

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning: 01/01/2014 Ending: 12/31/2014

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			16,243	16,243	8
9	SNF/PED					9
10	ICF	45,715	6,150		51,865	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	45,715	6,150	16,243	68,108	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 91.92%

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 11,896

Medicare Intermediary

National Government Services

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

Is your fiscal year identical to your tax year?

YES NO

Tax Year: 12/31/14 Fiscal Year: 12/31/14

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

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2014

Ending:

12/31/2014

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	373,358	58,526	16,890	448,774		448,774		448,774		1
2	Food Purchase		416,044		416,044		416,044	(22,281)	393,763		2
3	Housekeeping	328,633	52,151		380,784		380,784	265	381,049		3
4	Laundry	72,259	23,978		96,237		96,237		96,237		4
5	Heat and Other Utilities			253,298	253,298		253,298	7,947	261,245		5
6	Maintenance	44,357		190,523	234,880		234,880	70,084	304,964		6
7	Other (specify):* Mgmt Co.-Allocated							10,857	10,857		7
8	TOTAL General Services	818,607	550,699	460,711	1,830,017		1,830,017	66,872	1,896,889		8
	B. Health Care and Programs										
9	Medical Director			45,125	45,125		45,125		45,125		9
10	Nursing and Medical Records	5,666,947	414,249	106,861	6,188,057		6,188,057	47,613	6,235,670		10
10a	Therapy										10a
11	Activities	250,755	21,268	5,398	277,421		277,421		277,421		11
12	Social Services	121,114		7,562	128,676		128,676		128,676		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co.-Allocated							6,505	6,505		15
16	TOTAL Health Care and Programs	6,038,816	435,517	164,946	6,639,279		6,639,279	54,118	6,693,397		16
	C. General Administration										
17	Administrative	131,239		1,725,558	1,856,797		1,856,797	(1,670,070)	186,727		17
18	Directors Fees										18
19	Professional Services			212,633	212,633		212,633	7,171	219,804		19
20	Dues, Fees, Subscriptions & Promotions			39,416	39,416		39,416	3,473	42,889		20
21	Clerical & General Office Expenses	162,396	35,909	47,186	245,491		245,491	639,373	884,864		21
22	Employee Benefits & Payroll Taxes			1,214,477	1,214,477		1,214,477	20,336	1,234,813		22
23	Inservice Training & Education			7,767	7,767		7,767	800	8,567		23
24	Travel and Seminar			62	62		62	1,580	1,642		24
25	Other Admin. Staff Transportation			11,562	11,562		11,562	14,713	26,275		25
26	Insurance-Prop.Liab.Malpractice			471,514	471,514		471,514	10,788	482,302		26
27	Other (specify):* Mgmt Co.-Allocated							101,669	101,669		27
28	TOTAL General Administration	293,635	35,909	3,730,175	4,059,719		4,059,719	(870,167)	3,189,552		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,151,058	1,022,125	4,355,832	12,529,015		12,529,015	(749,177)	11,779,838		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:

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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			181,584	181,584		181,584	369,210	550,794			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			50,535	50,535		50,535	402,750	453,285			32
33	Real Estate Taxes							177,305	177,305			33
34	Rent-Facility & Grounds			1,489,938	1,489,938		1,489,938	(1,485,481)	4,457			34
35	Rent-Equipment & Vehicles			108,477	108,477		108,477	2,527	111,004			35
36	Other (specify):*											36
37	TOTAL Ownership			1,830,534	1,830,534		1,830,534	(533,689)	1,296,845			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		597,986	1,489,305	2,087,291		2,087,291		2,087,291			39
40	Barber and Beauty Shops	14,101		11,732	25,833		25,833		25,833			40
41	Coffee and Gift Shops			2,552	2,552		2,552		2,552			41
42	Provider Participation Fee			451,936	451,936		451,936		451,936			42
43	Other (specify):* Non-Allowable Co	141,809		131,534	273,343		273,343	(273,343)				43
44	TOTAL Special Cost Centers	155,910	597,986	2,087,059	2,840,955		2,840,955	(273,343)	2,567,612			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,306,968	1,620,111	8,273,425	17,200,504		17,200,504	(1,556,209)	15,644,295			45

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

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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	(1,945)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,814)	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	(1,347)	30		9
10	Interest and Other Investment Income	(40,379)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(11,025)	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	(100)	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	(21,140)	43		24
25	Fund Raising, Advertising and Promotional	(38,369)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(2,162)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Page 5A	21,268	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (102,013)		\$	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)	(1,454,196)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,454,196)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,556,209)		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

Lexington of Lake Zurich

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Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference	
1	Labs-Part A	\$ (29,094)	43	1
2	X-Rays-Part A	(19,762)	43	2
3	Diagnostics Managed Care	(3,068)	43	3
4	Trust Fees	(75)	43	4
5	Marketing Software	(5,004)	19	5
6	Collections & Out of Period Legal	(17,085)	19	6
7	Marketing Salary	(141,809)	43	7
8	Education & Seminar marketing	(682)	24	8
9	Unrealized loss on FMV swap	251,339	43	9
10	Misc Income	(5,574)	21	10
11	Chamber of commerce dues	(282)	20	11
12	Relcass RM to LHI	(7,636)	6	12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
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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		21,268	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	**	299,892	299,892	2	
3	V	32 Interest Expense		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	424,937	424,937	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	**	169,938	169,938	5	
6	V	34 Rental Expense	1,489,938	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(1,489,938)	6	
7	V	43 Trust Fees		Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**	75	75	7	
8	V	43 Unrealized loss on FMV swap	251,339	Lexington Helath Care Systems of Lake Zurich Ltd Ptsp	**		(251,339)	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							12
13	V	of Lake Zurich Limited Partnership.							13
14	Total		\$ 1,741,277			\$ 896,457	\$ * (844,820)	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.	**	\$ 265	\$	265	15	
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	6,929		6,929	16	
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	310		310	17	
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	708		708	18	
19	V	6 Management allocation - salaries		Royal Management Corp.	**	71,426		71,426	19	
20	V	6 Repairs & maintenance		Royal Management Corp.	**	6,261		6,261	20	
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	33		33	21	
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	10,857		10,857	22	
23	V	10 Medical consultant		Royal Management Corp.	**	4,815		4,815	23	
24	V	10 Management allocation - salaries		Royal Management Corp.	**	42,798		42,798	24	
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	6,505		6,505	25	
26	V	17 Management allocation - salaries		Royal Management Corp.	**	55,488		55,488	26	
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	15,889		15,889	27	
28	V	19 Professional fees		Royal Management Corp.	**	13,171		13,171	28	
29	V	20 Dues & subscriptions		Royal Management Corp.	**	2,145		2,145	29	
30	V	20 Advertising - help wanted		Royal Management Corp.	**	2,230		2,230	30	
31	V	21 Management allocation - salaries		Royal Management Corp.	**	613,385		613,385	31	
32	V	21 Bank charges		Royal Management Corp.	**	2,484		2,484	32	
33	V	21 Office supplies & printing		Royal Management Corp.	**	12,554		12,554	33	
34	V	21 Postage		Royal Management Corp.	**	4,446		4,446	34	
35	V	21 Telephone		Royal Management Corp.	**	12,078		12,078	35	
36	V								36	
37	V	** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.								37
38	V								38	
39	Total		\$			\$ 884,777	\$ *	884,777	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	23 <u>Inservice Training</u>	\$	<u>Royal Management Corp.</u>	**	\$ 800	\$	800	15	
16	V	24 <u>Travel & seminar</u>		<u>Royal Management Corp.</u>	**	1,642		1,642	16	
17	V	25 <u>Auto expense</u>		<u>Royal Management Corp.</u>	**	14,713		14,713	17	
18	V	26 <u>Insurance general</u>		<u>Royal Management Corp.</u>	**	10,788		10,788	18	
19	V	27 <u>Management allocation - employee benefits</u>		<u>Royal Management Corp.</u>	**	101,669		101,669	19	
20	V	30 <u>Depreciation</u>		<u>Royal Management Corp.</u>	**	70,665		70,665	20	
21	V	32 <u>Interest</u>		<u>Royal Management Corp.</u>	**	14,318		14,318	21	
22	V	32 <u>Amortization of mortgage costs</u>		<u>Royal Management Corp.</u>	**	2,459		2,459	22	
23	V	33 <u>Property taxes</u>		<u>Royal Management Corp.</u>	**	7,367		7,367	23	
24	V	34 <u>Rent expense</u>		<u>Royal Management Corp.</u>	**	4,457		4,457	24	
25	V	35 <u>Equipment rental</u>		<u>Royal Management Corp.</u>	**	1,436		1,436	25	
26	V	17 <u>Management fees</u>	1,725,558	<u>Royal Management Corp.</u>	**			(1,725,558)	26	
27	V	35 <u>Auto Lease</u>		<u>Royal Management Corp.</u>	**	1,091		1,091	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	** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.								36
37	V								37	
38	V								38	
39	Total		\$ 1,725,558			\$ 231,405	\$ *	(1,494,153)	39	

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

Facility Name & ID Number

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0039768

Report Period Beginning:

01/01/2014

Ending:

12/31/2014

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 Bloomingdale, Inc.	Bloomingdale	Eastgate Manor	Algonquin	Supportive Living	1
2	John Samatas Discretionary Trust	33.33	Lexington HC Ctr. of Chicago Ridge, Inc.	Chicago Ridge	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 Lombard, Inc.	Lombard	Lexington Health	Lake Zurich	Real Estate	5
6			Lexington HC Ctr. of Orland Park, Inc.	Orland Park	Care Systems of		Property	6
7			Lexington HC Ctr. of Schaumburg, Inc.	Schaumburg	Lake Zurich Ltd.			7
8			Lexington HC Ctr. of Streamwood, Inc.	Streamwood	Ptsp.			8
9			Lexington HC Ctr. of Wheeling, Inc.	Wheeling	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					Heron Point	Lombard	Mgmt. Company	19
20					Management			20
21					Corporation			21
22					Samvest of	Lombard	Lessor	22
23					Lombard II, LLC			23
24								24
25								25
26								26
27								27
28								28
29								29
30								30

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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					Sambell of	Bloomingtondale	Real Estate	1
2					Bloomingtondale Ltd. Ptsp.		Property	2
3								3
4					Sambell of Chicago	Chicago Ridge	Real Estate	4
5					Ridge Ltd. Ptsp.		Property	5
6								6
7					Sambell of	Elmhurst	Real Estate	7
8					Elmhurst II Ltd. Ptsp.		Property	8
9								9
10					Sambell of	LaGrange	Real Estate	10
11					LaGrange Ltd. Ptsp.		Property	11
12								12
13					Lexington Health	Lombard	Real Estate	13
14					Care Systems of		Property	14
15					Lombard Ltd. Ptsp.			15
16								16
17					Lexington Health	Orland Park	Real Estate	17
18					Care Systems of		Property	18
19					Orland Park Ltd. Ptsp			19
20								20
21					Sambell of	Schaumburg	Real Estate	21
22					Schaumburg Ltd. Ptsp		Property	22
23								23
24					Sambell of	Streamwood	Real Estate	24
25					Streamwood Ltd. Ptsp		Property	25
26								26
27					Lexington Health	Wheeling	Real Estate	27
28					Care Systems of		Property	28
29					Wheeling Ltd. Ptsp.			29
30								30

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/2014 Ending: 12/31/2014

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	\$ 9,745	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	7,102	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	8,897	L17, C7	3
4	Daniel Thiem	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	11,563	L17, C7	4
5	Jason Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	18,182	L17, C7	5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 55,488		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

0039768 Report Period Beginning: 01/01/2014

Ending: 2/31/2014

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	\$ 2,591	\$ 74,095	\$ 265	1
2	5	Utilities - gas & electric	Bed Days Available	723,430	10	67,650	74,095	6,929	2
3	5	Utilities - water & sewer	Bed Days Available	723,430	10	3,027	74,095	310	3
4	5	Utilities - maintenance office	Bed Days Available	723,430	10	6,910	74,095	708	4
5	6	Management allocation - salaries	Bed Days Available	723,430	10	697,374	697,374	71,426	5
6	6	Repairs & maintenance	Bed Days Available	723,430	10	61,125	74,095	6,261	6
7	6	Scavenger & exterminating	Bed Days Available	723,430	10	320	74,095	33	7
8	7	Management allocation - employe	Bed Days Available	723,430	10	106,001	74,095	10,857	8
9	10	Medical consultant	Bed Days Available	723,430	10	47,016	74,095	4,815	9
10	10	Management allocation - salaries	Bed Days Available	723,430	10	417,860	417,860	42,798	10
11	15	Management allocation - employe	Bed Days Available	723,430	10	63,515	74,095	6,505	11
12	17	Management allocation - salaries	Bed Days Available	723,430	10	541,757	541,757	55,488	12
13	19	Computer consultant & supplies	Bed Days Available	723,430	10	155,132	74,095	15,889	13
14	19	Professional fees	Bed Days Available	723,430	10	128,599	74,095	13,171	14
15	20	Dues & subscriptions	Bed Days Available	723,430	10	20,945	74,095	2,145	15
16	20	Advertising - help wanted	Bed Days Available	723,430	10	21,776	74,095	2,230	16
17	21	Management allocation - salaries	Bed Days Available	723,430	10	5,988,811	5,988,811	613,385	17
18	21	Bank charges	Bed Days Available	723,430	10	24,252	74,095	2,484	18
19	21	Office supplies & printing	Bed Days Available	723,430	10	122,570	74,095	12,554	19
20	21	Postage	Bed Days Available	723,430	10	43,413	74,095	4,446	20
21	21	Telephone	Bed Days Available	723,430	10	117,921	74,095	12,078	21
22									22
23									23
24									24
25	TOTALS					\$ 8,638,565	\$ 7,645,802	\$ 884,777	25

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning: 01/01/2014

Ending: 2/31/2014

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	\$ 7,807	\$ 74,095	\$ 800	1
2	24	Travel and Seminar	Bed Days Available	723,430	10	16,032	74,095	1,642	2
3	25	Auto expense	Bed Days Available	723,430	10	143,653	74,095	14,713	3
4	26	Insurance general	Bed Days Available	723,430	10	105,333	74,095	10,788	4
5	27	Management allocation - employe	Bed Days Available	723,430	10	992,646	74,095	101,669	5
6	30	Depreciation	Bed Days Available	723,430	10	689,938	74,095	70,665	6
7	32	Interest	Bed Days Available	723,430	10	139,794	74,095	14,318	7
8	32	Amortization of mortgage costs	Bed Days Available	723,430	10	24,007	74,095	2,459	8
9	33	Property taxes	Bed Days Available	723,430	10	71,926	74,095	7,367	9
10	34	Rent expense	Bed Days Available	723,430	10	43,516	74,095	4,457	10
11	35	Equipment rental	Bed Days Available	723,430	10	14,023	74,095	1,436	11
12	35	Auto Lease	Bed Days Available	723,430	10	10,648	74,095	1,091	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					\$ 2,259,323	\$	\$ 231,405	25

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2014

Ending:

12/31/2014

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	6,444,777	5/1/2017	0.0650	424,937	2								
3												3								
4										Finance Charge - Insurance Policy	1,423	4								
5												5								
	Working Capital																			
6	Shareholders	X		Working Capital	None	Varies	270,033	1,732,348	Demand	Prime +1	29,871	6								
7	JP Morgan Chase N.A.		X	Line of Credit	Varies	6/29/13	5,600,000	700,000	6/29/15	Libor +2.25%	19,241	7								
8												8								
9	TOTAL Facility Related						\$ 13,476,033	\$ 8,877,125			\$ 475,472	9								
	B. Non-Facility Related*																			
10										Amortization of loan cost	3,874	10								
11										Interest Income offset	(10,508)	11								
12										Nonallowable shareholder interest	(29,871)	12								
13										Allocated from Management Co.	14,318	13								
14	TOTAL Non-Facility Related						\$	\$			\$ (22,187)	14								
15	TOTALS (line 9+line14)						\$ 13,476,033	\$ 8,877,125			\$ 453,285	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 2013 report.			\$ <u>194,900</u>	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.)	2013		\$ <u>176,649</u>	2	
3. Under or (over) accrual (line 2 minus line 1).			\$ <u>(18,251)</u>	3	
4. Real Estate Tax accrual used for 2014 report. (Detail and explain your calculation of this accrual on the lines below.)			\$ <u>184,800</u>	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.)			\$ <u>4,107</u>	5	
		Allocated from Management Co.	<u>7,367</u>		
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>719</u> For <u>07-10</u> Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$ <u>(719)</u>	6	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$ <u>177,305</u>	7	
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2009	<u>146,253</u>	8		
	2010	<u>152,165</u>	9		
	2011	<u>174,499</u>	10		
	2012	<u>189,123</u>	11		
	2013	<u>176,649</u>	12		
See attached real estate accrual sheet					
				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.

2013 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 2013 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 2013.

(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>162,224.74</u>	\$ <u>162,224.74</u>
2. <u>14-29-200-033</u>	<u>Nursing Facility</u>	\$ <u>14,424.56</u>	\$ <u>14,424.56</u>
3. <u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
4. <u>05-01-202-021</u>		\$ <u>282,411.00</u>	\$ <u>7,367.00</u>
5. _____		\$ _____	\$ _____
6. _____		\$ _____	\$ _____
7. _____		\$ _____	\$ _____
8. _____		\$ _____	\$ _____
9. _____		\$ _____	\$ _____
10. _____		\$ _____	\$ _____
TOTALS		\$ <u><u>459,060.30</u></u>	\$ <u><u>184,016.30</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 2013 tax bills which were listed in Section A to this statement. Be sure to use the 2013 tax bill which is normally paid during 2014.

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:

01/01/2014 Ending:

12/31/2014

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:

A. Land.

	1	2	3	4	
	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>20,298</u>	2
3	TOTALS	250,344		\$ 515,298	3

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/2014 Ending:

12/31/2014

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	\$ 3,262,946
5										
6										
7										
8										
	Improvement Type**									
9	Land Improvements		1994		10,701		10			10,701
10	Land Improvements		1994		13,330		10			13,330
11	Leasehold Improvements		1994		4,737		15			4,737
12	Leasehold Improvements		1995		4,005		15			4,005
13	Land Improvements		1995		3,221		10			3,221
14	Building Improvements		1995		3,019		40	75	75	1,507
15	Building Improvements		1995		64,500	1,654	39	1,654		32,597
16	Patio		1996		1,168		15			1,168
17	Compressor		1996		5,145		10			5,145
18	Road sidewalk		1997		18,094		20	905	905	15,835
19	Foundation/Sprinkler		1997		2,068	59	35	59		1,033
20	Flagpoles		1997		1,573		15			1,573
21	Basement rehab		1998		12,867		10			12,867
22	MDS Telnet wiring		1998		3,365		10			3,365
23	Flag Pole		1998		787		15			787
24	Resurface/restripe parking lot		1998		4,977		10			4,977
25	Transfer 10 beds from shelter care		1998		2,260	57	40	57		916
26	1st floor lobby tile		1999		12,153		10			12,153
27	Parking lot repair		2000		3,740		10			3,740
28	Roof repair		2000		10,770		10			10,770
29	Automatic door		2000		1,300		10			1,300
30	Kitchen rehab		2000		16,886		10			16,886
31	Compressor		2001		4,350		10			4,350
32	Boiler vent		2001		3,228		10			3,228
33	Fire pump		2001		1,766		10			1,766
34	Kitchen rehab		2001		721		10			721
35	Elevator infrared curtains		2001		4,500		10			4,500
36	Therapy Room Rehab		2004		64,473	3,224	20	3,224		33,313

*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

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	\$	\$ 1,756	37
38	HVAC Compressor	2004	11,845	592	20	592		6,069	38
39	Sidewalk, raise and support	2005	700	35	20	35		327	39
40	Pavement for parking lot	2005	6,650	333	20	333		3,189	40
41	Water softner	2005	2,635	132	20	132		1,308	41
42	Plumbing and sprinkler	2005	4,469	223	20	223		2,213	42
43	Lobby and lounge rehab	2005	44,560	2,228	20	2,228		22,094	43
44	Therapy room rehab	2005	1,721	86	20	86		796	44
45	First floor therapy room	2005	42,424	2,121	20	2,121		20,544	45
46	Transitional unit	2005	9,898	495	20	495		4,620	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		6,734	49
50	Landscaping Improvement	2006	4,640		5			4,640	50
51	HVAC	2006	3,999	400	10	400		3,233	51
52	Kitchen Rehab	2006	2,553	255	10	255		2,232	52
53	Wall Mounted Cabinets	2006	10,451	1,045	10	1,045		8,709	53
54	Therapy room rehab	2006	2,829	283	10	283		2,311	54
55	Solo step install	2006	3,689	369	10	369		3,013	55
56	Transitional unit	2006	31,685	1,584	20	1,584		12,805	56
57	Employee Lunchroom rehab	2006	1,766	177	10	177		1,474	57
58	Fine Dining	2006	22,517	1,126	20	1,126		9,383	58
59	Land Improvements	2006	5,374	358	15	358		2,954	59
60	Emergency AC	2006	7,564	756	10	756		6,049	60
61	Wood Flooring	2006	1,526		10	153	153	1,223	61
62	HVAC	2007	2,716	272	10	272		2,039	62
63	Emergency AC	2007	18,731	1,873	10	1,873		14,048	63
64	First floor remodel-carpentry, flooring, plumbing, painting, fixtures	2007	701,565		40	17,539	17,539	135,927	64
65									65
66	Landscaping	2008	15,920	1,061	15	1,061		7,339	66
67	Parking Lot Repairs	2008	4,224	211	20	211		1,319	67
68	Roof	2008	33,700	1,685	20	1,685		11,093	68
69	Employee Locker Rooms	2008	3,732	93	40	93		581	69
70	TOTAL (lines 4 thru 69)		\$ 7,723,467	\$ 23,761		\$ 202,906	\$ 179,145	\$ 3,774,743	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:

01/01/2014 Ending:

12/31/2014

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	\$ 23,761		\$ 202,906	\$ 179,145	\$ 3,774,743	1
2	Second floor remodel - carpentry, electrical, flooring,	2008	555,633		27	20,205	20,205	129,649	2
3	painting								3
4	Irrigation System	2009	15,335	1,022	15	1,022		5,451	4
5	Landscaping Enhancements	2009	8,276	552	15	552		2,990	5
6	Quick connects	2009	7,611	381	20	381		2,032	6
7	HVAC Chiller	2009	102,185	5,109	20	5,109		28,100	7
8	HVAC-1st floor admin office	2009	7,295	365	20	365		1,855	8
9	2nd floor remodel	2009	9,331	339	27	339		2,034	9
10	Basement Office	2009	2,755	100	27	100		525	10
11	Patio Pergola	2009	8,905	445	20	445		2,373	11
12	3rd floor remodel-Carpentry,plumbing,electrical,handrails	2009	398,350		27	14,485	14,485	74,839	12
13	painting,alarm system								13
14									14
15									15
16									16
17	Med Room Remodel-painting,flooring	2010	5,531	202	27	202		858	17
18	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	51,465	4,149	27	4,149		16,596	18
19	Exhaust System	2010	83,215	3,035	27	3,035		12,140	19
20	Office spot cooler	2010	3,456	126	27	126		515	20
21	Ceiling insulations	2010	2,640	96	27	96		416	21
22	Remodel pantry-shelves	2010	4,402	161	27	161		684	22
23	Paint over bed lights	2010	5,512	201	27	201		804	23
24	Exterior Door	2010	2,618	95	27	95		388	24
25	Remodel Library/Lounge and physician office-flooring,	2010	7,796	284	27	284		1,167	25
26	art framing,flooring								26
27	2nd floor remodel-carpentry,plumbing,electrical	2010	4,838	176	27	176		837	27
28	Concrete repair-ramp & railing	2010	10,029	669	15	669		2,843	28
29	Office remodel-doors, carpentry, locks	2011	20,714	753	27	753		2,583	29
30	Landscaping Enhancements	2011	4,987	332	15	332		1,245	30
31	Fire pump and drain line	2011	8,360	304	27	304		938	31
32	Laundry room remodel-painting, tile	2011	7,835	285	27	285		950	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,062,541	\$ 42,942		\$ 256,777	\$ 213,835	\$ 4,067,555	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:

01/01/2014

Ending:

12/31/2014

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	\$ 42,942		\$ 256,777	\$ 213,835	\$ 4,067,555	1
2	Locker Room-paint, cabinets	2011	7,504	273	27	273		910	2
3	2nd floor remodel-doors and locks	2011	17,692	643	27	643		2,143	3
4	HVAC Chiller	2011	99,609		27	3,622	3,622	12,375	4
5	Parking lot-Stripe and seal	2011	51,148		20	2,557	2,557	8,310	5
6									6
7	Building wiring	2012	25,124		27	914	914	2,055	7
8	Replace pipe kitchen	2012	4,202		27	153	153	395	8
9									9
10	Update Dishwashing Area in Kitchen: Tile, Drywall	2013	10,078		27	366	366	458	10
11									11
12	Landscaping - adding trees main entrance	2014	10,152		15	56	56	56	12
13	Replace interior doors throughout 1st floor	2014	16,443		27	199	199	199	13
14	Repair condensor coil in kitchen cooler	2014	3,402		20	85	85	85	14
15	2nd floor shower room - install handrails	2014	4,234		27	78	78	78	15
16									16
17									17
18									18
19	Reconcile book depreciation			1,509			(1,509)		19
20									20
21	Building - management company	2002	280,882		40	8,470	8,470	107,919	21
22	HVAC, electrical, security system - management company	2003	2,467		30	612	612	1,809	22
23	Key card system - management company	2004	388		20	20	20	202	23
24	VAV TX controls - management company	2005	118		20	6	6	58	24
25	Building improvements - management company	2006	86		20	6	6	47	25
26	Building improvements - management company	2008	13,565		20	459	459	5,097	26
27	Building improvements - management company	2009	2,521		15	48	48	747	27
28	Building improvements - management company	2010	2,459		15	104	104	738	28
29	Building improvements - management company	2011	1,748		15	83	83	283	29
30	Building improvements - management company	2012	5,976		15	12	12	580	30
31	Building improvements - management company	2013	4,563		15	337	337	421	31
32	Building improvements - management company	2014	2,469		15	128	128	126	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,629,371	\$ 45,367		\$ 276,008	\$ 230,641	\$ 4,212,646	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	\$ 1,387,331	\$ 132,621	\$ 210,810	\$ 78,189	5	\$ 979,930	71
72	Current Year Purchases	71,334	3,596	3,596		5	3,596	72
73	Fully Depreciated Assets	292,004				5	292,004	73
74	Allocated from Mgmt. Co.	479,041		56,562	56,562	5-7	308,340	74
75	TOTALS	\$ 2,229,710	\$ 136,217	\$ 270,967	\$ 134,750		\$ 1,583,870	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.			50,815		3,820	3,820	5	44,454	79
80	TOTALS			\$ 50,815	\$	\$ 3,820	\$ 3,820		\$ 44,454	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)	\$ 12,425,194	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 181,584	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 550,794	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 369,210	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 5,840,970	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: 01/01/2014

Ending: 12/31/2014

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>4,457</u>			6
7	TOTAL				\$ <u>4,457</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. _____ /2015 \$ _____

13. _____ /2016 \$ _____

14. _____ /2017 \$ _____

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: \$ 109,913 Description: Copier-\$8,222, Mail Sys-\$180, Printer-\$5,481; Med Equip.-\$49,997, Oxy Equip.-\$44,597, Mgmt. Co.-\$1,436

(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>1,091</u>	20
21	TOTAL		\$	\$ <u>1,091</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: 01/01/2014 Ending: 12/31/2014
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		3	4		5	6	7	8
			Staff		Cost	Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service			Units	Cost				
1	Licensed Occupational Therapist	39(3)	hrs	\$	11,085	\$ 470,040	\$	11,085	\$ 470,040	1	
2	Licensed Speech and Language Development Therapist	39(3)	hrs		5,831	158,173		5,831	158,173	2	
3	Licensed Recreational Therapist		hrs							3	
4	Licensed Physical Therapist	39(2)(3)	hrs		12,664	842,087	6,827	12,664	848,914	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 prescrpts				577,650		577,650	9	
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10	
11	Academic Education		hrs							11	
12	Other (specify): <u>Ambulance</u>	39(3)				19,005			19,005	12	
13	Other (specify): <u>See Sch. 16A</u>						13,509		13,509	13	
14	TOTAL			\$	29,580	\$ 1,489,305	\$ 597,986	29,580	\$ 2,087,291	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.

Lexington Health Care Center of Lake Zurich, Inc.
 Provider # 0039768
 12/31/2014
 Schedule 16A

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

	Service	1 Schedule V Line & Column Reference	2		3	4		5	6	7	8
			Staff		Cost	Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service			Units	Cost				
1	Licensed Occupational Therapist		hrs	\$		\$	\$		\$		
2	Licensed Speech and Language Development Therapist		hrs								
3	Licensed Recreational Therapist		hrs								
4	Licensed Physical Therapist		hrs								
5	Physician Care		visits								
6	Dental Care		visits								
7	Work Related Program		hrs								
8	Habilitation		hrs								
9	Pharmacy		# of prescripts								
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs								
11	Academic Education		hrs								
12	Other (specify): <u>Oxygen</u>	39(2)					11,274		11,274		
13	Other (specify): <u>DME</u>	39(2)					2,235		2,235		
14	TOTAL			\$		\$	\$ 13,509		\$ 13,509		

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Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 01/01/2014

Ending:

12/31/2014

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2014

(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	\$ 793,966	\$ 825,441	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance (210,988))	2,152,317	2,152,317	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	4,990	4,990	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Interest Receivable</u>	17,582	17,582	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,968,855	\$ 3,000,330	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,906	8,906	12
13	Land		515,298	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	1,002,420	3,210,463	15
16	Equipment, at Historical Cost	801,524	2,280,525	16
17	Accumulated Depreciation (book methods)	(938,646)	(5,840,970)	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>		24,882	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 874,204	\$ 6,618,012	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,843,059	\$ 9,618,342	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 593,415	\$ 593,415	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	700,000	700,000	29
30	Accrued Salaries Payable	519,694	519,694	30
31	Accrued Taxes Payable (excluding real estate taxes)	11,747	11,747	31
32	Accrued Real Estate Taxes(Sch.IX-B)		184,800	32
33	Accrued Interest Payable		36,919	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Schedule 17A</u>	7,021,866	2,068,718	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 8,846,722	\$ 4,115,293	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	1,732,348	1,732,348	39
40	Mortgage Payable		6,444,777	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)	\$ 1,732,348	\$ 8,177,125	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 10,579,070	\$ 12,292,418	46
47	TOTAL EQUITY(page 18, line 24)	\$ (6,736,011)	\$ (2,674,076)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,843,059	\$ 9,618,342	48

*(See instructions.)

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2014

Schedule 17A

XV. Balance Sheet

Line 36 Other Current Liabilities (specify):

Description	Operating	After Consolidation
Due from Remodeling	12,561	-
Due to/from Republic Construction	(37,675)	(37,675)
Prepaid Insurance	17,042	17,042
Escrow - Insurance	(105,443)	(105,443)
401K Withholding	(73)	(73)
Accrued Expenses	78,419	78,419
Accrued Resident Tax	55,571	55,571
Accrued Royal/Vesta MGMT Fees	1,281,635	1,281,635
Accrued Rent	5,600,494	
Accrued Insurance	38,836	38,836
Due to Patient Trust Fund	29,861	29,861
Advance - Biweekly Part A Payment	(30,198)	(30,198)
Uncollectible Part A Co PVTS	(30,681)	(30,681)
Due to - Royal Operations	22,454	22,454
Due to Chicago Ridge	1,035	1,035
Due to/from Lexington Financial	47	47
Sambel Interest Rate Swap Liability	-	659,907
Professional Liability Claims	87,981	87,981
Total - Line 36	7,021,866	2,068,718
	-	-

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (6,191,901)	1
2	Restatements (describe):		2
3	Post closing adjustment	(51,240)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (6,243,141)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(492,870)	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)	\$ (492,870)	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)	\$ (6,736,011)	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	\$ 21,652,101	1
2	Discounts and Allowances for all Levels	(11,929,689)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 9,722,412	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	5,274,517	6
7	Oxygen	49,434	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 5,323,951	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	3,252	12
13	Barber and Beauty Care	30,544	13
14	Non-Patient Meals	1,945	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	860,953	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	209,344	19
20	Radiology and X-Ray	27,042	20
21	Other Medical Services	512,109	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,645,189	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	10,508	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 10,508	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Miscellaneous Income</u>	5,574	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 5,574	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 16,707,634	30

		2	
II. Expenses		Amount	
A. Operating Expenses			
31	General Services	1,830,017	31
32	Health Care	6,639,279	32
33	General Administration	4,059,719	33
B. Capital Expense			
34	Ownership	1,830,534	34
C. Ancillary Expense			
35	Special Cost Centers	2,389,019	35
36	Provider Participation Fee	451,936	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 17,200,504	40
41	Income before Income Taxes (line 30 minus line 40)**	(492,870)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (492,870)	43

III. Net Inpatient Revenue detailed by Payer Source			
44	Medicaid - Net Inpatient Revenue	\$ 7,088,653	44
45	Private Pay - Net Inpatient Revenue	1,290,920	45
46	Medicare - Net Inpatient Revenue	1,233,025	46
47	Other-(specify) <u>Managed Care</u>	109,814	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	\$ 9,722,412	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: 01/01/2014

Ending: 12/31/2014

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	1,887	2,243	\$ 146,449	\$ 65.29	1
2	Assistant Director of Nursing	32,705	39,664	1,130,186	28.49	2
3	Registered Nurses	45,601	54,507	1,770,712	32.49	3
4	Licensed Practical Nurses	17,643	21,350	594,666	27.85	4
5	CNAs & Orderlies	137,342	157,120	1,983,462	12.62	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	14,357	15,843	173,359	10.94	10
11	Social Service Workers	4,866	5,702	121,114	21.24	11
12	Dietician	1,740	1,956	37,493	19.17	12
13	Food Service Supervisor	1,746	1,919	37,313	19.44	13
14	Head Cook	1,746	2,070	32,359	15.63	14
15	Cook Helpers/Assistants	19,701	21,821	229,477	10.52	15
16	Dishwashers	3,540	3,881	36,716	9.46	16
17	Maintenance Workers	1,933	2,285	44,357	19.41	17
18	Housekeepers	28,838	32,270	328,633	10.18	18
19	Laundry	6,951	7,668	72,259	9.42	19
20	Administrator	1,570	2,211	131,239	59.36	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	7,879	10,393	162,396	15.63	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	1,873	2,295	41,472	18.07	31
32	Other Health C: <u>Memory Care</u>	3,016	3,703	77,396	20.90	32
33	Other(specify) <u>See Sch 20A</u>	4,929	5,549	155,910	28.10	33
34	TOTAL (lines 1 - 33)	339,863	394,450	\$ 7,306,968 *	\$ 18.52	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	24	45,125	9(3)	36
37	Medical Records Consultant	Monthly	804	10(3)	37
38	Nurse Consultant	15	22,003	10(3)	38
39	Pharmacist Consultant	Monthly	14,169	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	4,651	11(3)	44
45	Social Service Consultant	9	4,297	12(3)	45
46	Other(specify) <u>Psychosocial</u>	12	3,265	12(3)	46
47	<u>Pulmonary</u>	Monthly	69,885	10(3)	47
48	<u>Medical Consultant</u>	Monthly	4,815	10(7)	48
49	TOTAL (lines 35 - 48)	72	\$ 169,014		49

C. CONTRACT NURSES

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

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2014

Schedule 20A

XVIII. Staffing and Salary Costs

Line 33 Other (specify):

Description	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Total Salaries	Average Hourly Wage
Barber Beauty	1,089	1,282	14,101	\$ 11.00
Marketing	3,840	4,267	141,809	\$ 33.24
Total - Line 33 Other (specify):	4,929	5,549	155,910	\$ 28.10

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	
Pauline Constantino	Administrator	0	\$ 40,270	Workers' Compensation Insurance	\$ 235,061	IDPH License Fee	\$ 1,990	
Brandon Davidson	Administrator	0	56,451	Unemployment Compensation Insurance	77,496	Advertising: Employee Recruitment	19,661	
Rue Anne Mills	Administrator	0	34,518	FICA Taxes	548,091	Health Care Worker Background Check		
				Employee Health Insurance	272,935	(Indicate # of checks performed <u>403</u>)	4,841	
				Employee Meals	20,336	Patient Background Checks	304	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Licenses & Fees	4,466	
				401K	28,978	Miscellaneous Dues & Subscriptions	4,805	
				Other Employee benefit	46,734	Less: Marketing Dues	(338)	
				Uniform Allowance	2,311	Less Chamber of commerce dues	(282)	
				Tuition	2,871	Allocated from Mgmt Co.	4,093	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 131,239	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
				\$ 1,234,813		\$ 42,889		
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			\$ 1,225,277	N/A		\$	Out-of-State Travel	\$
Management Fees-Vesta Mgmt.			500,281					
Eliminated in column 7							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,725,558				Seminar Expense	
							Allocated from Mgmt Co.	1,642
							Entertainment Expense	()
							(agree to Sch. V, line 24, col. 8)	
							TOTAL	\$ 1,642
C. Professional Services				TOTAL				
Vendor/Payee	Type		Amount	\$				
Cassiday Schade, LLP	Legal		\$ 40,939					
Grabowski Law Center	Collections		16,884					
Appraisal Research Counsler	Appraisers		4,000					
McGladrey LLP	Accounting		34,090					
Much Shelist	Legal		4,765					
Duane Morris	Legal		888					
Pension Administration Inc.	401K Administration		920					
Personal Planners	U/C Consulting		1,590					
Secretary of State	Filing Fees		143					
Serpico	Legal		8,736					
Scott and Kraus	Legal		1,466					
See Schedule 21C			98,212					
TOTAL (agree to Schedule V, line 19, column 3) (For legal fee disclosure, see page 39 of instructions)			\$ 212,633					

* Attach copy of IMRF notifications

**See instructions.

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2014

Schedule 21C

XIX. SUPPORT SCHEDULES

C. Professional Services

Vendor	Type	Amount
Royal Management	Accounting	25
Gilson Labus and Silverman	Accounting	1,135
Ability Network	Computer Services	1,513
Availity	Computer Services	139
Avalere Health	Computer Services	2,000
Centino	Computer Services	750
Citrix	Computer Services	348
Corepoint	Computer Services	945
E-Health Data Solutions	Computer Services	3,450
ESNF	Computer Services	733
Health MedX	Computer Services	15,117
HP Commercial Repair	Computer Services	5
HP Repair	Computer Services	183
Information Controls	Computer Services	6,159
Lintech L LC	Computer Services	73
MS Licensing	Computer Services	9,825
National Datacare	Computer Services	2,920
National Research	Computer Services	513
Oceanpointe	Computer Services	168
On Shift	Computer Services	7,912
Relias	Computer Services	8,041
Salesforce.com	Computer Services	5,004
Soft choice Corporation	Computer Services	5,422
Symbria	Computer Services	1,200
Telemedicine Solutions	Computer Services	1,800
Touch Point	Computer Services	284

Tableau	Computer Services	1,716
Tympani	Computer Services	371
	Interim Administrator	20,461
	Total (agree to Schedule V, line 19, column 3)	<u>212,633</u>
To disallow collection fees		(16,884)
Salesforce.com		(5,004)
Out of period legal		(201)
		<u>(22,089)</u>
Legal allocated from Real Estate		200
Secretary of State		
Samvest of Lombard		
Accounting		103
Filing Fees		16
		<u>119</u>
Allocated from Mgmt Co.		
Much Shelist	Legal	164
Serpico, Petrosino, Dipiero & O'Shea, LTD	Legal	53
Duane Morris	Legal	283
McGladrey LLP	Accounting	1,479
Frost, Ruttenger & Rothblatt, P.C	Accounting	102
Gilson Labus & Silverman	Accounting	1,089
Illinois Secretary of State	Filing Fees	40
LaSalle Network	Recruiting/Finance	5,452
Pension Administrators, Inc.	401K Administration	339
Gene Whitehorn	Medicaid Reimb Specialist	1,469
M. Werner Consulting	Financial Consultant	1,926
McNamara & Associates	SNF Consultants	282
Healthcents	Managed Care Consultants	374
Computer Services	Computer Consulting	15,889
		<u>28,941</u>
	Total (agree to Schedule V, line 19, column 8)	219,804

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: 01/01/2014 Ending: 12/31/2014**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? Yes
If YES, give association name and amount. IHCA - \$572
- (3) Did the nursing home make political contributions or payments to a political action organization? Yes If YES, have these costs been properly adjusted out of the cost report? Yes
- (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. \$ 60,062 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. \$ 451,936
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. \$ 20,336 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,945
- (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? 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) Has a schedule for the legal fees reported on the cost report been provided by the facility? See page 39 of the instructions for details. Yes
Attach invoices and a summary of services for all architect and appraisal fees.