

Facility Name & ID Number Lexington of Lake Zurich

0039768 Report Period Beginning: 1/01/2015 Ending: 12/31/2015

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 Patient Days by Level of Care and Primary Source of Payment				5
		3 Medicaid Recipient	3 Private Pay	4 Other	4 Total	
8	SNF			16,075	16,075	8
9	SNF/PED					9
10	ICF	44,896	4,768		49,664	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	44,896	4,768	16,075	65,739	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 88.72%

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 08/20/94 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 11,808

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: 12/31/15 Fiscal Year: 12/31/15

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

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	365,373	57,821	12,594	435,788		435,788		435,788		1
2	Food Purchase		407,036		407,036		407,036	(21,455)	385,581		2
3	Housekeeping	395,237	49,551		444,788		444,788	265	445,053		3
4	Laundry	81,930	25,372		107,302		107,302		107,302		4
5	Heat and Other Utilities			262,672	262,672		262,672	7,738	270,410		5
6	Maintenance	43,030		207,935	250,965		250,965	66,956	317,921		6
7	Other (specify):* Mgmt Co.-Allocated							10,191	10,191		7
8	TOTAL General Services	885,570	539,780	483,201	1,908,551		1,908,551	63,695	1,972,246		8
	B. Health Care and Programs										
9	Medical Director			51,750	51,750		51,750		51,750		9
10	Nursing and Medical Records	5,846,008	438,173	98,413	6,382,594		6,382,594	44,551	6,427,145		10
10a	Therapy										10a
11	Activities	197,446	24,195	8,959	230,600		230,600		230,600		11
12	Social Services	129,435		5,536	134,971		134,971		134,971		12
13	CNA Training										13
14	Program Transportation										14
15	Other (specify):* Mgmt Co.-Allocated							5,621	5,621		15
16	TOTAL Health Care and Programs	6,172,889	462,368	164,658	6,799,915		6,799,915	50,172	6,850,087		16
	C. General Administration										
17	Administrative	152,685		1,826,143	1,978,828		1,978,828	(1,761,239)	217,589		17
18	Directors Fees										18
19	Professional Services			222,838	222,838		222,838	11,375	234,213		19
20	Dues, Fees, Subscriptions & Promotions			69,769	69,769		69,769	3,945	73,714		20
21	Clerical & General Office Expenses	171,883	27,940	43,097	242,920		242,920	659,911	902,831		21
22	Employee Benefits & Payroll Taxes			1,256,590	1,256,590		1,256,590	20,007	1,276,597		22
23	Inservice Training & Education			10,505	10,505		10,505	620	11,125		23
24	Travel and Seminar			415	415		415	1,350	1,765		24
25	Other Admin. Staff Transportation			8,606	8,606		8,606	12,966	21,572		25
26	Insurance-Prop.Liab.Malpractice			505,044	505,044		505,044	3,312	508,356		26
27	Other (specify):* Mgmt Co.-Allocated							101,066	101,066		27
28	TOTAL General Administration	324,568	27,940	3,943,007	4,295,515		4,295,515	(946,687)	3,348,828		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,383,027	1,030,088	4,590,866	13,003,981		13,003,981	(832,820)	12,171,161		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.

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			173,097	173,097		173,097	368,542	541,639			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			33,501	33,501		33,501	424,863	458,364			32
33	Real Estate Taxes							168,920	168,920			33
34	Rent-Facility & Grounds			1,481,972	1,481,972		1,481,972	(1,477,499)	4,473			34
35	Rent-Equipment & Vehicles			96,248	96,248		96,248	2,617	98,865			35
36	Other (specify):*											36
37	TOTAL Ownership			1,784,818	1,784,818		1,784,818	(512,557)	1,272,261			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		675,045	1,532,876	2,207,921		2,207,921		2,207,921			39
40	Barber and Beauty Shops			27,075	27,075		27,075		27,075			40
41	Coffee and Gift Shops			1,905	1,905		1,905		1,905			41
42	Provider Participation Fee			442,553	442,553		442,553		442,553			42
43	Other (specify):* Non-Allowable Co	96,316		126,531	222,847		222,847	(222,847)				43
44	TOTAL Special Cost Centers	96,316	675,045	2,130,940	2,902,301		2,902,301	(222,847)	2,679,454			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,479,343	1,705,133	8,506,624	17,691,100		17,691,100	(1,568,224)	16,122,876			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: 1/01/2015

Ending: 12/31/2015

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	(1,448)	2		4
5	Telephone, TV & Radio in Resident Rooms	(8,112)	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	(1,992)	30		9
10	Interest and Other Investment Income	(11,187)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(10,745)	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	(1,813)	43		18
19	Entertainment				19
20	Contributions	(2,750)	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	(10,217)	43		24
25	Fund Raising, Advertising and Promotional	(34,507)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(2,570)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Page 5A	83,155	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (2,186)		\$	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)	(1,566,038)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,566,038)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B)	\$ (1,568,224)		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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NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	
1	Labs-Part A	\$ (17,780)	43	1
2	X-Rays-Part A	(34,553)	43	2
3	Diagnostics Managed Care	(3,484)	43	3
4	Trust Fees	(75)	43	4
5	Marketing Software	(6,654)	19	5
6	Collections & Out of Period Legal	(14,587)	19	6
7	Marketing Salary	(96,316)	43	7
8	Education & Seminar marketing	(620)	24	8
9	Unrealized loss on FMV swap	268,394	43	9
10	Chamber of commerce dues	(23)	21	10
11	Relcass RM to LHI	(11,147)	20	11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
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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		83,155	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 Health Care Systems of Lake Zurich Ltd Ptsp	**	\$ 2,800	\$ 2,800	1	
2	V	30 Depreciation		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	266,511	266,511	2	
3	V	32 Interest Expense		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	416,229	416,229	3	
4	V	32 Amortization of Mortgage Costs		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	1,415	1,415	4	
5	V	33 Property Taxes		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	161,972	161,972	5	
6	V	34 Rental Expense	1,481,972	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**		(1,481,972)	6	
7	V	43 Trust Fees		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	75	75	7	
8	V	43 Unrealized loss on FMV swap	268,394	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**		(268,394)	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		\$ 1,750,366			\$ 849,002	\$ * (901,364)	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.	**	6,880		6,880	16	
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	285		285	17	
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	573		573	18	
19	V	6 Management allocation - salaries		Royal Management Corp.	**	70,463		70,463	19	
20	V	6 Repairs & maintenance		Royal Management Corp.	**	7,344		7,344	20	
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	296		296	21	
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	10,191		10,191	22	
23	V	10 Medical consultant		Royal Management Corp.	**	5,683		5,683	23	
24	V	10 Management allocation - salaries		Royal Management Corp.	**	38,868		38,868	24	
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	5,621		5,621	25	
26	V	17 Management allocation - salaries		Royal Management Corp.	**	64,904		64,904	26	
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	17,812		17,812	27	
28	V	19 Professional fees		Royal Management Corp.	**	12,004		12,004	28	
29	V	20 Dues & subscriptions		Royal Management Corp.	**	2,251		2,251	29	
30	V	20 Advertising - help wanted		Royal Management Corp.	**	2,337		2,337	30	
31	V	21 Management allocation - salaries		Royal Management Corp.	**	633,900		633,900	31	
32	V	21 Bank charges		Royal Management Corp.	**	2,266		2,266	32	
33	V	21 Office supplies & printing		Royal Management Corp.	**	9,090		9,090	33	
34	V	21 Postage		Royal Management Corp.	**	4,068		4,068	34	
35	V	21 Telephone		Royal Management Corp.	**	10,587		10,587	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		\$			\$ 905,688	\$ *	905,688	39	

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

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Report Period Beginning: 1/01/2015

Ending: 12/31/2015

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>	**	\$ 620	\$	620	15	
16	V	24 <u>Travel & seminar</u>		<u>Royal Management Corp.</u>	**	1,350		1,350	16	
17	V	25 <u>Auto expense</u>		<u>Royal Management Corp.</u>	**	12,966		12,966	17	
18	V	26 <u>Insurance general</u>		<u>Royal Management Corp.</u>	**	3,312		3,312	18	
19	V	27 <u>Management allocation - employee benefits</u>		<u>Royal Management Corp.</u>	**	101,066		101,066	19	
20	V	30 <u>Depreciation</u>		<u>Royal Management Corp.</u>	**	104,023		104,023	20	
21	V	32 <u>Interest</u>		<u>Royal Management Corp.</u>	**	16,316		16,316	21	
22	V	32 <u>Amortization of mortgage costs</u>		<u>Royal Management Corp.</u>	**	2,090		2,090	22	
23	V	33 <u>Property taxes</u>		<u>Royal Management Corp.</u>	**	6,948		6,948	23	
24	V	34 <u>Rent expense</u>		<u>Royal Management Corp.</u>	**	4,473		4,473	24	
25	V	35 <u>Equipment rental</u>		<u>Royal Management Corp.</u>	**	1,482		1,482	25	
26	V	17 <u>Management fees</u>	1,826,143	<u>Royal Management Corp.</u>	**			(1,826,143)	26	
27	V	35 <u>Auto Lease</u>		<u>Royal Management Corp.</u>	**	1,135		1,135	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		\$ 1,826,143			\$ 255,781	\$ *	(1,570,362)	39	

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

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Lexington of Lake Zurich

0039768

Report Period Beginning:

1/01/2015

Ending:

12/31/2015

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					North Heron	Lombard	Finance Company	1
2					Investments, LLC			2
3								3
4					Lexington Home	Lombard	Home Health	4
5					Health Care, Inc.			5
6								6
7					Lexington Hospice	Lombard	Hospice	7
8					Services, LLC			8
9								9
10					Lexington Private	Lombard	Healthcare	10
11					Home Care			11
12								12
13					Merit Sleep	Lombard	Management	13
14					Management, LLC		Company	14
15								15
16					Samvest of	Algonquin	Real Estate	16
17					Algonquin Ltd. Pts		Property	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

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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. Pts		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: 1/01/2015 Ending: 12/31/2015

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	\$ 9,382	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	6,574	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	8,766	L17, C7	3
4	Daniel Thiem	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	16,390	L17, C7	4
5	Jason Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	23,414	L17, C7	5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 64,526		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:

1/01/2015

Ending: 2/31/2015

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	\$ 2,585	\$ 0	74,095	\$ 265	1
2	5	Utilities - gas & electric	Bed Days Available	723,430	10	67,169	0	74,095	6,880	2
3	5	Utilities - water & sewer	Bed Days Available	723,430	10	2,778	0	74,095	285	3
4	5	Utilities - maintenance office	Bed Days Available	723,430	10	5,597	0	74,095	573	4
5	6	Management allocation - salaries	Bed Days Available	723,430	10	687,966	687,966	74,095	70,463	5
6	6	Repairs & maintenance	Bed Days Available	723,430	10	71,704	0	74,095	7,344	6
7	6	Scavenger & exterminating	Bed Days Available	723,430	10	2,893	0	74,095	296	7
8	7	Management allocation - employe	Bed Days Available	723,430	10	99,498	0	74,095	10,191	8
9	10	Medical consultant	Bed Days Available	723,430	10	55,482	0	74,095	5,683	9
10	10	Management allocation - salaries	Bed Days Available	723,430	10	379,485	379,485	74,095	38,868	10
11	15	Management allocation - employe	Bed Days Available	723,430	10	54,884	0	74,095	5,621	11
12	17	Management allocation - salaries	Bed Days Available	723,430	10	633,695	633,695	74,095	64,904	12
13	19	Computer consultant & supplies	Bed Days Available	723,430	10	173,912	0	74,095	17,812	13
14	19	Professional fees	Bed Days Available	723,430	10	117,198	0	74,095	12,004	14
15	20	Dues & subscriptions	Bed Days Available	723,430	10	21,979	0	74,095	2,251	15
16	20	Advertising - help wanted	Bed Days Available	723,430	10	22,821	0	74,095	2,337	16
17	21	Management allocation - salaries	Bed Days Available	723,430	10	6,189,117	6,189,117	74,095	633,900	17
18	21	Bank charges	Bed Days Available	723,430	10	22,129	0	74,095	2,266	18
19	21	Office supplies & printing	Bed Days Available	723,430	10	88,755	0	74,095	9,090	19
20	21	Postage	Bed Days Available	723,430	10	39,720	0	74,095	4,068	20
21	21	Telephone	Bed Days Available	723,430	10	103,369	0	74,095	10,587	21
22										22
23										23
24										24
25	TOTALS					\$ 8,842,736	\$ 7,890,263		\$ 905,688	25

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

1/01/2015

Ending: 2/31/2015

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	\$ 6,055	\$ 74,095	\$ 620	1
2	24	Travel and Seminar	Bed Days Available	723,430	10	13,182	74,095	1,350	2
3	25	Auto expense	Bed Days Available	723,430	10	126,592	74,095	12,966	3
4	26	Insurance general	Bed Days Available	723,430	10	32,340	74,095	3,312	4
5	27	Management allocation - employe	Bed Days Available	723,430	10	986,762	74,095	101,066	5
6	30	Depreciation	Bed Days Available	723,430	10	1,015,630	74,095	104,023	6
7	32	Interest	Bed Days Available	723,430	10	159,306	74,095	16,316	7
8	32	Amortization of mortgage costs	Bed Days Available	723,430	10	20,406	74,095	2,090	8
9	33	Property taxes	Bed Days Available	723,430	10	67,835	74,095	6,948	9
10	34	Rent expense	Bed Days Available	723,430	10	43,669	74,095	4,473	10
11	35	Equipment rental	Bed Days Available	723,430	10	14,465	74,095	1,482	11
12	35	Auto Lease	Bed Days Available	723,430	10	11,086	74,095	1,135	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					\$ 2,497,328	\$	\$ 255,781	25

Facility Name & ID Number

Lexington of Lake Zurich

0039768

Report Period Beginning:

1/01/2015

Ending:

12/31/2015

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

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

	1	2	3	4	5	6	7	8	9	10												
												Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense
													YES	NO				Original	Balance			
	A. Directly Facility Related																					
	Long-Term																					
1	Lexington Financial					\$	\$			\$	1											
2	Services II, LLC	X		Mortgage	Varies	4/30/07	7,606,000	6,240,496	5/1/2017	0.065	416,229	2										
3											3											
4							Finance Charge - Insurance Policy				2,234	4										
5											5											
	Working Capital																					
6	Shareholders	X		Working Capital	None	Varies	270,033	1,741,010	Demand	Prime +1	8,662	6										
7	JP Morgan Chase N.A.		X	Line of Credit	Varies	6/29/13	5,600,000	670,000	3/31/16	Libor +2.25%	21,418	7										
8											8											
9	TOTAL Facility Related					\$	13,476,033	\$ 8,651,506			\$ 448,543	9										
	B. Non-Facility Related*																					
10							Amortization of loan cost				3,505	10										
11							Interest Income offset				(291)	11										
12							Nonallowable shareholder interest				(8,662)	12										
13							See Sch 9A				15,269	13										
14	TOTAL Non-Facility Related					\$		\$			\$ 9,821	14										
15	TOTALS (line 9+line14)					\$	13,476,033	\$ 8,651,506			\$ 458,364	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.)

Facility Name: Lexington of Lake Zurich
 IDPH License ID Number: 0039768
 Fiscal Year End: 12/31/2015

Schedule 9A

IX. Interest Expense and Real Estate Tax Expense

	1	2		3	4	5	6		7	8	9	10
	Name of Lender	Related*		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1							\$	\$			\$	1
2												2
3												3
4												4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related				\$0.00		\$ 0	\$ 0			\$ 0	9
	B. Non-Facility Related*											
10									Allocated from Mgmt Co.		16,316	10
11									Fee Line of Credit		1,187	11
12									Less Non Allowable finance charge		(2,234)	12
13												13
14	TOTAL Non-Facility Related				\$0.00		\$ 0	\$ 0			\$ 15,269	14

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 2014 report.			\$ 184,800	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.)	2014		\$ 169,523	2	
3. Under or (over) accrual (line 2 minus line 1).			\$ (15,277)	3	
4. Real Estate Tax accrual used for 2015 report. (Detail and explain your calculation of this accrual on the lines below.)			\$ 175,200	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.)			\$ 3,261	5	
		Allocated from Management Co.	6,948		
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>1,213</u> For <u>06-08</u> Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$ (1,213)	6	
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$ 168,920	7	
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2010	<u>152,165</u>	8		
	2011	<u>174,499</u>	9		
	2012	<u>189,123</u>	10		
	2013	<u>176,649</u>	11		
	2014	<u>169,523</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.

2014 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington Health Care Center of Lake Zurich, Inc. 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 2014 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 2014.

(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>154,983.28</u>	\$ <u>154,983.28</u>
2. <u>14-29-200-033</u>	<u>Nursing Facility</u>	\$ <u>14,539.47</u>	\$ <u>14,539.47</u>
3. <u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
4. <u>05-01-202-021</u>		\$ <u>290,524.00</u>	\$ <u>6,948.00</u>
5. _____		\$ _____	\$ _____
6. _____		\$ _____	\$ _____
7. _____		\$ _____	\$ _____
8. _____		\$ _____	\$ _____
9. _____		\$ _____	\$ _____
10. _____		\$ _____	\$ _____
TOTALS		\$ <u><u>460,046.75</u></u>	\$ <u><u>176,470.75</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 2014 tax bills which were listed in Section A to this statement. Be sure to use the 2014 tax bill which is normally paid during 2015.

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:

1/01/2015 Ending:

12/31/2015

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>20,079</u>	2
3	TOTALS	250,344		\$ 515,079	3

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	\$ 3,423,419	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	1,582	14
15	Building Improvements		1995		64,500	1,654	39	1,654		34,251	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	16,740	18
19	Foundation/Sprinkler		1997		2,068	59	35	59		1,092	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		15			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		973	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		36,537	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:

1/01/2015

Ending:

12/31/2015

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	\$	\$ 1,930	37
38	HVAC Compressor	2004	11,845	592	20	592		6,661	38
39	Sidewalk, raise and support	2005	700	35	20	35		362	39
40	Pavement for parking lot	2005	6,650	333	20	333		3,522	40
41	Water softner	2005	2,635	132	20	132		1,440	41
42	Plumbing and sprinkler	2005	4,469	223	20	223		2,436	42
43	Lobby and lounge rehab	2005	44,560	2,228	20	2,228		24,322	43
44	Therapy room rehab	2005	1,721	86	20	86		882	44
45	First floor therapy room	2005	42,424	2,121	20	2,121		22,665	45
46	Transitional unit	2005	9,898	495	20	495		5,115	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		7,534	49
50	Landscaping Improvement	2006	4,640		5			4,640	50
51	HVAC	2006	3,999	400	10	400		3,633	51
52	Kitchen Rehab	2006	2,553	255	10	255		2,487	52
53	Wall Mounted Cabinets	2006	10,451	1,045	10	1,045		9,754	53
54	Therapy room rehab	2006	2,829	283	10	283		2,594	54
55	Solo step install	2006	3,689	369	10	369		3,382	55
56	Transitional unit	2006	31,685	1,584	20	1,584		14,389	56
57	Employee Lunchroom rehab	2006	1,766	177	10	177		1,651	57
58	Fine Dining	2006	22,517	1,126	20	1,126		10,509	58
59	Land Improvements	2006	5,374	358	15	358		3,312	59
60	Emergency AC	2006	7,564	756	10	756		6,805	60
61	Wood Flooring	2006	1,526		10	153	153	1,376	61
62	HVAC	2007	2,716	272	10	272		2,311	62
63	Emergency AC	2007	18,731	1,873	10	1,873		15,921	63
64	First floor remodel-carpentry, flooring, plumbing, painting, fixtures	2007	701,565		40	17,539	17,539	153,466	64
65	Landscaping	2008	15,920	1,061	15	1,061		8,400	66
66	Parking Lot Repairs	2008	4,224	211	20	211		1,530	67
67	Roof	2008	33,700	1,685	20	1,685		12,778	68
68	Employee Locker Rooms	2008	3,732	93	40	93		674	69
69	TOTAL (lines 4 thru 69)		\$ 7,723,467	\$ 23,761		\$ 202,906	\$ 179,145	\$ 3,977,649	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:

1/01/2015

Ending:

12/31/2015

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	\$ 3,977,649	1
2	Second floor remodel - carpentry, electrical, flooring,	2008	555,633		27	20,205	20,205	149,854	2
3	painting								3
4	Irrigation System	2009	15,335	1,022	15	1,022		6,473	4
5	Landscaping Enhancements	2009	8,276	552	15	552		3,542	5
6	Quick connects	2009	7,611	381	20	381		2,413	6
7	HVAC Chiller	2009	102,185	5,109	20	5,109		33,209	7
8	HVAC-1st floor admin office	2009	7,295	365	20	365		2,220	8
9	2nd floor remodel	2009	9,331	339	27	339		2,373	9
10	Basement Office	2009	2,755	100	27	100		625	10
11	Patio Pergola	2009	8,905	445	20	445		2,818	11
12	3rd floor remodel-Carpentry,plumbing,electrical,handrails	2009	398,350		27	14,485	14,485	89,324	12
13	painting,alarm system								13
14									14
15									15
16									16
17	Med Room Remodel-painting,flooring	2010	5,531	202	27	202		1,060	17
18	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	51,465	4,149	27	4,149		20,745	18
19	Exhaust System	2010	83,215	3,035	27	3,035		15,175	19
20	Office spot cooler	2010	3,456	126	27	126		641	20
21	Ceiling insulations	2010	2,640	96	27	96		512	21
22	Remodel pantry-shelves	2010	4,402	161	27	161		845	22
23	Paint over bed lights	2010	5,512	201	27	201		1,005	23
24	Exterior Door	2010	2,618	95	27	95		483	24
25	Remodel Library/Lounge and physician office-flooring,	2010	7,796	284	27	284		1,451	25
26	art framing,flooring								26
27	2nd floor remodel-carpentry,plumbing,electrical	2010	4,838	176	27	176		1,013	27
28	Concrete repair-ramp & railing	2010	10,029	669	15	669		3,512	28
29	Office remodel-doors, carpentry, locks	2011	20,714	753	27	753		3,336	29
30	Landscaping Enhancements	2011	4,987	332	15	332		1,577	30
31	Fire pump and drain line	2011	8,360	304	27	304		1,242	31
32	Laundry room remodel-painting, tile	2011	7,835	285	27	285		1,235	32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,062,541	\$ 42,942		\$ 256,777	\$ 213,835	\$ 4,324,332	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:

1/01/2015

Ending:

12/31/2015

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 12B, Carried Forward		\$ 9,062,541	\$ 42,942		\$ 256,777	\$ 213,835	\$ 4,324,332	1
2	Locker Room-paint, cabinets	2011	7,504	273	27	273		1,183	2
3	2nd floor remodel-doors and locks	2011	17,692	643	27	643		2,786	3
4	HVAC Chiller	2011	99,609		27	3,622	3,622	15,997	4
5	Parking lot-Stripe and seal	2011	51,148		20	2,557	2,557	10,867	5
6									6
7	Building wiring	2012	25,124		27	914	914	2,969	7
8	Replace pipe kitchen	2012	4,202		27	153	153	547	8
9									9
10	Update Dishwashing Area in Kitchen: Tile, Drywall	2013	10,078		27	366	366	825	10
11									11
12	Landscaping - adding trees main entrance	2014	10,152		15	56	56	112	12
13									13
14	Repair condensor coil in kitchen cooler	2014	3,402		20	170	170	255	14
15	2nd floor shower room - install handrails	2014	4,234		27	156	156	234	15
16									16
17	EMR Entire Buidling Wiring	2015	5,315		27	113	113	113	17
18	R/M Reclass: Fire Alarm Inspection	2015	2,547		20	64	64	64	18
19	R/M Reclass: Add Insulation to emergency exhaust pip in hallway	2015	3,100		20	78	78	78	19
20	R/M Reclass: Paving and coating parking lot	2015	5,500		20	138	138	138	20
21									21
22									22
23									23
24									24
25									25
26									26
27	Reconcile book depreciation			2,090			(2,090)		27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,312,148	\$ 45,948		\$ 266,080	\$ 220,132	\$ 4,360,500	34

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

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 12C, Carried Forward		\$ 9,312,148	\$ 45,948		\$ 266,080	\$ 220,132	\$ 4,360,500	1
2									2
3	Building - management company	2002	277,847		40	8,326	8,326	115,017	3
4	HVAC, electrical, security system - management company	2003	2,440		30	592	592	1,864	4
5	Key card system - management company	2004	384		20	19	19	219	5
6	VAV TX controls - management company	2005	117		20	6	6	63	6
7	Building improvements - management company	2006	85		20	6	6	52	7
8	Building improvements - management company	2008	13,465		20	376	376	5,580	8
9	Building improvements - management company	2009	2,514		20	47	47	882	9
10	Building improvements - management company	2010	2,450		20	46	46	837	10
11	Building improvements - management company	2011	1,729		20	81	81	361	11
12	Building improvements - management company	2012	5,973		20	12	12	800	12
13	Building improvements - management company	2013	4,514		20	331	331	745	13
14	Building improvements - management company	2014	2,443		20	246	246	369	14
15	Building improvements - management company	2015	429		20	26	26	26	15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,626,538	\$ 45,948		\$ 276,194	\$ 230,246	\$ 4,487,315	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	\$ 1,004,490	\$ 125,375	\$ 169,762	\$ 44,387	5	\$ 913,951	71
72	Current Year Purchases	25,714	1,774	1,774		5	1,774	72
73	Fully Depreciated Assets	496,604				5	496,604	73
74	Allocated from Mgmt. Co.	567,228		91,153	91,153	5-7	399,756	74
75	TOTALS	\$ 2,094,036	\$ 127,149	\$ 262,689	\$ 135,540		\$ 1,812,085	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		2,756	2,756	5	45,655	79
80	TOTALS			\$ 50,815	\$	\$ 2,756	\$ 2,756		\$ 45,655	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)	\$ 12,286,468	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 173,097	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 541,639	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 368,542	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 6,345,055	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: 1/01/2015

Ending: 12/31/2015

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>4,473</u>			6
7	TOTAL				\$ <u>4,473</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. _____ /2016 \$ _____

13. _____ /2017 \$ _____

14. _____ /2018 \$ _____

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: \$ 97,730 Description: Copier-\$8,030, Mail Sys-\$415, Printer-\$7,288; Med Equip.-\$29,730, Oxy Equip.-\$50,785, Mgmt. Co.-\$1,482

(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>1,135</u>	20
21	TOTAL		\$	\$ <u>1,135</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: 1/01/2015 Ending: 12/31/2015
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	\$	11,093	\$ 470,059	\$	11,093	\$ 470,059	1	
2	Licensed Speech and Language Development Therapist	39(3)	hrs		4,010	193,577		4,010	193,577	2	
3	Licensed Recreational Therapist		hrs							3	
4	Licensed Physical Therapist	39(2)(3)	hrs		19,024	827,771	5,770	19,024	833,541	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				646,531		646,531	9	
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10	
11	Academic Education		hrs							11	
12	Other (specify): <u>Ambulance</u>	39(3)				41,469			41,469	12	
13	Other (specify): <u>See Sch. 16A</u>	39(3)					22,744		22,744	13	
14	TOTAL			\$	34,127	\$ 1,532,876	\$ 675,045	34,127	\$ 2,207,921	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)					14,097		14,097		
13	Other (specify): <u>DME</u>	39(2)					8,647		8,647		
14	TOTAL			\$		\$	\$ 22,744		\$ 22,744		

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Facility Name & ID Number Lexington of Lake Zurich# 0039768Report Period Beginning: 1/01/2015Ending: 12/31/2015

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2015 (last day of reporting year)

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

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 1,611,464	\$ 1,675,661	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>297,989</u>)	1,989,136	1,989,136	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance			6
7	Other Prepaid Expenses	6,791	6,791	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)	\$ 3,624,973	\$ 3,689,170	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,906	8,906	12
13	Land		515,079	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	1,007,735	3,207,630	15
16	Equipment, at Historical Cost	804,060	2,144,851	16
17	Accumulated Depreciation (book methods)	(1,088,568)	(6,345,055)	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>		23,467	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 732,133	\$ 5,973,786	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,357,106	\$ 9,662,956	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 631,165	\$ 631,165	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	670,000	670,000	29
30	Accrued Salaries Payable	620,543	620,543	30
31	Accrued Taxes Payable (excluding real estate taxes)	12,134	12,134	31
32	Accrued Real Estate Taxes(Sch.IX-B)		175,200	32
33	Accrued Interest Payable		36,987	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Schedule 17A</u>	8,080,134	2,204,230	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 10,013,976	\$ 4,350,259	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	1,741,010	1,741,010	39
40	Mortgage Payable		6,240,496	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)	\$ 1,741,010	\$ 7,981,506	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 11,754,986	\$ 12,331,765	46
47	TOTAL EQUITY(page 18, line 24)	\$ (7,397,880)	\$ (2,668,809)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,357,106	\$ 9,662,956	48

*(See instructions.)

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2015

Schedule 17A

XV. Balance Sheet

Line 9 Current Assets Other (specify):

Description	Operating	After Consolidation
Interest Receivable	17,582	17,582
Total - Line 9	17,582	17,582

XV. Balance Sheet

Line 23 Long-Term Assets Other (specify):

Description	Operating	After Consolidation
Mortgage Cost	-	35,377
Accumulated Depreciation - Mortgage	-	(11,910)
Total - Line 23	-	23,467

XV. Balance Sheet

Line 36 Other Current Liabilities (specify):

Description	Operating	After Consolidation
Sambel Rent Receivable	-	(6,267,417)
Due from Remodeling	-	-
Due to/from Republic Construct	307	307

Sambel Due from (to) LHCC LZ	-	-
Prepaid Insurance	19,600	19,600
Escrow - Insurance	(134,663)	(134,663)
401K Withholding	(1,367)	(1,367)
Accrued Expenses	55,008	55,008
Accrued Resident Tax	53,714	53,714
Accrued Royl/Vesta/Mgmt Fees	1,616,819	1,616,819
Accrued Rent	6,267,417	6,267,417
Accrued Insurance	16,730	16,730
Due to Patient Trust Fund	13,547	13,547
Advance - Biweekly Part A Payment	(24,990)	(24,990)
Uncollectible Part A Co Pvts	(19,586)	(19,586)
Due to - Royal Operations	6,972	6,972
Due to Chicago Ridge	25	25
Due to LaGrange	24,710	24,710
Due to Wheeling	(15,931)	(15,931)
Due/to Vesta Management	8,835	8,835
Due/to Lexington Financial	64	64
Sambel Interest Rate Swap Liability	-	391,513
Professional Liability Claims	192,923	192,923
Total - Line 36	8,080,134	2,204,230

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (6,736,011)	1
2	Restatements (describe):		2
3	Post closing adjustment	(168,980)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (6,904,991)	6
A. Additions (deductions):			
7	NET Income (Loss) (from page 19, line 43)	(492,889)	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)	\$ (492,889)	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)	\$ (7,397,880)	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	\$ 22,971,652	1
2	Discounts and Allowances for all Levels	(12,859,415)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 10,112,237	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	5,289,069	6
7	Oxygen	42,318	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 5,331,387	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	937	12
13	Barber and Beauty Care	29,980	13
14	Non-Patient Meals	1,448	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	965,223	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	234,084	19
20	Radiology and X-Ray	42,126	20
21	Other Medical Services	480,498	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,754,296	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	291	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 291	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)	\$ 17,198,211	30

		2	
II. Expenses		Amount	
A. Operating Expenses			
31	General Services	1,908,551	31
32	Health Care	6,799,915	32
33	General Administration	4,295,515	33
B. Capital Expense			
34	Ownership	1,784,818	34
C. Ancillary Expense			
35	Special Cost Centers	2,459,748	35
36	Provider Participation Fee	442,553	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 17,691,100	40
41	Income before Income Taxes (line 30 minus line 40)**	(492,889)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (492,889)	43

III. Net Inpatient Revenue detailed by Payer Source			
44	Medicaid - Net Inpatient Revenue	\$ 7,158,696	44
45	Private Pay - Net Inpatient Revenue	1,397,321	45
46	Medicare - Net Inpatient Revenue	1,213,454	46
47	Other-(specify) <u>Managed Care</u>	342,766	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	\$ 10,112,237	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 not a Cash Basis Taxpayer

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

1/01/2015

Ending:

12/31/2015

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	1,906	2,269	\$ 153,958	\$ 67.85	1
2	Assistant Director of Nursing	30,333	36,833	1,094,860	29.72	2
3	Registered Nurses	40,898	49,588	1,687,075	34.02	3
4	Licensed Practical Nurses	20,136	24,387	700,416	28.72	4
5	CNAs & Orderlies	129,782	152,167	2,160,588	14.20	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director					9
10	Activity Assistants	11,681	13,306	147,837	11.11	10
11	Social Service Workers	5,791	6,669	129,435	19.41	11
12	Dietician	2,398	2,642	56,955	21.56	12
13	Food Service Supervisor	1,252	1,583	31,364	19.81	13
14	Head Cook	1,299	1,638	24,812	15.15	14
15	Cook Helpers/Assistants	21,191	24,081	252,242	10.47	15
16	Dishwashers					16
17	Maintenance Workers	1,719	2,208	43,030	19.49	17
18	Housekeepers	34,751	39,170	395,237	10.09	18
19	Laundry	7,270	8,715	81,930	9.40	19
20	Administrator	2,242	2,854	152,685	53.50	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	9,121	11,681	171,883	14.71	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	2,244	2,611	49,112	18.81	31
32	Other Health C: <u>Memory Care</u>	2,222	2,525	49,610	19.65	32
33	Other(specify) <u>See Sch 20A</u>	2,214	2,639	96,314	36.50	33
34	TOTAL (lines 1 - 33)	328,450	387,566	\$ 7,479,343 *	\$ 19.30	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	43	51,750	9(3) 36
37	Medical Records Consultant	Monthly	780	10(3) 37
38	Nurse Consultant	6	5,023	10(3) 38
39	Pharmacist Consultant	Monthly	14,634	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	13	4,689	11(3) 44
45	Social Service Consultant	10	5,276	12(3) 45
46	Other(specify) <u>Psychosocial</u>	1	260	12(3) 46
47	<u>Pulmonary</u>	12	56,700	10(3) 47
48	<u>See Sch 20B</u>	5	9,703	10(7) 48
49	TOTAL (lines 35 - 48)	90	\$ 148,815	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	757	16,388	10(3) 52
53	TOTAL (lines 50 - 52)	757	\$ 16,388	53

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2015

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
Marketing	2,214	2,639	96,314	\$ 36.50
Total - Line 33 Other (specify):	2,214	2,639	96,314	36.50

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2015

Schedule 20B

XVIII. Staffing and Salary Costs
Consulting Services

Description	# of Hrs. Actually Worked	Total Consulting cost of reporting period	Sch V Line and Column Reference	
Post Acute Consultant	Monthly	1,563	10(3)	
Telemedicine Consultant	5	3,325	10(3)	
Medical Consultant	Monthly	4,815	10(3)	
Total - Consulting Services	5	9,703	-	

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	\$ 152,685	Workers' Compensation Insurance	\$ 239,286	IDPH License Fee	\$ 1,990	
				Unemployment Compensation Insurance	82,276	Advertising: Employee Recruitment	17,483	
				FICA Taxes	548,111	Health Care Worker Background Check		
				Employee Health Insurance	310,014	(Indicate # of checks performed <u>1664</u>)	19,967	
				Employee Meals	20,007	Patient Background Checks <u>1256</u>	15,067	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Licenses & Fees	7,865	
				401K	31,906	Miscellaneous Dues & Subscriptions	6,800	
				Other Employee benefit	33,820			
				Uniform Allowance	5,079	Less Chamber of commerce dues	(23)	
				Tuition	6,098	Allocated from Mgmt Co.	4,565	
						Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 152,685	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
				\$ 1,276,597		\$ 73,714		
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			\$ 1,310,903	N/A		\$	Out-of-State Travel	\$
Management Fees-Vesta Mgmt.			515,240					
Eliminated in column 7							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,826,143				Seminar Expense	415
							Allocated from Mgmt Co.	1,350
C. Professional Services								
Vendor/Payee	Type		Amount					
Cassiday Schade, LLP	Legal		\$ 67,485					
Grabowski Law Center	Collections		10,085					
Appraisal Research Counsler	Appraisers		3,400					
RSM, LLP	Accounting		41,356					
Much Shelist	Legal		4,131					
Duane Morris	Legal		332					
Pension Administration Inc.	401K Administration		1,474					
Personal Planners	U/C Consulting		1,778					
Secretary of State	Filing Fees		100					
Serpico	Legal		720					
Scott and Kraus	Legal		392					
See Schedule 21C			91,585					
TOTAL (agree to Schedule V, line 19, column 3) (For legal fee disclosure, see page 39 of instructions)			\$ 222,838	TOTAL		\$	Entertainment Expense	()
							(agree to Sch. V, line 24, col. 8)	
							TOTAL	\$ 1,765

* Attach copy of IMRF notifications

**See instructions.

Facility Name: Lexington of Lake Zurich
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/2015

Schedule 21C

XIX. SUPPORT SCHEDULES

C. Professional Services

Vendor	Type	Amount
Ability Network	Computer Services	3,018
Availity	Computer Services	198
Avatier	Computer Services	450
HP Commercial Repair	Computer Services	100
Business Software Inc	Computer Services	1,070
Centino	Computer Services	110
Citrix	Computer Services	534
Corepoint	Computer Services	1,511
DocuSign	Computer Services	829
E-Health Data Solutions	Computer Services	3,450
Genesis Technology	Computer Services	6,003
Healthmedx	Computer Services	13,907
Infor	Computer Services	7,173
Inpriva	Computer Services	99
McGladrey/RSM	Computer Services	4,709
MHC Software	Computer Services	683
Microsoft	Computer Services	9,679
National Datacare	Computer Services	2,936
Onshift	Computer Services	6,580
Provinet	Computer Services	467
Relias Learning	Computer Services	8,034
Salesforce	Computer Services	6,654
Softchoice Corporation	Computer Services	5,489
Symbria	Computer Services	2,400
Tableau Software	Computer Services	407
Trisys	Computer Services	96

Assessment & Intelligent System	Computer Services	833
Duane Morris	Legal	4,168
	Total (agree to Schedule V, line 19, column 3)	<u>91,585</u>
To disallow collection fees		(334)
Salesforce.com		(6,654)
Out of period legal		(14,253)
		<u>(21,241)</u>
Legal allocated from Real Estate		
Secretary of State		2,800
Samvest of Lombard		
Accounting		116
Filing Fees		9
		<u>125</u>
Allocated from Mgmt Co.		
Much Shelist	Legal	37
RSM LLP	Accounting	1,345
Frost, Ruttenberg & Rothblatt, P.C	Accounting	504
Gilson Labus & Silverman	Accounting	2,768
Illinois Secretary of State	Filing Fees	48
LaSalle Network	Recruiting/Finance	3,190
Pension Administrators, Inc.	401K Administration	442
Gene Whitehorn	Medicaid Reimb Specialist	1,619
M. Werner Consulting	Financial Consultant	1,914
Healthcents	Managed Care Consultants	11
Computer Services	Computer Consulting	17,813
		<u>29,691</u>
Schedule V, line 19, column 8		<u>234,213</u>

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# 0039768

Report Period Beginning:

1/01/2015

Ending:

12/31/2015**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 - \$60
- (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. \$ 58,668 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. \$ 442,553
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. \$ 20,007 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 1,448
- (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.