

Facility Name & ID Number Lexington of Schaumburg

0036095 Report Period Beginning: 01/01/2010 Ending: 12/31/10

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	214	Skilled (SNF)	214	78,110	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	214	TOTALS	214	78,110	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			20,910	20,910	8
9	SNF/PED					9
10	ICF	44,466	5,014	365	49,845	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	44,466	5,014	21,275	70,755	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.58%

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 04/01/90

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 214 and days of care provided 12,708

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

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

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/2010 Ending: 12/31/10

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	413,547	35,112	28,887	477,546		477,546		477,546		1
2	Food Purchase		342,702		342,702		342,702	(16,933)	325,769		2
3	Housekeeping	360,166	37,450		397,616		397,616	401	398,017		3
4	Laundry	77,556	22,168		99,724		99,724		99,724		4
5	Heat and Other Utilities			247,850	247,850		247,850	10,322	258,172		5
6	Maintenance	38,835		127,199	166,034		166,034	60,421	226,455		6
7	Other (specify):* Mgmt Co. - Allocated							6,970	6,970		7
8	TOTAL General Services	890,104	437,432	403,936	1,731,472		1,731,472	61,181	1,792,653		8
	B. Health Care and Programs										
9	Medical Director			74,750	74,750		74,750		74,750		9
10	Nursing and Medical Records	4,520,311	470,084	55,549	5,045,944		5,045,944	63,372	5,109,316		10
10a	Therapy			1,260,528	1,260,528		1,260,528		1,260,528		10a
11	Activities	227,081	25,299	7,586	259,966		259,966		259,966		11
12	Social Services	254,356		33,597	287,953		287,953		287,953		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co. - Allocated							8,686	8,686		15
16	TOTAL Health Care and Programs	5,001,748	495,383	1,432,010	6,929,141		6,929,141	72,058	7,001,199		16
	C. General Administration										
17	Administrative	148,443		1,392,814	1,541,257		1,541,257	(1,364,694)	176,563		17
18	Directors Fees										18
19	Professional Services			223,337	223,337		223,337	9,910	233,247		19
20	Dues, Fees, Subscriptions & Promotions			29,086	29,086		29,086	8,848	37,934		20
21	Clerical & General Office Expenses	331,964	39,048	40,307	411,319		411,319	434,037	845,356		21
22	Employee Benefits & Payroll Taxes			911,603	911,603		911,603	16,933	928,536		22
23	Inservice Training & Education			10,634	10,634		10,634	1,103	11,737		23
24	Travel and Seminar			4,465	4,465		4,465	1,971	6,436		24
25	Other Admin. Staff Transportation			633	633		633	20,929	21,562		25
26	Insurance-Prop.Liab.Malpractice			259,410	259,410		259,410	4,272	263,682		26
27	Other (specify):* Mgmt Co. - Allocated							76,412	76,412		27
28	TOTAL General Administration	480,407	39,048	2,872,289	3,391,744		3,391,744	(790,279)	2,601,465		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	6,372,259	971,863	4,708,235	12,052,357		12,052,357	(657,040)	11,395,317		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 Schaumburg

#0036095

Report Period Beginning:

01/01/2010

Ending:

12/31/10

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			197,071	197,071		197,071	365,716	562,787			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			2,746	2,746		2,746	443,023	445,769			32
33	Real Estate Taxes							294,355	294,355			33
34	Rent-Facility & Grounds			1,680,359	1,680,359		1,680,359	(1,676,155)	4,204			34
35	Rent-Equipment & Vehicles			101,154	101,154		101,154	3,370	104,524			35
36	Other (specify):*											36
37	TOTAL Ownership			1,981,330	1,981,330		1,981,330	(569,691)	1,411,639			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		533,071	5	533,076		533,076		533,076			39
40	Barber and Beauty Shops			22,352	22,352		22,352		22,352			40
41	Coffee and Gift Shops			9,049	9,049		9,049		9,049			41
42	Provider Participation Fee			117,165	117,165		117,165		117,165			42
43	Other (specify):* Non-Allowable Cos			108,729	108,729		108,729	(108,729)				43
44	TOTAL Special Cost Centers		533,071	257,300	790,371		790,371	(108,729)	681,642			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	6,372,259	1,504,934	6,946,865	14,824,058		14,824,058	(1,335,460)	13,488,598			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				4
5	Telephone, TV & Radio in Resident Rooms	(6,737)	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	(167)	30		9
10	Interest and Other Investment Income	(21,481)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(1,530)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(6,500)	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	(8,719)	43		24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax	(12,082)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg 5A	(501,628)			29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (558,844)		\$	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)	(776,616)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (776,616)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,335,460)		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	

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Schaumburg

ID# 0036095

Report Period Beginning: 01/01/2010

Ending: 12/31/10

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Nonallowable marketing events	\$ (33,880)	43	1
2	Labs-Part A	(8,264)	43	2
3	X-Rays-Part A	(27,531)	43	3
4	Reclsas to LHI to R&M	4,516	6	4
5	Trust Fees	(50)	43	5
6	Out of period legal	(5,635)	19	6
7	Collections	(7,120)	19	7
8	Marketing Salary	(89,620)	21	8
9	Diagnostics Managed Care	(3,496)	43	9
10	Unrealized loss on FMV swap	(330,548)	43	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
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38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(501,628)		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
See attached Schedule B		See attached Schedule B		See attached Schedule B		

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	\$	Sambell of Schaumburg Limited Partnership	**	\$ 200	\$ 200	1	
2	V	30 Depreciation		Sambell of Schaumburg Limited Partnership	**	317,840	317,840	2	
3	V	32 Amortization of mortgage costs		Sambell of Schaumburg Limited Partnership	**	2,717	2,717	3	
4	V	32 Interest expense		Sambell of Schaumburg Limited Partnership	**	444,547	444,547	4	
5	V	33 Property taxes		Sambell of Schaumburg Limited Partnership	**	288,359	288,359	5	
6	V	34 Rental expense	1,680,359	Sambell of Schaumburg Limited Partnership	**		(1,680,359)	6	
7	V	43 State replacement tax		Sambell of Schaumburg Limited Partnership	**	10	10	7	
8	V	43 Trust fees		Sambell of Schaumburg Limited Partnership	**	50	50	8	
9	V	43 Unrealized loss FMV swap		Sambell of Schaumburg Limited Partnership	**	330,548	330,548	9	
10	V	** The owners of Lexington Health Care Center of Schaumburg, Inc. own 100% of Sambell of Schaumburg Ltd. Ptsp.							10
11	V							11	
12	V							12	
13	V							13	
14	Total		\$ 1,680,359			\$ 1,384,271	\$ * (296,088)	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.	**	\$ 401	\$	401	15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	9,173		9,173	16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	261		261	17
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	888		888	18
19	V	6 Management allocation - salaries		Royal Management Corp.	**	46,917		46,917	19
20	V	6 Repairs & maintenance		Royal Management Corp.	**	8,569		8,569	20
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	419		419	21
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	6,970		6,970	22
23	V	10 Medical consultant		Royal Management Corp.	**	4,906		4,906	23
24	V	10 Management allocation - salaries		Royal Management Corp.	**	58,466		58,466	24
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	8,686		8,686	25
26	V	17 Management allocation - salaries		Royal Management Corp.	**	28,120		28,120	26
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	15,543		15,543	27
28	V	19 Professional fees		Royal Management Corp.	**	6,922		6,922	28
29	V	20 Dues & subscriptions		Royal Management Corp.	**	701		701	29
30	V	20 Advertising - help wanted		Royal Management Corp.	**	8,147		8,147	30
31	V	21 Management allocation - salaries		Royal Management Corp.	**	486,200		486,200	31
32	V	21 Bank charges		Royal Management Corp.	**	9,629		9,629	32
33	V	21 Office supplies & printing		Royal Management Corp.	**	12,673		12,673	33
34	V	21 Postage		Royal Management Corp.	**	4,553		4,553	34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total		\$			\$ 718,144	\$ *	718,144	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.	**	\$ 10,602	\$	10,602	15
16	V	24 Travel & seminar		Royal Management Corp.	**	1,971		1,971	16
17	V	25 Auto expense		Royal Management Corp.	**	20,929		20,929	17
18	V	26 Insurance general		Royal Management Corp.	**	4,272		4,272	18
19	V	27 Management allocation - employee benefits		Royal Management Corp.	**	76,412		76,412	19
20	V	30 Depreciation		Royal Management Corp.	**	48,043		48,043	20
21	V	32 Interest		Royal Management Corp.	**	17,202		17,202	21
22	V	32 Amortization of mortgage costs		Royal Management Corp.	**	38		38	22
23	V	33 Property taxes		Royal Management Corp.	**	5,996		5,996	23
24	V	34 Rent expense		Royal Management Corp.	**	4,204		4,204	24
25	V	35 Equipment rental		Royal Management Corp.	**	1,249		1,249	25
26	V	17 Management fees	1,392,814	Royal Management Corp.	**			(1,392,814)	26
27	V	35 Auto Lease Expense		Royal Management Corp.	**	2,121		2,121	27
28	V	23 Inservice Training		Royal Management Corp.	**	1,103		1,103	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								38
39	Total		\$ 1,392,814			\$ 194,142	\$ *	(1,198,672)	39

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

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.**Provider #****0036095****Schedule B****1/1/10 - 12/31/10**

VII. Related Parties

Owners

<u>Name</u>	<u>Ownership %</u>
James Samatas Discretionary Trust	22.33%
John Samatas Discretionary Trust	22.33%
Cynthia Thiem Discretionary Trust	22.34%
Jeffrey J. Bell Revocable Trust	8.25%
Lawrence W. Bell Revocable Trust	8.25%
David S. Bell Revocable Trust	8.25%
David S. Bell 2001 Trust	2.75%
Jeffrey J. Bell 2001 Trust	2.75%
Lawrence W. Bell 2001 Trust	2.75%

<u>Related Nursing Homes</u>	<u>City</u>
Lexington Health Care Center of Lombard, Inc.	Lombard
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge
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 Streamwood, Inc.	Streamwood
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Orland Park, Inc.	Orland Park

<u>Other Related Business Entities</u>	<u>City</u>	<u>Type of Business</u>
Eastgate Manor	Algonquin	Supportive Living Facility
Vesta Management Group LLC	Lombard	Management Company
Sambell of Schaumburg Ltd. Ptsp.	Schaumburg	Real Estate Property
Royal Management Corporation	Lombard	Management Company
Lexington Financial Services, LLC	Lombard	Finance Company
Lexington Square Life Care of Lombard, LLC	Lombard	Independent and Assisted Living
Samvest of Lombard II, LP	Lombard	Hotel

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/2010 Ending: 12/31/10

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	22.33%	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	\$ 10,153	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	22.33%	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	8,751	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	22.34%	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	9,217	L17, C7	3
4	Daniel Thiem	Executive VP	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	2,636	L21, 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	\$ 30,757		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 Schaumburg

0036095

Report Period Beginning:

01/01/2010

Ending: 12/31/10

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

1	2	3	4	5	6	7	8	9		
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6		
1	3	Housekeeping supplies	Bed Days	718,010	10	\$ 3,682	\$ 78,110	\$ 401	1	
2	5	Utilities - gas & electric	Bed Days	718,010	10	84,318	78,110	9,173	2	
3	5	Utilities - water & sewer	Bed Days	718,010	10	2,399	78,110	261	3	
4	5	Utilities - maintenance office	Bed Days	718,010	10	8,161	78,110	888	4	
5	6	Management allocation - salaries	Bed Days	718,010	10	431,278	431,278	78,110	46,917	5
6	6	Repairs & maintenance	Bed Days	718,010	10	78,772	78,110	8,569	6	
7	6	Scavenger & exterminating	Bed Days	718,010	10	3,848	78,110	419	7	
8	7	Management allocation - employees	Bed Days	718,010	10	64,074	78,110	6,970	8	
9	10	Medical consultant	Bed Days	718,010	10	45,100	78,110	4,906	9	
10	10	Management allocation - salaries	Bed Days	718,010	10	537,439	537,439	78,110	58,466	10
11	15	Management allocation - employees	Bed Days	718,010	10	79,846	78,110	8,686	11	
12	17	Management allocation - salaries	Bed Days	718,010	10	258,489	258,489	78,110	28,120	12
13	19	Computer consultant & supplies	Bed Days	718,010	10	142,872	78,110	15,543	13	
14	19	Professional fees	Bed Days	718,010	10	63,628	78,110	6,922	14	
15	20	Dues & subscriptions	Bed Days	718,010	10	6,440	78,110	701	15	
16	20	Advertising - help wanted	Bed Days	718,010	10	74,892	78,110	8,147	16	
17	21	Management allocation - salaries	Bed Days	718,010	10	4,469,291	4,469,291	78,110	486,200	17
18	21	Bank charges	Bed Days	718,010	10	88,508	78,110	9,629	18	
19	21	Office supplies & printing	Bed Days	718,010	10	116,497	78,110	12,673	19	
20	21	Postage	Bed Days	718,010	10	41,854	78,110	4,553	20	
21	21	Telephone	Bed Days	718,010	10	97,454	78,110	10,602	21	
22	24	Travel and Seminar	Bed Days	718,010	10	18,117	78,110	1,971	22	
23									23	
24									24	
25	TOTALS					\$ 6,716,959	\$ 5,696,497	\$ 730,717	25	

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/2010

Ending: 12/31/10

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days	718,010	10	\$ 192,388	\$ 78,110	\$ 20,929	1
2	26	Insurance general	Bed Days	718,010	10	39,272	78,110	4,272	2
3	27	Management allocation - employees	Bed Days	718,010	10	702,398	78,110	76,412	3
4	30	Depreciation	Bed Days	718,010	10	441,627	78,110	48,043	4
5	32	Interest	Bed Days	718,010	10	158,122	78,110	17,202	5
6	32	Amortization of mortgage costs	Bed Days	718,010	10	346	78,110	38	6
7	33	Property taxes	Bed Days	718,010	10	55,117	78,110	5,996	7
8	34	Rent expense	Bed Days	718,010	10	38,647	78,110	4,204	8
9	35	Equipment rental	Bed Days	718,010	10	11,478	78,110	1,249	9
10	35	Auto Lease	Bed Days	718,010	10	19,500	78,110	2,121	10
11	23	Inservice Training	Bed Days	718,010	10	10,139	78,110	1,103	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					\$ 1,669,034	\$	\$ 181,569	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number

Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/2010

Ending:

12/31/10

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		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 LL	X		Mortgage	Varies	5/22/08	7,982,000	7,569,927	01/01/2033	Variable	444,547	2								
3												3								
4												4								
5												5								
	Working Capital																			
6	Bank of America		X	Working Capital	Varies	5/31/06	1,700,000		6/30/11	Prime/Libor		6								
7												7								
8							Interest on financing insurance premium				2,746	8								
9	TOTAL Facility Related						\$ 9,682,000	\$ 7,569,927			\$ 447,293	9								
	B. Non-Facility Related*																			
10							Amortization of loan cost				2,755	10								
11							Interest Income offset				(21,481)	11								
12							Allocate from Home Office				17,202	12								
13												13								
14	TOTAL Non-Facility Related						\$	\$			\$ (1,524)	14								
15	TOTALS (line 9+line14)						\$ 9,682,000	\$ 7,569,927			\$ 445,769	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.			\$ 439,200	1	
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2009		\$ 357,470	2	
3. Under or (over) accrual (line 2 minus line 1).			\$ (81,730)	3	
4. Real Estate Tax accrual used for 2010 report. (Detail and explain your calculation of this accrual on the lines below.)			\$ 368,400	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.)		Allocated from Mgmt. Co.	5,996		
			\$ 17,897	5	
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ <u>16,208</u> For <u>2007</u> Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$ (16,208)	6	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$ 294,355	7	
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2005	<u>386,810</u>	8		
	2006	<u>390,989</u>	9		
	2007	<u>415,099</u>	10		
	2008	<u>425,860</u>	11		
	2009	<u>357,470</u>	12		
See attached accrual worksheet.					
				FOR BHF USE ONLY	
				13	13
				14	14
				15	15
				16	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 Schaumburg COUNTY Cook
 FACILITY IDPH LICENSE NUMBER 0036095
 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>07-27-201-039-000</u>	<u>Land & Building</u>	\$ <u>357,470.34</u>	\$ <u>357,470.34</u>
2.	<u>Royal Management Corp. (Samvest of</u>	<u></u>	\$ <u></u>	\$ <u></u>
3.	<u>Lombard II)</u>	<u>Land & Building</u>	\$ <u>227,778.04</u>	\$ <u>5,996.00</u>
4.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
5.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
6.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
7.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
8.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
9.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
10.	<u></u>	<u></u>	\$ <u></u>	\$ <u></u>
TOTALS			\$ <u>585,248.38</u>	\$ <u>363,466.34</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 Schaumburg

0036095

Report Period Beginning:

01/01/2010 Ending:

12/31/10

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 85,541 B. General Construction Type: Exterior Concrete 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: N/A 2. Number of Years Over Which it is Being Amortized: N/A
 3. Current Period Amortization: _____ 4. Dates Incurred: N/A

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

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1	<u>Resident Care</u>	<u>230,000</u>	<u>1988</u>	<u>\$ 211,532</u>	<u>1</u>
2	<u>Allocated from Management Company</u>			<u>21,560</u>	<u>2</u>
3	TOTALS	230,000		\$ 233,092	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	1990	1990	\$ 6,091,126	\$	35	\$ 174,032	\$ 174,032	\$ 3,608,343	4
5	9	1995	1995	146,217	4,178	35	4,178		64,754	5
6										6
7										7
8										8
Improvement Type**										
9	Building improvements	1991		3,521		10			3,491	9
10	Building improvements	1992		860	25	35	25		456	10
11	Land improvements	1992		5,764		20	288	288	5,330	11
12	Land improvements	1992		5,000		20	250	250	4,375	12
13	Fan coil units in offices	1996		5,149	147	35	147		2,133	13
14	Basement rehab	1997		14,697		10			14,697	14
15	Brick	1997		1,500	43	35	43		575	15
16	Dining room rehab	1997		6,422		10			6,422	16
17	Parking lot repave and restripe	1998		2,777		10			2,777	17
18	Wiring	1998		3,667		10			3,667	18
19	Retile 2nd and 3rd floor corridors	1998		10,100		10			10,100	19
20	Plumbing for HVAC	1998		2,263		5			2,263	20
21	Lobby-floor tile	1999		7,478		10			7,478	21
22	Wallpaper-labor	1999		9,705		10			9,705	22
23	New patio	1999		19,039	1,269	15	1,269		14,278	23
24	New pay phone/wiring	1999		2,975		10			2,976	24
25	Roof repairs	2000		9,625	481	10	481		9,625	25
26	Water heater	2000		6,688	334	10	334		6,688	26
27	Automatic door	2000		1,300	65	10	65		1,300	27
28	Rehab project - paint resident rooms, carpet hallways, and tile	2000		52,760	2,638	10	2,638		52,760	28
29	Water heater and storage tanks	2001		12,102	1,210	10	1,210		12,102	29
30	Garbage area	2001		4,788	479	20	479		4,549	30
31										31
32										32
33										33
34										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 Schaumburg

0036095

Report Period Beginning:

01/01/2010 Ending:

12/31/10

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	Roof	2002	\$ 25,600	\$ 2,560	10	\$ 2,560	\$	\$ 21,333	37
38	Facility rehab - paint resident rooms, carpet hallways, and tile	2002	327,253	16,363	20	16,363		153,638	38
39	Elevator electronic curtain	2002	4,500	450	10	450		3,825	39
40	Elevator upgrade	2002	5,471	547	10	547		4,650	40
41	Painting and decorating	2003	13,477	1,348	10	1,348		9,435	41
42	Electrical improvements	2003	844	42	20	42		298	42
43	Repave parking lot	2004	28,840	721	40	721		4,626	43
44	Dining room remodel - paint	2004	11,387	569	20	569		3,795	44
45	Landscaping	2005	593	30	20	30		162	45
46	HVAC upgrade	2005	17,734	887	20	887		4,508	46
47	Generator upgrade	2005	19,650	983	20	983		5,897	47
48	Window replacement	2005	3,899	195	20	195		1,040	48
49	Flooring replacement	2005	1,483	74	20	74		395	49
50	Lobby, lounge and reception rehab	2005	27,180	1,359	20	1,359		6,795	50
51	Therapy room rehab	2005	35,135	1,757	20	1,757		9,076	51
52	Create first floor therapy room	2005	32,045	1,602	20	1,602		9,346	52
53	Create transitional care unit	2005	29,170	1,458	20	1,458		7,413	53
54	Basement renovation	2005	5,996	300	20	300		1,500	54
55	Countertops	2005	845	56	5	56		845	55
56	Interior signs	2005	4,412	735	5	735		4,412	56
57	Window treatments	2005	912	106	5	106		912	57
58	Wall covering	2005	439	66	5	66		439	58
59	Panel Brick Replacement	2006	17,387	869	20	869		3,621	59
60	Landscaping Enhancement	2006	7,608	507	15	507		2,155	60
61	HVAC	2006	12,232	612	20	612		2,499	61
62	Sink	2006	2,331	117	20	117		545	62
63	TCU Units	2006	16,379	819	20	819		3,481	63
64	Employee lunch room rehab	2006	8,127	406	20	406		1,828	64
65	Dining room rehab	2006	2,357	118	20	118		531	65
66	Basement renovation	2006	9,465	473	20	473		2,050	66
67	Oxygen room rehab	2006	2,664	133	20	133		577	67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 7,100,938	\$ 47,131		\$ 221,701	\$ 174,570	\$ 4,122,471	70

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 Schaumburg# 0036095

Report Period Beginning:

01/01/2010 Ending:

12/31/10

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		\$ 7,100,938	\$ 47,131		\$ 221,701	\$ 174,570	\$ 4,122,471	1
2	Replace Sidewalk	2007	14,625	731	20	731		2,498	2
3	Landscaping	2007	15,700	785	20	785		2,551	3
4	Emergency A/C	2007	15,545	777	20	777		2,784	4
5	1st Floor Remodel - Carpentry, Flooring, Plumbing, Paint	2007	676,072		40	16,902	16,902	56,340	5
6	Bathroom Faucets	2007	12,358	618	20	618		1,905	6
7	Landscaping	2008	10,000	667	15	667		1,778	7
8	Roofing	2008	11,950	598	20	598		1,395	8
9	HVAC-Air tank	2008	2,671	67	40	67		162	9
10	HVAC-Spot Cooler	2008	3,790	95	40	95		190	10
11	Electrical-Fire panel upgrade	2008	71,077	1,777	40	1,777		4,739	11
12	Electrical-Replace Gasket	2008	6,125	613	10	613		1,532	12
13	2nd floor remodel-carpentry, painting, plumbing,electrical	2008	558,949		27	20,325	20,325	44,038	13
14	Panel Brick Replacement	2009	184,595	9,230	20	9,230		9,230	14
15	Land Improvements	2009	12,400	620	20	620		930	15
16	Parking Lot	2009	4,600	230	20	230		345	16
17	Front Entrance Improvements	2009	28,660	717	40	717		956	17
18	HVAC Quick Connectors	2009	5,591	140	40	140		198	18
19	HVAC Spot Cooler	2009	4,254	106	40	106		150	19
20	1st floor Admin-Tile,electical	2009	11,679	292	40	292		292	20
21	Kitchen Plumbing	2009	8,210	821	10	821		1,232	21
22	Fire Alarm Electrical	2009	31,710	793	40	793		1,057	22
23	Glass & Mirror Med Room	2009	2,836	284	10	284		497	23
24	2nd Floor Remodel -Carpentry	2009	14,592	730	20	730		1,348	24
25	Patio Pergola	2009	9,505	475	20	475		594	25
26	Patio Fence	2009	5,100	255	20	255		276	26
27	Landscaping	2009	17,332	1,155	15	1,155		1,733	27
28	3rd Floor Remodel-Carpentry, flooring,electrical,painting	2009	627,866		27	22,832	22,832	28,540	28
29	Landscaping Enhancement	2010	14,885	662	15	662		662	29
30	Physician Office Remodel	2010	4,849	15	27	15		15	30
31	Kitchen Pantries construction	2010	5,676		27				31
32	HVAC Admin Office	2010	7,357	34	27	34		34	32
33	Loading Ramp/Foundation Wall	2010	3,000	183	15	183		183	33
34	TOTAL (lines 1 thru 33)		\$ 9,504,497	\$ 70,601		\$ 305,230	\$ 234,629	\$ 4,290,655	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 Schaumburg

0036095

Report Period Beginning:

01/01/2010 Ending:

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XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 9,504,497	\$ 70,601		\$ 305,230	\$ 234,629	\$ 4,290,655	1
2	Hallway doors	2010	14,916	124	10	124		124	2
3	Library/Lounge update	2010	5,009		27				3
4	Basement renovation	2010	3,945	120	27	120		120	4
5	Patio/Pergola	2010	12,005	200	10	200		200	5
6	Office changes	2010	50,935		27				6
7									7
8									8
9	Reconcile to book depreciation			169			(169)		9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17	Building - management company	2002	298,343		40	8,710	8,710	79,130	17
18	HVAC, electrical, security system - management company	2003	2,620		30	465	465	1,343	18
19	Key card system - management company	2004	412		20	20	20	131	19
20	VAV TX controls - management company	2005	125		20	6	6	37	20
21	Interior Signs - management company	2006	91		5	6	6	25	21
22	Building improvements - management company	2008	9,908		5	744	744	1,693	22
23	Building improvements - management company	2009	745		15	49	49	63	23
24	Building improvements - management company	2010	899		15	71	71	73	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)		\$ 9,904,450	\$ 71,214		\$ 315,745	\$ 244,531	\$ 4,373,594	34

SEE ACCOUNTANTS' COMPILATION REPORT

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

XI. OWNERSHIP COSTS (continued)

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

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 1,189,878	\$ 103,712	\$ 185,443	\$ 81,731	5	\$ 615,600	71
72	Current Year Purchases	231,219	22,145	23,627	1,482	5	23,625	72
73	Fully Depreciated Assets	27,604					27,604	73
74	Allocated from Mgmt Co.	317,168		31,784	31,784	5	249,360	74
75	TOTALS	\$ 1,765,869	\$ 125,857	\$ 240,854	\$ 114,997		\$ 916,189	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79	Allocated from Mgmt Co.			46,725		6,188	6,188	5	32,892	79
80	TOTALS			\$ 46,725	\$	\$ 6,188	\$ 6,188		\$ 32,892	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)	\$ 11,950,136	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 197,071	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 562,787	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 365,716	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,322,675	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	CIP Parking Lot	\$ 2,513	92
93			93
94			94
95		\$ 2,513	95

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

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

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions. YES NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6	<u>Allocated from Management Company</u>				<u>4,204</u>			6
7	TOTAL				\$ <u>4,204</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: \$ 102,403 Description: Copier-\$7,299, Mailing System-\$410, Medical Equip \$45,640, Oxygen-\$41,644, Fax-\$6,161 Mgmt. Co.-\$1,249

(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19					19
20	<u>Allocated from Management Company</u>			<u>2,121</u>	20
21	TOTAL		\$	\$ <u>2,121</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. _____ /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? <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	\$	6,378	\$ 431,991	\$	6,378	\$ 431,991	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		2,132	118,395		2,132	118,395	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		15,235	710,142		15,235	710,142	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				533,071		533,071	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			\$	23,745	\$ 1,260,528	\$ 533,071	23,745	\$ 1,793,599	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 Schaumburg# 0036095Report Period Beginning: 01/01/2010

Ending:

12/31/10

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/10

(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	\$ 1,248,831	\$ 1,650,742	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance <u>606,939</u>)	1,380,667	1,380,667	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	41,614	41,614	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)		32,220	8
9	Other(specify): <u>Unpaid premiums</u>	8,163	8,163	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,679,275	\$ 3,113,406	10
B. Long-Term Assets				
11	Long-Term Notes Receivable			11
12	Long-Term Investments	80,308	80,308	12
13	Land		233,092	13
14	Buildings, at Historical Cost		6,237,343	14
15	Leasehold Improvements, at Historical Cost	1,631,025	3,667,107	15
16	Equipment, at Historical Cost	930,806	1,812,594	16
17	Accumulated Depreciation (book methods)	(959,723)	(5,322,675)	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):	2,513	2,513	22
23	Other(specify): <u>Mortgage Cost</u>		60,834	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,684,929	\$ 6,771,116	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,364,204	\$ 9,884,522	25

		1 Operating	2 After Consolidation*	
C. Current Liabilities				
26	Accounts Payable	\$ 664,001	\$ 664,001	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	494,475	494,475	30
31	Accrued Taxes Payable (excluding real estate taxes)	3,238	3,238	31
32	Accrued Real Estate Taxes(Sch.IX-B)		368,400	32
33	Accrued Interest Payable		36,620	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
Other Current Liabilities(specify):				
36	<u>See Schedule 17A</u>	1,367,094	1,473,384	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 2,528,808	\$ 3,040,118	38
D. Long-Term Liabilities				
39	Long-Term Notes Payable			39
40	Mortgage Payable		7,569,927	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)	\$	\$ 7,569,927	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,528,808	\$ 10,610,045	46
47	TOTAL EQUITY(page 18, line 24)	\$ 1,835,396	\$ (725,523)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,364,204	\$ 9,884,522	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington Health Care Center of Schaumburg, Inc.
Provider # 0036095
1/1/10-12/31/10

Schedule 17A

XV. Balance Sheet
C. Current Liabilities

36. Other current liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Medicare payment voucher	365	365
Due from Lex Fin Serv LLC	17,383	17,383
Due to Republic of Illinois, Inc.	14,302	14,302
Due to patient trust fund	21,838	21,838
Due to royal operations	34,162	34,162
Accrued Expenses	54,005	54,005
Accrued Roysl Genl Mgmt Fees	3,095	3,095
Accrued Rent	1,029,081	
Due to republic	6,940	6,940
Deferred Income	271,248	271,248
Interest Rate Swap	-	1,135,371
Due to LHCC Lombard	14,646	14,646
Due from IRIS	(21,513)	(21,513)
Advance biweekly Part A CO Pvts	(36,370)	(36,370)
Uncollectible Part A Co. Pvts	(42,088)	(42,088)
	<u>1,367,094</u>	<u>1,473,384</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 1,357,325	1
2	Restatements (describe):		2
3	Post closing adjustment	(80,870)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 1,276,455	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	558,941	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)	\$ 558,941	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)	\$ 1,835,396	24 *

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095Report Period Beginning: 01/01/2010Ending: 12/31/10

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	\$ 19,577,221	1
2	Discounts and Allowances for all Levels	(8,272,938)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 11,304,283	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	3,056,448	6
7	Oxygen	5,210	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 3,061,658	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	6,860	12
13	Barber and Beauty Care	22,075	13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	511,946	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	109,607	19
20	Radiology and X-Ray		20
21	Other Medical Services	341,032	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 991,520	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	20,906	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 20,906	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Recovery bad debt write off</u>	4,632	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 4,632	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 15,382,999	30

		2	
Expenses		Amount	
A. Operating Expenses			
31	General Services	1,731,472	31
32	Health Care	6,929,141	32
33	General Administration	3,391,744	33
B. Capital Expense			
34	Ownership	1,981,330	34
C. Ancillary Expense			
35	Special Cost Centers	673,206	35
36	Provider Participation Fee	117,165	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 14,824,058	40
41	Income before Income Taxes (line 30 minus line 40)**	558,941	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 558,941	43

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

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This entity is a cash basis tax payer

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

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

Facility Name & ID Number **Lexington of Schaumburg**

0036095

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

Ending:

12/31/10

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

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,882	2,111	\$ 148,751	\$ 70.46	1
2	Assistant Director of Nursing	9,933	10,829	360,034	33.25	2
3	Registered Nurses	48,060	52,773	1,672,335	31.69	3
4	Licensed Practical Nurses	22,935	25,899	610,455	23.57	4
5	CNAs & Orderlies	121,978	132,713	1,502,892	11.32	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	13,057	14,283	196,116	13.73	8
9	Activity Director					9
10	Activity Assistants	17,238	18,391	227,081	12.35	10
11	Social Service Workers	14,802	15,640	254,356	16.26	11
12	Dietician	5,768	6,442	62,413	9.69	12
13	Food Service Supervisor	2,123	2,361	47,577	20.15	13
14	Head Cook	2,180	2,240	34,313	15.32	14
15	Cook Helpers/Assistants	8,138	8,760	96,292	10.99	15
16	Dishwashers	18,891	20,362	172,952	8.49	16
17	Maintenance Workers	2,058	2,245	38,835	17.30	17
18	Housekeepers	37,860	40,787	360,166	8.83	18
19	Laundry	8,127	8,734	77,556	8.88	19
20	Administrator	1,945	2,109	148,443	70.39	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	16,530	17,443	242,344	13.89	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	1,747	1,891	29,728	15.72	31
32	Other Health Care(specify)					32
33	Other(specify) <u>Marketing</u>	2,250	2,647	89,620	33.86	33
34	TOTAL (lines 1 - 33)	357,502	388,660	\$ 6,372,259 *	\$ 16.40	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	\$ 28,887	1(3)	35
36	Medical Director	Monthly	74,750	9(3)	36
37	Medical Records Consultant	Monthly	1,262	10(3)	37
38	Nurse Consultant	Monthly	5,493	10(3)	38
39	Pharmacist Consultant	Monthly	12,060	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	5,359	11(3)	44
45	Social Service Consultant	Monthly	4,301	12(3)	45
46	Other(specify) <u>Pulmonary Exchange</u>	Monthly	36,734	10(3)	46
47	<u>Psychosocial</u>	Monthly	1,512	12(3)	47
48	<u>Medical Consultant</u>	Monthly	4,906	10(7)	48
49	TOTAL (lines 35 - 48)		\$ 175,264		49

C. CONTRACT NURSES

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

SEE ACCOUNTANTS' COMPILATION REPORT

C. Professional Fees

Vendor/Payee	Type	Amount
Lintech LLC	Computer Consulting	5,694
Lodgenet Interactive Corporation	Computer Consulting	4,284
Microsoft Licensing	Computer Consulting	3,892
MJN Technologies	Computer Consulting	576
National Datacare	Computer Consulting	1,918
On Shift	Computer Consulting	2,110
Red Sky Technologies	Computer Consulting	273
RSM McGladrey	Computer Consulting	8,486
Silverchair Learning Systems	Computer Consulting	4,200
SPM Marketing & Communications	Computer Consulting	731
Telemedicine Solutions LLC	Computer Consulting	3,550
Touchpoint care LLC	Computer Consulting	500
Vision Share	Computer Consulting	1,145
XCLUTEL Communications	Computer Consulting	287
XO Communications	Computer Consulting	1,095
MJN Technologies	Computer Consulting	585
Warehouse Direct	Computer Consulting	108
Touchpoint care LLC	Computer Consulting	400
Shaker Recruitment Advertising	Computer Consulting	30
Grabowski Law Center	Colletions	7,120
Cassiday Schade, LLP	Legal	105,117
Chicago Legal Clinic	Legal	894
Standard and Poor	Financial	4,324
Scott and Kraus	Bond	252
Amalgamated Bank	Banking	575
McGladrey & Pullen, LLP	Accounting	29,011
Medcor	Healthcare	250
Much Shelist	Legal	8,877
Personnel Planners	U/C Consulting	1,190
Pension Administration	Pension Administrators	1,292
RSM McGladrey	Accounting	5,755
Secretary of State	Filing Fees	100
Serpico, Petrosino & Dipiero LTD	Legal	2,303
		<u>206,924</u>
Total Schedule V, line 19, column 3		223,337
Less Collection fees		(7,120)
Less out of period legal		(5,635)
Sambell of Schaumburg Secretary of State		200
Allocated from Management Co.		
Serpico, Petrosino, Dipiero	Legal	119
Duane Morris	Legal	240
McGladrey & Pullen LLP	Accounting	968
RSM McGladrey, Inc.	Accounting	791
Illinois Secretary of State	Filing Fees	50
LaSalle Network	Recruiting/Finance	1,194
Gilson Labus & Silverman	KEP	767
KMZ ROSENMANN	KEP	124
Pension Administrators, Inc.	401(k) Administration	219
Aijilon Professional Staffing	401(k) Administration	975
Personnel Planners, Inc.	Unemployment Consultan	25
Quattrochi and Parker	Social Service Consulting	25
Gene Whitehorn	Medicaid Reim Specialist	1,035
Computer Services	Computer Consultant	15,543
Allocated from Samvest of Lombard II		
Legal		285
Accounting		105
Total Schedule V, line 19, column 8		<u>233,247</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	Amount of Expense Amortized Per Year								
					FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
1			\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
2													
3								N/A					
4													
5													
6													
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SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095Report Period Beginning: 01/01/2010 Ending: 12/31/10**XX. GENERAL INFORMATION:**

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5 Years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 73,518 Line _____
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department during this cost report period. \$ 117,165
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ 16,933 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 0
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0%
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? N/A
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report?
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

SEE ACCOUNTANTS' COMPILATION REPORT