u>	19
20					20
21	TOTAL		\$	\$ <u>3,169</u>	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. _____ /2010 \$ _____

13. _____ /2011 \$ _____

14. _____ /2012 \$ _____

* 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? <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. <u>CLASSROOM PORTION:</u></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. <u>CLINICAL PORTION:</u></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	\$	5,257	\$ 386,795	\$	5,257	\$ 386,795	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		1,668	118,316		1,668	118,316	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		9,574	536,006		9,574	536,006	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				355,239		355,239	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Dentist</u>	39(3)				250			250	12
13	Other (specify): _____									13
14	TOTAL			\$	16,499	\$ 1,041,367	\$ 355,239	16,499	\$ 1,396,606	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

Facility Name & ID Number Lexington of Wheeling# 0040923Report Period Beginning: 01/01/2009Ending: 12/31/2009

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	\$ 220,499	\$ 282,608	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>790,301</u>)	1,945,652	1,945,652	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	9,496	9,496	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	13,535	181,969	8
9	Other(specify): <u>See Sch 17A</u>	68,199	68,199	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,257,381	\$ 2,487,924	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	7,091	7,091	12
13	Land		614,738	13
14	Buildings, at Historical Cost		6,537,447	14
15	Leasehold Improvements, at Historical Cost	636,220	2,540,985	15
16	Equipment, at Historical Cost	493,383	1,707,596	16
17	Accumulated Depreciation (book methods)	(376,000)	(3,387,870)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): <u>Mortgage net cost</u>		31,554	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 760,694	\$ 8,051,541	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,018,075	\$ 10,539,465	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 454,850	\$ 454,850	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	5,864	5,864	28
29	Short-Term Notes Payable	2,916,197	2,916,197	29
30	Accrued Salaries Payable	330,031	330,031	30
31	Accrued Taxes Payable (excluding real estate taxes)	3,138	3,138	31
32	Accrued Real Estate Taxes(Sch.IX-B)		464,400	32
33	Accrued Interest Payable		40,575	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Sch 17A</u>	5,123,197	1,326,295	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,833,277	\$ 5,541,350	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		7,255,718	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)	\$	\$ 7,255,718	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 8,833,277	\$ 12,797,068	46
47	TOTAL EQUITY(page 18, line 24)	\$ (5,815,202)	\$ (2,257,603)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,018,075	\$ 10,539,465	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington Health Care Center of Wheeling
1/1/09-12/31/09
Provider # 0040923

Schedule 17A

XV. Balance Sheet

A. Current Assets

9. Other Current Assets

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Escrow-Insurance	35,305	35,305
Advance Biweekly Part A Payments	16,527	16,527
Uncollectible Part A Co Pvts	16,367	16,367
	<u>68,199</u>	<u>68,199</u>

C. Current Liabilities

36. Other Current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Accrued 401K	15,115	15,115
Accrued Expenses	71,513	71,513
Accrued Royl Genl Mgmt Fees	43,785	43,785
Accrued Rent	4,641,324	
Accrued Wage Assignments	426	426
Deferred Income	351,034	351,034
Interest Rate Swap Liability		844,422
	<u>5,123,197</u>	<u>1,326,295</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (5,222,598)	1
2	Restatements (describe):		2
3	Post closing adjustment	(226,856)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (5,449,454)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(365,748)	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)	\$ (365,748)	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)	\$ (5,815,202)	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Wheeling# 0040923Report 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	\$ 17,260,867	1
2	Discounts and Allowances for all Levels	(7,332,178)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 9,928,689	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	2,210,529	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 2,210,529	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	6,583	12
13	Barber and Beauty Care	26,857	13
14	Non-Patient Meals	530	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	326,194	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	81,603	19
20	Radiology and X-Ray	7,321	20
21	Other Medical Services	78,490	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 527,578	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	23,889	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 23,889	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28			28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 12,690,685	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,642,684	31
32	Health Care	5,820,453	32
33	General Administration	2,930,010	33
B. Capital Expense			
34	Ownership	2,000,807	34
C. Ancillary Expense			
35	Special Cost Centers	544,766	35
36	Provider Participation Fee	117,713	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 13,056,433	40
41	Income before Income Taxes (line 30 minus line 40)**	(365,748)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (365,748)	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.
Entity is cash basis taxpayer

*** 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 of Wheeling

0040923

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	2,105	2,220	\$ 110,078	\$ 49.58	1
2	Assistant Director of Nursing	7,045	7,783	270,473	34.75	2
3	Registered Nurses	37,785	41,032	1,355,034	33.02	3
4	Licensed Practical Nurses	19,374	20,730	509,005	24.55	4
5	CNAs & Orderlies	116,084	124,628	1,531,748	12.29	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	11,158	11,975	149,965	12.52	8
9	Activity Director					9
10	Activity Assistants	18,069	19,463	261,622	13.44	10
11	Social Service Workers	13,133	13,742	184,726	13.44	11
12	Dietician	11,023	11,823	112,951	9.55	12
13	Food Service Supervisor	2,016	2,163	40,651	18.79	13
14	Head Cook	1,876	1,951	29,285	15.01	14
15	Cook Helpers/Assistants	6,464	6,968	71,520	10.26	15
16	Dishwashers	14,425	15,004	121,254	8.08	16
17	Maintenance Workers	2,034	2,258	39,168	17.35	17
18	Housekeepers	35,920	38,384	334,355	8.71	18
19	Laundry	9,840	10,519	93,432	8.88	19
20	Administrator	1,943	2,150	98,790	45.95	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	22,666	23,996	370,739	15.45	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	1,151	1,191	19,450	16.33	31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	334,111	357,980	\$ 5,704,246 *	\$ 15.93	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	12	\$ 15,582	1(3)	35
36	Medical Director	Monthly	36,200	9(3)	36
37	Medical Records Consultant		976	10(3)	37
38	Nurse Consultant	Monthly	16,751	10(3)	38
39	Pharmacist Consultant	Monthly	11,580	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	5,842	11(3)	44
45	Social Service Consultant	Monthly	4,835	12(3)	45
46	Other(specify) <u>Psychosocial</u>	Monthly	2,112	12(3)	46
47	<u>Clinical Consultant</u>	Monthly	7,834	10(3)	47
48	<u>Medical Consultant</u>	Monthly	3,132	10(7)	48
49	TOTAL (lines 35 - 48)	12	\$ 104,844		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

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	
Ayodeji Adegoye	Administrator	0%	\$ 78,137	Workers' Compensation Insurance	\$ 84,929	IDPH License Fee	\$ 995	
Brian Celerio	Administrator	0%	20,653	Unemployment Compensation Insurance	32,031	Advertising: Employee Recruitment	35,307	
				FICA Taxes	418,848	Health Care Worker Background Check		
				Employee Health Insurance	197,570	(Indicate # of checks performed <u>18</u>)	218	
				Employee Meals	15,381	Patient Background Checks <u>65</u>	782	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Licenses & Fees	688	
				<u>401K</u>	<u>15,115</u>	Miscellaneous Dues & Subscriptions	1,095	
				Uniform Allowance	569			
				Other Employee Benefits	38,234	Alloc. From Mgmt Co.	765	
						Less: Rotary Club Dues	(435)	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 98,790	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
				\$ 802,677		\$ 39,415		
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-Royal Operating			\$ 887,094	N/A			Out-of-State Travel	\$
Management Fees-Royal General			375,764					
							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,262,858				Seminar Expense	4,698
							Alloc. From Mgmt Co.	1,174
							Entertainment Expense	()
							(agree to Sch. V, line 24, col. 8)	
C. Professional Services				TOTAL			TOTAL	
Vendor/Payee	Type		Amount	\$			\$ 5,872	
Grabowski Law Center	Collections		\$ 2,899					
Aronberg Goldgehn	401K Audit		10					
Cassiday Schade	Legal		4,045					
Chicago Legal Clinic	Legal		1,429					
Damon W. Doucet	Legal		1,803					
Freedman Anselmo Lindberg	Legal		187					
James Samatas	Legal		100					
McGladrey & Pullen LLP	Accounting		22,980					
Much Shelist	Legal		10,409					
Pension Administrators	Pension Administration		920					
Personnel Planners	U/C Consulting		1,030					
See attached Schedule 21C			38,912					
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 84,724					

* Attach copy of IMRF notifications
SEE ACCOUNTANTS' COMPILATION REPORT

**See instructions.

C. Professional Fees

Schedule 21C

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Reed Smith/Sachnoff & Weaver	Legal	1,833
RSM McGladrey	Accounting	8,500
Serpico, Petrosino & Dipiero, LT	Legal	1,218
Regulatory Consultant	Contrac Healthcare	573
Action Computer Service	Computer Consulting	632
B2B Computer Products	Computer Consulting	46
C.D.W. Direct	Computer Consulting	606
E-Health Data Solutions	Computer Consulting	2,400
Healthware Consulting	Computer Consulting	1,415
Information Control	Computer Consulting	1,532
Krakau Business	Computer Consulting	399
Lanac/GP	Computer Consulting	2,970
Microsoft License	Computer Consulting	4,290
MNJ Technologies	Computer Consulting	4,676
National Datacare	Computer Consulting	64
National Datacare	Computer Consulting	2,501
Silverchair Learning Systems	Computer Consulting	4,200
Vision Share	Computer Consulting	935
Visual Click	Computer Consulting	123
		<u>38,912</u>

Schedule V, line 19, column 3 84,724

Less collections (2,899)
Less out of period & retainer (1,454)

Sambell of Wheeling
James Samatas 200

80,571

Samvest of Lombard

Legal	232
Accounting	99
	<u>331</u>

Allocated from Mgmt. Co.

James Samatas	Legal	63
Reed Smith	Legal	2,584
Much Shelist	Legal	1,627
Serpico, Petrosino, Dipiero	Legal	12
McGladrey & Pullen	Accounting	793
Aronberg, Goldgehn Davis	401K Administration	609
LaSalle Network	Accounting	2
Gilson Labus	Accounting	1,031
KMZ Rosenmann	Legal	514
ING Life Annuity	401K Administration	1,884
Pension Administrators, Inc.	401K Administration	124
Personnel Planners	Unemployment Consulting	549
Gilson Labus	Accounting	33
Gene Whitehorn	Medicaid Reimb Specialist	862
Computer Services	Computer Consulting	21,633
		<u>32,320</u>

Schedule V, line 18, column 8 113,222

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
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014
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

