

		FOR BHF USE			

LL2

Supportive Living Facility

**2016
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2016)**

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN SECTION 146.265 OF THE 89 IL ADMIN CODE. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS.

<p>I. Facility ID Number: <u>1000093</u></p> <p>Facility Name: <u>Hawthorne Inn of Freeport</u></p> <hr/> <p>Address: <u>2140 West Navajo Dr</u> <u>Freeport</u> <u>61032</u></p> <p align="center">Number City Zip Code</p> <p>County: <u>Stephenson</u></p> <p>Telephone Number: (<u>815</u>) <u>232-3407</u> Fax # ()</p> <p>Federal Employer ID Number: _____</p> <p>Date Current Owners were Certified: <u>11/19/2007</u></p> <p>Type of Ownership:</p> <table style="width:100%"> <tr> <td><input checked="" type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input type="checkbox"/> PROPRIETARY</td> <td><input type="checkbox"/> GOVERNMENTAL</td> </tr> <tr> <td><input checked="" type="checkbox"/> Charitable Corp.</td> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> State</td> </tr> <tr> <td><input type="checkbox"/> Trust</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> County</td> </tr> <tr> <td>IRS Exemption Code <u>501(c) 3</u></td> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Other _____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> "Sub-S" Corp.</td> <td>_____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Limited Liability Co.</td> <td>_____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>In the event there are further questions about this report, please contact:</p> <p>Name: <u>Ron Wilson</u> Telephone Number: (<u>309</u>) <u>343-1550</u></p> <p>Email Address: _____</p>	<input checked="" type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL	<input checked="" type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State	<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County	IRS Exemption Code <u>501(c) 3</u>	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other _____		<input type="checkbox"/> "Sub-S" Corp.	_____		<input type="checkbox"/> Limited Liability Co.	_____		<input type="checkbox"/> Trust			<input type="checkbox"/> Other _____		<p>II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER</p> <p>I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>4/1/15</u> to <u>3/31/16</u> 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.</p> <p>Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.</p> <table style="width:100%"> <tr> <td style="width:20%;">Officer or Administrator of Provider</td> <td>(Signed) _____</td> <td>(Date) _____</td> </tr> <tr> <td></td> <td>(Type or Print Name) <u>Darcee Fanning</u></td> <td></td> </tr> <tr> <td></td> <td>(Title) <u>Regional Director</u></td> <td></td> </tr> <tr> <td>Paid Preparer</td> <td>(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u></td> <td>(Date) _____</td> </tr> <tr> <td></td> <td>(Print Name and Title) <u>Larry Templin Partner</u></td> <td></td> </tr> <tr> <td></td> <td>(Firm Name & Address) <u>Templin Healthcare Accounting Services, LLP P.O. Box 9, Dunlap, IL 61525</u></td> <td></td> </tr> <tr> <td></td> <td>(Telephone) (<u>630</u>) <u>361-2868</u> Fax # () _____</td> <td></td> </tr> </table> <p align="right">MAIL TO: BUREAU OF HEALTH FINANCE IL DEPT OF HEALTHCARE AND FAMILY SERVICES 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630</p>	Officer or Administrator of Provider	(Signed) _____	(Date) _____		(Type or Print Name) <u>Darcee Fanning</u>			(Title) <u>Regional Director</u>		Paid Preparer	(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u>	(Date) _____		(Print Name and Title) <u>Larry Templin Partner</u>			(Firm Name & Address) <u>Templin Healthcare Accounting Services, LLP P.O. Box 9, Dunlap, IL 61525</u>			(Telephone) (<u>630</u>) <u>361-2868</u> Fax # () _____	
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Facility Name Hawthorne Inn of Freeport

Report Period Beginning: 4/1/15 Ending: 3/31/16

III. STATISTICAL DATA

A. Certified units; enter number of units and unit days

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	21	Single Unit Apartment	21	7,686	1
2	8	Double Unit Apartment	8	2,928	2
3		Other		2,526	3
4	29	TOTALS	29	13,140	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	1,269	4,118		5,387	5
6	Double Unit	1,190	6,313		7,503	6
7	Other					7
8	TOTALS	2,459	10,431		12,890	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 98.10%

D. Indicate the number of paid bed-hold days the SLF had during this year

None Also, indicate the number of unpaid bed-hold days the SLF had during this year. None (Do not include bed-hold days in Section B.)

E. Does page 3 include expenses for services or investments not directly related to SLF services?

YES NO

F. Does the BALANCE SHEET reflect any non-SLF assets?

YES NO

G. List all services provided by your facility for non-residents.

(E.g., day care, "meals on wheels", outpatient therapy)

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

I. Is your fiscal year identical to your tax year? YES NO

Tax Year: 3/31/16 Fiscal Year: 3/31/16

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

J. Does the facility have any Illinois Housing Development Authority Loans outstanding?

No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

K. Does the facility have any loans from the Federal Home Loan Bank outstanding?

No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding?

No If yes, did the facility make all of the required payments of interest and principle? N/A

If no, explain. N/A

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning:

4/1/15

Ending:

3/31/16

IV. COST CENTER EXPENSES (please round to the nearest dollar)

SEE ACCOUNTANTS' COMPILATION REPORT

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	59,097	85,695	1,718	146,510	(596)	145,914	1
2	Housekeeping, Laundry and Maintenance	61,463	9,777	8,498	79,738		79,738	2
3	Heat and Other Utilities			37,308	37,308		37,308	3
4	Other (specify):							4
5	TOTAL General Services	120,560	95,472	47,524	263,556	(596)	262,960	5
B. Health Care and Programs								
6	Health Care/ Personal Care	212,244	345		212,589		212,589	6
7	Activities and Social Services		399		399		399	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	212,244	744		212,988		212,988	9
C. General Administration								
10	Administrative and Clerical	72,709	917	66,088	139,714	1,413	141,127	10
11	Marketing Materials, Promotions and Advertising			31,043	31,043	(30,738)	305	11
12	Employee Benefits and Payroll Taxes			54,162	54,162	12	54,174	12
13	Insurance-Property, Liability and Malpractice			15,944	15,944	209	16,153	13
14	Other (specify):							14
15	TOTAL General Administration	72,709	917	167,237	240,863	(29,104)	211,759	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	405,513	97,133	214,761	717,407	(29,700)	687,707	16
Capital Expenses								
D. Ownership								
17	Depreciation			131,227	131,227		131,227	17
18	Interest							18
19	Real Estate Taxes			53,520	53,520		53,520	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			184,747	184,747		184,747	23
24	GRAND TOTAL (Sum of lines 16 and 23)	405,513	97,133	399,508	902,154	(29,700)	872,454	24

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/1/15

Ending:

3/31/16

V. STAFFING AND SALARY COSTS (Please report each line separately.)

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	10	10.71	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	2	14.21	7
8	Dishwashers			8
9	Maintenance Workers	1	14.89	9
10	Housekeepers	1	9.13	10
11	Laundry			11
12	Managers	1	22.56	12
13	Other Administrative			13
14	Clerical	1	12.11	14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	16	\$	17

VI. (A) STATEMENT OF COMPENSATION AND OTHER PAYMENTS TO OWNERS, RELATIVES AND MEMBERS OF THE BOARD OF DIRECTORS.

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	See Att Sch IVa for Directors Fees			\$ 436	1
2					2
3					3
4					4
5					5
Total				\$ 436	6

VI. (B) Management fees paid to unrelated parties

		Amount of Fee	
1	RFMS Sch IV, L14, C3	\$ 37,800	1
2	LTC Support Services Sch IV, L10,C3	8,400	2
Total		\$ 46,200	3

VII. RELATED ORGANIZATIONS

A. Enter below the names of all related organizations. Attach an additional schedule if necessary.

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
See Attached Schedule I			

OTHER RELATED BUSINESS ENTITIES

Name	3	City	4	Type of Business	5
See Attached Schedule I					

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3? YES NO

Name of related entity: N/A

If yes, what is the value of those services? \$

(Please attach a separate schedule itemizing those services.)

C. Does page 3 include any costs derived from transactions (including rent) with related parties? YES NO

If so, please attach a separate schedule detailing the nature of those services, their costs as they appear on your books and the underlying cost to the related party (i.e., not including markup).

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning:

4/1/15

Ending:

3/31/16

VIII. OWNERSHIP COSTS

A. Purchase price of land 123,810 Year land was acquired 2012

B. Building Depreciation -- Including Fixed Equipment. Round all numbers to the nearest dollar.

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

	1 Units*	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	
1	29		2012	2002	\$ 4,773,190	\$ 119,330	40	\$ 119,330	\$	\$ 397,767	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Landscaping		2002	3,672		10			3,672	6
7		Light/Surge Protection		2004	22,900		7			22,900	7
8		Water Heater		2010	9,990	999	10	999		6,161	8
9		Water Softener		2011	5,468	547	10	547		2,415	9
10		Countertops		2013	7,055	588	12	588		1,617	10
11											11
12		Plastering- Dining Rm/Living Rm/Foyer/Nurse Station		2015	5,800	580	10	580		918	12
13		Cabinets - Kitchen		2015	4,395	293	15	293		317	13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 4,832,470	\$ 122,337		\$ 122,337	\$	\$ 435,767	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$ 92,586	\$ 8,890	\$ 8,890	\$	3-15 years	\$ 38,488	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 92,586	\$ 8,890	\$ 8,890	\$		\$ 38,488	20

D. Depreciable Non-Care Assets Included in General Ledger.

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21	N/A	\$	\$	\$	21
22					22
23					23
24	TOTALS (lines 21, 22 and 23)	\$	\$	\$	24

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/1/15

Ending: 3/31/16

IX. RENTAL COSTS

A. Building and Fixed Equipment

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? YES NO

		1	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building				\$			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

8. Is movable equipment rental included in building rental? YES NO

9. Rental amount for movable equipment \$ _____

10. If the facility rents any vehicles which are used for care-related purposes, please attach a schedule detailing the model year and make, the rental expense for this period and the use of the vehicle.

X. INTEREST EXPENSE

	1	Name of Lender	2		3	4	6		7	8	9		
			Related**				Purpose of Loan	Date of Note					Amount of Note
			YES	NO			Original	Balance					
		A. Directly Facility Related											
		Long-Term											
1		N/A				/ /	\$	\$	/ /			\$	1
2						/ /			/ /				2
3						/ /			/ /				3
		Working Capital											
4						/ /			/ /				4
5						/ /			/ /				5
6						/ /			/ /				6
7		TOTAL Facility Related					\$	\$				\$	7
		B. Non-Facility Related											
8						/ /			/ /				8
9						/ /			/ /				9
10		TOTALS (lines 7, 8 and 9)					\$	\$				\$	10

* If there is an option to buy the building, please provide complete details on an attached schedule.

** If there is any overlap in ownership between the facility and the lender, this must be indicated in column 2.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/1/15

Ending:

3/31/16

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 3/31/16

(last day of reporting year)

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 16,566	\$ 16,566	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>None</u>)	(29,805)	(29,805)	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	5,812	5,812	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)	\$ (7,427)	\$ (7,427)	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	123,810	123,810	13
14	Buildings, at Historical Cost	4,773,190	4,773,190	14
15	Leasehold Improvements, at Historical Cost	59,281	59,280	15
16	Equipment, at Historical Cost	92,586	92,586	16
17	Accumulated Depreciation (book methods)	(474,251)	(474,255)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): <u>Construction in Progress</u>	3,991	3,991	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 4,578,607	\$ 4,578,602	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,571,180	\$ 4,571,175	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 13,043	\$ 13,043	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	12,643	12,643	30
31	Accrued Taxes Payable	67,396	67,396	31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	<u>Intercompany Loan</u>	68,698	68,698	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 161,780	\$ 161,780	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable			39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	<u>Security Deposit</u>	49,500	49,500	42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 49,500	\$ 49,500	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 211,280	\$ 211,280	45
46	TOTAL EQUITY	\$ 4,359,900	\$ 4,359,895	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 4,571,180	\$ 4,571,175	47

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/1/15

Ending:

3/31/16

SEE ACCOUNTANTS' COMPILATION REPORT

XII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this Schedule to Schedule IV.)

		1	
I. Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 1,583,674	1
2	Discounts and Allowances	(1,502)	2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,582,172	3
B. Other Operating Revenue			
4	Special Services	1,740	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	2,622	8
9	Non-Resident Meals	596	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 4,958	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income	92	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 92	14
D. Other Revenue (specify):			
15	See Schedule 8A	10,519	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 10,519	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 1,597,741	18

		2	
II. Expenses		Amount	
A. Operating Expenses			
19	General Services	263,556	19
20	Health Care/ Personal Care	212,988	20
21	General Administration	240,863	21
B. Capital Expense			
22	Ownership	184,747	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
28	TOTAL EXPENSES (sum of lines 19 thru 27)	\$ 902,154	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 695,587	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 695,587	31
III. Net Resident Care Revenue detailed by Payer Source			
32	Medicaid - Net Inpatient Revenue	\$ 190,694	32
33	Private Pay - Net Inpatient Revenue	1,391,478	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 1,582,172	37

Schedule 8A

XII. Income Statement
Section D. Other Revenue

<u>Description</u>	<u>Amount</u>
Link Revenue	8,368
Late Fee	551
Processing Fee	1,600
Tray Service	
	<u>10,519</u>

SEE ACCOUNTANTS' COMPILATION REPORT

FACILITY Hawthorne Inn of Freeport
ID#: 37-1223846

BEGINNING: 4/1/15
ENDING: 3/31/16

ATTACHED SCHEDULE I

VII. Related Organizations
A. Related SLP's and Health Care Businesses
and Other Related Business Entities

Name	City and State	Type of Business
1 SLP's and Health Care divisions of Residential Alternatives of Illinois, Inc.:		
Hawthorne Inn of Danville	Danville, IL	Skilled nursing facility
Manor Court of Clinton	Clinton, IL	Skilled nursing and supportive living facility
Manor Court of Freeport	Freeport, IL	Skilled nursing facility
Manor Court of Peoria	Peoria, IL	Skilled nursing facility
Manor Court of Peru	Peru, IL	Skilled nursing facility
Manor Court of Princeton	Princeton, IL	Skilled nursing and supportive living facility
Windmill Manor	Coralville, IA	Skilled nursing facility
Hawthorne Inn of Freeport	Freeport, IL	Supportive living facility
Hawthorne Inn of Peoria	Peoria, IL	Assisted living facility
Hawthorne Inn of Peru	Peru, IL	Assisted living facility
Windmill Pointe	Coralville, IA	Assisted living facility
Liberty Estates of Geneseo	Geneseo, IL	Assisted living and independent living facility
Liberty Estates of Streator	Streator, IL	Assisted living and independent living facility
Freeport Rehab & Healthcare	Freeport, IL	Skilled nursing facility
Other facilities operated by Residential Alternatives of Illinois, Inc.		
Liberty Estates of Danville	Danville, IL	Independent living facility
Liberty Estates of Freeport	Freeport, IL	Independent living facility
Liberty Estates of Peoria	Peoria, IL	Independent living facility
Liberty Estates of Peru	Peru, IL	Independent living facility

2 Frances House, Inc. (sole corporate member of Residential Alternatives of Illinois, Inc.) operates the following DD facilities

Casa Willis	Sterling, IL
Freeport Terrace	Freeport, IL
Gordon Jones Terrace	Lanark, IL
Hallam Terrace	Rockford, IL
Hammett House	Sterling, IL
Kanhabak House	Otawa, IL
Olson Terrace	Rockford, IL
Ridge Terrace	Freeport, IL
Rockford Group Homes:	
Cantebury Place	Rockford, IL
Glenwood Villa	Rockford, IL
Rockton Court	Rockford, IL
Rose House	Moline, IL
Seborg Terrace	Rockford, IL
Smith Square	Moline, IL
Stern Square	Sterling, IL
Stouffer Terrace	Oregon, IL

The following facilities (formerly Concepts Plus, Inc. - FH was the sole member) merged with Frances House as of 2/25/14:

Lake County Group Homes:	
Lewis Terrace	North Chicago, IL
Seymour Terrace	North Chicago, IL
Waukegan Terrace	Waukegan, IL
Pine Terrace	Waukegan, IL

Frances House, Inc. is also the sole corporate member of the following not-for-profit lessors of Residential Alternatives of Illinois, Inc.

Peoria Manor Court, Ltd., NFP	Galesburg, IL
Peru Becker, Ltd., NFP	Galesburg, IL
Danville Independence, LLC	Galesburg, IL
Hawthorne Inn of Princeton, LLC	Galesburg, IL

3 Pioneer Concepts, Inc (Frances House, Inc is the sole corporate member) operates the following DD facilities

Broadway Terrace	Chicago Heights, IL
Carole Lane Terrace	Sauk Village, IL
Cook County I Group Homes:	
Flossmoor Terrace	Flossmoor, IL
Ravisloe Terrace	Country Club Hills, IL
Spaulding Terrace	Markham, IL
Cook County II Group Homes:	
Calumet City Terrace	Calumet City, IL
Dolton Terrace	Dolton, IL
Lynwood Terrace	Lynwood, IL
Holland Terrace	South Holland, IL
Matteson Court	Matteson, IL
Prairie House	Sauk Village, IL
Torrence Place	Sauk Village, IL

4 Pinnacle Opportunities, Inc (Frances House, Inc is the sole corporate member) operated the following facilities

DD facilities	
Chamness Square	Bourbannais, IL
Collins Square	Bradley, IL
Hunt Terrace	Kankakee, IL
Kankakee I Group Homes:	
Dearborn Court	Kankakee, IL
River Court	Kankakee, IL
Station Court	Kankakee, IL
Kankakee II Group Homes:	
Eagle Court	Kankakee, IL
Kankakee Court	Kankakee, IL
Roy Court	Bourbannais, IL

CILA facilities
Gravlin Square
Bradley, IL

5 LTC Support Services, LLC (RAI is one of eight corporate members)

LTC provides consulting services that include, but are not limited to:
training, regulatory compliance, quality assurance programs, human resource support, marketing and maintenance.

Total fees expensed during the current year for SLF portion: 8,400

SEE ACCOUNTANTS' COMPILATION REPORT

FACILITY NAME: Hawthorne Inn of Freeport
ID#: 37-1223846

BEGINNING: 4/1/15
ENDING: 3/31/16

ATTACHED SCHEDULE II

IV. Cost Center Expenses

Reclassifications and Adjustments

Reported on Schedule IV on Line	Description	Adj Col 5
Line 11	Non-allowable advertising	(30,738)
See Att Sch IV	Home office allocation	1,634
Line 1	Meal revenue offset	(596)
<i>Total Adjustments on Schedule IV</i>		(29,700)

ATTACHED SCHEDULE III

Bed Listing & Home Office Allocation

Facility	Weighted beds @ 03/31/2016					Weighted Average Total	All Homes Percentage of Total	SNF Percentage of Total	Allocation Stats														
	Nursing Beds 100%	Home Care Beds 50%	Sheltered Beds 40%	ALC Beds 50%	Estate Units 10%				Days in Year	Base Stat	% of total	% of HC											
Liberty Estates of Danville	-	-	-	-	8	8	0.75%	0.00%															
Liberty Estates of Freeport	-	-	-	-	7	7	0.66%	0.00%															
Liberty Estates of Peoria	-	-	-	-	8	8	0.75%	0.00%															
Windmill Pointe*	-	-	-	22	-	22	2.07%	0.00%															
Liberty Estates of Geneseo	-	-	-	7	3	10	0.94%	0.00%															
Liberty Estates of Peru	-	-	-	-	7	7	0.66%	0.00%															
Liberty Estates of Streator	-	-	-	10	3	13	1.22%	0.00%															
Hawthorne Inn of Danville	80	30	-	-	-	110	10.36%	10.36%	12.47%														
Manor Court of Princeton	125	-	11	-	-	136	12.81%	11.77%	14.17%														
Manor Court of Clinton	134	-	11	-	-	145	13.65%	12.62%	15.19%														
Manor Court of Peoria	50	-	-	-	-	50	4.71%	4.71%	5.67%														
Manor Court of Peru	104	13	-	-	-	117	11.02%	11.02%	13.27%														
Manor Court of Freeport	117	-	-	-	-	117	11.02%	11.02%	13.27%														
Windmill Manor	120	-	-	-	-	120	11.30%	11.30%	13.61%														
Hawthorne Inn of Peoria	-	-	-	34	-	34	3.20%	0.00%	0.00%														
Hawthorne Inn of Peru	-	-	-	34	-	34	3.20%	0.00%	0.00%														
Hawthorne Inn of Freeport	-	-	15	-	-	15	1.41%	0.00%	0.00%														
Freeport Rehab & Healthcare	109	-	-	-	-	109	10.26%	10.26%	12.36%														
Subtotal											839	43	37	107	36	1,062	100.00%	83.05%	100.00%				
*22 units (44 beds) AL but only operated for 9 months in 2016																							
Healthcare Facilities																							
Hawthorne Inn of Danville											80	30				110	110	366	40,260	11.39%	13.90%		
Manor Court of Princeton											125	-				125	125	366	45,750	12.94%	15.80%		
Manor Court of Clinton											134	-				134	134	366	49,044	13.88%	16.94%		
Manor Court of Peoria											50	-				50	50	366	18,300	5.18%	6.32%		
Manor Court of Peru											104	13				117	117	366	42,822	12.12%	14.79%		
Manor Court of Freeport											117	-				117	117	366	42,822	12.12%	14.79%		
Windmill Manor											120	-				120	120	366	43,920	12.43%	15.17%		
Freeport Rehab & Healthcare											109	-				109	109	61	6,649	1.88%	2.30%		
Subtotal											839	43				882			289,567	81.93%	100.00%		
Other Facilities																							
Liberty Estates of Danville											-	-	-	-	8	8	8	366	2,928	0.83%	4.58%		
Liberty Estates of Freeport											-	-	-	-	7	7	7	366	2,562	0.72%	4.01%		
Liberty Estates of Peoria											-	-	-	-	8	8	8	366	2,928	0.83%	4.58%		
Windmill Pointe											-	-	-	22	-	22	22	275	6,050	1.71%	9.47%		
Liberty Estates of Geneseo											-	-	-	7	3	10	10	366	3,660	1.04%	5.73%		
Liberty Estates of Peru											-	-	-	-	7	7	7	366	2,562	0.72%	4.01%		
Liberty Estates of Streator											-	-	-	10	3	13	13	366	4,758	1.35%	7.45%		
Hawthorne Inn of Danville											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Manor Court of Princeton											-	-	11	-	-	11	11	366	4,026	1.14%	6.30%		
Manor Court of Clinton											-	-	11	-	-	11	11	366	4,026	1.14%	6.30%		
Manor Court of Peoria											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Manor Court of Peru											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Manor Court of Freeport											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Windmill Manor											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Hawthorne Inn of Peoria											-	-	-	34	-	34	34	366	12,444	3.52%	19.48%		
Hawthorne Inn of Peru											-	-	-	34	-	34	34	366	12,444	3.52%	19.48%		
Hawthorne Inn of Freeport											-	-	15	-	-	15	15	366	5,490	1.55%	8.59%		
Freeport Rehab & Healthcare											-	-	-	-	-	-	-	-	-	0.00%	0.00%		
Subtotal											-	-	37	107	36	180			63,878	18.07%	100.00%		
Total																			353,445	100.00%			

SEE ACCOUNTANTS' COMPILATION REPORT

FACILITY NAME: Hawthorne Inn of Freeport **BEGINNING:** 4/1/15
ID#: 37-1223846 **ENDING:** 3/31/16

ATTACHED SCHEDULE IV **ALLOCATION OF HOME OFFICE INDIRECT COSTS**
SUMMARY SCHEDULE

Sch. V (See attached detail schedule)
Line # **Salaries** **Other** **Total**

1	Dietary and Food	-	-	-
2	Hskp, Laundry, Main	-	-	-
3	Heat & Other Utilities	-	-	-
4	Other	-	-	-
6	Health Care/personal	-	-	-
7	Activities & Soc Serv	-	-	-
8	Other	-	-	-
10	Admin/Clerical	-	1,413	1,413
11	Mkt, Promo, Adv	-	-	-
12	Emp Ben & PR taxes	-	12	12
13	Insurance	-	209	209
14	Other	-	-	-
17	Depreciation	-	-	-
18	Interest	-	-	-
19	Real Estate Taxes	-	-	-
				-
				-

TOTALS - **1,634** **1,634**

Net adjustment required 1,634

SEE ACCOUNTANTS' COMPILATION REPORT

FACILITY NAME: Hawthorne Inn of Freeport
 ID#: 37-1223846

BEGINNING: 4/1/15
 ENDING: 3/31/16

ATTACHED SCHEDULE IVa ALLOCATION OF INDIRECT COSTS
 (Detail Schedule)

Allocation Factors:

SLF Home Office Factor **0.0155**

Schedule	Description	Total Expenses Incurred	Non-Allowable Costs	Costs To Be Allocated	Allocated Total	Adjustment Grouping
V-1-1	Labor-Dietary			-	-	-
V-1-2	Supplies-Dietary			-	-	-
V-2-1	Labor-Purchasing			-	-	-
V-3-3	Utilities			-	-	-
V-10-1	Labor - Administrative			-	-	-
V-10-1	Labor-Clerical			-	-	-
V-10-2	Supplies			-	-	-
V-10-3	Miscellaneous			-	-	-
V-10-3	Postage & Shipping			-	-	-
V-10-3	Equipment			-	-	-
V-10-3	Equipment Contracts			-	-	-
V-10-3	Equip Maintenance & Repair			-	-	-
V-10-3	Telephone			-	-	-
V-10-3	Board of Directors	28,040		28,040	436	
V-10-3	Legal Fees	23,943		23,943	372	
V-10-3	Professional Services	38,806		38,806	603	
V-10-3	Licenses/Fees/Misc	75		75	1	
V-10-3	Inservice Training			-	-	-
V-10-3	Travel	47		47	1	
V-10-3	Vehicle Expense			-	-	-
V-10-3	Bad Debt Expense			-	-	-
V-10-3	Contributions			-	-	1,413
V-11-3	Advertising - Employment			-	-	-
V-11-3	Subscriptions & Fees			-	-	-
V-12-3	Worker's Compensation			-	-	-
V-12-3	Other Employee Expense	773		773	12	
V-12-3	FICA			-	-	-
V-12-3	State Unemployment Tax			-	-	-
V-12-3	Health Insurance			-	-	12
V-13-3	Vehicle Insurance			-	-	-
V-13-3	Liability Insurance	13,455		13,455	209	
V-13-3	Property Insurance			-	-	209
V-17-3	Depreciation Expense			-	-	-
V-18-3	Interest Expense			-	-	-
V-18-3	Investment Income	54,268	54,268	-	-	-
	TOTALS	159,407	54,268	105,139	1,634	1,634

Board of Directors Costs:

John Kniery	6,000.00
Doug Biederstedt	6,000.00
Irwin Jann	1,500.00
Jeff Shaw	6,000.00
William Kempiners	6,000.00
Meeting/Travel expen	2,540.00
Total	28,040.00

SEE ACCOUNTANTS' COMPILATION REPORT

ITEM	Value 1	Cond.	Value 2	Difference	RESULTS
Adjustment De	-29,700	equal to	-29,700	0	O.K.
Interest Expen	0	equal to	0	0	O.K.
Ownership Co:	131,227	equal to	131,227	0	O.K.
Rental Costs A	0	equal to	0	0	O.K.
Income Stat. G	263,556	equal to	263,556	0	O.K.
Income Stat. H	212,988	equal to	212,988	0	O.K.
Income Stat. A	240,863	equal to	240,863	0	O.K.
Income Stat. C	184,747	equal to	184,747	0	O.K.
Total loan bala	0	equal to	0	0	O.K.
Land	123,810	equal to	123,810	0	O.K.
Building cost	4,773,190	equal to	4,773,190	0	O.K.
Leasehold Imp	59,280	equal to	59,280	0	O.K.
Equipment anc	92,586	equal to	92,586	0	O.K.
Accumulated c	474,255	equal to	474,255	0	O.K.
Balance Sheet	4,571,180	equal to	4,571,180	0	O.K.
Balance Sheet	4,571,175	equal to	4,571,175	0	O.K.
Census	98.10%	not > than	100.00%	-1.90%	O.K.