

Facility Name & ID Number Lexington of Orland Park

0041855 Report Period Beginning: 01/01/2010 Ending: 12/31/2010

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>278</u>	Skilled (SNF)	<u>278</u>	<u>101,470</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>278</u>	TOTALS	<u>278</u>	<u>101,470</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				5
		3 Medicaid Recipient	Private Pay	4 Other	Total	
8	SNF			<u>22,857</u>	<u>22,857</u>	8
9	SNF/PED					9
10	ICF	<u>60,039</u>	<u>5,673</u>		<u>65,712</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>60,039</u>	<u>5,673</u>	<u>22,857</u>	<u>88,569</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 87.29%

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 eliminated in Schedule V, Column 7.

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

YES NO

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

Date started 7/8/96

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 278 and days of care provided 15,469

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 12/31/10 Fiscal Year: 12/31/10

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

Facility Name & ID Number Lexington of Orland Park # 0041855 Report Period Beginning: 01/01/2010 Ending: 12/31/2010

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	446,283	50,918	20,203	517,404		517,404		517,404		1
2	Food Purchase		453,489		453,489		453,489	(22,421)	431,068		2
3	Housekeeping	421,415	52,148		473,563		473,563	520	474,083		3
4	Laundry	47,128	27,393		74,521		74,521		74,521		4
5	Heat and Other Utilities			313,712	313,712		313,712	13,408	327,120		5
6	Maintenance	66,452		142,018	208,470		208,470	77,994	286,464		6
7	Other (specify):* Alloc. From Mgmt. C							9,055	9,055		7
8	TOTAL General Services	981,278	583,948	475,933	2,041,159		2,041,159	78,556	2,119,715		8
	B. Health Care and Programs										
9	Medical Director			71,000	71,000		71,000		71,000		9
10	Nursing and Medical Records	5,472,572	401,225	556,175	6,429,972		6,429,972	82,325	6,512,297		10
10a	Therapy			1,368,011	1,368,011		1,368,011		1,368,011		10a
11	Activities	305,570	36,185	14,045	355,800		355,800		355,800		11
12	Social Services	324,241		7,322	331,563		331,563		331,563		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Alloc. From Mgmt. C							11,284	11,284		15
16	TOTAL Health Care and Programs	6,102,383	437,410	2,016,553	8,556,346		8,556,346	93,609	8,649,955		16
	C. General Administration										
17	Administrative	127,716		1,735,112	1,862,828		1,862,828	(1,698,582)	164,246		17
18	Directors Fees										18
19	Professional Services			249,209	249,209		249,209	23,977	273,186		19
20	Dues, Fees, Subscriptions & Promotions			54,917	54,917		54,917	11,379	66,296		20
21	Clerical & General Office Expenses	468,572	47,414	41,593	557,579		557,579	573,459	1,131,038		21
22	Employee Benefits & Payroll Taxes			1,032,595	1,032,595		1,032,595	21,837	1,054,432		22
23	Inservice Training & Education			18,426	18,426		18,426	1,433	19,859		23
24	Travel and Seminar			8,450	8,450		8,450	(1,596)	6,854		24
25	Other Admin. Staff Transportation			3,950	3,950		3,950	27,188	31,138		25
26	Insurance-Prop.Liab.Malpractice			327,392	327,392		327,392	5,550	332,942		26
27	Other (specify):* Alloc. From Mgmt. C							99,264	99,264		27
28	TOTAL General Administration	596,288	47,414	3,471,644	4,115,346		4,115,346	(936,091)	3,179,255		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,679,949	1,068,772	5,964,130	14,712,851		14,712,851	(763,926)	13,948,925		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 Orland Park

#0041855

Report Period Beginning:

01/01/2010

Ending:

12/31/2010

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			120,417	120,417		120,417	486,416	606,833			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			3,354	3,354		3,354	636,513	639,867			32
33	Real Estate Taxes							591,381	591,381			33
34	Rent-Facility & Grounds			2,386,092	2,386,092		2,386,092	(2,378,130)	7,962			34
35	Rent-Equipment & Vehicles			91,296	91,296		91,296	4,378	95,674			35
36	Other (specify):*											36
37	TOTAL Ownership			2,601,159	2,601,159		2,601,159	(659,442)	1,941,717			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		549,810		549,810		549,810		549,810			39
40	Barber and Beauty Shops			31,398	31,398		31,398		31,398			40
41	Coffee and Gift Shops			2,996	2,996		2,996		2,996			41
42	Provider Participation Fee			152,205	152,205		152,205		152,205			42
43	Other (specify):* Non-Allowable Cos			162,148	162,148		162,148	(162,148)				43
44	TOTAL Special Cost Centers		549,810	348,747	898,557		898,557	(162,148)	736,409			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,679,949	1,618,582	8,914,036	18,212,567		18,212,567	(1,585,516)	16,627,051			45

*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

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	(584)	2		4
5	Telephone, TV & Radio in Resident Rooms	(8,046)	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	(276)	30		9
10	Interest and Other Investment Income	(9,852)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,314)	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	(24,000)	43		18
19	Entertainment				19
20	Contributions	(1,900)	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	(43,752)	43		24
25	Fund Raising, Advertising and Promotional	(36,580)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(5,277)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg 5A	(623,933)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (755,514)		\$	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)	(830,002)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (830,002)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,585,516)		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 Orland Park

ID# 0041855

Report Period Beginning: 01/01/2010

Ending: 12/31/2010

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Trust Fees	\$ (75)	43	1
2	Labs- Part A	(11,999)	43	2
3	X-Rays- Part A	(28,816)	43	3
4	Diagnostics Managed Care	(1,483)	43	4
5	Miscellaneous Income	27	21	5
6	Marketing Salary	(106,831)	21	6
7	Collections	(3,655)	19	7
8	Out of period legal	(1,902)	19	8
9	Reclass LHI under 2500	5,369	6	9
10	Travel and Seminar marketing	(4,156)	24	10
11	Dues & Subscripions marketing	(115)	20	11
12	Unrealized loss on FMV swap	(470,297)	43	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
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30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(623,933)		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 Discretionary Trust	30%					
John Samatas Discretionary Trust	30%	See attached Schedule B		See Schedule B		
Cynthia Thiem Discretionary Trust	30%					
Dean Sweitzer	10%					

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization			
1	V	19 Professional Fees	\$	Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	\$ 351	\$	351	1
2	V	30 Depreciation		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	424,281		424,281	2
3	V	32 Interest Expense		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	620,104		620,104	3
4	V	32 Amortization of mortgage costs		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	3,866		3,866	4
5	V	33 Property Taxes		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	583,592		583,592	5
6	V	34 Rental Expense	2,383,592	Lexington Health Care Systems of Orland Park Ltd. Ptsp	**			(2,383,592)	6
7	V	43 State Replacement Tax		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	1,019		1,019	7
8	V	43 Trust Fees		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	75		75	8
9	V	43 Unrealized loss on FMV swap		Lexington Health Care Systems of Orland Park Ltd. Ptsp	**	470,297		470,297	9
10	V								10
11	V			** The owners of Lexington Health Care Center of Orland Park, Inc. own 100% of Lexington Health Care Systems of Orland Park Ltd. Ptsp.					11
12	V								12
13	V								13
14	Total		\$ 2,383,592			\$ 2,103,585	\$ *	(280,007)	14

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Orland Park

0041855

Report Period Beginning: 01/01/2010

Ending: 12/31/2010

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.	**	\$ 520	\$	520	15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	11,916		11,916	16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	339		339	17
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	1,153		1,153	18
19	V	6 Management allocation - salaries		Royal Management Corp.	**	60,949		60,949	19
20	V	6 Repairs & maintenance		Royal Management Corp.	**	11,132		11,132	20
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	544		544	21
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	9,055		9,055	22
23	V	10 Medical consultant		Royal Management Corp.	**	6,374		6,374	23
24	V	10 Management allocation - salaries		Royal Management Corp.	**	75,951		75,951	24
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	11,284		11,284	25
26	V	17 Management allocation - salaries		Royal Management Corp.	**	36,530		36,530	26
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	20,191		20,191	27
28	V	19 Professional fees		Royal Management Corp.	**	8,992		8,992	28
29	V	20 Dues & subscriptions		Royal Management Corp.	**	910		910	29
30	V	20 Advertising - help wanted		Royal Management Corp.	**	10,584		10,584	30
31	V	21 Management allocation - salaries		Royal Management Corp.	**	631,605		631,605	31
32	V	21 Bank charges		Royal Management Corp.	**	12,508		12,508	32
33	V	21 Office supplies & printing		Royal Management Corp.	**	16,463		16,463	33
34	V	21 Postage		Royal Management Corp.	**	5,915		5,915	34
35	V	23 Inservice Training		Royal Management Corp.	**	1,433		1,433	35
36	V								36
37	V								37
38	V	** Certain owners of Lexington Health Care Center of Orland Park, Inc. own 100% of Royal Management Corp.							38
39	Total		\$			\$ 934,348	\$ *	934,348	39

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

VII. RELATED PARTIES (continued)

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:			
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)			
15	V	21 Telephone	\$	Royal Management Corp.	**	\$ 13,772	\$	13,772	15	
16	V	24 Travel & seminar		Royal Management Corp.	**	2,560		2,560	16	
17	V	25 Auto expense		Royal Management Corp.	**	27,188		27,188	17	
18	V	26 Insurance general		Royal Management Corp.	**	5,550		5,550	18	
19	V	27 Management allocation - employee benefits		Royal Management Corp.	**	99,264		99,264	19	
20	V	30 Depreciation		Royal Management Corp.	**	62,411		62,411	20	
21	V	32 Interest		Royal Management Corp.	**	22,346		22,346	21	
22	V	32 Amortization of mortgage costs		Royal Management Corp.	**	49		49	22	
23	V	33 Property taxes		Royal Management Corp.	**	7,789		7,789	23	
24	V	34 Rent expense		Royal Management Corp.	**	5,462		5,462	24	
25	V	35 Equipment rental		Royal Management Corp.	**	1,622		1,622	25	
26	V	17 Management fees	1,735,112	Royal Management Corp.	**			(1,735,112)	26	
27	V	35 Auto Lease		Royal Management Corp.	**	2,756		2,756	27	
28	V								28	
29	V								29	
30	V								30	
31	V								31	
32	V								32	
33	V								33	
34	V								34	
35	V								35	
36	V								36	
37	V								37	
38	V	** Certain owners of Lexington Health Care Center of Orland Park, Inc. own 100% of Royal Management Corp.								38
39	Total		\$ 1,735,112			\$ 250,769	\$ *	(1,484,343)	39	

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

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Orland Park, Inc.

Provider # 0041855

1/1/10-12/31/10

Schedule B

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 Wheeling, Inc.	Wheeling

Other Related Business Entities

Eastgate Manor	Algonquin	Supportive Living Facility
Vesta Management Group, LLC	Lombard	Management Company
Lexington Health Care Systems of Orland Park Limited Partnership	Orland Park	Real Estate Entity
Royal Management Corporation	Lombard	Management Company
Lexington Financial Services, L.L.C	Lombard	Finance Company
Lexington Square Life Care of Lombard, LLC	Lombard	Independent and Assisted Livings
Samvest of Lombard II, LP	Lombard	Hotel

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Orland Park # 0041855 Report Period Beginning: 01/01/2010 Ending: 12/31/2010

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	30.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	\$ 13,189	L17, C7	1
2	John Samatas	Owner/officer	Admin/Plant Ops	30.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	11,368	L17, C7	2
3	Cynthia Thiem	Owner/officer	Administrative	30.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	11,973	L17, C7	3
4											4
5	Daniel Thiem	Executive VP	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	3,424	L21, C7	5
6											6
7	Dean Sweitzer	Owner*	Administrative	10.00	131,431	5	10.00	Salary	21,631	L21, C7	7
8											8
9											9
10		* Dean Sweitzer is an owner only in Lexington Health Care Center of Orland Park, Inc. He is an employee									10
11		of Royal Management Corp. and provides administrative services to Royal Management Corp. His compensation									11
12		has been allocated to all 10 Lexington facilities.									12
13								TOTAL	\$ 61,585		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 Orland Park# 0041855

Report Period Beginning:

01/01/2010

Ending:

12/31/2010

VIII. ALLOCATION OF INDIRECT COSTS

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

Name of Related Organization

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

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	718,010	10	\$ 3,682	\$ 101,470	\$ 520	1
2	5	Utilities - gas & electric	Bed Days	718,010	10	84,318	101,470	11,916	2
3	5	Utilities - water & sewer	Bed Days	718,010	10	2,399	101,470	339	3
4	5	Utilities - maintenance office	Bed Days	718,010	10	8,161	101,470	1,153	4
5	6	Management allocation - salaries	Bed Days	718,010	10	431,278	431,278	60,949	5
6	6	Repairs & maintenance	Bed Days	718,010	10	78,772	101,470	11,132	6
7	6	Scavenger & exterminating	Bed Days	718,010	10	3,848	101,470	544	7
8	7	Management allocation - employe	Bed Days	718,010	10	64,074	101,470	9,055	8
9	10	Medical consultant	Bed Days	718,010	10	45,100	101,470	6,374	9
10	10	Management allocation - salaries	Bed Days	718,010	10	537,439	537,439	75,951	10
11	15	Management allocation - employe	Bed Days	718,010	10	79,846	101,470	11,284	11
12	17	Management allocation - salaries	Bed Days	718,010	10	258,489	258,489	36,530	12
13	19	Computer consultant & supplies	Bed Days	718,010	10	142,872	101,470	20,191	13
14	19	Professional fees	Bed Days	718,010	10	63,628	101,470	8,992	14
15	20	Dues & subscriptions	Bed Days	718,010	10	6,440	101,470	910	15
16	20	Advertising - help wanted	Bed Days	718,010	10	74,892	101,470	10,584	16
17	21	Management allocation - salaries	Bed Days	718,010	10	4,469,291	4,469,291	631,605	17
18	21	Bank charges	Bed Days	718,010	10	88,508	101,470	12,508	18
19	21	Office supplies & printing	Bed Days	718,010	10	116,497	101,470	16,463	19
20	21	Postage	Bed Days	718,010	10	41,854	101,470	5,915	20
21	21	Telephone	Bed Days	718,010	10	97,454	101,470	13,772	21
22	24	Inservice Training	Bed Days	718,010	10	10,139	101,470	1,433	22
23	24	Travel and Seminar	Bed Days	718,010	10	18,117	101,470	2,560	23
24									24
25	TOTALS					\$ 6,727,098	\$ 5,696,497	\$ 950,680	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Orland Park

0041855

Report Period Beginning:

01/01/2010

Ending:

12/31/2010

VIII. ALLOCATION OF INDIRECT COSTS

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

Name of Related Organization

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

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	25	Auto expense	Bed Days	718,010	10	\$ 192,388	\$ 101,470	\$ 27,188	1
2	26	Insurance general	Bed Days	718,010	10	39,272	101,470	5,550	2
3	27	Management allocation - employe	Bed Days	718,010	10	702,398	101,470	99,264	3
4	30	Depreciation	Bed Days	718,010	10	441,627	101,470	62,411	4
5	32	Interest	Bed Days	718,010	10	158,122	101,470	22,346	5
6	32	Amortization of mortgage costs	Bed Days	718,010	10	346	101,470	49	6
7	33	Property taxes	Bed Days	718,010	10	55,117	101,470	7,789	7
8	34	Rent expense	Bed Days	718,010	10	38,647	101,470	5,462	8
9	35	Equipment rental	Bed Days	718,010	10	11,478	101,470	1,622	9
10	35	Auto Lease	Bed Days	718,010	10	19,500	101,470	2,756	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				\$ 1,658,895	\$		\$ 234,437	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Lexington of Orland Park

0041855

Report Period Beginning:

01/01/2010

Ending:

12/31/2010

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

1	2	3	4	5	6	7	8	9	10											
										Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
											YES	NO				Original	Balance			
A. Directly Facility Related																				
Long-Term																				
1	Lexington Financial Services	X		Mortgage	Varies	5/22/08	\$ 11,354,000	\$ 10,787,630	1/1/2033	Variable	\$ 620,104	1								
2	L.L.C.											2								
3												3								
4												4								
5												5								
Working Capital																				
6	Bank of America		X	Line of Credit	Varies	4/6/02	2,000,000		6/30/11	Prime		6								
7												7								
8							Interest on Financing Insurance Premium				3,354	8								
9	TOTAL Facility Related						\$ 13,354,000	\$ 10,787,630			\$ 623,458	9								
B. Non-Facility Related*																				
10							Amortization of Mortgage Cost				3,915	10								
11							Interest Income Offset				(9,852)	11								
12												12								
13							Allocated from Management Co.				22,346	13								
14	TOTAL Non-Facility Related						\$	\$			\$ 16,409	14								
15	TOTALS (line 9+line14)						\$ 13,354,000	\$ 10,787,630			\$ 639,867	15								

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

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

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.)

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

B. Real Estate Taxes

		Important, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.			
1. Real Estate Tax accrual used on 2009 report.			\$	507,600	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2009		\$	549,706	2
3. Under or (over) accrual (line 2 minus line 1).			\$	42,106	3
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	566,400	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	8,527	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.		Allocated from Mgmt. Co.		7,789	
TOTAL REFUND	\$ 33,441	2007 Tax Year. (Attach a copy of the real estate tax appeal board's decision.)	\$	(33,441)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	591,381	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2005	491,839			8
	2006	484,891			9
	2007	489,435			10
	2008	492,801			11
	2009	549,706			12
See attached Real Estate Accrual Schedule					
FOR BHF USE ONLY					
	13	FROM R. E. TAX STATEMENT FOR 2009	\$		13
	14	PLUS APPEAL COST FROM LINE 5	\$		14
	15	LESS REFUND FROM LINE 6	\$		15
	16	AMOUNT TO USE FOR RATE CALCULATION	\$		16

NOTES:

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

SEE ACCOUNTANTS' COMPILATION REPORT

2009 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Orland Park COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0041855

CONTACT PERSON REGARDING THIS REPORT Karen Gillis

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

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2009 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 2009.

	(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>27-10-100-099-0000</u>	<u>Land & Building</u>	\$ <u>549,706.45</u>	\$ <u>549,706.45</u>
2.	<u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
3.	<u>05-01-202-021</u>	<u>Land & Building</u>	\$ <u>227,778.04</u>	\$ <u>7,789.00</u>
4.	_____	_____	\$ _____	\$ _____
5.	_____	_____	\$ _____	\$ _____
6.	_____	_____	\$ _____	\$ _____
7.	_____	_____	\$ _____	\$ _____
8.	_____	_____	\$ _____	\$ _____
9.	_____	_____	\$ _____	\$ _____
10.	_____	_____	\$ _____	\$ _____
TOTALS			\$ <u><u>777,484.49</u></u>	\$ <u><u>557,495.45</u></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 2009 tax bills which were listed in Section A to this statement. Be sure to use the 2009 tax bill which is normally paid during 2010.

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.**

Facility Name & ID Number Lexington of Orland Park

0041855

Report Period Beginning:

01/01/2010 Ending:

12/31/2010

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 104,332 B. General Construction Type: Exterior Brick Frame Block & Steel Number of Stories 3

C. Does the Operating Entity? (a) Own the Facility (b) Rent from a Related Organization. (c) Rent from Completely Unrelated Organization.
(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? (a) Own the Equipment (b) Rent equipment from a Related Organization. (c) Rent equipment from Completely Unrelated Organization.
(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

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

N/A

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

1. Total Amount Incurred: _____ 2. Number of Years Over Which it is Being Amortized: _____
3. Current Period Amortization: _____ 4. Dates Incurred: _____

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

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	<u>Resident Care</u>	<u>152,460</u>	<u>1995</u>	<u>\$ 776,408</u>	<u>1</u>
2	<u>Allocated from Management Co.</u>		<u>2002</u>	<u>25,987</u>	<u>2</u>
3	TOTALS	152,460		\$ 802,395	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	250		1996	1996	\$ 8,569,286	\$	40	\$ 214,232	\$ 214,232	\$ 3,103,792	4
5	10		1998	1998	63,790	1,595	40	1,595		19,138	5
6	18		2001	2001							6
7											7
8											8
	Improvement Type**										
9		Electrical wiring	1996		2,304	58	40	58		817	9
10		Paving	1997		11,589		40	773	773	10,431	10
11		Wiring	1998		3,932		40			3,932	11
12		Additional building costs - 10 bed addition	1999		1,808	45	10	45		542	12
13		Seal/restrip parking lot	1999		3,450	230	40	230		2,645	13
14		Wiring	1999		1,798	45	15	45		517	14
15		Roof repairs	2000		23,201	1,547	40	1,547		16,242	15
16		Electrical wiring	2000		5,732	164	15	164		1,720	16
17		Ceiling mount curtain rod hardware	2000		6,952	199	35	199		2,087	17
18		Automatic door closer/sensors	2000		3,624	242	35	242		2,538	18
19		Seal and restripe parking lot	2001		2,277	228	15	228		2,164	19
20		HVAC control	2001		2,548	255	10	255		2,421	20
21		Infrared curtains for elevator doors	2001		4,500	450	10	450		4,275	21
22		Fire alarm panel	2002		5,120	512	10	512		4,352	22
23		Parking lot lights	2002		9,975	998	10	998		8,480	23
24		Chiller room compressor	2002		8,879		10			8,879	24
25		Carpeting	2002		7,038		5			7,038	25
26		Pave and seal parking lot	2005		4,180	209	5	209		1,115	26
27		HVAC	2005		6,143	307	20	307		1,561	27
28		Electrical wiring	2005		3,637	182	20	182		940	28
29		Kitchen rehab	2005		6,360	318	20	318		1,828	29
30		Elevator rehab	2005		8,948	447	20	447		2,534	30
31		Lounge, lobby, and reception area rehab	2005		27,662	1,383	20	1,383		7,146	31
32		Landscaping enhancements	2006		5,795	386	20	386		1,673	32
33		HVAC	2006		9,300	465	15	465		1,899	33
34		LHI-therapy room rehab LL TCU/main therapy	2006		33,184	1,659	20	1,659		7,189	34
35											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 of Orland Park

0041855

Report Period Beginning:

01/01/2010 Ending: 12/31/2010

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	2007	\$ 17,383	\$ 1,159	15	\$ 1,159	\$	\$ 3,960	37
38	Parking lot	2007	1,120	56	20	56		187	38
39	Plumbing-Fine Dining	2007	2,068	103	20	103		404	39
40	Laundry Room Rehab	2007	37,283	1,864	20	1,864		6,990	40
41	Employee lunch room	2007	2,865	143	20	143		536	41
42	Basement Renovation	2007	1,148	57	20	57		195	42
43	Patio Improvements	2007	7,000	350	20	350		1,138	43
44	1st floor remodel-carpentry, flooring, plumbing, electrical-	2007	1,481,886		40	37,426	37,426	127,873	44
45	fixtures, painting	2007							45
46									46
47	Basement Renovation	2007	20,191	1,010	20	1,010		3,026	47
48	Therapy Room Renovation	2007	978	49	20	49		147	48
49	Landscaping	2008	4,300	287	15	287		598	49
50	Spot Coolers	2008	3,790	189	20	189		378	50
51	Emergency A/C	2008	32,295	807	40	807		1,950	51
52	Plumbing & Sprinkler-Showers	2008	5,047	126	40	126		252	52
53	Parking lot repairs	2008	5,285	264	20	264		682	53
54	Phone closet	2008	5,954	149	40	149		385	54
55	Landscaping	2009	4,190	279	15	279		302	55
56	1st floor admin room-heating, fire protection	2009	16,422	821	20	821		1,368	56
57	Quick connectors	2009	7,091	355	20	355		473	57
58	Electrical Room	2009	4,692	235	20	235		235	58
59	Glass and Mirrors Med Room	2009	4,954	142	35	142		213	59
60	Key pad common areas	2009	3,757	107	35	107		188	60
61	2nd Floor remodel-Doors and Locks	2009	32,130	803	40	803		1,405	61
62	Patio Pergola	2009	7,930	529	15	529		661	62
63	Patio Fence	2009	11,293	712	15	712		771	63
64	2nd floor remodel-carpentry, flooring, electrical, painting	2009	1,014,056		27	36,875	36,875	73,750	64
65	2nd floor remodel-carpentry	2009	17,258		27	628	628	1,203	65
66	Office Changes	2010	70,270		27				66
67	Landscaping	2010	11,399	190	15	190		190	67
68	Physican office remodel	2010	2,926		27				68
69	Repave/Seal Cracks in parking lot	2010	21,817	364	20	364		364	69
70	TOTAL (lines 4 thru 69)		\$ 11,701,790	\$ 23,074		\$ 313,008	\$ 289,934	\$ 3,457,719	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		\$ 11,701,790	\$ 23,074		\$ 313,008	\$ 289,934	\$ 3,457,719	1
2	Roof	2010	74,000	1,570	27	1,570		1,570	2
3	HVAC-Exhaust Modification	2010	4,202	25	27	25		25	3
4	Nurse pull cord station	2010	3,933		27				4
5	Paint lights over bed	2010	7,738	23	27	23		23	5
6	Trench/Awning	2010	11,666	90	27	90		90	6
7	Remodel Library/Lounge-art,flooring,carpentry	2010	4,120		27				7
8	3rd floor remodel-carpentry,electrical,plumbing	2010	868,783		27	27,993	27,993	27,993	8
9									9
10									10
11									11
12									12
13	Reconcile to Book			274			(274)		13
14									14
15									15
16									16
17									17
18	Building - management company	2002	359,612		40	11,315	11,315	95,381	18
19	HVAC, electrical, security system - management company	2003	3,162		30	604	604	1,618	19
20	Key card system - management company	2004	495		20	26	26	157	20
21	VAV TX controls - management company	2005	153		20	8	8	44	21
22	Interior Signs - Management Company	2006	112		20	8	8	31	22
23	Building improvements - management company	2008	11,944		20	966	966	2,039	23
24	Building improvements - management company	2009	894		15	64	64	77	24
25	Building improvements - management company	2010	1,085		15	92	92	87	25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 13,053,689	\$ 25,056		\$ 355,792	\$ 330,736	\$ 3,586,854	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 Orland Park

0041855

Report Period Beginning:

01/01/2010

Ending:

12/31/2010

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	\$ 1,063,931	\$ 83,630	\$ 179,283	\$ 95,653	5	\$ 578,004	71
72	Current Year Purchases	354,350	11,731	22,430	10,699	5	22,430	72
73	Fully Depreciated Assets	95,865					95,865	73
74	Alloc. From Mgmt. Co.	382,292		41,289	41,289	5	300,562	74
75	TOTALS	\$ 1,896,438	\$ 95,361	\$ 243,002	\$ 147,641		\$ 996,861	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.			56,319		8,039	8,039	5	39,644	79
80	TOTALS			\$ 56,319	\$	\$ 8,039	\$ 8,039		\$ 39,644	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)	\$ 15,808,841	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 120,417	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 606,833	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 486,416	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 4,623,359	85

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

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

G. Construction-in-Progress

	Description	Cost	
92	CIP	\$ 175,553	92
93	CIP-Parking lot	8,730	93
94			94
95		\$ 184,283	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	Parking space lease				2,500			5
6	Allocated from Mgmt. Co.				5,462			6
7	TOTAL				\$ 7,962			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: \$ 92,918 Description: Copier-\$2,153;Toshiba-\$12,140;Mailing System-\$60;Med Equip.-\$39,148;Oxygen-\$37,795;Mgmt. Co.-\$1,622

(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	Allocated from Mgmt. Co.			2,756	18
19					19
20					20
21	TOTAL		\$	\$ 2,756	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. _____/2011 \$ _____

13. _____/2012 \$ _____

14. _____/2013 \$ _____

* 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	\$	7,728	\$ 484,304	\$	7,728	\$ 484,304	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		3,304	184,734		3,304	184,734	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		14,683	698,973		14,683	698,973	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				549,810		549,810	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): _____									12
13	Other (specify): _____									13
14	TOTAL			\$	25,715	\$ 1,368,011	\$ 549,810	25,715	\$ 1,917,821	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 Orland Park# 0041855Report Period Beginning: 01/01/2010Ending: 12/31/2010

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2010

(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	\$ 945,449	\$ 985,985	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>1,132,339</u>)	1,920,696	1,920,696	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	27,474	27,474	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	47,823	47,841	8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,941,442	\$ 2,981,996	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	114,386	114,386	12
13	Land		802,395	13
14	Buildings, at Historical Cost		8,569,286	14
15	Leasehold Improvements, at Historical Cost	711,705	4,484,403	15
16	Equipment, at Historical Cost	736,529	1,952,757	16
17	Accumulated Depreciation (book methods)	(444,041)	(4,623,359)	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 CIP	184,283	184,283	22
23	Other(specify): <u>Mortgage cost net</u>		86,543	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,302,862	\$ 11,570,694	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,244,304	\$ 14,552,690	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 634,714	\$ 634,714	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	573,798	573,798	30
31	Accrued Taxes Payable (excluding real estate taxes)	3,334	3,334	31
32	Accrued Real Estate Taxes(Sch.IX-B)		566,400	32
33	Accrued Interest Payable		52,090	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Sch 17A</u>	1,572,140	2,323,772	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 2,783,986	\$ 4,154,108	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		10,787,630	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)	\$	\$ 10,787,630	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,783,986	\$ 14,941,738	46
47	TOTAL EQUITY(page 18, line 24)	\$ 1,460,318	\$ (389,048)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,244,304	\$ 14,552,690	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington Health Care Center of Orland Park
1/1/10-12/31/10
Provider # 0041855

XV. Balance Sheet

Schedule 17A

C. Current Liabilities

36. Other Current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Due to/from rehab care therapy	36,121	36,121
Due to Lex Fin Svcs		49,597
Accrued Expenses	121,516	121,516
Accrued Royl/Vesta Mgmt Fees	207,061	207,061
Accrued Rent	913,082	-
Due to patient trust fund	40,257	40,257
Deferred Income	264,345	264,345
Due to Royal Operations	43,534	43,534
Due to Republic Construction of Illinois, Inc	28,848	28,848
Interest Rate Swap Liability		1,615,117
Advance biweekly part A payments	(50,523)	(50,523)
Uncollectible part A co. pvts	(32,101)	(32,101)
	<u>1,572,140</u>	<u>2,323,772</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 1,647,441	1
2	Restatements (describe):		2
3	Post closing adjustment	(21,991)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 1,625,450	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(165,132)	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)	\$ (165,132)	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)	\$ 1,460,318	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Orland Park# 0041855Report Period Beginning: 01/01/2010Ending: 12/31/2010

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	\$ 24,322,378	1
2	Discounts and Allowances for all Levels	(10,669,704)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 13,652,674	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	3,552,924	6
7	Oxygen	9,342	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 3,562,266	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	4,211	12
13	Barber and Beauty Care	35,022	13
14	Non-Patient Meals	584	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	539,027	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	107,079	19
20	Radiology and X-Ray		20
21	Other Medical Services	135,975	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 821,898	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	9,834	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 9,834	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Miscellaneous Income/Recovery of bad debt write off</u>	763	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 763	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 18,047,435	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	2,041,159	31
32	Health Care	8,556,346	32
33	General Administration	4,115,346	33
B. Capital Expense			
34	Ownership	2,601,159	34
C. Ancillary Expense			
35	Special Cost Centers	746,352	35
36	Provider Participation Fee	152,205	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 18,212,567	40
41	Income before Income Taxes (line 30 minus line 40)**	(165,132)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (165,132)	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 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 of Orland Park**

0041855

Report Period Beginning: **01/01/2010**

Ending:

12/31/2010

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	2,162	2,278	\$ 119,536	\$ 52.47	1
2	Assistant Director of Nursing	12,829	13,742	454,692	33.09	2
3	Registered Nurses	37,190	41,435	1,302,327	31.43	3
4	Licensed Practical Nurses	55,203	61,781	1,503,335	24.33	4
5	CNAs & Orderlies	146,099	159,276	1,821,157	11.43	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	18,858	20,705	251,164	12.13	8
9	Activity Director					9
10	Activity Assistants	21,871	23,694	305,570	12.90	10
11	Social Service Workers	15,906	16,660	324,241	19.46	11
12	Dietician	2,162	2,263	39,761	17.57	12
13	Food Service Supervisor	2,044	2,164	43,197	19.96	13
14	Head Cook	2,060	2,164	34,397	15.90	14
15	Cook Helpers/Assistants	10,496	11,173	109,487	9.80	15
16	Dishwashers	24,682	26,541	219,441	8.27	16
17	Maintenance Workers	3,978	4,391	66,452	15.13	17
18	Housekeepers	43,313	46,832	421,415	9.00	18
19	Laundry	4,850	5,456	47,128	8.64	19
20	Administrator	1,639	1,834	127,716	69.64	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	19,895	21,278	361,741	17.00	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	1,934	2,071	20,361	9.83	31
32	Other Health Care(specify)					32
33	Other(specify) <u>Marketing</u>	2,968	3,492	106,831	30.59	33
34	TOTAL (lines 1 - 33)	430,139	469,230	\$ 7,679,949 *	\$ 16.37	34

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

** See instructions.

B. CONSULTANT SERVICES

	1	2	3	
	Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	Monthly	\$ 20,203	1(3) 35
36	Medical Director	Monthly	71,000	9(3) 36
37	Medical Records Consultant	17	960	10(3) 37
38	Nurse Consultant	Monthly	158,039	10(3) 38
39	Pharmacist Consultant	Monthly	15,380	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	12	6,449	11(3) 44
45	Social Service Consultant	11	4,826	12(3) 45
46	Other(specify) <u>Psychosocial</u>	13	2,496	12(3) 46
47	<u>Pulmonary Consulting</u>	Monthly	67,313	10(3) 47
48	<u>Medical Consultant</u>	Monthly	6,374	10(7) 48
49	TOTAL (lines 35 - 48)	53	\$ 353,040	49

C. CONTRACT NURSES

	1	2	3	
	Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses	1,046	\$ 61,934	10(3) 50
51	Licensed Practical Nurses	3,570	152,005	10(3) 51
52	Certified Nurse Assistants/Aides	4,246	100,544	10(3) 52
53	TOTAL (lines 50 - 52)	8,862	\$ 314,483	53

SEE ACCOUNTANTS' COMPILATION REPORT

C. Professional Fees

Vendor/Payee	Type	Amount
Lanac Technology	Computer Consulting	2,846
Lintech LLC	Computer Consulting	5,968
Microsoft Licensing	Computer Consulting	6,824
MNJ Technologies	Computer Consulting	775
National Datacare	Computer Consulting	3,043
Red Sky Technologies	Computer Consulting	273
RSM McGladrey	Computer Consulting	8,486
Silverchair Learning Systems	Computer Consulting	4,200
SPM Marketing & Communications	Computer Consulting	877
Telemedicine Solutions	Computer Consulting	7,150
TouchPoint Care	Computer Consulting	300
Vision Share, Inc.	Computer Consulting	1,039
Xcutel Communications	Computer Consulting	287
XO Communications	Computer Consulting	1,211
MNJ Technologies	Computer Consulting	585
TouchPoint Care	Computer Consulting	600
Warehouse Direct	Computer Consulting	108
Shaker Recruitment/Advertising	Computer Consulting	30
Grabowski Law Center	Legal	3,655
Cassiday Schade, LLP	Legal	117,745
Illinois Secretary of State	Filing Fees	100
McGladrey & Pullen, LLP	Accounting	24,542
Medcor	Healthcare	250
Much Shelist	Legal	9,102
Pension Administrators	Pension Administration	817
Personnel Planners	U/C Consulting	5,240
Polsinelli Shghart	Legal	1,826
RSM McGladrey	Accounting	17,417
Serpico, Novelle, Petrosino LTD	Legal	5,019
		<u>230,315</u>
Total Schedule V, line 19, column 3		249,209
Less Collection fees		(3,655)
Out of period legal		(1,902)
Allocated from Sambell of Orland Park Secretary of State		351
Samvest of Lombard		
Legal		370
Accounting		137
		<u>507</u>
Allocated from Mgmt Co.		
Serpico, Petrosino, Dipiero	Legal	155
Duane Morris	Legal	312
McGladrey & Pullen	Accounting	1,262
RSM McGladrey	Accounting	1,027
Illinois Secretary of State	Filing Fees	66
LaSalle Network	Recruiting/Finance	1,549
Gilson, Labus & Silverman	KEP	995
KMZ Rosenmann	KEP	160
Pension Administrators, Inc.	401K Administration	285
Ajilon Professional Staffing	Accounting	1,267
Personnel Planners, Inc.	Unemployment Consultant	33
Quattrochi and Parker	Social Service Consulting	31
Gene Whitehorn	Medicaid Reimb Specialist	1,343
Computer Services	Computer Consulting	20,191
		<u>28,676</u>
Total Schedule V, line 19, column 8		<u>273,186</u>

See Accountants' Compilation Report

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

(See instructions.)

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

SEE ACCOUNTANTS' COMPILATION REPORT

