

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning: 01/01/2013 Ending: 12/31/2013

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	203	Skilled (SNF)	203	74,095	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	203	TOTALS	203	74,095	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 5 Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF			15,422	15,422	8
9	SNF/PED					9
10	ICF	48,246	3,466		51,712	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	48,246	3,466	15,422	67,134	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.61%

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 8/20/94

J. Was the facility purchased or leased after January 1, 1978?

YES Date _____ NO

K. Was the facility certified for Medicare during the reporting year?

YES NO If YES, enter number of beds certified 203 and days of care provided 12,463

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: 12/31/13 Fiscal Year: 12/31/13

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

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

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	392,293	57,965	12,254	462,512		462,512	462,512			1
2	Food Purchase		394,539		394,539		394,539	(19,690)	374,849		2
3	Housekeeping	350,859	51,148		402,007		402,007	359	402,366		3
4	Laundry	71,828	24,386		96,214		96,214		96,214		4
5	Heat and Other Utilities			220,600	220,600		220,600	7,261	227,861		5
6	Maintenance	41,770		189,833	231,603		231,603	79,037	310,640		6
7	Other (specify):* Mgmt Co.-Allocated							10,647	10,647		7
8	TOTAL General Services	856,750	528,038	422,687	1,807,475		1,807,475	77,614	1,885,089		8
	B. Health Care and Programs										
9	Medical Director			103,938	103,938		103,938		103,938		9
10	Nursing and Medical Records	5,195,746	412,646	204,014	5,812,406		5,812,406	42,809	5,855,215		10
10a	Therapy										10a
11	Activities	273,569	27,257	7,430	308,256		308,256		308,256		11
12	Social Services	157,778		8,249	166,027		166,027		166,027		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co.-Allocated							6,169	6,169		15
16	TOTAL Health Care and Programs	5,627,093	439,903	323,631	6,390,627		6,390,627	48,978	6,439,605		16
	C. General Administration										
17	Administrative	125,180		1,609,638	1,734,818		1,734,818	(1,549,801)	185,017		17
18	Directors Fees										18
19	Professional Services			163,306	163,306		163,306	9,908	173,214		19
20	Dues, Fees, Subscriptions & Promotions			42,797	42,797		42,797	13,149	55,946		20
21	Clerical & General Office Expenses	242,442	32,112	48,251	322,805		322,805	636,626	959,431		21
22	Employee Benefits & Payroll Taxes			1,090,959	1,090,959		1,090,959	18,410	1,109,369		22
23	Inservice Training & Education			12,010	12,010		12,010	921	12,931		23
24	Travel and Seminar			434	434		434	793	1,227		24
25	Other Admin. Staff Transportation			9,949	9,949		9,949	15,622	25,571		25
26	Insurance-Prop.Liab.Malpractice			400,740	400,740		400,740	6,100	406,840		26
27	Other (specify):* Mgmt Co.-Allocated							101,152	101,152		27
28	TOTAL General Administration	367,622	32,112	3,378,084	3,777,818		3,777,818	(747,120)	3,030,698		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	6,851,465	1,000,053	4,124,402	11,975,920		11,975,920	(620,528)	11,355,392		29

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

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 Lake Zurich

#0039768

Report Period Beginning:

01/01/2013

Ending:

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V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7	Adjusted Total 8	FOR BHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			178,199	178,199		178,199	366,850	545,049			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			60,292	60,292		60,292	330,769	391,061			32
33	Real Estate Taxes							213,923	213,923			33
34	Rent-Facility & Grounds			1,525,093	1,525,093		1,525,093	(1,520,946)	4,147			34
35	Rent-Equipment & Vehicles			100,891	100,891		100,891	4,358	105,249			35
36	Other (specify):*											36
37	TOTAL Ownership			1,864,475	1,864,475		1,864,475	(605,046)	1,259,429			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		577,174	1,340,729	1,917,903		1,917,903		1,917,903			39
40	Barber and Beauty Shops			25,270	25,270		25,270		25,270			40
41	Coffee and Gift Shops			3,827	3,827		3,827		3,827			41
42	Provider Participation Fee			446,252	446,252		446,252		446,252			42
43	Other (specify):* Non-Allowable Co	119,009		146,103	265,112		265,112	(265,112)				43
44	TOTAL Special Cost Centers	119,009	577,174	1,962,181	2,658,364		2,658,364	(265,112)	2,393,252			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	6,970,474	1,577,227	7,951,058	16,498,759		16,498,759	(1,490,686)	15,008,073			45

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

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/2013

Ending: 12/31/2013

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-	BHF USE	
			ence	ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(1,280)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,463)	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	(1,972)	30		9
10	Interest and Other Investment Income	(112,598)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(9,702)	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	(4,880)	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	(21,128)	43		24
25	Fund Raising, Advertising and Promotional	(58,715)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(3,291)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg 5A	203,879	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (16,150)		\$	30

BHF USE ONLY					
48		49		50	51
					52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,474,536)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,474,536)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (1,490,686)		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

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NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Diagnostics Managed Care	\$ (2,330)	43	1
2	Labs Part A	(18,932)	43	2
3	X-Rays-Part A	(20,662)	43	3
4	Marketing Salary	(119,009)	43	4
5	Trust Fees	(145)	43	5
6	Disallow Marketing Software	(5,149)	19	6
7	Disallow Out of Period & Collections for Legal	(10,384)	19	7
8	Reclass LHI to Repairs & Maintenance	1,108	6	8
9	Travel and Seminar Marketing	(434)	24	9
10	Dues and subscriptions marketing	(40)	20	10
11	Chamber of commerce dues	(300)	20	11
12	Unrealized loss on FMV swap	380,156	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
29				29
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	203,879		49

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Use Page 6-Supplemental as necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
See Page 6-Supplemental		See Page 6-Supplemental		See Page 6-Supplemental		

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

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

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:		
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)		
1	V	19 Professional Fees	\$	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	\$ 200	\$ 200	1	
2	V	30 Depreciation		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	316,524	316,524	2	
3	V	32 Interest Expense		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	424,912	424,912	3	
4	V	32 Amortization of Mortgage Costs		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	1,415	1,415	4	
5	V	33 Property Taxes		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	205,094	205,094	5	
6	V	34 Rental Expense	1,525,093	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(1,525,093)	6	
7	V	43 Trust Fees		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	145	145	7	
8	V	43 Unrealized loss on FMV swap	380,156	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(380,156)	8	
9	V							9	
10	V							10	
11	V							11	
12	V	** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Lexington Health Care Systems of Lake Zurich Limited Partnership.							12
13	V							13	
14	Total		\$ 1,905,249			\$ 948,290	\$ * (956,959)	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.	**	\$ 359	\$	359	15	
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	5,984		5,984	16	
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	354		354	17	
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	923		923	18	
19	V	6 Management allocation - salaries		Royal Management Corp.	**	69,672		69,672	19	
20	V	6 Repairs & maintenance		Royal Management Corp.	**	7,917		7,917	20	
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	340		340	21	
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	10,647		10,647	22	
23	V	10 Medical consultant		Royal Management Corp.	**	2,443		2,443	23	
24	V	10 Management allocation - salaries		Royal Management Corp.	**	40,366		40,366	24	
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	6,169		6,169	25	
26	V	17 Management allocation - salaries		Royal Management Corp.	**	59,837		59,837	26	
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	16,156		16,156	27	
28	V	19 Professional fees		Royal Management Corp.	**	9,085		9,085	28	
29	V	20 Dues & subscriptions		Royal Management Corp.	**	755		755	29	
30	V	20 Advertising - help wanted		Royal Management Corp.	**	12,734		12,734	30	
31	V	21 Management allocation - salaries		Royal Management Corp.	**	602,059		602,059	31	
32	V	21 Bank charges		Royal Management Corp.	**	4,109		4,109	32	
33	V	21 Office supplies & printing		Royal Management Corp.	**	13,635		13,635	33	
34	V	21 Postage		Royal Management Corp.	**	4,268		4,268	34	
35	V	21 Telephone		Royal Management Corp.	**	12,555		12,555	35	
36	V								36	
37	V	**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management								37
38	V								38	
39	Total		\$			\$ 880,367	\$ *	880,367	39	

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

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/2013 Ending: 12/31/2013

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	23 Inservice Training	\$	Royal Management Corp.	**	\$ 921	\$	921	15	
16	V	24 Travel & seminar		Royal Management Corp.	**	1,227		1,227	16	
17	V	25 Auto expense		Royal Management Corp.	**	15,622		15,622	17	
18	V	26 Insurance general		Royal Management Corp.	**	6,100		6,100	18	
19	V	27 Management allocation - employee benefits		Royal Management Corp.	**	101,152		101,152	19	
20	V	30 Depreciation		Royal Management Corp.	**	52,298		52,298	20	
21	V	32 Interest		Royal Management Corp.	**	14,488		14,488	21	
22	V	32 Amortization of mortgage costs		Royal Management Corp.	**	2,552		2,552	22	
23	V	33 Property taxes		Royal Management Corp.	**	8,829		8,829	23	
24	V	34 Rent expense		Royal Management Corp.	**	4,147		4,147	24	
25	V	35 Equipment rental		Royal Management Corp.	**	1,911		1,911	25	
26	V	17 Management fees	1,609,638	Royal Management Corp.	**			(1,609,638)	26	
27	V	35 Auto Lease		Royal Management Corp.	**	2,447		2,447	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	**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management								36
37	V								37	
38	V								38	
39	Total		\$ 1,609,638			\$ 211,694	\$ *	(1,397,944)	39	

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

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

VII. RELATED PARTIES

A. (Continued) Enter below the names of ALL owners and related organizations (parties) as defined in the instructions.

	1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES			
	Name	Ownership %	Name	City	Name	City	Type of Business	
1	James Samatas Discretionary Trust	33.33	Lexington HC Ctr. of Lombard, Inc.	Lombard	Eastgate Manor	Algonquin	Supportive Living	1
2	John Samatas Discretionary Trust	33.33	Lexington HC Ctr. of Bloomingdale, Inc.	Bloomingtondale	of Algonquin, LLC		Facility	2
3	Cynthia Thiem Discretionary Trust	33.34	Lexington HC Ctr. of Elmhurst, Inc.	Elmhurst	Vesta Management	Lombard	Mgmt. Company	3
4			Lexington HC Ctr. of LaGrange, Inc.	LaGrange	Group LLC			4
5			Lexington HC Ctr. of Wheeling, Inc.	Wheeling	Sambell of	Lake Zurich	Real Estate	5
6			Lexington HC Ctr. of Schaumburg, Inc.	Schaumburg	Lake Zurich		Property	6
7			Lexington HC Ctr. of Chicago Ridge, Inc.	Chicago Ridge	Ltd. Ptsp.			7
8			Lexington HC Ctr. of Streamwood, Inc.	Streamwood				8
9			Lexington HC Ctr. of Orland Park, Inc.	Orland Park	Royal Management	Lombard	Mgmt. Company	9
10					Corporation			10
11					Lexington Financial	Lombard	Finance Company	11
12					Services II, LLC			12
13					Lexington Square	Lombard	Independent and	13
14					Life Care of		Assisted Living	14
15					Lombard, LLC			15
16					Lexington Square	Elmhurst	Independent	16
17					Life Care of		Living Facility	17
18					Elmhurst, LLC			18
19					Samvest of Lombard	Lombard	Lessor	19
20					II, LLC			20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29								29
30								30

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/2013 Ending: 12/31/2013

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	James Samatas	Owner/Officer	Administrative	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	9,738	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	7,272	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	8,670	L17, C7	3
4	Daniel Thiem	Executive VP	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	12,094	L17, C7	4
5	Jason Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	22,062	L17, C7	5
6		Member									6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 59,837		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

Facility Name & ID Number Lexington of Lake Zurich

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Report Period Beginning:

01/01/2013

Ending: 2/31/2013

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 Available	723,430	10	\$ 3,503	\$ 74,095	\$ 359	1	
2	5	Utilities - gas & electric	Bed Days Available	723,430	10	58,428	74,095	5,984	2	
3	5	Utilities - water & sewer	Bed Days Available	723,430	10	3,454	74,095	354	3	
4	5	Utilities - maintenance office	Bed Days Available	723,430	10	9,011	74,095	923	4	
5	6	Management allocation - salaries	Bed Days Available	723,430	10	680,245	680,245	74,095	69,672	5
6	6	Repairs & maintenance	Bed Days Available	723,430	10	77,300	74,095	7,917	6	
7	6	Scavenger & exterminating	Bed Days Available	723,430	10	3,323	74,095	340	7	
8	7	Management allocation - employe	Bed Days Available	723,430	10	103,957	74,095	10,647	8	
9	10	Medical consultant	Bed Days Available	723,430	10	23,850	74,095	2,443	9	
10	10	Management allocation - salaries	Bed Days Available	723,430	10	394,114	394,114	74,095	40,366	10
11	15	Management allocation - employe	Bed Days Available	723,430	10	60,229	74,095	6,169	11	
12	17	Management allocation - salaries	Bed Days Available	723,430	10	584,219	584,219	74,095	59,837	12
13	19	Computer consultant & supplies	Bed Days Available	723,430	10	157,743	74,095	16,156	13	
14	19	Professional fees	Bed Days Available	723,430	10	88,700	74,095	9,085	14	
15	20	Dues & subscriptions	Bed Days Available	723,430	10	7,368	74,095	755	15	
16	20	Advertising - help wanted	Bed Days Available	723,430	10	124,332	74,095	12,734	16	
17	21	Management allocation - salaries	Bed Days Available	723,430	10	5,878,235	5,878,235	74,095	602,059	17
18	21	Bank charges	Bed Days Available	723,430	10	40,121	74,095	4,109	18	
19	21	Office supplies & printing	Bed Days Available	723,430	10	133,126	74,095	13,635	19	
20	21	Postage	Bed Days Available	723,430	10	41,674	74,095	4,268	20	
21	21	Telephone	Bed Days Available	723,430	10	122,578	74,095	12,555	21	
22									22	
23									23	
24									24	
25	TOTALS					\$ 8,595,510	\$ 7,536,813	\$ 880,367	25	

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning: 01/01/2013

Ending: 2/31/2013

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	23	Inservice Training	Bed Days Available	723,430	10	\$ 8,988	\$ 74,095	\$ 921	1
2	24	Travel and Seminar	Bed Days Available	723,430	10	11,975	74,095	1,227	2
3	25	Auto expense	Bed Days Available	723,430	10	152,523	74,095	15,622	3
4	26	Insurance general	Bed Days Available	723,430	10	59,556	74,095	6,100	4
5	27	Management allocation - employe	Bed Days Available	723,430	10	987,607	74,095	101,152	5
6	30	Depreciation	Bed Days Available	723,430	10	510,614	74,095	52,298	6
7	32	Interest	Bed Days Available	723,430	10	141,456	74,095	14,488	7
8	32	Amortization of mortgage costs	Bed Days Available	723,430	10	24,914	74,095	2,552	8
9	33	Property taxes	Bed Days Available	723,430	10	86,200	74,095	8,829	9
10	34	Rent expense	Bed Days Available	723,430	10	40,490	74,095	4,147	10
11	35	Equipment rental	Bed Days Available	723,430	10	18,660	74,095	1,911	11
12	35	Auto Lease	Bed Days Available	723,430	10	23,891	74,095	2,447	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					\$ 2,066,874	\$	\$ 211,694	25

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

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 II, LLC	X		Mortgage	Varies	4/30/07	7,606,000	6,636,019	5/1/2017	0.0625	424,912	2								
3												3								
4												4								
5							Interest on financing insurance premium				1,398	5								
	Working Capital																			
6	Shareholders	X		Working Capital	None	Varies	270,033	2,123,729	Demand	Prime +1	23,647	6								
7	JP Morgan Chase N.A.		X	Line of Credit	Varies	6/29/13	5,600,000	600,000	6/29/14	Libor +2.25%	35,247	7								
8												8								
9	TOTAL Facility Related						\$ 13,476,033	\$ 9,359,748			\$ 485,204	9								
	B. Non-Facility Related*																			
10								Amortization of loan cost			1,415	10								
11								Interest Income offset			(88,951)	11								
12								Nonallowable shareholder interest			(23,647)	12								
13								Allocated from Management Co.			17,040	13								
14	TOTAL Non-Facility Related						\$	\$			\$ (94,143)	14								
15	TOTALS (line 9+line14)						\$ 13,476,033	\$ 9,359,748			\$ 391,061	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.)** 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 2012 report.			\$ 180,000	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.)	2012		\$ 189,123	2	
3. Under or (over) accrual (line 2 minus line 1).			\$ 9,123	3	
4. Real Estate Tax accrual used for 2013 report. (Detail and explain your calculation of this accrual on the lines below.)			\$ 194,900	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.)			\$ 1,147	5	
		Allocated from Mgmt. Co.	8,829		
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>77</u> For <u>2007</u> Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$ (77)	6	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$ 213,923	7	
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2008	<u>146,400</u>	<u>8</u>		
	2009	<u>146,253</u>	<u>9</u>		
	2010	<u>152,165</u>	<u>10</u>		
	2011	<u>174,499</u>	<u>11</u>		
	2012	<u>189,123</u>	<u>12</u>		
See attached real estate accrual sheet					
				FOR BHF USE ONLY	
				13	13
				FROM R. E. TAX STATEMENT FOR 2012 \$	
				14	14
				PLUS APPEAL COST FROM LINE 5 \$	
				15	15
				LESS REFUND FROM LINE 6 \$	
				16	16
				AMOUNT TO USE FOR RATE CALCULATION \$	

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.

2012 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Lake Zurich COUNTY Lake

FACILITY IDPH LICENSE NUMBER 0039768

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 2012 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 2012.

(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>14-28-100-020</u>	<u>Nursing Facility</u>	\$ <u>173,896.23</u>	\$ <u>173,896.23</u>
2. <u>14-29-200-033</u>	<u>Nursing Facility</u>	\$ <u>15,227.03</u>	\$ <u>15,227.03</u>
3. <u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
4. <u>05-01-202-021</u>		\$ <u>262,977.74</u>	\$ <u>8,829.00</u>
5. _____		\$ _____	\$ _____
6. _____		\$ _____	\$ _____
7. _____		\$ _____	\$ _____
8. _____		\$ _____	\$ _____
9. _____		\$ _____	\$ _____
10. _____		\$ _____	\$ _____
TOTALS		\$ <u><u>452,101.00</u></u>	\$ <u><u>197,952.26</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 2012 tax bills which were listed in Section A to this statement. Be sure to use the 2012 tax bill which is normally paid during 2013.

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 Lake Zurich

0039768 Report Period Beginning:

01/01/2013 Ending:

12/31/2013

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,901 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 3

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

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

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

N/A

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

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

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

XI. OWNERSHIP COSTS:

	1	2	3	4	
A. Land.	Use	Square Feet	Year Acquired	Cost	
1	<u>Resident Care</u>	<u>250,344</u>	<u>1990</u>	<u>\$ 495,000</u>	1
2	<u>Management Company Allocation</u>			<u>20,487</u>	2
3	TOTALS	250,344		\$ 515,487	3

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013 Ending:

12/31/2013

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-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	203		1994	1994	\$ 6,418,908	\$	40	\$ 160,473	\$ 160,473	\$ 3,102,473	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Land Improvements		1994		10,701		10			10,701	9
10	Land Improvements		1994		13,330		10			13,330	10
11	Leasehold Improvements		1994		4,737		15			4,737	11
12	Leasehold Improvements		1995		4,005		15			4,005	12
13	Land Improvements		1995		3,221		10			3,221	13
14	Building Improvements		1995		3,019		40	75	75	1,432	14
15	Building Improvements		1995		64,500	1,654	39	1,654		30,943	15
16	Patio		1996		1,168		15			1,168	16
17	Compressor		1996		5,145		10			5,145	17
18	Road sidewalk		1997		18,094		20	905	905	14,930	18
19	Foundation/Sprinkler		1997		2,068	59	35	59		974	19
20	Flagpoles		1997		1,573		15			1,573	20
21	Basement rehab		1998		12,867		10			12,867	21
22	MDS Telnet wiring		1998		3,365		10			3,365	22
23	Flag Pole		1998		787	28	15	28		787	23
24	Resurface/restripe parking lot		1998		4,977		10			4,977	24
25	Transfer 10 beds from shelter care		1998		2,260	57	40	57		859	25
26	1st floor lobby tile		1999		12,153		10			12,153	26
27	Parking lot repair		2000		3,740		10			3,740	27
28	Roof repair		2000		10,770		10			10,770	28
29	Automatic door		2000		1,300		10			1,300	29
30	Kitchen rehab		2000		16,886		10			16,886	30
31	Compressor		2001		4,350		10			4,350	31
32	Boiler vent		2001		3,228		10			3,228	32
33	Fire pump		2001		1,766		10			1,766	33
34	Kitchen rehab		2001		721		10			721	34
35	Elevator infrared curtains		2001		4,500		10			4,500	35
36	Therapy Room Rehab		2004		64,473	3,224	20	3,224		30,089	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

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-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	Elevator Upgrade	2004	\$ 3,487	\$ 174	20	\$ 174	\$	\$ 1,582	37
38	HVAC Compressor	2004	11,845	592	20	592		5,477	38
39	Sidewalk, raise and support	2005	700	35	20	35		292	39
40	Pavement for parking lot	2005	6,650	333	20	333		2,856	40
41	Water softner	2005	2,635	132	20	132		1,176	41
42	Plumbing and sprinkler	2005	4,469	223	20	223		1,990	42
43	Lobby and lounge rehab	2005	44,560	2,228	20	2,228		19,866	43
44	Therapy room rehab	2005	1,721	86	20	86		710	44
45	First floor therapy room	2005	42,424	2,121	20	2,121		18,423	45
46	Transitional unit	2005	9,898	495	20	495		4,125	46
47	Countertop	2005	845		5			845	47
48	Wallcovering	2005	439		5			439	48
49	Panel Brick Replacement	2006	16,001	800	20	800		5,934	49
50	Landscaping Improvement	2006	4,640		5			4,640	50
51	HVAC	2006	3,999	400	10	400		2,833	51
52	Kitchen Rehab	2006	2,553	255	10	255		1,977	52
53	Wall Mounted Cabinets	2006	10,451	1,045	10	1,045		7,664	53
54	Therapy room rehab	2006	2,829	283	10	283		2,028	54
55	Solo step install	2006	3,689	369	10	369		2,644	55
56	Transitional unit	2006	31,685	1,584	20	1,584		11,221	56
57	Employee Lunchroom rehab	2006	1,766	177	10	177		1,297	57
58	Fine Dining	2006	22,517	1,126	20	1,126		8,257	58
59	Land Improvements	2006	5,374	358	15	358		2,596	59
60	Emergency AC	2006	7,564	756	10	756		5,293	60
61	Wood Flooring	2006	1,526		10	153	153	1,070	61
62	HVAC	2007	2,716	272	10	272		1,767	62
63	Emergency AC	2007	18,731	1,873	10	1,873		12,175	63
64	First floor remodel-carpentry, flooring, plumbing, painting, fixtures	2007	701,565		40	17,539	17,539	118,388	64
65									65
66	Landscaping	2008	15,920	1,061	15	1,061		6,278	66
67	Parking Lot Repairs	2008	4,224	211	20	211		1,108	67
68	Roof	2008	33,700	1,685	20	1,685		9,408	68
69	Employee Locker Rooms	2008	3,732	93	40	93		488	69
70	TOTAL (lines 4 thru 69)		\$ 7,723,467	\$ 23,789		\$ 202,934	\$ 179,145	\$ 3,571,837	70

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

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

XI. OWNERSHIP COSTS (continued)**B. Building and Improvement Costs-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		\$ 7,723,467	\$ 23,789		\$ 202,934	\$ 179,145	\$ 3,571,837	1
2	Second floor remodel - carpentry, electrical, flooring,	2008	555,633		27	20,205	20,205	109,444	2
3	painting								3
4	Irrigation System	2009	15,335	1,022	15	1,022		4,429	4
5	Landscaping Enhancements	2009	8,276	552	15	552		2,438	5
6	Quick connects	2009	7,611	381	20	381		1,651	6
7	HVAC Chiller	2009	102,185	5,109	20	5,109		22,991	7
8	HVAC-1st floor admin office	2009	7,295	365	20	365		1,490	8
9	2nd floor remodel	2009	9,331	339	27	339		1,695	9
10	Basement Office	2009	2,755	100	27	100		425	10
11	Patio Pergola	2009	8,905	445	20	445		1,928	11
12	3rd floor remodel-Carpentry,plumbing,electrical,handrails	2009	398,350		27	14,485	14,485	60,354	12
13	painting,alarm system								13
14									14
15									15
16									16
17	Med Room Remodel-painting,flooring	2010	5,531	202	27	202		656	17
18	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	51,465	4,149	27	4,149		12,447	18
19	Exhaust System	2010	83,215	3,035	27	3,035		9,105	19
20	Office spot cooler	2010	3,456	126	27	126		389	20
21	Ceiling insulations	2010	2,640	96	27	96		320	21
22	Remodel pantry-shelves	2010	4,402	161	27	161		523	22
23	Paint over bed lights	2010	5,512	201	27	201		603	23
24	Exterior Door	2010	2,618	95	27	95		293	24
25	Remodel Library/Lounge and physician office-flooring,	2010	7,796	284	27	284		883	25
26	art framing,flooring								26
27	2nd floor remodel-carpentry,plumbing,electrical	2010	4,838	176	27	176		661	27
28	Concrete repair-ramp & railing	2010	10,029	669	15	669		2,174	28
29	Office remodel-doors, carpentry, locks	2011	20,714	753	27	753		1,830	29
30	Landscaping Enhancements	2011	4,987	332	15	332		913	30
31	Fire pump and drain line	2011	8,360	304	27	304		634	31
32	Laundry room remodel-painting, tile	2011	7,835	285	27	285		665	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,062,541	\$ 42,970		\$ 256,805	\$ 213,835	\$ 3,810,778	34

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

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

XI. OWNERSHIP COSTS (continued)

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

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		\$ 9,062,541	\$ 42,970		\$ 256,805	\$ 213,835	\$ 3,810,778	1
2	Locker Room-paint, cabinets	2011	7,504	273	27	273		637	2
3	2nd floor remodel-doors and locks	2011	17,692	643	27	643		1,500	3
4	HVAC Chiller	2011	99,609		27	3,622	3,622	8,753	4
5	Parking lot-Stripe and seal	2011	51,148		20	2,557	2,557	5,753	5
6									6
7	Building wiring	2012	25,124		27	914	914	1,142	7
8	Replace pipe kitchen	2012	4,202		27	153	153	242	8
9									9
10	Update Dishwashing Area in Kitchen: Tile, Drywall	2013	10,078		27	92	92	92	10
11									11
12									12
13									13
14	Reconcile book depreciation			1,971			(1,971)		14
15									15
16									16
17									17
18	Building - management company	2002	283,501		40	8,555	8,555	100,492	18
19	HVAC, electrical, security system - management company	2003	2,490		30	647	647	1,750	19
20	Key card system - management company	2004	391		20	20	20	184	20
21	VAV TX controls - management company	2005	119		20	6	6	53	21
22	Building improvements - management company	2006	87		20	6	6	41	22
23	Building improvements - management company	2008	13,627		20	677	677	4,521	23
24	Building improvements - management company	2009	2,517		15	48	48	609	24
25	Building improvements - management company	2010	2,457		15	105	105	579	25
26	Building improvements - management company	2011	1,764		15	84	84	204	26
27	Building improvements - management company	2012	5,944		15	12	12	356	27
28	Building improvements - management company	2013	4,606		15	89	89	89	28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,595,401	\$ 45,857		\$ 275,306	\$ 229,449	\$ 3,937,774	34

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

XI. OWNERSHIP COSTS (continued)

C. Equipment Costs-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	\$ 1,378,287	\$ 130,361	\$ 225,712	\$ 95,351	5	\$ 879,104	71
72	Current Year Purchases	39,946	1,981	1,981		5	1,981	72
73	Fully Depreciated Assets	315,563				5	315,563	73
74	Allocated from Mgmt. Co.	497,623		37,775	37,775	5-7	265,992	74
75	TOTALS	\$ 2,231,419	\$ 132,342	\$ 265,468	\$ 133,126		\$ 1,462,640	75

D. Vehicle Costs. (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.			49,398		4,275	4,275	5	41,944	79
80	TOTALS			\$ 49,398	\$	\$ 4,275	\$ 4,275		\$ 41,944	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)	\$ 12,391,705	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 178,199	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 545,049	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 366,850	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,442,358	85

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

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

G. Construction-in-Progress

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

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

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

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/2013

Ending: 12/31/2013

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>4,147</u>			6
7	TOTAL				\$ <u>4,147</u>			7

10. Effective dates of current rental agreement:

Beginning _____

Ending _____

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. _____ /2014 \$ _____

13. _____ /2015 \$ _____

14. _____ /2016 \$ _____

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: \$ 102,802 Description: Copier-\$11,015, Mail Sys-\$180,Printer-\$5,188; Med Equip.-\$36,992, Oxy Equip.-\$47,516, Mgmt. Co.-\$1,911

(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>2,447</u>	20
21	TOTAL		\$	\$ <u>2,447</u>	21

* 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.

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/2013 Ending: 12/31/2013
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.

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

	Service	1 Schedule V Line & Column Reference	2 Staff		4 Outside Practitioner (other than consultant)		6 Supplies (Actual or Allocated)	7 Total Units (Column 2 + 4)	8 Total Cost (Col. 3 + 5 + 6)	
			Units of Service	3 Cost	Units	5 Cost				
1	Licensed Occupational Therapist	39(3)	hrs	\$	9,890	\$ 462,953	\$	9,890	\$ 462,953	1
2	Licensed Speech and Language Development Therapist	39(3)	hrs		5,235	164,575		5,235	164,575	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39(2)(3)	hrs		11,874	711,593	5,663	11,874	717,256	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				554,515		554,515	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Ambulance</u>	39(3)				1,608			1,608	12
13	Other (specify): <u>See Sch. 16A</u>						16,996		16,996	13
14	TOTAL			\$	26,999	\$ 1,340,729	\$ 577,174	26,999	\$ 1,917,903	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.

Schedule 16A

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

	Service	1 Schedule V Line & Column Reference	2		3		4		5		6		7		8	
			Staff Units of Service	Cost	Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)							
					Units	Cost										
1	Licensed Occupational Therapist		hrs	\$				\$		\$						1
2	Licensed Speech and Language Development Therapist		hrs													2
3	Licensed Recreational Therapist		hrs													3
4	Licensed Physical Therapist		hrs													4
5	Physician Care		visits													5
6	Dental Care		visits													6
7	Work Related Program		hrs													7
8	Habilitation		hrs													8
9	Pharmacy		# of prescripts													9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs													10
11	Academic Education		hrs													11
12	Other (specify): <u>Oxygen</u>	39(2)								15,571					15,571	12
13	Other (specify): <u>DME</u>	39(2)								1,425					1,425	13
14	TOTAL			\$				\$		\$ 16,996			\$		\$ 16,996	14

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/2013

Ending:

12/31/2013

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2013

(last day of reporting year)

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

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 484,421	\$ 491,093	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (435,930))	3,615,495	3,615,495	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>PA Interest Income</u>	16,709	16,709	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 4,116,625	\$ 4,123,297	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,906	8,906	12
13	Land		515,487	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	1,002,420	3,176,493	15
16	Equipment, at Historical Cost	900,086	2,280,817	16
17	Accumulated Depreciation (book methods)	(926,960)	(5,442,358)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): <u>Mortgage Cost Net</u>		26,297	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 984,452	\$ 6,984,550	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 5,101,077	\$ 11,107,847	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 585,632	\$ 585,632	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	600,000	600,000	29
30	Accrued Salaries Payable	433,439	433,439	30
31	Accrued Taxes Payable (excluding real estate taxes)	13,913	13,913	31
32	Accrued Real Estate Taxes(Sch.IX-B)		194,900	32
33	Accrued Interest Payable		35,812	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Schedule 17A</u>	7,536,265	3,477,611	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 9,169,249	\$ 5,341,307	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	2,123,729	2,123,729	39
40	Mortgage Payable		6,636,019	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 2,123,729	\$ 8,759,748	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 11,292,978	\$ 14,101,055	46
47	TOTAL EQUITY(page 18, line 24)	\$ (6,191,901)	\$ (2,993,208)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 5,101,077	\$ 11,107,847	48

*(See instructions.)

Lexington Health Care Center of Lake Zurich, Inc.
 Provider # 0039768
 1/1/13-12/31/13

Schedule 17A

XV. Balance Sheet

C. Current Liabilities

Line 36.

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Due to Merit Hospice	40,000	40,000
PA Audit Settlement	30,879	30,879
Due from remodeling	39,156	39,156
Due to Republic Construction of Illinois, Inc	(39,483)	(39,483)
Due from(to) Lake Zurich	-	(39,156)
Due from Lexington Financial Services LLC	130	130
Prepaid insurance	39,708	39,708
Escrow Insurance	(96,805)	(96,805)
401K Withholding	(3,795)	(3,795)
Accrued Expenses	61,781	61,781
Accrued resident tax	81,715	81,715
Accrued Management Fees	758,698	758,698
Accrued Rent	4,930,744	
Accrued Insurance	98,308	98,308
Due to patient trust fund	21,381	21,381
Advance-Bi-weekly Part A Payments	(36,813)	(36,813)
Uncollectible Part A Co. Pvts	(27,635)	(27,635)
Due to Royal Operations	27,182	27,182
Due to Chicago Ridge	1,146	1,146
Due to Schaumburg	767	767
Interest Rate Swap Liability	-	911,246
Professional Liability Claims	1,609,201	1,609,201
	<u>7,536,265</u>	<u>3,477,611</u>
	-	-

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (4,563,831)	1
2	Restatements (describe):		2
3	Post closing adjustment	21,134	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (4,542,697)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(1,628,229)	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	(20,975)	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)	\$ (1,649,204)	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)	\$ (6,191,901)	24 *

* This must agree with page 17, line 47.

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		
I. Revenue		Amount		
A. Inpatient Care				
1	Gross Revenue -- All Levels of Care	\$ 19,770,826	1	
2	Discounts and Allowances for all Levels	(11,389,610)	2	
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 8,381,216	3	
B. Ancillary Revenue				
4	Day Care		4	
5	Other Care for Outpatients		5	
6	Therapy	4,720,780	6	
7	Oxygen	60,751	7	
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 4,781,531	8	
C. Other Operating Revenue				
9	Payments for Education		9	
10	Other Government Grants		10	
11	CNA Training Reimbursements		11	
12	Gift and Coffee Shop	3,689	12	
13	Barber and Beauty Care	31,140	13	
14	Non-Patient Meals	1,280	14	
15	Telephone, Television and Radio		15	
16	Rental of Facility Space		16	
17	Sale of Drugs	851,887	17	
18	Sale of Supplies to Non-Patients		18	
19	Laboratory	281,138	19	
20	Radiology and X-Ray	27,880	20	
21	Other Medical Services	421,818	21	
22	Laundry		22	
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,618,832	23	
D. Non-Operating Revenue				
24	Contributions		24	
25	Interest and Other Investment Income***	88,951	25	
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 88,951	26	
E. Other Revenue (specify):****				
27	Settlement Income (Insurance, Legal, Etc.)		27	
28			28	
28a			28a	
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)		29	
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 14,870,530	30	

		2		
II. Expenses		Amount		
A. Operating Expenses				
31	General Services	1,807,475	31	
32	Health Care	6,390,627	32	
33	General Administration	3,777,818	33	
B. Capital Expense				
34	Ownership	1,864,475	34	
C. Ancillary Expense				
35	Special Cost Centers	2,212,112	35	
36	Provider Participation Fee	446,252	36	
D. Other Expenses (specify):				
37			37	
38			38	
39			39	
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 16,498,759	40	
41	Income before Income Taxes (line 30 minus line 40)**	(1,628,229)	41	
42	Income Taxes		42	
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,628,229)	43	

III. Net Inpatient Revenue detailed by Payer Source			
44	Medicaid - Net Inpatient Revenue	\$ 5,650,409	44
45	Private Pay - Net Inpatient Revenue	1,393,351	45
46	Medicare - Net Inpatient Revenue	1,186,771	46
47	Other-(specify) <u>Managed Care</u>	150,685	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	\$ 8,381,216	49

* 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.

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

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

^ - Entity is a cash basis tax payer.

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2013

Ending:

12/31/2013

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	1,975	2,379	\$ 147,833	\$ 62.14	1
2	Assistant Director of Nursing	31,655	38,193	1,113,100	29.14	2
3	Registered Nurses	33,819	41,707	1,377,434	33.03	3
4	Licensed Practical Nurses	22,920	27,632	759,301	27.48	4
5	CNAs & Orderlies	117,508	137,532	1,760,779	12.80	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	14,158	16,258	182,847	11.25	10
11	Social Service Workers	6,555	7,549	157,778	20.90	11
12	Dietician	2,567	2,955	60,116	20.34	12
13	Food Service Supervisor	1,760	2,065	40,230	19.48	13
14	Head Cook	1,648	1,887	30,431	16.13	14
15	Cook Helpers/Assistants	10,654	11,936	138,484	11.60	15
16	Dishwashers	11,837	13,335	123,032	9.23	16
17	Maintenance Workers	1,808	2,185	41,770	19.12	17
18	Housekeepers	32,683	35,737	350,859	9.82	18
19	Laundry	7,086	7,842	71,828	9.16	19
20	Administrator	1,528	1,967	125,180	63.64	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	9,855	13,089	242,442	18.52	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	1,836	2,248	37,299	16.59	31
32	Other Health C: <u>Memory Care</u>	3,594	4,332	90,722	20.94	32
33	Other(specify) <u>Marketing</u>	4,607	5,119	119,009	23.25	33
34	TOTAL (lines 1 - 33)	320,053	375,947	\$ 6,970,474 *	\$ 18.54	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			35
36	Medical Director	60	103,938	9(3) 36
37	Medical Records Consultant	Monthly	1,306	10(3) 37
38	Nurse Consultant	Monthly	58,916	10(3) 38
39	Pharmacist Consultant	Monthly	11,442	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	5,826	11(3) 44
45	Social Service Consultant	Monthly	4,999	12(3) 45
46	Other(specify) <u>Psychosocial</u>	12	3,250	12(3) 46
47	<u>Pulmonary</u>	Monthly	73,907	10(3) 47
48	<u>Medical Consultant</u>	Monthly	2,443	10(7) 48
49	TOTAL (lines 35 - 48)	84	\$ 266,027	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			51
52	Certified Nurse Assistants/Aides	2,574	58,443	10(3) 52
53	TOTAL (lines 50 - 52)	2,574	\$ 58,443	53

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/2013

Ending: 12/31/2013

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes			F. Dues, Fees, Subscriptions and Promotions	
Name	Function	Ownership %	Amount	Description	Amount	Description	Amount	
Brandon Davidson	Administrator	0	\$ 125,180	Workers' Compensation Insurance	\$ 210,503	IDPH License Fee	\$ 1,990	
				Unemployment Compensation Insurance	63,679	Advertising: Employee Recruitment	22,624	
				FICA Taxes	515,439	Health Care Worker Background Check		
				Employee Health Insurance	223,570	(Indicate # of checks performed <u>707</u>)	8,484	
				Employee Meals	18,410	Patient Background Checks	6,402	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Licenses & Fees	1,641	
				401K	28,919	Miscellaneous Dues & Subscriptions	1,656	
				Other Employee benefit	43,929	Less: Marketing Dues	(40)	
				Uniform Allowance	3,035	Less Chamber of commerce dues	(300)	
				Tuition	1,885	Allocated from Mgmt Co.	13,489	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 125,180	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
				\$ 1,109,369		\$ 55,946		
B. Administrative - Other				E. Schedule of Non-Cash Compensation Paid to Owners or Employees			G. Schedule of Travel and Seminar**	
Description			Amount	Description	Line #	Amount	Description	Amount
Management Fees-Royal Operating			\$ 1,164,084	N/A		\$	Out-of-State Travel	\$
Management Fees-Vesta Mgmt.			445,554					
Eliminated in column 7							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,609,638				Seminar Expense	
							Management Company Allocation	1,227
							Entertainment Expense	()
C. Professional Services				TOTAL			(agree to Sch. V, line 24, col. 8)	
Vendor/Payee	Type		Amount	\$			TOTAL	
Cassiday Shcade	Legal		\$ 34,219				\$ 1,227	
Grabowski Law Center, LLC	Collections		3,839					
Hughes, Socol Piers, Resnick & Dy	Legal		967					
Law Offices of Serpico	Legal		189					
McCracken & Frank	Legal		61					
McGladrey LLP	Accounting		37,209					
Much Shelist	Legal		7,617					
Partridge IP Law P.C.	Legal		101					
Pension Administrators	401(k) Administration		712					
Personnel Planners	U/C Consulting		3,875					
Secretary of State	Filing Fees		100					
See Schedule 21C			74,418					
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$5,000, attach copy of invoices.)			\$ 163,306					

* Attach copy of IMRF notifications

**See instructions.

Lexington Health Care Center of Lake Zurich, Inc.

Provider # 0039768

1/1/13-12/31/13

Section XIX

Schedule 21C

C. Professional Fees

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Ability Network	Computer Consulting	1,112
Availity	Computer Consulting	50
Avalere Health	Computer Consulting	2,000
Bank of America (for Health Medx)	Computer Consulting	(2,324)
Compaq Commercial Repair	Computer Consulting	48
Corepoint	Computer Consulting	974
EFAX Corporate	Computer Consulting	633
Ehealth Data Solutions	Computer Consulting	2,925
ESNF	Computer Consulting	700
Health MedX	Computer Consulting	15,143
Information Controls	Computer Consulting	827
Kronos	Computer Consulting	280
Lintech LLC	Computer Consulting	4,598
Micro Center	Computer Consulting	218
MNJ Technologies	Computer Consulting	215
Microsoft Licensing	Computer Consulting	9,522
MY Innerview	Computer Consulting	5,630
National Datacare	Computer Consulting	2,542
On Shift	Computer Consulting	8,317
Paragon Clinical	Computer Consulting	400
Realmed	Computer Consulting	184
Relias Learning	Computer Consulting	5,796
Salesforce.com	Computer Consulting	5,149
Softchoice Corp	Computer Consulting	1,404
Telemedicine Solutions	Computer Consulting	5,406
Trisys	Computer Consulting	128
Tympani	Computer Consulting	2,541
		<u>74,418</u>

Total Schedule V, line 19 column 3

163,306

Less: Non-Allowable Legal Exp.	(10,384)
Less: Salesforce.com	(5,149)
Sambell of Lake Zurich	
James Samatas	200

Lexington Health Care Center of Lake Zurich, Inc.
 Provider # 0039768
 1/1/13-12/31/13

Allocated from Management Co.

Much Shelist	Legal	501
Serpico, Petrosino, Dipiero & O'Shea,	Legal	454
McGladrey LLP	Accounting	1,763
Illinois Secretary of State	Filing Fees	40
Gilson Labus & Silverman	KEP	45
Personnel Planners	U/C Consultant	44
LaSalle Network	Recruiting/Finance	2,299
Pension Administrators, Inc.	401K Administration	290
Katten, Muchin, Rosenman	KEP	291
Gene Whitehorn	Medicaid Reimb Specialist	663
Burlington Group	Recruitment	96
M Werner Consulting	Financial Consultant	2,322
Bussey Environment, Inc	Environmental Consulting	98
Computer Services	Computer Consulting	16,156
		<u>25,061</u>

Allocated from Samvest of Lombard

Accounting	165
Filing Fees	16

Total Schedule V, line 19, column 8

173,214

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	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$

Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/2013 Ending: 12/31/2013**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. \$ 58,989 Line 10(2)
- (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. \$ 446,252
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. \$ 18,410 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,280
- (16) Travel and Transportation
- a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation. N/A
- 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? N/A
- g. Does the facility transport residents to and from day training? No**
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$5,000, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.