

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds N/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>203</u>	Skilled (SNF)	<u>203</u>	<u>74,095</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>203</u>	TOTALS	<u>203</u>	<u>74,095</u>	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				
		2 Medicaid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF			<u>11,362</u>	<u>11,362</u>	8
9	SNF/PED					9
10	ICF	<u>26,706</u>	<u>17,199</u>	<u>3,644</u>	<u>47,549</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>26,706</u>	<u>17,199</u>	<u>15,006</u>	<u>58,911</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 79.51%

D. How many bed reserve days during this year were paid by the Department? None (Do not include bed reserve 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 8,136

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: 12/31/2017 Fiscal Year: 12/31/2017

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

Facility Name & ID Number Lexington Health Care Center of Lake Zurich # 0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

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	443,621	33,481	2,244	479,346		479,346	-	479,346		1
2	Food Purchase		378,979		378,979		378,979	(2,019)	376,960		2
3	Housekeeping	431,012	41,575	-	472,587		472,587	301	472,888		3
4	Laundry	-	21,264	-	21,264	-	21,264	-	21,264		4
5	Heat and Other Utilities			224,430	224,430		224,430	8,640	233,070		5
6	Maintenance	42,959	-	169,862	212,821		212,821	126,179	339,000		6
7	Other (specify):* Mgmt Co.-Allocated B	-	-	-	-		-	15,714	15,714		7
8	TOTAL General Services	917,592	475,299	396,536	1,789,427	-	1,789,427	148,815	1,938,242		8
	B. Health Care and Programs										
9	Medical Director	-	-	52,625	52,625		52,625	-	52,625		9
10	Nursing and Medical Records	5,497,001	437,494	95,302	6,029,797		6,029,797	25,667	6,055,464		10
10a	Therapy	-	-	-	-		-	-	-		10a
11	Activities	136,558	20,715	7,153	164,426		164,426	-	164,426		11
12	Social Services	175,179	-	3,974	179,153		179,153	-	179,153		12
13	CNA Training	-	-	-	-		-	-	-		13
14	Program Transportation	-	-	-	-		-	-	-		14
15	Other (specify):* Mgmt Co.-Allocated B	-	-	-	-		-	3,410	3,410		15
16	TOTAL Health Care and Programs	5,808,738	458,209	159,054	6,426,001	-	6,426,001	29,077	6,455,078		16
	C. General Administration										
17	Administrative	99,728	-	1,665,692	1,765,420		1,765,420	(1,604,854)	160,566		17
18	Directors Fees			-	-		-	-	-		18
19	Professional Services			164,076	164,076		164,076	44,662	208,738		19
20	Dues, Fees, Subscriptions & Promotions			45,768	45,768		45,768	8,220	53,988		20
21	Clerical & General Office Expenses	247,895	28,905	41,634	318,434		318,434	824,958	1,143,392		21
22	Employee Benefits & Payroll Taxes			1,271,521	1,271,521		1,271,521	-	1,271,521		22
23	Inservice Training & Education			8,002	8,002		8,002	517	8,519		23
24	Travel and Seminar			111	111		111	908	1,019		24
25	Other Admin. Staff Transportation		-	6,589	6,589		6,589	14,457	21,046		25
26	Insurance-Prop.Liab.Malpractice			447,174	447,174		447,174	9,152	456,326		26
27	Other (specify):* Mgmt Co.-Allocated B	-	-	-	-		-	113,479	113,479		27
28	TOTAL General Administration	347,623	28,905	3,650,567	4,027,095	-	4,027,095	(588,501)	3,438,594		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	7,073,953	962,413	4,206,157	12,242,523	-	12,242,523	(410,609)	11,831,914		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 Health Care Center of Lake Zurich, Inc. #0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY	
		Salary/Wage	Supplies	Other	Total					9	10
	D. Ownership	1	2	3	4	5	6	7	8		
30	Depreciation			83,000	83,000		83,000	285,678	368,678		30
31	Amortization of Pre-Op. & Org.			-	-		-	-	-		31
32	Interest			33,165	33,165		33,165	331,545	364,710		32
33	Real Estate Taxes			-	-		-	172,040	172,040		33
34	Rent-Facility & Grounds			1,485,367	1,485,367		1,485,367	(1,480,503)	4,864		34
35	Rent-Equipment & Vehicles			69,532	69,532		69,532	2,103	71,635		35
36	Other (specify):*			-	-		-	-	-		36
37	TOTAL Ownership			1,671,064	1,671,064	-	1,671,064	(689,137)	981,927		37
	Ancillary Expense										
	E. Special Cost Centers										
38	Medically Necessary Transportation	-	-	-	-		-	-	-		38
39	Ancillary Service Centers	-	376,208	1,226,656	1,602,864		1,602,864	-	1,602,864		39
40	Barber and Beauty Shops	-	-	23,540	23,540		23,540	-	23,540		40
41	Coffee and Gift Shops	-	-	2,253	2,253		2,253	(1,072)	1,181		41
42	Provider Participation Fee			414,172	414,172		414,172	-	414,172		42
43	Other (specify):* Non-Allowable Cos	92,713	-	525,141	617,854		617,854	(617,854)	-		43
44	TOTAL Special Cost Centers	92,713	376,208	2,191,762	2,660,683	-	2,660,683	(618,926)	2,041,757		44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	7,166,666	1,338,621	8,068,983	16,574,270	-	16,574,270	(1,718,672)	14,855,598		45

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

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	(2,019)	2		4
5	Telephone, TV & Radio in Resident Rooms	(12,756)	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	(18)	30		9
10	Interest and Other Investment Income	9,133	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(10,828)	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	(2,480)	43		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	(445,816)	43		24
25	Fund Raising, Advertising and Promotional	(19,628)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(86)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Page 5A	(58,949)	Var.		29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (543,547)		\$ 0	30

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

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(1,175,125)		34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$ (1,175,125)		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (1,718,672)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1	2	3	4
		Yes	No	Amount	Reference
38	Medically Necessary Transport.		X	\$	38
39					39
40	Gift and Coffee Shops		X		40
41	Barber and Beauty Shops		X		41
42	Laboratory and Radiology		X		42
43	Prescription Drugs		X		43
44					44
45	Other-Attach Schedule		X		45
46	Other-Attach Schedule		X		46
47	TOTAL (C): (sum of lines 38-46)			\$	47

BHF USE ONLY							
48		49		50		51	

Lexington Health Care Center of Lake Zurich, Inc.

ID# 0039768

Report Period Beginning: 1/1/17

Ending: 12/31/17

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference	Sch. V Line
1	Labs-Part A	\$ (19,734)	43	1
2	X-Rays-Part A	(12,258)	43	2
3	Diagnostics Managed Care	(1,455)	43	3
4	Trust Fees	(75)	43	4
5	Marketing Software	(4,087)	19	5
6	Collections & Out of Period Legal	(14,683)	19	6
7	Marketing Salary	(92,713)	43	7
8	Unrealized loss on FMV swap	113,222	43	8
9	Misc Income	(285)	21	9
10	Gift shop income	(1,072)	41	10
11	Chamber of commerce dues	(4,701)	20	11
12	Loss on disposal of asset	(21,108)	43	12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
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41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	Total	(58,949)		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	Professional Fees	\$	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	\$ 100	\$ 100	1	
2	V	Depreciation		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	221,519	221,519	2	
3	V	Interest	4,282	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	282,699	278,417	3	
4	V	Amortization of Mortgage Costs		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	23,776	23,776	4	
5	V	Property Taxes		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	165,367	165,367	5	
6	V	Rental Expense	1,485,367	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**		(1,485,367)	6	
7	V	Trust Fees		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	75	75	7	
8	V	Unrealized loss on FMV swap	113,222	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**		(113,222)	8	
9	V	(Gain)/loss on sale or disposal of assets		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	21,108	21,108	9	
10	V							10	
11	V							11	
12	V	** The owners of Lexington Health Care Center of Lake Zurich							12
13	V	of Lake Zurich Limited Partnership.							13
14	Total		\$ 1,602,871			\$ 714,644	\$ * (888,227)	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.	**	\$ 301	\$	301	15	
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	7,716		7,716	16	
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	322		322	17	
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	602		602	18	
19	V	6 Management allocation - salaries		Royal Management Corp.	**	118,268		118,268	19	
20	V	6 Repairs & maintenance		Royal Management Corp.	**	7,593		7,593	20	
21	V	6 Scavenger & exterminating		Royal Management Corp.	**	318		318	21	
22	V	7 Management allocation - employee benefits		Royal Management Corp.	**	15,714		15,714	22	
23	V	10 Medical consultant		Royal Management Corp.	**	0			23	
24	V	10 Management allocation - salaries		Royal Management Corp.	**	25,667		25,667	24	
25	V	15 Management allocation - employee benefits		Royal Management Corp.	**	3,410		3,410	25	
26	V	17 Management allocation - salaries		Royal Management Corp.	**	60,838		60,838	26	
27	V	19 Computer consultant & supplies		Royal Management Corp.	**	36,361		36,361	27	
28	V	19 Professional fees		Royal Management Corp.	**	26,971		26,971	28	
29	V	20 Dues & subscriptions		Royal Management Corp.	**	1,478		1,478	29	
30	V	20 Advertising - help wanted		Royal Management Corp.	**	11,443		11,443	30	
31	V	21 Management allocation - salaries		Royal Management Corp.	**	793,216		793,216	31	
32	V	21 Bank charges		Royal Management Corp.	**	3,203		3,203	32	
33	V	21 Office supplies & printing		Royal Management Corp.	**	12,946		12,946	33	
34	V	21 Postage		Royal Management Corp.	**	3,833		3,833	34	
35	V	21 Telephone		Royal Management Corp.	**	12,045		12,045	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		\$			\$ 1,142,245	\$ *	1,142,245	39	

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

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning: 1/1/17

Ending: 12/31/17

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>	**	\$ 517	\$	517	15	
16	V	24 <u>Travel & seminar</u>		<u>Royal Management Corp.</u>	**	908		908	16	
17	V	25 <u>Auto expense</u>		<u>Royal Management Corp.</u>	**	14,457		14,457	17	
18	V	26 <u>Insurance general</u>		<u>Royal Management Corp.</u>	**	9,152		9,152	18	
19	V	27 <u>Management allocation - employee benefits</u>		<u>Royal Management Corp.</u>	**	113,479		113,479	19	
20	V	30 <u>Depreciation</u>		<u>Royal Management Corp.</u>	**	64,177		64,177	20	
21	V	32 <u>Interest</u>		<u>Royal Management Corp.</u>	**	17,873		17,873	21	
22	V	32 <u>Amortization of mortgage costs</u>		<u>Royal Management Corp.</u>	**	2,346		2,346	22	
23	V	33 <u>Property taxes</u>		<u>Royal Management Corp.</u>	**	6,673		6,673	23	
24	V	34 <u>Rent expense</u>		<u>Royal Management Corp.</u>	**	4,864		4,864	24	
25	V	35 <u>Equipment rental</u>		<u>Royal Management Corp.</u>	**	1,486		1,486	25	
26	V	17 <u>Management fees</u>	1,665,692	<u>Royal Management Corp.</u>	**	0		(1,665,692)	26	
27	V	35 <u>Auto Lease</u>		<u>Royal Management Corp.</u>	**	617		617	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		\$ 1,665,692			\$ 236,549	\$ *	(1,429,143)	39	

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

Facility Name & ID Number

Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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.	Bloomingtondale	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 Elmhurst,		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					North Heron	Lombard	Finance Company	24
25					Investments, LLC			25
26					Lexington Home	Lombard	Home Health	26
27					Health Care, Inc.			27
28					Lexington Hospice	Lombard	Hospice	28
29		0			Services, LLC			29
30		0						30

Facility Name & ID Number

Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

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

Facility Name & ID Number Lexington Health Care Center of Lake Zurich # 0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

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	\$ 9,559	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	6,640	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	8,853	L17, C7	3
4	Daniel Thiem	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	12,416	L17, C7	4
5	Jason Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	16,370	L17, C7	5
6	Phil Thiem	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	2,564	L17, C7	6
7	Jeremy Samatas	Executive Committee	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	4,437	L17, C7	7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 60,839		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 Health Care Center of Lake Zurich, Inc. # 0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

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	722,335	10	\$ 2,937	\$ 0	74,095	\$ 301	1
2	5	Utilities - gas & electric	Bed Days Available	722,335	10	75,222	0	74,095	7,716	2
3	5	Utilities - water & sewer	Bed Days Available	722,335	10	3,135	0	74,095	322	3
4	5	Utilities - maintenance office	Bed Days Available	722,335	10	5,869	0	74,095	602	4
5	6	Management allocation - salaries	Bed Days Available	722,335	10	1,152,969	1,152,969	74,095	118,268	5
6	6	Repairs & maintenance	Bed Days Available	722,335	10	74,022	0	74,095	7,593	6
7	6	Scavenger & exterminating	Bed Days Available	722,335	10	3,102	0	74,095	318	7
8	7	Management allocation - employees	Bed Days Available	722,335	10	153,196	0	74,095	15,714	8
9	10	Medical consultant	Bed Days Available	722,335	10	0	0	74,095	0	9
10	10	Management allocation - salaries	Bed Days Available	722,335	10	250,218	250,218	74,095	25,667	10
11	15	Management allocation - employees	Bed Days Available	722,335	10	33,247	0	74,095	3,410	11
12	17	Management allocation - salaries	Bed Days Available	722,335	10	593,100	593,100	74,095	60,838	12
13	19	Computer consultant & supplies	Bed Days Available	722,335	10	354,473	0	74,095	36,361	13
14	19	Professional fees	Bed Days Available	722,335	10	262,937	0	74,095	26,971	14
15	20	Dues & subscriptions	Bed Days Available	722,335	10	14,411	0	74,095	1,478	15
16	20	Advertising - help wanted	Bed Days Available	722,335	10	111,560	0	74,095	11,443	16
17	21	Management allocation - salaries	Bed Days Available	722,335	10	7,732,875	7,732,875	74,095	793,216	17
18	21	Bank charges	Bed Days Available	722,335	10	31,229	0	74,095	3,203	18
19	21	Office supplies & printing	Bed Days Available	722,335	10	126,211	0	74,095	12,946	19
20	21	Postage	Bed Days Available	722,335	10	37,365	0	74,095	3,833	20
21	21	Telephone	Bed Days Available	722,335	10	117,421	0	74,095	12,045	21
22										22
23										23
24										24
25	TOTALS					\$ 11,135,499	\$ 9,729,162		\$ 1,142,245	25

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc. # 0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

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	722,335	10	\$ 5,038	\$ 0	74,095	\$ 517	1
2	24	Travel and Seminar	Bed Days Available	722,335	10	8,850	0	74,095	908	2
3	25	Auto expense	Bed Days Available	722,335	10	140,934	0	74,095	14,457	3
4	26	Insurance general	Bed Days Available	722,335	10	89,225	0	74,095	9,152	4
5	27	Management allocation - employees	Bed Days Available	722,335	10	1,106,283	0	74,095	113,479	5
6	30	Depreciation	Bed Days Available	722,335	10	625,643	0	74,095	64,177	6
7	32	Interest	Bed Days Available	722,335	10	174,244	0	74,095	17,873	7
8	32	Amortization of mortgage costs	Bed Days Available	722,335	10	22,869	0	74,095	2,346	8
9	33	Property taxes	Bed Days Available	722,335	10	65,056	0	74,095	6,673	9
10	34	Rent expense	Bed Days Available	722,335	10	47,418	0	74,095	4,864	10
11	35	Equipment rental	Bed Days Available	722,335	10	14,486	0	74,095	1,486	11
12	35	Auto Lease	Bed Days Available	722,335	10	6,017	0	74,095	617	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					\$ 2,306,063	\$		\$ 236,549	25

Facility Name & ID Number Lexington Health Care Center of Lake Zurich # 0039768 Report Period Beginning: 1/1/17 Ending: 12/31/17

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	X																		
2	Services II, LLC			Mortgage	Varies	4/30/2017	7,606,000		9/15/2017	0.0650	187,393									
3	MB Financial		X	Mortgage	Varies	9/15/2017	6,373,440	6,309,706	9/15/2019	Libor + 3.5%	95,305									
4									Finance Charge		1,975									
5																				
Working Capital																				
6	Shareholders	X		Working Capital	None	Varies	270,033	1,784,796	Demand	0.0150										
7	American Chartered Bank		X	Line of Credit	Varies	6/29/13	5,600,000		9/15/2017	Libor +2.5%	4,331									
8	MB Financial		X	Line of Credit	Varies	9/15/2017	2,000,000		9/15/2019	Libor +2.5%										
9	TOTAL Facility Related						\$ 21,849,473	\$ 8,094,502			\$ 289,004									
B. Non-Facility Related*																				
10									Microsoft Financing		484									
11									Amortization of Loan Cost		23,776									
12									Interest Income offset		6,826									
13									See Sch 9A		44,620									
14	TOTAL Non-Facility Related						\$ 0	\$ 0			\$ 75,706									
15	TOTALS (line 9+line14)						\$ 21,849,473	\$ 8,094,502			\$ 364,710									

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 Health Care Center of Lake Zurich, Inc.
 IDPH License II 0039768
 Fiscal Year End: 12/31/17

Schedule 9A

IX. Interest Expense and Real Estate Tax Expense

	1 Name of Lender	2 Related**		3 Purpose of Loan	4 Monthly Payment Required	5 Date of Note	6 Amount of Note		8 Maturity Date	9 Interest Rate (4 Digits)	10 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												20,219	10	
11												(1,975)	11	
12												26,376	12	
13													13	
14	TOTAL Non-Facility Related				\$0.00		\$	0	\$	0		\$	44,620	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 2016 report.			\$	177,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)	2016		\$	165,626	2
3. Under or (over) accrual (line 2 minus line 1).			\$	(11,374)	3
4. Real Estate Tax accrual used for 2017 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	176,200	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.)			\$		5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ <u>542</u> For <u>16-17</u> Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		Alloc Fr. Mgmt Co.		6,673	
			\$	542	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	172,040	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:	2012	<u>189,123</u>	8		
	2013	<u>176,649</u>	9		
	2014	<u>169,523</u>	10		
	2015	<u>163,680</u>	11		
	2016	<u>165,626</u>	12		
See attached real estate accrual sheet					
FOR BHF USE ONLY					
	13	FROM R. E. TAX STATEMENT FOR 2016	\$		13
	14	PLUS APPEAL COST FROM LINE 5	\$		14
	15	LESS REFUND FROM LINE 6	\$		15
	16	AMOUNT TO USE FOR RATE CALCULATION	\$		16

NOTES:

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

2016 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 2016 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 2016.

(A)	(B)	(C)	(D) <u>Tax</u> <u>Applicable to</u> <u>Nursing Home</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	
1. <u>14-28-100-020</u>	<u>Nursing Facility</u>	\$ <u>151,420.54</u>	\$ <u>151,420.54</u>
2. <u>14-29-200-033</u>	<u>Nursing Facility</u>	\$ <u>14,205.19</u>	\$ <u>14,205.19</u>
3. <u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
4. <u>05-01-202-021</u>		\$ <u>257,788.00</u>	\$ <u>6,673.00</u>
5. _____		\$ _____	\$ _____
6. _____		\$ _____	\$ _____
7. _____		\$ _____	\$ _____
8. _____		\$ _____	\$ _____
9. _____		\$ _____	\$ _____
10. _____		\$ _____	\$ _____
	TOTALS	\$ <u><u>423,413.73</u></u>	\$ <u><u>172,298.73</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 2016 tax bills which were listed in Section A to this statement. Be sure to use the 2016 tax bill which is normally paid during 2017.

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 Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	<u>Resident Care</u>	<u>250,344</u>	<u>1990</u>	<u>\$ 495,000</u>	<u>1</u>
2	<u>Management Company Allocation</u>	<u>0</u>		<u>20,753</u>	<u>2</u>
3	TOTALS	250,344		\$ 515,753	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	\$ 6,418,907	\$ -	40	\$ 160,473	\$ 160,473	\$ 3,744,365	4
5					-		-			5
6					-		-			6
7					-		-			7
8					-		-			8
Improvement Type**										
9	Land Improvements		1994	10,701	0	10	0		10,701	9
10	Land Improvements		1994	13,330	0	10	0		13,330	10
11	Leasehold Improvements		1994	4,737	0	15	0		4,737	11
12	Leasehold Improvements		1995	4,005	0	15	0		4,005	12
13	Land Improvements		1995	3,221	0	10	0		3,221	13
14	Building Improvements		1995	3,019	0	40	75	75	1,732	14
15	Building Improvements		1995	64,500	1,654	39	1,654		37,559	15
16	Patio		1996	1,168	0	15	0		1,168	16
17	Compressor		1996	5,145	0	10	0		5,145	17
18	Road sidewalk		1997	18,094	0	20	449	449	18,094	18
19	Foundation/Sprinkler		1997	2,068	59	35	59		1,210	19
20	Flagpoles		1997	1,573	0	15	0		1,573	20
21	Basement rehab		1998	12,867	0	10	0		12,867	21
22	MDS Telnet wiring		1998	3,365	0	10	0		3,365	22
23	Flag Pole		1998	787	0	15	0		787	23
24	Resurface/restripe parking lot		1998	4,977	0	10	0		4,977	24
25	Transfer 10 beds from shelter care		1998	2,260	57	40	57		1,087	25
26	1st floor lobby tile		1999	12,153	0	10	0		12,153	26
27	Parking lot repair		2000	3,740	0	10	0		3,740	27
28	Roof repair		2000	10,770	0	10	0		10,770	28
29	Automatic door		2000	1,300	0	10	0		1,300	29
30	Kitchen rehab		2000	16,886	0	10	0		16,886	30
31	Compressor		2001	4,350	0	10	0		4,350	31
32	Boiler vent		2001	3,228	0	10	0		3,228	32
33	Fire pump		2001	1,766	0	10	0		1,766	33
34	Kitchen rehab		2001	721	0	10	0		721	34
35	Elevator infrared curtains		2001	4,500	0	10	0		4,500	35
36	Therapy Room Rehab		2004	64,473	3,224	20	3,224		42,985	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 Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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		\$ 2,278	37
38	HVAC Compressor	2004	11,845	592	20	592		7,845	38
39	Sidewalk, raise and support	2005	700	35	20	35		433	39
40	Pavement for parking lot	2005	6,650	333	20	333		4,188	40
41	Water softner	2005	2,635	132	20	132		1,704	41
42	Plumbing and sprinkler	2005	4,469	223	20	223		2,882	42
43	Lobby and lounge rehab	2005	44,560	2,228	20	2,228		28,778	43
44	Therapy room rehab	2005	1,721	86	20	86		1,054	44
45	First floor therapy room	2005	42,424	2,121	20	2,121		26,907	45
46	Transitional unit	2005	9,898	495	20	495		6,105	46
47	Countertop	2005	845	0	5	0		845	47
48	Wallcovering	2005	439	0	5	0		439	48
49	Panel Brick Replacement	2006	16,001	800	20	800		9,134	49
50	Landscaping Improvement	2006	4,640	0	5	0		4,640	50
51	HVAC	2006	3,999		10			3,999	51
52	Kitchen Rehab	2006	2,553		10			2,553	52
53	Wall Mounted Cabinets	2006	10,451		10			10,451	53
54	Therapy room rehab	2006	2,829		10			2,829	54
55	Solo step install	2006	3,689		10			3,689	55
56	Transitional unit	2006	31,685	1,584	20	1,584		17,557	56
57	Employee Lunchroom rehab	2006	1,766		10			1,766	57
58	Fine Dining	2006	22,517	1,126	20	1,126		12,761	58
59	Land Improvements	2006	5,374	358	15	358		4,028	59
60	Emergency AC	2006	7,564	2	10	2		7,564	60
61	Wood Flooring	2006	1,526		10			1,526	61
62	HVAC	2007	2,716	133	10	133		2,716	62
63	Emergency AC	2007	18,731	937	10	937		18,731	63
64	First floor remodel-carpentry, flooring, plumbing, painting,	2007	701,565	0	40	17,539	17,539	188,544	64
65	fixtures			0		0			65
66	Landscaping	2008	15,920	1,061	15	1,061		10,522	66
67	Parking Lot Repairs	2008	4,224	211	20	211		1,952	67
68	Roof	2008	33,700	1,685	20	1,685		16,148	68
69	Employee Locker Rooms	2008	3,732	93	40	93		860	69
70	TOTAL (lines 4 thru 69)		\$ 7,723,466	\$ 19,403		\$ 197,939	\$ 178,536	\$ 4,377,750	70

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

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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		\$ 7,723,466	\$ 19,403		\$ 197,939	\$ 178,536	\$ 4,377,750	1
2	Second floor remodel - carpentry, electrical, flooring,	2008	555633	0	27	20,205	20,205	190,264	2
3	painting			0		0			3
4	Irrigation System	2009	15335	1,022	15	1,022		8,517	4
5	Landscaping Enhancements	2009	8276	552	15	552		4,646	5
6	Quick connects	2009	7611	381	20	381		3,175	6
7	HVAC Chiller	2009	102185	5,109	20	5,109		43,427	7
8	HVAC-1st floor admin office	2009	7295	365	20	365		2,950	8
9	2nd floor remodel	2009	9331	339	27	339		3,051	9
10	Basement Office	2009	2755	100	27	100		825	10
11	Patio Pergola	2009	8905	445	20	445		3,708	11
12	3rd floor remodel-Carpentry,plumbing,electrical,handrails	2009	398350	0	27	14,485	14,485	118,294	12
13	painting,alarm system			0		0			13
14				0		0			14
15				0		0			15
16				0		0			16
17	Med Room Remodel-painting,flooring	2010	5531	202	27	202		1,464	17
18	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	51465	4,149	27	4,149		29,043	18
19	Exhaust System	2010	83215	3,035	27	3,035		21,245	19
20	Office spot cooler	2010	3456	126	27	126		893	20
21	Ceiling insulations	2010	2640	96	27	96		704	21
22	Remodel pantry-shelves	2010	4402	161	27	161		1,167	22
23	Paint over bed lights	2010	5512	201	27	201		1,407	23
24	Exterior Door	2010	2618	95	27	95		673	24
25	Remodel Library/Lounge and physician office-flooring,	2010	7796	284	27	284		2,019	25
26	art framing,flooring			0		0			26
27	2nd floor remodel-carpentry,plumbing,electrical	2010	4838	176	27	176		1,365	27
28	Concrete repair-ramp & railing	2010	10029	669	15	669		4,850	28
29	Office remodel-doors, carpentry, locks	2011	20714.03	753	27	753		4,842	29
30	Landscaping Enhancements	2011	4987	332	15	332		2,241	30
31	Fire pump and drain line	2011	8360	304	27	304		1,850	31
32	Laundry room remodel-painting, tile	2011	7835	285	27	285		1,805	32
33				0		0			33
34	TOTAL (lines 1 thru 33)		\$ 9,062,540	\$ 38,584		\$ 251,810	\$ 213,226	\$ 4,832,175	34

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

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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		\$ 9,062,540	\$ 38,584		\$ 251,810	\$ 213,226	\$ 4,832,175	1
2	Locker Room-paint, cabinets	2011	7,504	273	27	273		1,729	2
3	2nd floor remodel-doors and locks	2011	17,692	643	27	643		4,072	3
4	HVAC Chiller	2011	99,609	0	27	3,622	3,622	23,241	4
5	Parking lot-Stripe and seal	2011	51,148	0	20	2,558	2,558	15,981	5
6				0		0			6
7	Building wiring	2012	25,124	0	27	914	914	4,796	7
8	Replace pipe kitchen	2012	4,202	0	27	153	153	853	8
9				0		0			9
10	Update Dishwashing Area in Kitchen: Tile, Drywall	2013	10,078	0	27	366	366	1,558	10
11				0		0			11
12	Landscaping - adding trees main entrance	2014	10,152	0	15	56	56	225	12
13				0		0			13
14	Repair condensor coil in kitchen cooler	2014	3,402	0	20	170	170	595	14
15	2nd floor shower room - install handrails	2014	4,234	0	27	156	156	546	15
16				0		0			16
17	EMR Entire Buidling Wiring	2015	5,315	193	27	193		499	17
18	R/M Reclass: Fire Alarm Inspection	2015	2,547	0	20	127	127	319	18
19	R/M Reclass: Add Insulation to emergency exhaust pip in hallway	2015	3,100	0	20	155	155	388	19
20	R/M Reclass: Paving and coating parking lot	2015	5,500	0	20	275	275	688	20
21				0		0			21
22	Paving and Seal Coating in Parking Lot	2016	2,500	10	20	10		20	22
23	Electrical Work - Throughout Facility	2016	4,253	18	20	18		36	23
24	Physical Therapy Rm. - Surfacing, Plumbing, Drywall, Wiring, Pa	2016	3,654	66	28	66		132	24
25	Resident Rooms - Installing Chair Rails in First Floor Rooms	2016	6,192	52	10	52		104	25
26	R/M Reclass: Radiator Repair - removing, re-cored, reinstalling, a	2016	8,942	0	15	298	298	596	26
27	filling with new coolant			0		0			27
28	Installation of water heater-Mechanical room	2017	13,042	217	10	217		217	28
29									29
30									30
31									31
32	Reconcile book depreciation			575		0	(575)		32
33									33
34	TOTAL (lines 1 thru 33)		\$ 9,350,731	\$ 40,631		\$ 262,133	\$ 221,502	\$ 4,888,769	34

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

970,053

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

XI. OWNERSHIP COSTS (continued)

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

1	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		\$ 9,350,731	\$ 40,631		\$ 262,133	\$ 221,502	\$ 4,888,769	1
2								2
3	2002	287,175		40	6,682	6,682	133,965	3
4	2003	2,522		30	638	638	2,080	4
5	2004	396		20	20	20	266	5
6	2005	121		20	6	6	77	6
7	2006	88		20	6	6	65	7
8	2008	13,011		20	159	159	5,554	8
9	2009	2,557		20	49	49	1,179	9
10	2010	2,496		20	48	48	1,070	10
11	2011	1,787		20	85	85	540	11
12	2012	6,044		20	12	12	1,257	12
13	2013	4,665		20	347	347	1,450	13
14	2014	2,525		20	258	258	886	14
15	2015	444		20	55	55	136	15
16	2016	7,326		20	556	556	754	16
17	2017	4,764		20	62	62	89	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		\$ 9,686,652	\$ 40,631		\$ 271,116	\$ 230,485	\$ 5,038,137	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	\$ 314,129	\$ 41,981	\$ 41,981	\$ 0	5-10	\$ 252,941	71
72	Current Year Purchases	15,908	388	388	0	7	388	72
73	Fully Depreciated Assets	1,244,763			0	5-7	1,244,763	73
74	Allocated from Mgmt Co.	583,972		52,911	52,911	5-7	525,206	74
75	TOTALS	\$ 2,158,772	\$ 42,369	\$ 95,280	\$ 52,911		\$ 2,023,298	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				\$	\$		0		\$	76
77							0			77
78							0			78
79	Allocated from Mgmt. Co.			52,530		2,282	2,282	5	48,880	79
80	TOTALS			\$ 52,530	\$ 0	\$ 2,282	\$ 2,282		\$ 48,880	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)	\$ 12,413,707	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 83,000	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 368,678	83**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 285,678	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 7,110,315	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.

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>4,864</u>			6
7	TOTAL				\$ 4,864			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.	<u> /2018 </u>	\$ _____
13.	<u> /2019 </u>	\$ _____
14.	<u> /2020 </u>	\$ _____

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: \$ 71,018 Description: Copier-6453, Mail Sys-\$404,Printer-\$5,049; Med Equip.-\$24,290, Oxy Equip.-\$33,335, Mgmt. Co.-\$1,486

(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>617</u>	20
21	TOTAL		\$	\$ 617	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.

XIII. EXPENSES RELATING TO CERTIFIED NURSE AIDE (CNA) TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If CNAs are trained in another facility program, attach a schedule listing the facility name, address and cost per CNA trained in that facility.)

<p>1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. 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			Total
		1 Drop-outs	2 Completed	3 Contract	
1	Community College Tuition	\$	\$	\$	\$ 0
2	Books and Supplies				0
3	Classroom Wages (a)				0
4	Clinical Wages (b)				0
5	In-House Trainer Wages (c)				0
6	Transportation				0
7	Contractual Payments				0
8	CNA Competency Tests				0
9	TOTALS	\$ 0	\$ 0	\$ 0	\$ 0
10	SUM OF line 9, col. 1 and 2 (e)	\$ 0			

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	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	39(3)	hrs	\$	9,452	\$ 485,046	\$	9,452	\$ 485,046	1
2	Licensed Speech and Language Development Therapist	39(3)	hrs		3,632	97,830		3,632	97,830	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	39(2)(3)	hrs		13,989	643,247	3,307	13,989	646,554	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				359,523		359,523	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): <u>Ambulance</u>	39(3)				533			533	12
13	Other (specify): <u>See Sch 16 A</u>	39(2)					13,378		13,378	13
14	TOTAL			\$	27,073	\$ 1,226,656	\$ 376,208	27,073	\$ 1,602,864	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.

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/17

Schedule 16A

XIV. Special Services (Direct Cost)

Line 12 Other (specify)

Description	Units	Amount
Oxygen		7,715
DME		5,663
Total - Line 12	-	13,378

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning: 1/1/17

Ending: 12/31/17

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/17

(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	\$ 751,805	\$ 843,539	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>2,734,675</u>)	2,903,424	2,903,424	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	214,865	214,865	6
7	Other Prepaid Expenses	36,486	36,486	7
8	Accounts Receivable (owners or related parties)	3,247	3,247	8
9	Other(specify): <u>Interest Receivable</u>	1	4,283	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 3,909,828	\$ 4,005,844	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,906	8,906	12
13	Land		515,753	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	1,029,797	3,267,744	15
16	Equipment, at Historical Cost	792,484	2,211,302	16
17	Accumulated Depreciation (book methods)	(1,257,860)	(7,110,315)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (spe			22
23	Other(specify): <u>Mortgage Cost, Net</u>		133,733	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 573,327	\$ 5,446,031	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,483,155	\$ 9,451,875	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 662,860	\$ 662,860	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	594,080	594,080	30
31	Accrued Taxes Payable (excluding real estate taxes)	28,868	28,868	31
32	Accrued Real Estate Taxes(Sch.IX-B)		176,200	32
33	Accrued Interest Payable		26,270	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>See Schedule 17A</u>	11,092,436	2,997,728	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 12,378,244	\$ 4,486,006	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	1,784,796	1,784,796	39
40	Mortgage Payable		6,309,706	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)	\$ 1,784,796	\$ 8,094,502	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 14,163,040	\$ 12,580,508	46
47	TOTAL EQUITY(page 18, line 24)	\$ (9,679,885)	\$ (3,128,633)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 4,483,155	\$ 9,451,875	48

*(See instructions.)

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/17

Schedule 17A

XV. Balance Sheet

Line 36 Other Current Liabilities (specify):

Description	Operating	After Consolidation
Cash Patient Trust	34,531	34,531
Audit Settlement	(651,437)	(651,437)
Sambell Rent Receivable	-	7,810,395
Due to Lex Fina Svcs I	464	464
Due from Republic Construct	(2,879)	(2,879)
Sambell Due from LLC II	-	-
Due to/from LHCC Wheeling LP	-	284,313
Due from/(to) Lexington Fin Serv LLC	(182)	(182)
Prepaid Insurance	(35,885)	(35,885)
COBRA	(3,238)	(3,238)
Withholding - Dental Insurance	3,558	3,558
Vision withholding	568	568
Withholding - EP/CI/WL	1,997	1,997
Accrued Expenses	(1,073)	(1,073)
Accrued Resident Tax	(51,783)	(51,783)
Accrued Royal/Vesta/Mgmt Fees	(1,927,022)	(1,927,022)
Accrued Rent	(7,810,395)	(7,810,395)
Accrued Insurance	(108,174)	(108,174)
Due to Patient Trust Fund	(34,532)	(34,532)
Advance - Biweekly Part A Payment	(14,190)	(14,190)
Uncollectible Part A Co Pmts	(1)	(1)
Due to - Royal Operations	(32,437)	(32,437)
Due to Elmhurst	(317)	(317)
Due to LaGrange	(53,858)	(53,858)
Due to Schaumburg	(63)	(63)
Due to Wheeling	(977)	(977)
Sambell Interest Rate Swap Liability	-	-
Professional Liability Claims	(405,111)	(405,111)
Total - Line 36	(11,092,436)	(2,997,728)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (8,804,703)	1
2	Restatements (describe):		2
3	Post closing adjustment	276,930	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (8,527,773)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(1,152,112)	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)	\$ (1,152,112)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$ 0	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (9,679,885)	24 *

* This must agree with page 17, line 47.

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc. # 0039768 Report Period Beginning: 1/1/17

Ending: 12/31/17

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

I. Revenue		Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 19,071,911	1
2	Discounts and Allowances for all Levels	(9,299,273)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 9,772,638	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	4,217,823	6
7	Oxygen	47,431	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 4,265,254	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	1,072	12
13	Barber and Beauty Care	26,149	13
14	Non-Patient Meals	2,019	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	644,685	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	212,654	19
20	Radiology and X-Ray	16,189	20
21	Other Medical Services	492,321	21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 1,395,089	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	(11,108)	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ (11,108)	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	Miscellaneous income	285	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 285	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 15,422,158	30

II. Expenses		Amount	
A. Operating Expenses			
31	General Services	1,789,427	31
32	Health Care	6,426,001	32
33	General Administration	4,027,095	33
B. Capital Expense			
34	Ownership	1,671,064	34
C. Ancillary Expense			
35	Special Cost Centers	2,246,511	35
36	Provider Participation Fee	414,172	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 16,574,270	40
41	Income before Income Taxes (line 30 minus line 40)**	(1,152,112)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (1,152,112)	43

III. Net Inpatient Revenue detailed by Payer Source		Amount	
44	Medicaid - Net Inpatient Revenue	\$ 3,933,058	44
45	Private Pay - Net Inpatient Revenue	1,803,999	45
46	Medicare - Net Inpatient Revenue	854,907	46
47	Other-(specify) Managed Care	3,180,674	47
48	Other-(specify)		48
49	TOTAL Inpatient Care Revenue (This total must agree to Line 3)	\$ 9,772,638	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 tax payer.

Facility Name & ID Number Lexington Health Care Center of Lake Zurich, Inc.

0039768

Report Period Beginning:

1/1/17

Ending:

12/31/17

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	1,919	2,318	\$ 153,357	\$ 66.16	1
2	Assistant Director of Nursing	1,513	2,530	101,511	40.12	2
3	Registered Nurses	45,896	57,566	2,031,055	35.28	3
4	Licensed Practical Nurses	14,582	17,791	526,661	29.60	4
5	CNAs & Orderlies	107,910	129,562	1,884,203	14.54	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides					8
9	Activity Director	1,874	2,134	38,807	18.19	9
10	Activity Assistants	8,241	9,539	97,751	10.25	10
11	Social Service Workers	7,056	8,466	175,179	20.69	11
12	Dietician	2,341	2,619	56,710	21.65	12
13	Food Service Supervisor	2,563	2,850	62,768	22.02	13
14	Head Cook	1,126	1,219	22,350	18.33	14
15	Cook Helpers/Assistants	22,938	26,206	301,793	11.52	15
16	Dishwashers					16
17	Maintenance Workers	1,719	2,112	42,959	20.34	17
18	Housekeepers	34,527	40,740	431,012	10.58	18
19	Laundry					19
20	Administrator	1,444	2,502	99,728	39.86	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	9,374	11,384	247,895	21.78	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	1,978	2,421	47,748	19.72	31
32	Other Health C: <u>See Sch 20A</u>	22,818	28,166	752,466	26.72	32
33	Other(specify) <u>Marketing</u>	2,343	2,869	92,713	32.32	33
34	TOTAL (lines 1 - 33)	292,162	352,994	\$ 7,166,666 *	\$ 20.30	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	Monthly	\$ 29	1(3)	35
36	Medical Director	34	52,625	9(3)	36
37	Medical Records Consultant	Monthly	829	10(3)	37
38	Nurse Consultant		0		38
39	Pharmacist Consultant	12	19,434	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	4,721	11(3)	44
45	Social Service Consultant	6	3,974	12(3)	45
46	Other(specify) <u>Medical Consultant</u>		0	10(7)	46
47	<u>Pulmonary</u>	12	52,581	10(3)	47
48	<u>See Sch 20B</u>	20	10,473	10(3)	48
49	TOTAL (lines 35 - 48)	96	\$ 144,666		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	500	11,985	10(3)	52
53	TOTAL (lines 50 - 52)	500	\$ 11,985		53

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/17

Schedule 20A

XVIII. Staffing and Salary Costs
Line 32 Other Health Care (specify):

Description	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Total Salaries	Average Hourly Wage
Staffing coordinator	2,071	2,448	43,755	\$ 17.87
Unit Secretary	6,341	7,937	160,320	\$ 20.20
Accounts Coordinator	1,808	2,234	33,928	\$ 15.19
Admissions	2,707	3,259	77,095	\$ 23.66
MDS	4,240	5,248	179,769	\$ 34.25
Clinical Coordinator	1,807	2,233	76,619	\$ 34.31
Dietetic Technician	-	13	199	\$ 15.31
Transitional Care Nurse	1,895	2,318	82,810	\$ 35.72
Wound Care Coordinator	1,949	2,476	97,970	\$ 39.57
Total - Line 32 Other Health Care (specify):	22,818	28,166	752,465	\$ 26.72

XVIII. Staffing and Salary Costs
Line 33 Other (specify):

Description	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Total Salaries	Average Hourly Wage
Total - Line 33 Other (specify):	-	-	-	

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
IDPH License ID Number: 0039768
Fiscal Year End: 12/31/17

Schedule 20A

XVIII. Staffing and Salary Costs

B. Consultant services

Line 48

Description	# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Sch V Line & Column Reference
Post Acute Consultant	8	1,398	10(3)
Telemedicine Consultant	12	9,075	10(3)
Total - Line 48	20	10,473	-

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	\$ 99,728	Workers' Compensation Insurance	\$ 147,728	IDPH License Fee	\$ 1,990	
				Unemployment Compensation Insurance	62,183	Advertising: Employee Recruitment	5,882	
				FICA Taxes	529,974	Health Care Worker Background Check (Indicate # of checks performed)	7,353	
				Employee Health Insurance	450,567	Patient Background Checks	5,548	
				Employee Meals		Miscellaneous Licenses & Fees	3,985	
				Illinois Municipal Retirement Fund (IMRF)*		Miscellaneous Dues & Subscriptions	7,352	
				401K	39,027	Less: Non-Allowable Dues	(4,701)	
				Other Employee Benefits	29,162	Allocated from Mgmt Co.	12,921	
				Uniform Allowance	4,424	IHCA	13,658	
				Tuition	8,456	Less: Public Relations Expense	()	
						Non-allowable advertising	()	
						Yellow page advertising	()	
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 99,728	TOTAL (agree to Schedule V, line 22, col.8)		TOTAL (agree to Sch. V, line 20, col. 8)		
				\$ 1,271,521		\$ 53,988		
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			\$ 1,447,185	N/A			Out-of-State Travel	\$
Management Fees-Vesta Mgmt.			218,507					
							In-State Travel	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)			\$ 1,665,692				Seminar Expense	111
							Allocated from home office	908
C. Professional Services								
Vendor/Payee	Type	Amount						
RSM US LLP	Accounting	\$ 32,878						
RSM US LLP	401k audit	2,098						
Lexington Financial	Financial	306						
Much Shelist	Legal	12,193						
IL Secretary of State	Filing Fees	200						
Goldstine, Skrodzki, Russian Nemec	Legal	850						
Serpico, Petrosino, Dipiero & O'shea	Legal	69						
Hughes Socol Piers Resnick & Dym L	Legal	369						
Duanne Morris	Legal	1,249						
Lexington Financial Services	Financial	27						
Personal Planners	U/C Consulting	1,215						
See Sch 21 C	Various	112,622						
TOTAL (agree to Schedule V, line 19, column 3) (For legal fee disclosure, see page 39 of instructions)			\$ 164,076	TOTAL			TOTAL (agree to Sch. V, line 24, col. 8)	
							\$ 1,019	

* Attach copy of IMRF notifications

**See instructions.

Facility Name: Lexington Health Care Center of Lake Zurich, Inc.
 IDPH License ID Number: 0039768
 Fiscal Year End: 12/31/17

Schedule 21C

XIX. SUPPORT SCHEDULES
C. Professional Services

Vendor	Type	Amount
Attadale Partners	Operations Consulting	(83)
Pension Administrators	401k administration	1,586
Royal management	Consulting	65
Much Shelist	Collections	14,614
Lawsons	Computer services	8,023
Softchoice	Computer services	11,911
Information Control	Computer services	383
Symbria	Computer services	400
Royal management/operations	Computer services	39,188
Onshift	Computer services	115
Relias	Computer services	1,671
Sales force.com	Computer services	4,087
Ability Network	Computer services	272
Carewatch	Computer services	-
National Data Care	Computer services	2,337
ICIMS	Computer services	3,107
BSI	Computer services	602
MHC	Computer services	237
Microsoft	Computer services	10,200
HealthMedX	Computer services	8,841
GP Software	Computer services	5,066
	Subtotal	112,622

Total (agree to Schedule V, line 19, column 3) 164,076

Less: Non-Allowable Legal Fees (18,770)

Allocated from Management Company

Much Shelist Legal	1,713
Hinshaw & Culbertson LLP Legal	235
Duane Morris Legal	2,020
Serpico, Petrosino Legal	12
Golan and Christie Legal	20
RSM Accounting	1,402
Friedman & Huey Accounting	750
IL Secretary of State Filing Fees	49
Gilson Labus & Silverman LLC Accounting	666
Marcum LLP Accounting	328
LaSalle Network Recruiting / Finance	1,178
Pension Administrators, Inc. 401K Administration	(121)
Gene Whitehorn Medicaid Reimb Specialist	1,913
M Werner Consulting Financial Consulting	981
Eisen Alliance LLC Workplace Consultant	306
Barry Lazarus Health Care Consultant	262
Mark Rodeghier Survey Preparation Consultant	677
Pathway Health Services Operational & Financial Consulti	2,350
IMEC Operational & Financial Consulti	5,713
Forest Performance Performance Consulting	1,749
Reputation.com Performance Consulting	1,048
Devree Molnar Strategy/Operations Consulting	147
Steven Wood Strategy/Operations Consulting	302
Susan Parker Social Service Consultant	17
Focus Pointe Global Strategic Planning	1,203
CLIN-SCIENCE RESEARCH General Business Consulting	396
Provinet Solutions Technical Consulting	15
ANDRZJ STANKIEWIC General Business Consulting	94
DLC Financial Planning & Analysis	1,395
Computer Services Computer Consulting	36,461
	<u>63,281</u>

Allocated from SV of Lombard II

Friedman & Huey Accounting	136
Illinois Secretary of State Filing Fees	15
	<u>151</u>

Total (agree to Schedule V, line 19, column 8) 208,738

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 - \$13,658
- (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? 7 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 50,626 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 NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO 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. \$ 414,172
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. \$ N/A Has any meal income been offset against related costs? Yes Indicate the amount. \$ 2,019
- (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