FOR BHF USE

LL1

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

2011
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT) FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2011)

I.

IDPH License ID Number: 0028660

Facility Name: Lexington Health Care Center of Lombard, Inc.

Address: 2100 S. Finley Road (Number) Lombard (City) 60148 (Zip Code)

County: Dupage

Telephone Number: (630) 495-4000 Fax # (630) 495-2809

HFS ID Number:

Date of Initial License for Current Owners: 10/09/84

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

IRS Exemption Code

In the event there are further questions about this report, please contact:
Name: Michael W. Martin Telephone Number: (217) 258-8888
Email Address:

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 1/1/2011 to 12/31/2011 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider

(Signed) (Date)
(Type or Print Name)
(Title)

Paid Preparer

(Signed) SEE ACCOUNTANTS' PREPERATION REPORT (Date)
(Print Name and Title)
(Firm Name & Address) McGladrey & Pullen, LLP
20 N. Martingale Road, Ste. 500, Schaumburg, IL 60173
(Telephone) (847) 517-7070 Fax # (847) 517-7067

MAIL TO: BUREAU OF HEALTH FINANCE
ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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	224	Skilled (SNF)	224	81,760	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	224	TOTALS	224	81,760	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
8	SNF			17,520	17,520	8
9	SNF/PED					9
10	ICF	36,005	9,513	6,313	51,831	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	36,005	9,513	23,833	69,351	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 84.82%

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? None

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [X] 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 [X]

I. On what date did you start providing long term care at this location?
Date started 10/9/84

J. Was the facility purchased or leased after January 1, 1978?
YES [ ] Date New Construction NO [X]

K. Was the facility certified for Medicare during the reporting year?
YES [X] NO [ ] If YES, enter number of beds certified 224 and days of care provided 13,481

Medicare Intermediary National Government Services

IV. ACCOUNTING BASIS

ACCRUAL [X] MODIFIED CASH* [ ] CASH* [ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/11 Fiscal Year: 12/31/11

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

Facility Name & ID Number: Lexington Health Care Center of Lombard, I # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger Salary/Wage	Supplies	Other	Total	Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
	A. General Services	1	2	3	4	5	6	7	8	9	10	
1	Dietary	416,123	38,664	38,266	493,053		493,053		493,053			1
2	Food Purchase		380,479		380,479		380,479	(18,682)	361,797			2
3	Housekeeping	402,028	39,933		441,961		441,961	409	442,370			3
4	Laundry	73,742	24,095		97,837		97,837		97,837			4
5	Heat and Other Utilities			277,499	277,499		277,499	11,198	288,697			5
6	Maintenance	42,298		170,621	212,919		212,919	75,274	288,193			6
7	Other (specify):* Mgmt Co. - Allocated							10,099	10,099			7
8	TOTAL General Services	934,191	483,171	486,386	1,903,748		1,903,748	78,298	1,982,046			8
	B. Health Care and Programs											
9	Medical Director			96,023	96,023		96,023		96,023			9
10	Nursing and Medical Records	4,951,381	299,687	186,935	5,438,003		5,438,003	69,242	5,507,245			10
10a	Therapy			1,581,848	1,581,848		1,581,848		1,581,848			10a
11	Activities	280,877	25,078	13,061	319,016		319,016		319,016			11
12	Social Services	140,766		7,296	148,062		148,062		148,062			12
13	CNA Training											13
14	Program Transportation											14
15	Other (specify):* Mgmt Co. - Allocated							9,576	9,576			15
16	TOTAL Health Care and Programs	5,373,024	324,765	1,885,163	7,582,952		7,582,952	78,818	7,661,770			16
	C. General Administration											
17	Administrative	111,805		1,620,488	1,732,293		1,732,293	(1,590,483)	141,810			17
18	Directors Fees											18
19	Professional Services			193,569	193,569		193,569	10,556	204,125			19
20	Dues, Fees, Subscriptions & Promotions			51,389	51,389		51,389	7,795	59,184			20
21	Clerical & General Office Expenses	303,466	37,910	36,923	378,299		378,299	666,728	1,045,027			21
22	Employee Benefits & Payroll Taxes			1,129,553	1,129,553		1,129,553	18,554	1,148,107			22
23	Inservice Training & Education			17,769	17,769		17,769	1,786	19,555			23
24	Travel and Seminar							3,075	3,075			24
25	Other Admin. Staff Transportation			667	667		667	21,663	22,330			25
26	Insurance-Prop.Liab.Malpractice			445,651	445,651		445,651	7,487	453,138			26
27	Other (specify):* Mgmt Co. - Allocated							96,232	96,232			27
28	TOTAL General Administration	415,271	37,910	3,496,009	3,949,190		3,949,190	(756,607)	3,192,583			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	6,722,486	845,846	5,867,558	13,435,890		13,435,890	(599,491)	12,836,399			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	Reclassified Total	Adjust-ments	Adjusted Total	FOR BHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	D. Ownership	1	2	3	4	5	6	7	8	9	10	
30	Depreciation			237,021	237,021		237,021	369,110	606,131			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			21,227	21,227		21,227	718	21,945			32
33	Real Estate Taxes							179,573	179,573			33
34	Rent-Facility & Grounds			1,624,830	1,624,830		1,624,830	(1,620,289)	4,541			34
35	Rent-Equipment & Vehicles			77,262	77,262		77,262	3,664	80,926			35
36	Other (specify):*											36
37	**TOTAL Ownership**			1,960,340	1,960,340		1,960,340	(1,067,224)	893,116			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		567,801	13,874	581,675		581,675		581,675			39
40	Barber and Beauty Shops			27,678	27,678		27,678		27,678			40
41	Coffee and Gift Shops			4,054	4,054		4,054		4,054			41
42	Provider Participation Fee			292,539	292,539		292,539		292,539			42
43	Other (specify):* Non-Allow Costs	122,629		162,864	285,493		285,493	(285,493)				43
44	**TOTAL Special Cost Centers**	122,629	567,801	501,009	1,191,439		1,191,439	(285,493)	905,946			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	6,845,115	1,413,647	8,328,907	16,587,669		16,587,669	(1,952,208)	14,635,461			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 Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 BHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals	(128)	2		4
5	Telephone, TV & Radio in Resident Rooms	(6,675)	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	738	19		9
10	Interest and Other Investment Income	(89,571)	32		10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax	(9,693)	43		13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions	(250)	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	(42,451)	43		24
25	Fund Raising, Advertising and Promotional	(44,634)	43		25
26	Income Taxes and Illinois Personal Property Replacement Tax	(29,492)	43		26
27	CNA Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule See Pg 5A	(185,172)	Var		29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (407,328)		$	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 Amount	2 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)	(1,544,880)		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (1,544,880)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (1,952,208)		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 Yes	2 No	3 Amount	4 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

STATE OF ILLINOIS

Lexington Health Care Center of Lombard, Inc.

ID# 0028660

Report Period Beginning: 1/1/2011

Ending: 12/31/2011

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Diagnostics managed care	$ (2,519)	43	1
2	Labs - Part A	(6,508)	43	2
3	X-Rays - Part A	(33,936)	43	3
4	Marketing Salary	(122,629)	21	4
5	Trust Fees	(505)	43	5
6	Collections	(14,591)	19	6
7	Out of period legal	(1,231)	19	7
8	Misc Income	(314)	21	8
9	Dues & Subscriptions marketing	(333)	20	9
10	Penalties	(2,606)	43	10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
23				23
24				24
25				25
26				26
27				27
28				28
29				29
30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(185,172)		49

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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. [X] 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 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	34	Rental Expense	$ 1,624,830	Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	$	$ (1,624,830)	1
2	V	30	Depreciation		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	316,012	316,012	2
3	V	32	Interest Expense		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	72,475	72,475	3
4	V	33	Property taxes		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	172,830	172,830	4
5	V	43	State replacement tax		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	15,900	15,900	5
6	V	43	Trust fees		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	505	505	6
7	V	19	Professional Fees		Lexington Health Care Systems of Lombard Ltd. Ptsp.	**	200	200	7
8	V								8
9	V								9
10	V								10
11	V				**-The owners of Lexington Health Care Center of Lombard, Inc. own				11
12	V				100% of Lexington Health Care Systems of Lombard Limted Partnership.				12
13	V								13
14	Total			$ 1,624,830			$ 577,922	$ * (1,046,908)	14

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

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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. X 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 Schedule V	2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	3	Housekeeping supplies	$	Royal Management Corp.	**	$ 409	$ 409	15
16	V	5	Utilities - gas & electric		Royal Management Corp.	**	9,744	9,744	16
17	V	5	Utilities - water & sewer		Royal Management Corp.	**	222	222	17
18	V	5	Utilities - maintenance office		Royal Management Corp.	**	1,232	1,232	18
19	V	6	Management allocation - salaries		Royal Management Corp.	**	68,623	68,623	19
20	V	6	Repairs & maintenance		Royal Management Corp.	**	6,278	6,278	20
21	V	6	Scavenger & exterminating		Royal Management Corp.	**	373	373	21
22	V	7	Management allocation - employee benefits		Royal Management Corp.	**	10,099	10,099	22
23	V	10	Medical consultant		Royal Management Corp.	**	4,170	4,170	23
24	V	10	Management allocation - salaries		Royal Management Corp.	**	65,072	65,072	24
25	V	15	Management allocation - employee benefits		Royal Management Corp.	**	9,576	9,576	25
26	V	17	Management allocation - salaries		Royal Management Corp.	**	30,005	30,005	26
27	V	19	Computer consultant & supplies		Royal Management Corp.	**	19,012	19,012	27
28	V	19	Professional fees		Royal Management Corp.	**	7,166	7,166	28
29	V	20	Dues & subscriptions		Royal Management Corp.	**	1,471	1,471	29
30	V	20	Advertising - help wanted		Royal Management Corp.	**	6,657	6,657	30
31	V	21	Management allocation - salaries		Royal Management Corp.	**	623,892	623,892	31
32	V	21	Bank charges		Royal Management Corp.	**	11,935	11,935	32
33	V	21	Office supplies & printing		Royal Management Corp.	**	13,818	13,818	33
34	V	21	Postage		Royal Management Corp.	**	4,470	4,470	34
35	V	21	Telephone		Royal Management Corp.	**	12,927	12,927	35
36	V	23	Inservice Training		Royal Management Corp.	**	1,786	1,786	36
37	V								37
38	V		** Certain owners of Lexington Health Care Center of Lombard, Inc. own 100% of Royal Management Corp.						38
39	Total			$			$ 908,937	$ * 908,937	39

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

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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. [X] 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	24	Travel & seminar	$	Royal Management Corp.	**	$ 3,075	$ 3,075	15
16	V	25	Auto expense		Royal Management Corp.	**	21,663	21,663	16
17	V	26	Insurance general		Royal Management Corp.	**	7,487	7,487	17
18	V	27	Management allocation - employee benefits		Royal Management Corp.	**	96,232	96,232	18
19	V	30	Depreciation		Royal Management Corp.	**	52,360	52,360	19
20	V	32	Interest		Royal Management Corp.	**	17,774	17,774	20
21	V	32	Amortization of mortgage costs		Royal Management Corp.	**	40	40	21
22	V	33	Property taxes		Royal Management Corp.	**	6,743	6,743	22
23	V	34	Rent expense		Royal Management Corp.	**	4,541	4,541	23
24	V	35	Equipment rental		Royal Management Corp.	**	1,311	1,311	24
25	V	17	Management fees	1,620,488	Royal Management Corp.	**		(1,620,488)	25
26	V	35	Auto Lease		Royal Management Corp.	**	2,353	2,353	26
27	V								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								36
37	V								37
38	V								38
39	Total			$ 1,620,488			$ 213,579	$ * (1,406,909)	39

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

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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

Facility Name & ID Number: Lexington Health Care Center of Lombard, # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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	2	3	4	5	6		7		8	
					Compensation Received From Other	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column	
	Name	Title	Function	Ownership Interest	Nursing Homes*	Hours	Percent	Description	Amount	Reference	
1	James Samatas	Owner/officer	Administrative	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	$ 11,005	L17, C7	1
2	John Samatas	Owner/officer	Admin/Plant Ops.	33.33	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	9,283	L17, C7	2
3	Cynthia Thiem	Owner/officer	Administrative	33.34	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	9,717	L17, C7	3
4	Daniel Thiem	Executive VP	Administrative	0.00	See Schedule 7A	See Sch 7B	See Sch 7B	Salary	5,289	L21, C7	4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	$ 35,294		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 Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 2/31/2011

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 [X] NO [ ]

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

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

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	Housekeeping supplies	Bed Days	722,420	10	$ 3,612	$	81,760	$ 409	1
2	5	Utilities - gas & electric	Bed Days	722,420	10	86,099		81,760	9,744	2
3	5	Utilities - water & sewer	Bed Days	722,420	10	1,961		81,760	222	3
4	5	Utilities - maintenance office	Bed Days	722,420	10	10,885		81,760	1,232	4
5	6	Management allocation - salaries	Bed Days	722,420	10	606,344	606,344	81,760	68,623	5
6	6	Repairs & maintenance	Bed Days	722,420	10	55,471		81,760	6,278	6
7	6	Scavenger & exterminating	Bed Days	722,420	10	3,293		81,760	373	7
8	7	Management allocation - employee	Bed Days	722,420	10	89,234		81,760	10,099	8
9	10	Medical consultant	Bed Days	722,420	10	36,843		81,760	4,170	9
10	10	Management allocation - salaries	Bed Days	722,420	10	574,970	574,970	81,760	65,072	10
11	15	Management allocation - employee	Bed Days	722,420	10	84,616		81,760	9,576	11
12	17	Management allocation - salaries	Bed Days	722,420	10	265,116	265,116	81,760	30,005	12
13	19	Computer consultant & supplies	Bed Days	722,420	10	167,987		81,760	19,012	13
14	19	Professional fees	Bed Days	722,420	10	63,319		81,760	7,166	14
15	20	Dues & subscriptions	Bed Days	722,420	10	13,000		81,760	1,471	15
16	20	Advertising - help wanted	Bed Days	722,420	10	58,818		81,760	6,657	16
17	21	Management allocation - salaries	Bed Days	722,420	10	5,512,623	5,512,623	81,760	623,892	17
18	21	Bank charges	Bed Days	722,420	10	105,454		81,760	11,935	18
19	21	Office supplies & printing	Bed Days	722,420	10	122,091		81,760	13,818	19
20	21	Postage	Bed Days	722,420	10	39,500		81,760	4,470	20
21	21	Telephone	Bed Days	722,420	10	114,221		81,760	12,927	21
22	23	Inservice Training	Bed Days	722,420	10	15,778		81,760	1,786	22
23										23
24										24
25	TOTALS					$ 8,031,235	$ 6,959,053		$ 908,937	25

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 2/31/2011

VIII. ALLOCATION OF INDIRECT COSTS

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

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

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

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	24	Travel and Seminar	Bed Days	722,420	10	$ 27,173	$	81,760	$ 3,075	1
2	25	Auto expense	Bed Days	722,420	10	191,407		81,760	21,663	2
3	26	Insurance general	Bed Days	722,420	10	66,156		81,760	7,487	3
4	27	Management allocation - employee	Bed Days	722,420	10	850,290		81,760	96,232	4
5	30	Depreciation	Bed Days	722,420	10	462,650		81,760	52,360	5
6	32	Interest	Bed Days	722,420	10	157,045		81,760	17,774	6
7	32	Amortization of mortgage costs	Bed Days	722,420	10	354		81,760	40	7
8	33	Property taxes	Bed Days	722,420	10	59,576		81,760	6,743	8
9	34	Rent expense	Bed Days	722,420	10	40,122		81,760	4,541	9
10	35	Equipment rental	Bed Days	722,420	10	11,581		81,760	1,311	10
11	35	Auto Lease	Bed Days	722,420	10	20,791		81,760	2,353	11
12										12
13										13
14										14
15										15
16										16
17										17
18										18
19										19
20										20
21										21
22										22
23										23
24										24
25	TOTALS					$ 1,887,145	$		$ 213,579	25

Facility Name & ID Number: Lexington Health Care Center of Lombard, In # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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** YES	Related** NO	Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note Original	Amount of Note Balance	Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
	A. Directly Facility Related											
	Long-Term											
1							$	$			$	1
2												2
3												3
4												4
5							Interest on financing insurance premium				1,148	5
	Working Capital											
6	Bank of America		X	Line of Credit	Varies	4/6/02	1,400,000	890,000	6/30/2011	Prime	3,862	6
7	Shareholder Loan	X		Working Capital	Varies	7/16/08	499,000	499,000	Demand	Prime	16,218	7
8	Shareholder Loan	X		Capital Improvements	Varies	4/30/08	2,230,000	2,230,000	Demand	Prime	72,475	8
9	TOTAL Facility Related						$ 4,129,000	$ 3,619,000			$ 93,703	9
	B. Non-Facility Related*											
10								Interest Income Offset			(878)	10
11								Offset of Shareholder Interest			(88,694)	11
12												12
13								Allocation of Management Costs			17,814	13
14	TOTAL Non-Facility Related						$	$			$ (71,758)	14
15	TOTALS (line 9+line14)						$ 4,129,000	$ 3,619,000			$ 21,945	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 & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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.

Item		Amount	Line
1. Real Estate Tax accrual used on 2010 report.		$ 130,800	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.)	2010	$ 140,430	2
3. Under or (over) accrual (line 2 minus line 1).		$ 9,630	3
4. Real Estate Tax accrual used for 2011 report. (Detail and explain your calculation of this accrual on the lines below.)		$ 163,200	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.	Allocated from Mgmt. Co. 6,743	$	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 $ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)		$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 179,573	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:	Year	Amount	Line
	2006	138,583	8
	2007	146,240	9
	2008	142,577	10
	2009	146,768	11
	2010	140,430	12

Real Estate Tax Accrual sheet attached

	FOR BHF USE ONLY		
13	FROM R. E. TAX STATEMENT FOR 2010	$	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.

2010 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington Health Care Center of Lombard, Inc. COUNTY Dupage

FACILITY IDPH LICENSE NUMBER 0028660

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 2010 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 2010.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	06-19-307-002		$ 140,430.18	$ 140,430.18
2.	Royal Management Corp. (Samvest of Lombard II)		$ 229,415.60	$ 6,743.00
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 369,845.78	$ 147,173.18

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 2010 tax bills which were listed in Section A to this statement. Be sure to use the 2010 tax bill which is normally paid during 2011.

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.

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,770 B. General Construction Type: Exterior Concrete Block Frame Steel Number of Stories 3

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (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? [X] (a) Own the Equipment [X] (b) Rent equipment from a Related Organization. [X] (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).
Lombard Lexington Square Life Care, Inc.: Retirement Community; 261 units; 309,000 square feet

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

1. Total Amount Incurred: 2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization: 4. Dates Incurred:

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	Resident Care	30,000	1984	$ 616,761	1
2	Allocated from management company			22,035	2
3	TOTALS	30,000		$ 638,796	3

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)

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

	1 Beds*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	215		1984	1984	$ 3,661,472	$	35	$ 104,614	$ 104,614	$ 2,848,535	4
5	9		1995	1995	284,156	8,119	35	8,119		125,840	5
6											6
7											7
8											8
	Improvement Type**										
9	Building Improvements			1990	96,219		10			96,218	9
10	Leasehold Improvements Additions			1995	71,493		10			71,493	10
11	Building Improvements			1994	20,200		10			20,200	11
12	Building Improvements			1995	14,535	415	35	415		6,851	12
13	Building Improvements - dishwater hood			1996	2,748		10			2,748	13
14	Building Improvements - outside painting			1996	11,308		10			11,308	14
15	Building Improvements - dining room			1996	3,752		10			3,752	15
16	Leasehold Improvements			1992	16,299	466	35	466		9,083	16
17	Leasehold Improvements			1994	21,836		10			21,836	17
18	Leasehold Improvements - 2nd floor			1996	19,319		10			18,353	18
19	Leasehold Improvements - bathroom rehab			1996	9,216		10			8,909	19
20	Leasehold Improvements - fan coil repairs			1996	6,669	191	35	191		2,924	20
21	Land Improvements			1993	2,985		15			2,985	21
22	Land Improvements			1995	4,596		15			4,595	22
23	Capitalized Repairs			1986	1,730		10			1,730	23
24	Building Improvements - basement			1996	18,993		10			18,993	24
25	Leasehold Improvements - Corner Guards			1997	520		10			520	25
26	Leasehold Improvements - Corridor flooring			1997	10,380		10			10,380	26
27	BI: Kitchen Rehab			1998	2,494		10			2,494	27
28	Wiring for MDS project			1998	3,365		10			3,365	28
29	Install Fire Sprinklers in Mechanical Rms			1998	4,600	131	35	131		1,773	29
30	Tile for Lobby			1998	20,530		10			20,530	30
31	Walk in Freezers/Coolers			1998	3,183	91	35	91		1,228	31
32	Fire Wall Repairs			1998	12,411	355	35	355		4,789	32
33	Underground storage tank			1998	2,613		10			2,613	33
34	Repave parking lot			1999	7,625	508	15	508		5,845	34
35	Lounge Floor Tile			1999	2,963		10			2,963	35
36											36

*Total beds on this schedule must agree with page 2.

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

See Page 12A, Line 70 for total

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Rewire Building	1999	$ 9,083	$ 260	35	$ 260	$	$ 3,246	37
38	Heat exchanger for water heater	1999	1,660		5			1,660	38
39	Compressor and tank for freezer	1999	2,924		5			2,924	39
40	Plumbing Improvements	2000	2,833		10			2,833	40
41	Relocate 2nd floor sprinklers	2000	2,200	63	35	63		723	41
42	Water heater repairs	2000	3,831		5			3,831	42
43	Automatic door	2000	4,556	130	35	130		1,496	43
44	Install sprinklers	2001	6,082	254	10	254		6,082	44
45	Infrared curtains for elevator	2001	4,500	375	10	375		4,500	45
46	Elevator upgrade	2002	3,006		5			3,006	46
47	Condensor	2002	2,679		5			2,679	47
48	Resurfacing Parking Lot	2003	30,690	1,535	20	1,535		12,917	48
49	Plumbing loop repairs	2003	6,125	613	10	613		4,953	49
50	Fire alarm panel/call system	2003	8,495	425	20	425		3,788	50
51	Facility Rehab - Painting	2003	6,872	687	10	687		5,657	51
52	Facility Rehab - Floor Tile	2003	28,888	1,444	20	1,444		11,968	52
53	Nurse call system	2003	49,451	2,473	20	2,473		19,988	53
54	Brick paved sidewalk/entryway	2003	5,855	293	20	293		2,465	54
55	Facility redecorating - painting/wallpaper	2003	314,478	15,724	20	15,724		141,516	55
56	Fire alarm panel/call system	2003	276,327	13,816	20	13,816		124,346	56
57	Floor Tile	2003	58,720	2,936	20	2,936		26,424	57
58	Carpeting/cove base	2003	29,518	2,952	10	2,952		26,567	58
59	Water heater	2004	9,209	921	10	921		6,600	59
60	Kitchen sewer and dishroom	2004	31,233	1,562	20	1,562		11,063	60
61	Landscaping	2005	3,255	163	20	163		1,045	61
62	HVAC	2005	8,028	401	20	401		2,474	62
63	Kitchen sewer, dishroom and ceiling	2005	22,924	1,146	20	1,146		7,545	63
64	Lobby and reception redecorating - painting/wallpaper	2005	37,999	1,900	20	1,900		12,667	64
65	Rehab therapy room - electrical, carpet, tile	2005	66,393	3,320	20	3,320		22,132	65
66	Rehab 1st floor therapy room - electrical, carpet, tile	2005	39,341	1,967	20	1,967		13,113	66
67	Wallpaper, tile, electrical for transitional unit	2005	22,946	1,147	20	1,147		7,743	67
68	Window treatments	2005	8,053	403	20	403		2,652	68
69	Tile, flooring, and wallpaper	2005	57,699	2,885	20	2,885		18,993	69
70	TOTAL (lines 4 thru 69)		$ 5,504,063	$ 70,071		$ 174,685	$ 104,614	$ 3,852,449	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 Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		$ 5,504,063	$ 70,071		$ 174,685	$ 104,614	$ 3,852,449	1
2	Countertops	2005	845	56	5	56		901	2
3	Curtains and blinders	2005	4,672	597	5	597		5,269	3
4	Mini scroll	2005	527	79	5	79		606	4
5	Medical Records Storage/Office Room	2006	5,901	148	40	148		764	5
6	Office Remodel	2006	5,537	138	40	138		690	6
7	Piping	2006	4,511	301	15	301		1,605	7
8	HVAC	2006	7,985	200	40	200		1,000	8
9	Emergency A/C	2006	9,385	235	40	235		1,175	9
10	Adm Office-HVAC	2006	6,421	161	40	161		871	10
11	Sink installation	2006	2,561	64	40	64		368	11
12	Land Improvements Patio	2006	23,736	1,582	15	1,582		8,438	12
13	Brick Pavers	2007	8,500	567	15	567		2,646	13
14	Landscaping	2007	16,420	821	20	821		3,626	14
15	Parking Lot	2007	13,219	661	20	661		2,919	15
16	Roof	2007	9,800	490	20	490		2,328	16
17	HVAC	2007	8,197	410	20	410		1,845	17
18	LHI-Emergency A/C	2007	11,126	556	20	556		2,317	18
19	LHI-Plumbing & Sprinkler	2007	6,799	680	10	680		2,890	19
20	Automatic Doors is Common Areas	2007	20,874	1,044	20	1,044		4,611	20
21	Tike System & Foundation	2007	4,500	225	20	225		919	21
22	Exterior of Building Painting	2007	16,600	830	20	830		3,528	22
23	Landscaping	2008	21,600	1,440	15	1,440		5,400	23
24	Parking Lot	2008	9,625	481	20	481		1,724	24
25	Roof Repair	2008	11,001	550	20	550		1,833	25
26	HVAC	2008	20,164	1,102	20	1,102		3,851	26
27	Sink and Toliet	2008	4,000	400	10	400		1,467	27
28	Elevator Upgrades	2008	171,955	4,299	40	4,299		13,972	28
29	Metal Doors	2008	3,907	195	20	195		732	29
30	Basement Renovation	2008	25,195	1,260	20	1,260		4,620	30
31	Trash Compactor	2008	11,590	580	20	580		2,030	31
32	Painting Gazebo	2008	4,450	223	20	223		761	32
33									33
34	TOTAL (lines 1 thru 33)		$ 5,975,666	$ 90,446		$ 195,060	$ 104,614	$ 3,938,155	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 Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12B, Carried Forward		$ 5,975,666	$ 90,446		$ 195,060	$ 104,614	$ 3,938,155	1
2	2nd floor remodel-Electric, flooring,painting	2008	561,165		27	20,406	20,406	62,919	2
3	Kitchen Upgrade-Carpentry, painting, plumbing	2008	18,364		27	668	668	2,060	3
4	1st floor remodel-painting, electrical, flooring,plumbing	2008	547,836		27	19,921	19,921	78,024	4
5	Irrigation System	2009	14,235	949	15	949		2,293	5
6	Landscaping Enhancements	2009	22,005	1,467	15	1,467		3,668	6
7	Roof	2009	139,578	6,979	20	6,979		16,866	7
8	Fan Coil	2009	5,607	280	20	280		771	8
9	Quick Connectors	2009	5,300	265	20	265		707	9
10	Room Convector	2009	4,962	248	20	248		558	10
11	Nurse Call System	2009	35,509	1,291	27	1,291		2,797	11
12	Electrical key pad	2009	5,995	218	27	218		527	12
13	PT Room Countertops	2009	4,050	147	27	147		307	13
14	2nd floor remodel-Electric, flooring,painting	2009	2,935	107	27	107		303	14
15	Patio Pergola	2009	10,849	542	20	542		1,175	15
16	Landscaping/Retaining wall	2010	4,741	316	15	316		474	16
17	Ejector Pump	2010	6,983	466	15	466		698	17
18	Parking lot repair/signs	2010	8,970	727	15	727		1,103	18
19	Repair Roof	2010	24,000	1,200	20	1,200		1,300	19
20	Key pad entrance	2010	3,085	308	10	308		540	20
21	Canopy	2010	2,567	257	10	257		406	21
22	Exhaust HVAC	2010	4,003	146	27	146		170	22
23	Drainline	2010	4,130	151	27	151		163	23
24	Pantry carpentry,electrical,plumbing	2010	7,566	276	27	276		391	24
25	Paint over bed lights	2010	6,319	231	27	231		384	25
26	Library/Lounge carpentry,painting,signs	2010	8,441	308	27	308		411	26
27	Second floor doors	2010	3,144	314	10	314		550	27
28	Med Room carpentry,plumbing	2010	7,678	280	27	280		397	28
29	Patio Pergola	2010	11,695	2,339	5	2,339		2,924	29
30	Stamped concrete	2010	15,862	1,057	15	1,057		1,762	30
31	Office carpentry,flooring,electrical,painting,plumbing,signs	2010	64,446	5,409	27	5,409		5,409	31
32	3rd floor remodel-carpentry,plumbing,electrical,painting	2010	753,399		27	60,085	60,085	95,134	32
33									33
34	TOTAL (lines 1 thru 33)		$ 8,291,085	$ 116,724		$ 322,418	$ 205,694	$ 4,223,346	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 Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XI. OWNERSHIP COSTS (continued)

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

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	Totals from Page 12C, Carried Forward		$ 8,291,085	$ 116,724		$ 322,418	$ 205,694	$ 4,223,346	1
2	Office Changes - -carpentry,plumbing,electrical,painting	2011	2,298	49	27	49		49	2
3	Office Remodel - carpentry,plumbing,electrical,painting	2011	11,187	271	27	271		271	3
4	Front Entrance remodel of kitchen doors	2011	3,584		27				4
5	Remodel Shower Room	2011	53,886	490	27	490		490	5
6	Boiler Coll HVAC	2011	3,175	58	27	58		58	6
7	Roof Top Unit HVAC	2011	40,890	372	27	372		372	7
8	Fire Dampers HVAC	2011	67,012	203	27	203		203	8
9	Remodel Laundry Room	2011	9,814	149	27	149		149	9
10	Replace Doors on 1st Floor	2011	57,237	173	27	173		173	10
11	Replace doors on 2nd Floor	2011	39,952	484	27	484		484	11
12									12
13									13
14									14
15									15
16									16
17									17
18	To reconcile book depreciation			(738)			738		18
19									19
20									20
21	Building-management company	2002	304,917		40	9,260	9,260	89,944	21
22	HVAC, electrical, security system-management company	2003	2,678		30	531	531	1,559	22
23	Key card system-management company	2004	421		20	21	21	156	23
24	VAV TX controls-management compnay	2005	128		20	7	7	44	24
25	Building Improvements-management company	2006	93		20	6	6	32	25
26	Building Improvements-management company	2008	14,775		20	791	791	3,054	26
27	Building Improvements-management company	2009	2,758		20	52	52	366	27
28	Building Improvements-management company	2010	2,688		20	113	113	278	28
29	Building Improvements-management company	2011	1,898		20	43	43	42	29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		$ 8,910,476	$ 118,235		$ 335,491	$ 217,256	$ 4,321,070	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 Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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	$ 1,372,350	$ 107,801	$ 218,119	$ 110,318	5	$ 880,993	71
72	Current Year Purchases	141,062	10,985	10,985		5	10,985	72
73	Fully Depreciated Assets	115,960					115,960	73
74	Allocated from Mgmt. Co.	355,211		36,330	36,330	5	276,938	74
75	TOTALS	$ 1,984,583	$ 118,786	$ 265,434	$ 146,648		$ 1,284,876	75

D. Vehicle Costs. (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				$	$	$	$		$	76
77										77
78										78
79	Allocated from Mgmt. Co.			49,970		5,206	5,206		38,716	79
80	TOTALS			$ 49,970	$	$ 5,206	$ 5,206		$ 38,716	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount		
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 11,583,825	81	
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 237,021	82	
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 606,131	83	**
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ 369,110	84	
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 5,644,662	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		$	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 Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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	Allocated from Management Company				4,541			6
7	TOTAL				$ 4,541 **			7

8. List separately any amortization of lease expense included on page 4, line 34.
   This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: [ ] YES [ ] NO Terms: *

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.	/2012	$
13.	/2013	$
14.	/2014	$

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: $ 78,573 Description: Copier-$12,724;Oxygen-$38,728;Med Equip-$25,810;Mgmt. Co.-$1,311
    (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	Allocated from Management Company			2,353	20
21	TOTAL		$	$ 2,353	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 Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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.)

1. HAVE YOU TRAINED CNAs DURING THIS REPORT PERIOD?
   - [ ] YES
   - [X] NO

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.

2. CLASSROOM PORTION:
   - IN-HOUSE PROGRAM
   - IN OTHER FACILITY
   - COMMUNITY COLLEGE
   - HOURS PER CNA

3. CLINICAL PORTION:
   - IN-HOUSE PROGRAM
   - IN OTHER FACILITY
   - HOURS PER CNA

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		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.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff Units of Service	Staff Cost	Outside Practitioner (other than consultant) Units	Outside Practitioner (other than consultant) Cost	Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
1	Licensed Occupational Therapist	10A(3)	hrs	$	11,534	$ 580,581	$	11,534	$ 580,581	1
2	Licensed Speech and Language Development Therapist	10A(3)	hrs		4,001	222,984		4,001	222,984	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	10A(3)	hrs		14,472	778,283		14,472	778,283	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	39(2)	# of prescrpts				567,801		567,801	9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Other (specify): Ambulance	39(3)					6,993		6,993	12
13	Other (specify): Dentist Hearing Aide	39(3)					6,881		6,881	13
14	TOTAL			$	30,006	$ 1,581,848	$ 581,675	30,006	$ 2,163,523	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 & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XV. BALANCE SHEET - Unrestricted Operating Fund. As of 12/31/2011 (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	$ 296,945	$ 1,026,085	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 702,924)	3,357,433	3,357,433	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	62,262	62,262	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 3,716,640	$ 4,445,780	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		638,796	13
14	Buildings, at Historical Cost		3,945,628	14
15	Leasehold Improvements, at Historical Cost	2,827,657	4,964,848	15
16	Equipment, at Historical Cost	904,990	2,034,553	16
17	Accumulated Depreciation (book methods)	(1,482,942)	(5,644,662)	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): Mortgage Cost Net			23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 2,249,705	$ 5,939,163	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 5,966,345	$ 10,384,943	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 675,902	$ 675,902	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	890,000	890,000	29
30	Accrued Salaries Payable	318,828	318,828	30
31	Accrued Taxes Payable (excluding real estate taxes)	183,823	183,823	31
32	Accrued Real Estate Taxes(Sch.IX-B)		163,200	32
33	Accrued Interest Payable		6,155	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See Sch 17A	671,964	770,105	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 2,740,517	$ 3,008,013	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	499,000	2,729,000	39
40	Mortgage Payable			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)**	$ 499,000	$ 2,729,000	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 3,239,517	$ 5,737,013	46
47	**TOTAL EQUITY(page 18, line 24)**	$ 2,726,828	$ 4,647,930	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 5,966,345	$ 10,384,943	48

*(See instructions.)

Lexington Health Care Center of Lombard, Inc.
1/1/11-12/31/11
Provider # 0028660

Schedule 17A

XV. Balance Sheet
C. Current Liabilities

36. Other current liabilities

Description	Operating	After Consolidation
MEDICARE PAYMENT VOUCHER RECOI	2,289	2,289
RENT RECEIVABLE	-	(87,016)
DUE FROM REMODELING	(120,157)	-
401K WITHHOLDING	(342)	(342)
ACCRUED EXPENSES	21,775	21,775
ACCRUED ROYL / VESTA MGMT FEES	43,952	43,952
ACCRUED RENT	87,016	87,016
ACCRUED INSURANCE	140,779	140,779
DUE TO PATIENT TRUST FUND	8,737	8,737
ADVANCE - BIWEEKLY PART A PAYM	(44,256)	(44,256)
UNCOLLECTIBLE PART A CO PVTS	(21,799)	(21,799)
DEFERRED INCOME	467,986	467,986
DUE TO - ROYAL OPERATIONS	44,967	44,967
DUE TO/FROM REPUBLIC CONSTRUCTI	34,774	34,774
DUE TO BLOOMINGDALE	383	383
DUE TO ORLAND PARK	35	35
DUE TO WHEELING	2,496	2,496
DUE /TO FROM SQUARE LOMBARD	2,291	2,291
DUE/TO FROM SCHAUMBURG	1,038	1,038
LOANS PAYABLE - PARTNER LOANS	-	65,000
	671,964	770,105
	-	-

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 3,332,243	1
2	Restatements (describe):		2
3	Post closing adjustment	(90,468)	3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 3,241,775	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	1,343,818	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	(1,858,765)	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)**	$ (514,947)	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)**	$ 2,726,828	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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.

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 19,469,173	1
2	Discounts and Allowances for all Levels	(7,036,632)	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 12,432,541	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	3,797,521	6
7	Oxygen	701	7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 3,798,222	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	CNA Training Reimbursements		11
12	Gift and Coffee Shop	6,371	12
13	Barber and Beauty Care	30,386	13
14	Non-Patient Meals	128	14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs	562,443	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	168,335	19
20	Radiology and X-Ray		20
21	Other Medical Services	152,920	21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 920,583	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	878	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 878	26
	E. Other Revenue (specify):******		
27	**Settlement Income (Insurance, Legal, Etc.)**		27
28	Misc. Income and Recovery of write off	3,643	28
28a	Bed Hold Early Discharge	775,620	28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 779,263	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 17,931,487	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	1,903,748	31
32	Health Care	7,582,952	32
33	General Administration	3,949,190	33
	B. Capital Expense		
34	Ownership	1,960,340	34
	C. Ancillary Expense		
35	Special Cost Centers	898,900	35
36	Provider Participation Fee	292,539	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 16,587,669	40
41	**Income before Income Taxes (line 30 minus line 40)****	1,343,818	41
42	**Income Taxes**		42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 1,343,818	43

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

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

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

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

Facility Name & ID Number Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

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	1,736	2,159	$ 112,460	$ 52.09	1
2	Assistant Director of Nursing	26,456	32,242	1,053,997	32.69	2
3	Registered Nurses	37,564	44,654	1,397,646	31.30	3
4	Licensed Practical Nurses	21,132	25,066	646,541	25.79	4
5	CNAs & Orderlies	115,552	132,589	1,605,171	12.11	5
6	CNA Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	6,641	7,554	98,010	12.97	8
9	Activity Director					9
10	Activity Assistants	18,381	21,224	280,877	13.23	10
11	Social Service Workers	7,581	8,419	140,766	16.72	11
12	Dietician					12
13	Food Service Supervisor	1,858	2,157	42,303	19.61	13
14	Head Cook	1,770	2,157	52,204	24.20	14
15	Cook Helpers/Assistants	14,033	16,197	158,540	9.79	15
16	Dishwashers	16,146	18,495	163,076	8.82	16
17	Maintenance Workers	2,162	2,406	42,298	17.58	17
18	Housekeepers	37,794	43,574	402,028	9.23	18
19	Laundry	6,595	7,763	73,742	9.50	19
20	Administrator	1,580	1,752	111,805	63.82	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	12,864	17,879	303,466	16.97	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	2,025	2,358	37,556	15.93	31
32	Other Health Care(specify)					32
33	Other(specify) Marketing	3,070	3,406	122,629	36.00	33
34	TOTAL (lines 1 - 33)	334,940	392,051	$ 6,845,115 *	$ 17.46	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	$ 38,266	1(3)	35
36	Medical Director	Monthly	96,023	9(3)	36
37	Medical Records Consultant	Monthly	1,289	10(3)	37
38	Nurse Consultant	Monthly	84,527	10(3)	38
39	Pharmacist Consultant	Monthly	12,063	10(3)	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	5,558	11(3)	44
45	Social Service Consultant	Monthly	4,853	12(3)	45
46	Other(specify) Psychosocial	Monthly	2,304	12(3)	46
47	Pulmonary & Kidney	Monthly	89,056	10(3)	47
48	Medical	Monthly	4,170	10(7)	48
49	TOTAL (lines 35 - 48)		$ 338,109		49

C. CONTRACT NURSES

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

Facility Name & ID Number: Lexington Health Care Center of Lombard, Inc. # 0028660 Report Period Beginning: 1/1/2011 Ending: 12/31/2011

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Quinn Corcoran	Administrator	0%	$ 111,805
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			$ 111,805

B. Administrative - Other

Description	Amount
Management Fees-Royal Operating	$ 1,041,096
Management Fees-Vesta Mgmt.	514,436
Management Fees-Capital	64,956
Eliminated in Column 7	
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	$ 1,620,488

C. Professional Services

Vendor/Payee	Type	Amount
Grabowski Law Center, LLC	Collections	$ 14,554
Cassiday Shade, LLP	Legal	34,166
Pension Administrators, Inc.	Pension Administration	2,669
McGladrey & Pullen, LLP	Accounting	37,759
Much Shelist	Legal	6,949
Personnel Planners	U/C Consulting	3,050
Secretary of State	Banking	125
Serpico, Petrosino & Dipiero, LTD	Legal	2,970
Duane Morris	Legal	4,053
RealMed	WC Consulting	113
Pension Administration	Pension Administrator	38
See Schedule 21C		87,124
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed $5,000, attach copy of invoices.)		$ 193,569

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 191,689
Unemployment Compensation Insurance	86,951
FICA Taxes	524,283
Employee Health Insurance	251,223
Employee Meals	18,554
Illinois Municipal Retirement Fund (IMRF)*	
401K	25,317
Other Employee Benefits	50,090
TOTAL (agree to Schedule V, line 22, col.8)	$ 1,148,107

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
N/A		
TOTAL		$

* Attach copy of IMRF notifications

F. Dues, Fees, Subscriptions and Promotions

Description		Amount
IDPH License Fee		$
Advertising: Employee Recruitment		37,246
Health Care Worker Background Check		
(Indicate # of checks performed	120)	1,438
Patient Background Checks	504	6,052
Miscellaneous Licenses & Fess		6,039
Miscellaneous Dues & Subscriptions		466
AANAC Membership Dues		149
Management Company Allocation		8,128
Marketing dues		(333)
Less: Public Relations Expense		( )
Non-allowable advertising		( )
Yellow page advertising		( )
TOTAL (agree to Sch. V, line 20, col. 8)		$ 59,184

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	
Management Company Allocation	3,075
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 3,075

**See instructions.

Lexington Health Care Center of Lombard
FYE 12/31/11
Section XIX.

Schedule 21C

C. Professional Fees

Vendor/Payee	Type	Amount
CT Corporation	Legal	245
ABILITY NETWORK	Computer Consulting	983
ACCUNURSE	Computer Consulting	5,995
ACE-ACTION COMPUTER	Computer Consulting	342
ADI	Computer Consulting	1,099
AVTECH	Computer Consulting	883
BSKLIVE INC. (STAFFKNEX)	Computer Consulting	1,055
EFAX	Computer Consulting	2,132
E-HEALTH DATA SOLUTIONS	Computer Consulting	2,400
ELTON DESIGNS INC	Computer Consulting	2,175
FACILITY WIZARD SOFTWARE	Computer Consulting	358
INFORMATION CONTROLS	Computer Consulting	1,602
KRONOS	Computer Consulting	1,400
LINTECH	Computer Consulting	5,167
MS LICENSE	Computer Consulting	8,030
MY INNERVIEW	Computer Consulting	6,033
NATIONAL DATACARE	Computer Consulting	1,290
NEXGEN BULDING SUPPLY	Computer Consulting	20
ON SHIFT	Computer Consulting	3,988
PARAGON	Computer Consulting	1,000
QUESTION PRO	Computer Consulting	67
REAL MED CORP	Computer Consulting	38
REPUBLIC CONSTRUCTION	Computer Consulting	2,222
RIGHT NOW TECHNOLOGIES	Computer Consulting	8,927
ROYAL MANAGEMENT	Computer Consulting	629
SILVERCHAIR LEARNING SYSTEMS	Computer Consulting	7,728
SOFTCHOICE CORP	Computer Consulting	3,097
SURVEY ANALYTICS LLC - B/O	Computer Consulting	300
SYSTEM DESIGN	Computer Consulting	44
TELEMEDICINE SOLUTIONS	Computer Consulting	8,082
TYMPANI	Computer Consulting	8,780
VISION SHARE, INC.	Computer Consulting	85
XO COMMUNICATIONS	Computer Consulting	928
		87,124

Total Schedule V, line 19, column 3		193,569
Less: Collections		(14,591)
Out of period legal		(1,231)
Lexington Health Care Systems of Lombard Partnerships		
Secretary of State		200
Allocated from Management Co.		
Katten, Muchin, Rosenman	Legal	474
Much Shelist	Legal	428
Laner Muchin	Legal	18
Seyfarth Shaw LLP	Legal	324
McGladrey & Pullen LLP	Accounting	1,614
Illinois Secretary of State	Filing Fees	44
LaSalle Network	Recruiting/Finance	1,983
Gilson Labus & Silverman	KEP	220
Pension Administrators, Inc.	401K Administration	306
Susan Parker	Social Service Consulting	33
M Werner Consulting	Financial Consultant	4
Christine Toolan	Social Service Consulting	7
Gene Whitehorn	Medicaid Reimb Specialist	1,180
Computer Services	Computer Consulting	19,012
Allocated from Samvest of Lombard II	Accounting	275
	Legal	254
Total Schedule V, line 19, column 8		204,125

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
					Amount of Expense Amortized Per Year								
	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		$		$	$	$	$	$	$	$	$	$

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **No**

(2) Are there any dues to nursing home associations included on the cost report? **No**
If YES, give association name and amount. **N/A**

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **No** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **6 Years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **61,954** Line **10**

(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. $ **292,539**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **No** If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **No** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **18,554** Has any meal income been offset against related costs? **Yes** Indicate the amount. $ **128**

(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? **Yes**
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 out of Schedule V? **Yes**

(19) If total legal fees are in excess of $5,000, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees.