

ORIGINAL

12-022

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

RECEIVED

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

MAR 08 2012

This Section must be completed for all projects.

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Facility/Project Identification

Facility Name: Resthave Home
Street Address: 408 Maple Ave.
City and Zip Code: Morrison 61270
County: Whiteside Health Service Area 1 Health Planning Area: Whitesdie County

Applicant /Co-Applicant Identification

[Provide for each co-applicant [refer to Part 1130.220].

Exact Legal Name: Resthave Home
Address: 408 Maple Ave. Morrison, IL. 61270
Name of Registered Agent: James Huber
Name of Chief Executive Officer: Tami Tegeler
CEO Address: 8875 Rick Road, Morrison, IL. 61270
Telephone Number: 573-435-6004

Type of Ownership of Applicant/Co-Applicant

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an Illinois certificate of good standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive all correspondence or inquiries during the review period]

Name: Tami Tegeler
Title: Administrator
Company Name: Resthave Home
Address: 408 Maple Ave., Morrison, IL. 61270
Telephone Number: 815-772-4021
E-mail Address: TamiT@Resthavehome.com
Fax Number:

Additional Contact

[Person who is also authorized to discuss the application for permit]

Name: Chris Dials
Title: Director of Consulting
Company Name: Revere Healthcare
Address: 112 Cary St. Cary, IL. 60013
Telephone Number: 847-516-4900 x312
E-mail Address: CDials@Reverehc.com
Fax Number: 847-516-2260

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Tami Tegeler
Title: Administrator
Company Name: Resthave Home
Address: 408 Maple Ave. Morrison, IL. 61270
Telephone Number: 815-772-4021
E-mail Address: TamiT@Resthavehome.com
Fax Number:

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Resthave Home
Address of Site Owner: 408 Maple Ave., Morrison IL. 61270
Street Address or Legal Description of Site: Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.
APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility, and insert after this page.]

Exact Legal Name: Resthave Home
Address: 408 Maple Ave. Morrison, IL. 61270
<input checked="" type="checkbox"/> Non-profit Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Governmental <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other
<ul style="list-style-type: none"> o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.
APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT-4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2005-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2005-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS ATTACHMENT -5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT-6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

<p>Part 1110 Classification:</p> <p><input checked="" type="checkbox"/> Substantive</p> <p><input type="checkbox"/> Non-substantive</p>	<p>Part 1120 Applicability or Classification: [Check one only.]</p> <p><input type="checkbox"/> Part 1120 Not Applicable</p> <p><input checked="" type="checkbox"/> Category A Project</p> <p><input type="checkbox"/> Category B Project</p> <p><input type="checkbox"/> DHS or DVA Project</p>
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2. Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The Applicant, Resthave Home, proposes to expand their facility, an existing 49 bed intermediate care facility located at 480 Maple Ave., Morrison, IL. 61270. The project includes the conversion of the 49 ICF to 70 skilled nursing beds General Long Term Care beds in new construction contiguous to the existing facility as well as "modernization" of common space.

Construction is estimated to commence on June 1st, 2012 and the facility is projected to open June 2014.

The proposed expansion project will contain 49,889 gross square feet of new construction and 6,335 gross square feet of modernized space and 1,356 gross square feet of existing space and cost an estimated \$9,510,780 including contingencies. The contractor will be hired following the Board's issuance of a certificate of need permit.

The project is substantive because it includes the establishment of additional beds and it is not one of the non-substantive projects listed in Section 1110.40 nor an emergency project. There are no other components to the project other than the General Long Term Care component.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	383,102	478,612	861,714
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	3,181,380	3,974,520	7,155,900
Modernization Contracts			
Contingencies	160,599	200,637	361,236
Architectural/Engineering Fees	183,809	229,634	413,443
Consulting and Other Fees	25,341	31,659	57,000
Movable or Other Equipment (not in construction contracts)	81,581	101,919	183,500
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)	92,473	115,527	208,000
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	120,031	149,956	269,987
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	4,228,316	5,282,464	9,510,780
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	444,581	555,419	1,000,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	3,783,734	4,727,044	8,510,778
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	4,228,316	5,282,464	9,510,780
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____ N/A _____	
Fair Market Value: \$	_____ N/A _____	

The project involves the establishment of a new facility or a new category of service
 Yes No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is \$ 4,011,778.

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

None or not applicable Preliminary
 Schematics Final Working

Anticipated project completion date (refer to Part 1130.140):
06/01/2014

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

Purchase orders, leases or contracts pertaining to the project have been executed.
 Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
 Project obligation will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT-B, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals

Are the following submittals up to date as applicable:

Cancer Registry
 APORS
 All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 All reports regarding outstanding permits

Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE	3,341,979		25,599	22,152	3,447		
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical	3,341,979		25,599	22,152	3,447		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Assisted living	4,175,157		31,981	27,737	2,888	1,356	
Total Non-clinical	4,175,157						
TOTAL	7,517,136		57,580	49,889	6,335	1,356	

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert following this page. Provide the existing bed capacity and utilization data for the latest Calendar Year for which the data are available. Include observation days in the patient day totals for each bed service. Any bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

FACILITY NAME: Resthave Home		CITY: Morrison			
REPORTING PERIOD DATES: From: 1/1/2010 to: 12/31/2010					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long Term Care	49	30	17,558	21	70
Specialized Long Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:	49	30	17,558	21	70

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- o in the case of a corporation, any two of its officers or members of its Board of Directors;
- o in the case of a limited liability company, any two of its managers or members (or the sole manger or member when two or more managers or members do not exist);
- o in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- o in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- o in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Resthane Home *
 in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.

[Signature]
 SIGNATURE
GRIZY LINDSEY
 PRINTED NAME
Treasurer
 PRINTED TITLE

[Signature]
 SIGNATURE
JOHN L. HAUTMAN
 PRINTED NAME
President
 PRINTED TITLE

Notarization:
 Subscribed and sworn to before me
 this 20th day of February, 2012

Notarization:
 Subscribed and sworn to before me
 this 20th day of February 2012

[Signature]
 Signature of Notary

[Signature]
 Signature of Notary

Seal



*Insert EXACT COPY OF SEAL HERE

Seal



SECTION III – BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Criterion 1110.230 – Background, Purpose of the Project, and Alternatives

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT-11.

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project. [See 1110.230(b) for examples of documentation.]
4. Cite the sources of the information provided as documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded if any. For facility projects, include statements of age and condition and regulatory citations if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Agency Report.

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

I. Criterion 1110.1730 - General Long Term Care

1. Applicants proposing to establish, expand and/or modernize General Long Term Care must submit the following information:

Indicate bed capacity changes by Service:
action(s):

Indicate # of beds changed by

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> General Long Term Care	49	21

2. READ the applicable review criteria outlined below and submit the required documentation for the criteria:

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize	Continuum of Care- Establish or Expand	Defined Population Establish or Expand
1110.1730(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X				
1110.1730(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X			
1110.1730(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X				
1110.1730(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X			
1110.1730(b)(5) - Planning Area Need - Service Accessibility	X				
1110.1730(c)(1) - Description of Continuum of Care				X	
1110.1730(c)(2) - Components				X	
1110.1730(c)(3) - Documentation				X	
1110.1730(d)(1) - Description of Defined Population to be Served					X
1110.1730(d)(2) - Documentation of Need					X
1110.1730(d)(3) - Documentation Related to Cited Problems			X		
1110.1730(e)(1) - Unnecessary Duplication of Services	X				
1110.1730(e)(2) - Maldistribution	X				
1110.1730(e)(3) - Impact of Project on Other Area Providers	X				
1110.1730(f)(1) - Deteriorated Facilities			X		
1110.1730(f)(2) & (3) - Documentation			X		

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize	Continuum of Care- Establish or Expand	Defined Population Establish or Expand
1110.1730(f)(4) - Utilization			X		
1110.1730(g) - Staffing Availability	X	X		X	X
1110.1730(h) - Facility Size	X	X	X	X	X
1110.1730(i) - Community Related Functions	X		X	X	X
1110.1730(j) - Zoning	X		X	X	X
1110.1730(k) - Assurances	X	X	X	X	X

APPEND DOCUMENTATION AS ATTACHMENT-28, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: indicate the dollar amount to be provided from the following sources:

\$2,000,000	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:
	1)	the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and
	2)	interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b)	Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c)	Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
\$8,510,779	d)	Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
	1)	For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;
	2)	For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;
	3)	For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;
	4)	For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;
	5)	For any option to lease, a copy of the option, including all terms and conditions.
_____	e)	Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f)	Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g)	All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$10,510,779	TOTAL FUNDS AVAILABLE	

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

IX. 1120.130 - Financial Viability

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. All of the projects capital expenditures are completely funded through internal sources
2. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
3. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 40, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion. When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:				
Current Ratio				20.09
Net Margin Percentage				2.66%
Percent Debt to Total Capitalization				80%
Projected Debt Service Coverage				1.80
Days Cash on Hand				60.57
Cushion Ratio				.70

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 41, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

- 1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Nursing care	\$124.28		57,580				\$7,155,900		\$7,155,900
Contingency	\$6.27		57,580				\$361,236		\$361,236
TOTALS	\$130.55		57,580				\$7,517,136		\$7,517,136

* Include the percentage (%) of space for circulation

Resthave
 COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE
 CON Page 52

Department (listed below)	A	B	C	D	E	F	G	H	
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. \$	Mod. \$	Total cost
	New	Mod.	New	Circ.	Mod.	Circ.	(A x C)	(B x E)	(G + H)
Nursing Care	\$ 124.28	\$ -	57,580	-	-	-	\$ 7,155,900	\$ -	\$ 7,155,900
Contingency	\$ 6.27	\$ -	57,580	-	-	-	\$ 361,236	\$ -	\$ 361,236
TOTALS	\$ 130.55	\$ -	57,580	-	-	-	\$7,517,136	\$ -	\$ 7,517,136

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 42, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XI. Safety Net Impact Statement

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE AND DISCONTINUATION PROJECTS:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 43.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)	Year	Year	Year
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			

Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT-43, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

XII. Charity Care Information

Charity Care Information **MUST** be furnished for **ALL** projects.

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer. (20 ILCS 3960/3) Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 44.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT-44, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire, completed application, indicate in the chart below, the page numbers for the attachments included as part of the project's application for permit:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant/Coapplicant Identification including Certificate of Good Standing	21-28
2	Site Ownership	29-43
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	
5	Flood Plain Requirements	44-45
6	Historic Preservation Act Requirements	46-47
7	Project and Sources of Funds Itemization	48-50
8	Obligation Document if required	
9	Cost Space Requirements	51-53
10	Discontinuation	
11	Background of the Applicant	54-88
12	Purpose of the Project	89-154
13	Alternatives to the Project	155-156
14	Size of the Project	157
15	Project Service Utilization	158
16	Unfinished or Shell Space	
17	Assurances for Unfinished/Shell Space	
18	Master Design Project	
19	Mergers, Consolidations and Acquisitions	
	Service Specific:	
20	Medical Surgical Pediatrics, Obstetrics, ICU	
21	Comprehensive Physical Rehabilitation	
22	Acute Mental Illness	
23	Neonatal Intensive Care	
24	Open Heart Surgery	
25	Cardiac Catheterization	
26	In-Center Hemodialysis	
27	Non-Hospital Based Ambulatory Surgery	
28	General Long Term Care	159-385
29	Specialized Long Term Care	
30	Selected Organ Transplantation	
31	Kidney Transplantation	
32	Subacute Care Hospital Model	
33	Post Surgical Recovery Care Center	
34	Children's Community-Based Health Care Center	
35	Community-Based Residential Rehabilitation Center	
36	Long Term Acute Care Hospital	
37	Clinical Service Areas Other than Categories of Service	
38	Freestanding Emergency Center Medical Services	
	Financial and Economic Feasibility:	
39	Availability of Funds	386-389
40	Financial Waiver	
41	Financial Viability	393-403
42	Economic Feasibility	390-392
43	Safety Net Impact Statement	404-405
44	Charity Care Information	406

Type of Ownership of Applicant:

Non-Profit

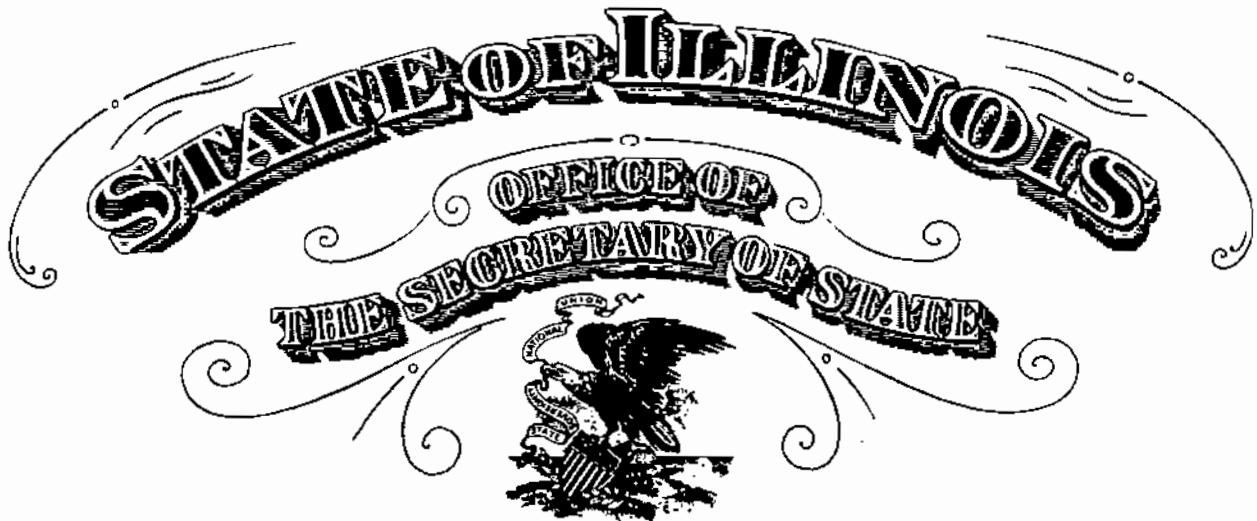
See Certificate of Good Standing and Articles of Incorporation attached below.

Also, the following items are appended:

Applicant information – a list of Board members is appended as Attachment 1A

Applicant information –an organization chart is appended as Attachment 1B

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 15, 1957, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1204401078

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 13TH
day of FEBRUARY A.D. 2012 .

Jesse White

SECRETARY OF STATE

REP
2:11:271

Filed & Recorded APR 23 1957 at 8 O'clock A.M.
Certificate Number 7925



To all to whom these Presents shall Come, Greeting.

Whereas, *Officers of Incorporation* do by *signature* and *seal* of

ESTABLISHMENT OF WILMINGTON COUNTY, ILLINOIS
have been filed in the Office of the Secretary of State on the 15th
day of APRIL 1957 as provided by the GENERAL NOT
FOR PROFIT CORPORATION ACT of Illinois approved July 11, 1942 in force
January 1, 1944.

Now Therefore, JAMES F. CUMPTON, Secretary of State of the State of Illinois
by virtue of the power vested in me by law do hereby issue the Certificate of
Incorporation and attach thereto a copy of the Articles of Incorporation
of the aforesaid corporation

In Testimony Whereof, I have caused my hand and seal to be
affixed to this Great Seal of the State of Illinois
at the City of Springfield this 15th
day of APRIL 1957 and
of the Independence of the United States
the one hundred and 81st.

James F. Cumpston
SECRETARY OF STATE



525

FORM NO. 1
ARTICLES OF INCORPORATION
under the
GENERAL NOT-FOR-PROFIT
CORPORATION ACT
of

State of Illinois
County, Illinois.

(NOTE: Any special provisions authorized or permitted by statute to be included in the Articles of Incorporation may be inserted here.)

(INCORPORATION BY CERTIFICATE)

John T. Seale
James H. Bennett
Carl W. Peck

ACKNOWLEDGMENT

County of Whiteside, State of Illinois, I, John T. Seale, Clerk of said County, do hereby certify that on the 15th day of April, 1957, the foregoing instrument was duly filed for record in my office, and that the same is a true and correct copy of the original as the same appears from the records of said office.

Witness my hand and seal of said County at Rockford, Illinois, this 15th day of April, 1957.

John T. Seale
Clerk of said County

FILED
APR 15 1957

Charles S. [Signature]
Secretary of State

See Article Nine of Constitution and Filed in
Book

Fee \$10.00

Applicant Information

List of Board of Directors

John Hauptman	608 W. Lincolnway, Morrison, IL. 61270
Carolyn Aiken	627 W. Lincolnway, Morrison, IL. 61270
Jerry Lindsey	16027 Henry Rd. Morrison, IL. 61270
Phil Eckland	501 S. Base St. Morrison, IL. 61270
Mary Lou Renwick	521 E. Wall St. Morrison, IL. 61270
Anne Frame	16140 Ridgewood Dr. Morrison, IL. 61270
Jane Pressman	1708 Ridgewood Dr. Morrison, IL. 61270
Douglas Leech	301 Sycamore St. Morrison, IL. 61270
Barbara Austin	111 Maple Ave. Morrison, IL. 61270
Roland Ebbers	304 Oak Morrison, IL. 61270
Darlene Eckland	501 S. Base St. Morrison, IL. 61270
Marge Schleuning	630 Genessee Ave. Morrison, IL. 61270

ATTACHMENT 1A

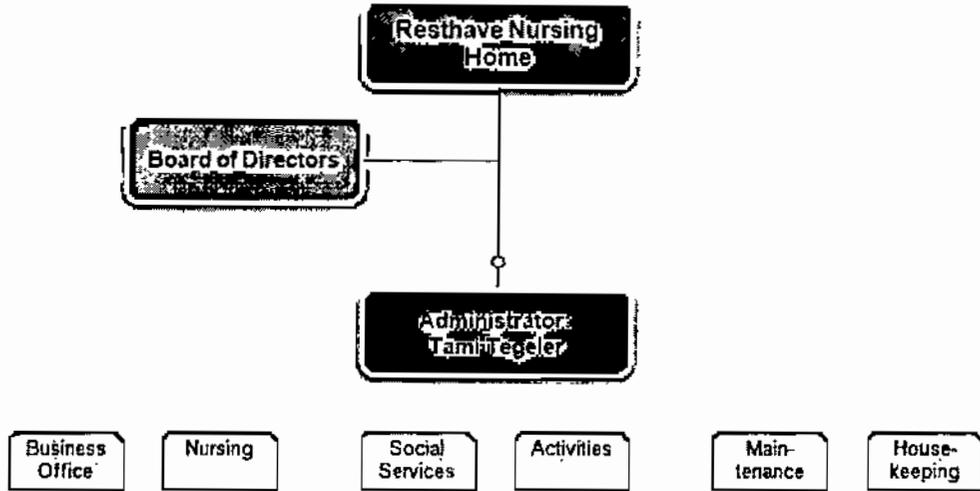
Applicant Information

Organizational Charts

See attached organizational chart for Resthave Home

ATTACHMENT 1B

Organizational Structure



Site Ownership

The legal description of the site is as follows:

408 Maple Ave. Morrison, IL. 61270

See attached warranty deeds.

ATTACHMENT-2

No. 312226

WARRANTY DEED
STATUTORY FORM

K. EDGAR MACLENNAN

and MARGARET MACLENNAN

TO

RESTHAVE HOME

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the DEC 11 1964

day of 3rd A. D. 1964

at 3⁰⁰ o'clock P. M., and re-
corded in Book 531 of

Records on page 584

William Ottens

Recorder.

By D. G. McKee, Deputy

Return to

BULL, LUDENS & POTTER

MORRISON, ILLINOIS

Fee Paid \$ 2⁰⁰

Date 11/2/64

Consideration \$ 10.

Undivided 1/3 int

(Pt & W)

Section 17

Township 21

Range 5

Lot _____

Block _____

19525

THIS INDENTURE WITNESSETH, That the Grantor K. Edgar MacLennan and Margaret MacLennan, his wife,

of the City of Oak Park in the County of Cook and State of Illinois for and in consideration of the sum of Ten (\$10.00) Dollars, in hand paid

and other good and valuable consideration, CONVEY AND WARRANT TO Resthavs Home of Whiteside County, Illinois

of the City of Morrison County of Whiteside and State of Illinois the following described Real Estate, to-wit:

An undivided one-third interest in and to the following described real estate: Commencing at the Southwest corner of Lot Three, in Weaver's Addition to the City of Morrison, Whiteside County, Illinois; thence Southerly on the east line of Jackson Street in said City 33 feet; thence Easterly on a line parallel with the center line of Wall Street in Savage's Addition to the City of Morrison 138 feet; thence Northerly on a line parallel with said Jackson Street to the Southeast corner of said Lot Three; thence Westerly along the Southerly line of said Lot Three, to the place of beginning.

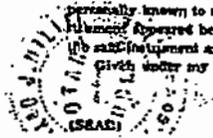


situated in the County of Whiteside, in the State of Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State. Promises are conveyed subject to taxes for the year 1964.

Dated this 2nd day of September, A. D. 1964.
K. Edgar MacLennan
Margaret MacLennan

STATE OF ILLINOIS
Whiteside County, | EDWARD J. MILLER a Notary Public
in and for said County, in the State aforesaid, DO HEREBY CERTIFY, That K. Edgar MacLennan and Margaret MacLennan, his wife,

personally known to me to be the same person of whose name I subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed, sealed and delivered the same instrument as the free and voluntary act for the uses and purposes therein set forth. Given under my hand and Notarial seal this 2nd day of September, A. D. 1964.
Edward J. Miller
Notary Public



No. 312225

WARRANTY DEED
STATUTORY FORM

ELINOBE L. HEATON and
ORLAND B. HEATON
TO
RESHAVE HOME

Date 10/31/64

Consideration \$ 10.

Undivided 1/2 int
Pr 840'

Section 17

Township 21

Range 5

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the DEC 11 1964

day of 500 A. D. 19

at 500 o'clock P. M., and re-

corded in Book 531 of

Records on page 513

William Ottens
Recorder.

By D. A. Mc Kee, Deputy

Return to

BULL, LUDENS & POTTER
MORRISON, ILLINOIS

Fee Paid \$ 2.00

Lot _____

Block _____

92526T

Application Page 33

THIS INDENTURE WITNESSETH, That the Grantor is Elinore L. Heaton and Orland B. Heaton, her husband,

of the County of McHenry and State of Illinois for and in consideration of the sum of Ten (\$10.00) Dollars, in hand paid

and other good and valuable consideration, CONVEY AND WARRANT TO Resthove Home of Whiteside County, Illinois

of the CITY OF MORRISON County of Whiteside and State of Illinois the following described Real Estate, to-wit:

An undivided one-third interest in and to the following described real estate: Commencing at the Southwest corner of Lot Three, in Weaver's Addition to the City of Morrison, Whiteside County, Illinois; thence Southerly on the east line of Jackson Street in said City 33 feet; thence Easterly on a line parallel with the center line of Wall Street in Savage's Addition to the City of Morrison 138 feet; thence Northerly on a line parallel with said Jackson Street to the Southeast corner of said Lot Three; thence Westerly along the Southerly line of said Lot Three, to the place of beginning,



situated in the County of Whiteside, in the State of Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State. Premises are conveyed subject to taxes for the year 1964.

Dated this 31st day of October, A. D. 1964.
Elinore L. Heaton
Elinore L. Heaton
Orland B. Heaton
Orland B. Heaton

STATE OF ILLINOIS }
Whiteside County, } ss. L. A. Ludens, a Notary Public

in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Elinore L. Heaton and Orland B. Heaton, her husband

personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth. Witness my hand and Notarial seal this 31st day of October, A. D. 1964.



L. A. Ludens
L. A. Ludens, Notary Public.

No. 312224

WARRANTY DEED
STATUTORY FORM

RUTH M. HAINES and
KENNETH J. HAINES
TO
RESTHAVE HOME

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the DEC 11 1964

day of 3rd A. D. 19 64,
at 3⁰⁰ o'clock P.M., and re-
corded in Book 531 of
Records on page 582.

William Ottens
Recorder.

By D. H. McKee, Deputy

Return to
Bull, Ludens & Pötter
Morrison, Illinois

Fee Paid \$ 2⁰⁰

Date 10/31/64

Consideration \$ 10.

Undivided 1/2 int
Pl 84

Section 17

Township 11

Range 5

Lot _____

Block _____

1952

THIS INDENTURE WITNESSETH, That the Grantor Ruth M. Haines and Kenneth J. Haines, her husband,

of the City of Chicago In the County of Cook and State of Illinois for and in consideration of the sum of Ten (\$10.00) Dollars, in hand paid

and other good and valuable consideration; CONVEY AND WARRANT TO Reatha Home of Whiteside County, Illinois,

of the City of Morrison, County of Whiteside and State of Illinois the following described Real Estate, to-wit:

An undivided one-third interest in and to the following described real estate: Commencing at the Southwest corner of Lot Three, in Weaver's Addition to the City of Morrison, Whiteside County, Illinois; thence Southerly on the east line of Jackson Street in said City 33 feet; thence Easterly on a line parallel with the center line of Wall Street in Savage's Addition to the City of Morrison 138 feet; thence Northerly on a line parallel with said Jackson Street to the Southeast corner of said Lot Three; thence Westerly along the Southerly line of said Lot Three, to the place of beginning,



situated in the County of Whiteside, in the State of Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State. Premises are conveyed subject to taxes for the year 1964.

Dated this 31st day of October, A. D. 1964.
Ruth M. Haines
Ruth M. Haines
Kenneth J. Haines
Kenneth J. Haines

STATE OF ILLINOIS }
Whiteside County, } ss. L. A. Ludens, Notary Public
In and for said County, in the State aforesaid, DO HEREBY CERTIFY, That Ruth M. Haines and Kenneth J. Haines, her husband,

personally known to me to be the same person whose name subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they signed, sealed and delivered the foregoing instrument as their free and voluntary act for the uses and purposes therein set forth, given under my hand and Notarial seal this 31st day of October, A. D. 1964.



L. A. Ludens
L. A. Ludens Notary Public

No. 259486

WARRANTY DEED
STATUTORY FORM

BERNARD VOSS
AND
DOROTHY M. VOSS

TO

THE RESTHAVE HOME OF WHITESIDE
COUNTY, ILLINOIS, A CORPORATION

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the FEB 28 1958

day of _____ A. D. 19____,

at 2³⁰ o'clock P. M., and re-

corded in Book 460 of

Records on page 237

John E. Hall

Recorder.

By Telma Ketch, Deputy

Return to

Lee Vanderschaff

301-S-Jackson, Morris, Ill.

Fee Paid \$ 2⁰⁰

Date 1/22/58

Consideration \$ 10.

pt&w

Section 17

Township 21

Range 5

Lot _____

Block _____

Yess, husband and wife,
 of the City of Morrison, in the County of Whiteoide
 and State of Illinois for and in consideration of the sum of Ten Dollars, in hand paid
 and other good and valuable consideration,
CONVEY AND WARRANT TO The Eastbave Edge of Whiteside County, Illinois,
 a Corporation,
 of the County of Whiteside
 State of Illinois the following described Real Estate, to-wit:

A part of the Southwest Quarter of Section 17,
 Township 21 North, Range 5 East of the 4th P. M.,
 described as follows to-wit: Beginning on the
 South line of the Right-of-Way of the Chicago &
 Northwestern Railway Company at the Northeast
 Corner of Lot One in Weaver's Addition to the
 City of Morrison, and running thence Easterly
 along the South line of said Right-of-Way to
 the land of the heirs and devisees of Merrill
 Wood deceased, thence South along the West line
 of said land of the heirs and devisees of Merrill
 Wood to the point of intersection of said West
 line with the center line of Wall Street in the
 City of Morrison, thence Easterly, thence
 Westerly along said center line of Wall Street,
 thence to the Easterly line of said Weaver's
 Addition, thence Northerly to the place of
 beginning.



situated in the County of Whiteside, in the State of Illinois, hereby releasing and waiving all rights under
 and by virtue of the Homestead Exemption Laws of this State.

Dated this 22d day of January 1938 A. D. 1938
B. Edward Jones
Proby M. Wood

STATE OF ILLINOIS }
 Whiteside County, } ss. L. O. Walker, Esq. a Notary Public
 in and for said County, in the State aforesaid, DO HEREBY CERTIFY, That Bernard Yess and
Bertha M. Yess, husband and wife,

personally known to me to be the same persons as whose names are subscribed to the foregoing in-
 strument appeared before me this day in person and acknowledged that they, signed, sealed and delivered
 the said instrument as their free and voluntary act for the uses and purposes therein set forth.
 Given under my hand and Notarial seal this 22d day of January A. D. 1938.



L. O. Walker, Esq.
 Notary Public

No. 259006

WARRANTY DEED
STATUTORY FORM

Elmer S. Entwhistle
and
Lillian E. Entwhistle

TO

The Resthove Home of
Whiteside County, Illinois

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the **FEB 14 1958**

day of _____ A. D. 19__

at 9⁴⁰ o'clock 9 M., and re-

corded in Book 459 of

Records on page 570

John E. Hall

Recorder.

By D. A. Mc Kee, Deputy

Return to

Lee Vanhook
301 S. Jackson St
Marion, Ill.

Fee Paid \$ 2⁰⁰

Date 2/10/58

Consideration \$ 10.

Section _____

Township _____

Range _____

Lot 2

Block _____

Southlawn Subd # 2

in SW 17
21
5

THIS INSTRUMENT VALID UNDER THE LAWS OF THE STATE OF ILLINOIS

Lillian E. Entwhistle, husband and wife,

of the City of Morrison in the County of WhiteSide
 and State of Illinois for and in consideration of the sum of
TEN Dollars, in hand paid
 and other good and valuable consideration,
 CONVEY AND WARRANT TO The Resthove Home of Whiteside County,
Illinois,

243

of the WhiteSide County of WhiteSide and
 State of Illinois the following described Real Estate, to-wit:

Lot 2 in South Lawn Subdivision No. 2 located in the
 Southwest Quarter of Section 17, Township 21 North,
 Range 5 East of the 4th P.M., City of Morrison, and



situated in the County of WhiteSide, in the State of Illinois, hereby releasing and waiving all rights under
 and by virtue of the Homestead Exemption Laws of this State.

Dated this tenth day of February, A. D. 19 58
Lillian E. Entwhistle
Elmer S. Entwhistle

STATE OF ILLINOIS }
 Whiteside County, } ss. I, John A. Fletcher, a Notary Public
 in and for said County, in the State aforesaid, DO HEREBY CERTIFY, That Elmer S. Entwhistle
and Lillian E. Entwhistle, husband and wife,



known to me to be the same person as whose name is subscribed to this foregoing In-
 strument, appeared before me this day in person and acknowledged that he signed, sealed and delivered
 the said instrument as their free and voluntary act for the uses and purposes therein set forth.
 Witness my hand and Notarial seal this 10th day of February, A. D. 19 58.

John A. Fletcher
 Notary Public.

No. 259327

WARRANTY DEED
STATUTORY FORM

Marvin H. Dykema
and
Alice M. Dykema
TO
The Resthove Home of
Whiteside County, Illinois

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record
in the Recorder's Office of Whiteside
County aforesaid, on the FEB 25 1958

day of _____ A. D. 19 _____,

at 9⁰⁰ o'clock A. M., and re-

corded in Book 460 of

Records on page 158

John E. Hall
Recorder.

By Velma Feith, Deputy

Return to
Lee Vander Schaaf
3015 Jackson
Moline, Ill.

Fee Paid \$ 2.00

Date 2/25/58

Consideration \$ 10.

Pt 80'

Section 17

Township 21

Range 5

Lot

Block

THIS INDENTURE WITNESSETH, That the Grantor Harvin H. Dykema and Alice M. Dykema, Husband and wife,

of the City of Morrison in the County of Whiteside and State of Illinois for and in consideration of the sum of Ten Dollars, in hand paid

and other good and valuable consideration, CONVEY AND WARRANT TO The Rqthavo Home of Whiteside County, Illinois

of the Whiteside County of Illinois and State of Illinois, the following described Real Estate, to-wit:

All that part lying South of the center line of Wall Street in the City of Morrison, if said center line were continued Easterly parallel with the right of way of the Chicago and Northwestern Railway, of the following described tract: Commencing 14.30 chains East and 15.41 chains North of the Southwest corner of Section 17 in Township 21 North of Range 5 East of the 4th P.M.; thence North 8.50 chains to said right of way; thence Northwesterly along said right of way 8.60 chains; thence South 14 3/4 degrees West 2.08 chains; thence South 1 degree West 9.39 chains; thence North 89 degrees East 8.97 chains to the place of beginning, excepting from the foregoing that part thereof conveyed to Sara W. and Goldie E. Hunter by Warranty Deed dated January 27, 1947, recorded in the Recorder's Office of Whiteside County, Illinois, in Book 360, Page 299, situated in Whiteside County, Illinois.

Also, a strip of land 69 links wide North and South and adjoining the above described tract on the South and running the same length East and West.

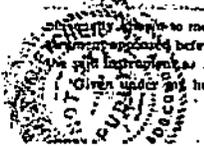


situated in the County of Whiteside, in the State of Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State.

Noted this 25th day of January, A. D. 19 58.

Harvin H. Dykema
Alice M. Dykema

STATE OF ILLINOIS }
Whiteside County, } ss. I, John A. Fletcher, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Harvin H. Dykema and Alice M. Dykema, husband and wife,



personally known to me to be the same person or persons whose name or names are subscribed to the foregoing instrument, and before me this day in person and acknowledged that they signed, read and delivered the instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial seal this 25th day of JANUARY, A. D. 19 58.
John A. Fletcher

Application Page 41

QUIT CLAIM DEED

Statutory (Illinois)

13731-2002

2

MAIL TO:

RESTHAVE HOME
25 408 MAPLE AVENUE
MORRISON, IL 61270

NAME & ADDRESS OF TAXPAYER:

RESTHAVE HOME
408 MAPLE AVENUE
MORRISON, IL 61270

STATE OF ILLINOIS	SS
WHITESIDE COUNTY	
Filed in the Recorder's Office of said County	
On	NOV 19 2002
at	10:15 O'clock <u>A.</u> M
By	<u>Deann M. Young</u> Recorder
	Deputy

RECORDER'S STAMP

THE GRANTOR Mariorie M. Gorzny

of the City of Morrison County of Whiteside State of Illinois

for and in consideration of One and No/100 (\$1.00) DOLLAR

and other good and valuable considerations in hand paid.

CONVEY AND QUIT CLAIM to Resthave Home, a not-for-profit corporation,

(GRANTEE'S ADDRESS) 408 Maple Avenue

of the City of Morrison County of Whiteside State of Illinois

all interest in the following described Real Estate situated in the County of Whiteside, in the State of Illinois, to wit:

That portion of the street known as Creek Street, located adjacent to Lot 6 in the Southlawn Subdivision No. 2 located in the Southwest Quarter of Section 17, Township 21 North, Range 5 East of the 4th P.M., in the City of Morrison, Whiteside County, Illinois, said street having been vacated by the city council of the City of Morrison, Illinois by Ordinance No. 02-15, passed by the city council of the City of Morrison on August 14, 2002, and recorded in the office of the Whiteside County Recorder on August 21, 2002 as Document No. 9674-2002, and Ordinance No. 02-17, passed by the city council of the City of Morrison, Illinois, on August 29, 2002 and recorded in the office of the Whiteside County Recorder on September 3, 2002 as Document No. 10192-2002.

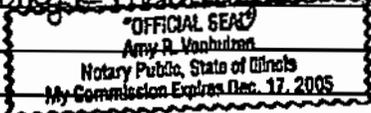
NOTE: If additional space is required for legal - attach on separate 8-1/2 x 11 sheet.

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois
Permanent Index Number(s) _____

Property Address: Creek Street, Morrison, IL 61270

DATED this 14 day of November XX 2002.

<u><i>Amey R. Vanhulst</i></u> (Seal)	<u><i>Mariorie M. Gorzny</i></u> (Seal)
<u><i>Mariorie M. Gorzny</i></u> (Seal)	<u><i>Deann M. Young</i></u> (Seal)



NOTE: PLEASE TYPE OR PRINT NAME BELOW ALL SIGNATURES



STATE OF ILLINOIS, }
County of Whiteside } ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT

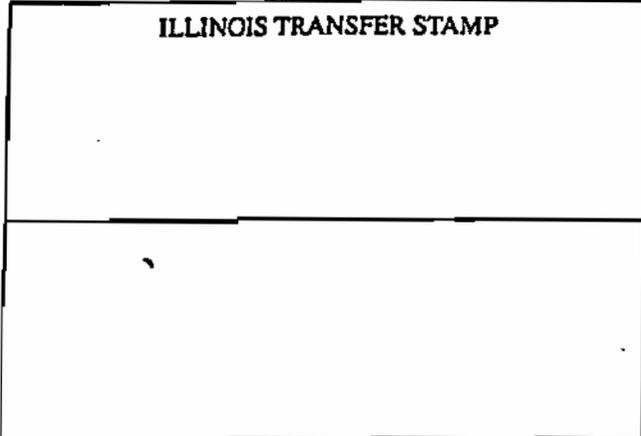
Marjorie M. Gorzny

personally known to me to be the same person _____ whose name _____ subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that _____ she _____ signed, sealed and delivered the said instrument as _____ her _____ free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and notarial seal, this 14th day of November, 18 2002

My Commission expires on _____, 19____.

Ronald F. Coplan
Notary Public



IMPRESS SEAL HERE

"OFFICIAL SEAL"
RONALD F. COPLAN
Notary Public, State of Illinois
My Commission Expires 05/09/08

COUNTY TRANSFER STAMP
NAME and ADDRESS OF PREPARER:
Ronald F. Coplan
114 East Main Street
Morrison, IL 61270

EXEMPT UNDER PROVISIONS OF PARAGRAPH
e SECTION 4, REAL

ESTATE TRANSFER ACT

DATE 11-14-02
Ronald F. Coplan
Buyer, Seller or Representative

**This conveyance must contain the name and address of the Grantee for tax billing purposes: (Chap. 55ILCS5/3-5020) and name and address of the person preparing the instrument: (Chap. 55ILCS 5-3-5022)

QUIT CLAIM DEED

Statutory (Illinois)

13731
FROM 2002

Marjorie M. Gorzny

TO

RESTHAVE HOME

STATE OF ILLINOIS, }
Whiteside County, } ss.

This instrument has been filed for record in the Recorder's Office of Whiteside County aforesaid, on the _____

day of NOV 19 2002 A. D. 19____,

at 10:15 o'clock A.M.,

Dawn M. Henry

Recorder.

By _____, Deputy

Return to: RONALD F. COPLAN
114 E. MAIN ST.
MORRISON, IL 61270

Fee Paid \$ _____

Flood Plain Requirements

Per map attached as Attachment-5, the property is not located in a Special Flood Hazard Area or a shaded Zone X flood zone.

ATTACHMENT-5

Historic Resources Preservation Act Requirements

Per letter attached as Attachment-6, the property is in compliance with the requirements of the Historic Resources Preservation Act.

ATTACHMENT-6



**Illinois Historic
Preservation Agency**

FAX (217) 782-8161

1 Old State Capitol Plaza • Springfield, Illinois 62701-1512 • www.illinois-history.gov

Whiteside County
Morrison

Expansion of Skilled Nursing Facility, Resthove Retirement and Nursing Home
408 Maple Ave.
IHPA Log #027012012

February 1, 2012

Stephanie Hefner
Revere Healthcare, Inc.
112 Cary Street
Cary, IL 60013

Dear Ms. Hefner:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5027.

Sincerely,

Anne E. Haaker
Deputy State Historic
Preservation Officer

Project Costs and Sources of Funds

Itemization of project costs and sources of funds follows this page.

ATTACHMENT-7

Resthave
Application Page6
Project Costs and Sources of Funds

USE OF FUNDS	CLINICAL	SUBTOTAL CL	NON-CLINICAL	SUBTOTAL NON-CL	TOTAL
Preplanning Costs		383,102		478,612	
Legal and Accounting	20,006		24,994		45,000
Development fee	334,198		417,516		751,714
Taxes, Title & Insurance	28,898		36,102		65,000
Site Survey and Soil Investigation		-		-	-
Included in construction	-		-		-
Site Preparation		-		-	-
Included in construction	-		-		-
Off Site Work		-		-	-
New Construction Contracts		3,181,380		3,974,520	
Construction	3,181,380		3,974,520		7,155,900
Builder profit		-		-	-
Modernization Contracts		-		-	-
Contingencies		160,599		200,637	
Working capital allowance		-		-	-
Construction contingency	160,599		200,637		361,236
Minor movable escrow		-		-	-
Architectural/Engineering Fees		183,809		229,634	
Architect's fee (3.5% of construction)	183,809		229,634		413,442
Consulting and Other Fees		-		-	-
Movable or Other Equipment (not in Furnishings and security)		81,581		101,919	
Bond Issuance Expense (project)		-		-	-
Net Interest Expense During		92,473		115,527	
Fair Market Value of Leased Space or		-		-	-
Other Costs to be Capitalized		120,031		149,956	
Cost of financing	120,031		149,956		269,987
Acquisition of Building or Other		-		-	-
TOTAL USES OF FUNDS	4,202,975	4,202,975	5,250,804	5,250,804	9,453,779
SOURCE OF FUNDS	CLINICAL		NON-CLINICAL		
Cash and Securities		444,581		555,419	
Owner cash	444,581		555,419		1,000,000

	-	-	-	-	-
Pledges		-		-	
	-		-		-
	-		-		-
Gifts and Bequests		-		-	
	-		-		-
	-		-		-
Bond issues (project related)		-		-	
	-		-		-
	-		-		-
Mortgages		3,783,734		4,727,044	
Mortgage	3,783,734		4,727,044		8,510,779
	-		-		-
Leases (fair market value)		-		-	
	-		-		-
	-		-		-
Governmental Appropriations		-		-	
	-		-		-
	-		-		-
Grants		-		-	
	-		-		-
	-		-		-
Other Funds and Sources		-		-	
	-		-		-
	-		-		-
	-		-		-
TOTAL SOURCES OF FUNDS	4,228,316	4,228,316	5,282,463	5,282,463	9,510,779

Cost Space Requirements

Documentation for GSF by Department and area follows this page.

ATTACHMENT-9

Dept./Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet that is:			
		Existing	Proposed	New Construction	Modernized	As Is	Vacated Space
CLINICAL							
Patient Rooms		-	14,151	14,151	-	-	-
Patient Bathrooms		-	3,590	3,590			
Nurses Station/Med Prep		-	641	366	275		
LR/DR/Activity		-	4,271	2,431	1,840		
Exam Room		-	75	75			
Kitchen/Food Svc			821	211	610		
PT/OT		-	684		684		
Laundry			234	234			
Janitor Closet		-	30	30			
Clean/Soiled Linen		-	830	792	38		
Beauty/Barber			272	272			
Total CLINICAL			25,599				
NON CLINICAL							
Office/Admin			1,523				
Kitchen							
EE Lounge			434		434		
Locker, Training							
Mechanical			676			676	
Lobby			631		631		
Storage/Maint			1,200		570	630	
Corridor/Public Toilet			6,518	5,463	1,055		
Structure/Misc			1,298	1,100	198		
Stairs/Elevators		-	50			50	
Total NON CLINICAL			11,032				
TOTAL			37,929				

CON PAGE 7

Dept./Area	Cost	Gross Square Feet		Count of Proposed Total Gross Square Feet that			
		Existing	Proposed	Constructed	Modernized	As Is	Vacated Space
CLINICAL	3,341,979		25,599	22,152	3,447	-	-
Medical Su	-	-	-	-	-	-	-
Intensive C	-	-	-	-	-	-	-
Diagnostic	-	-	-	-	-	-	-
MRI	-	-	-	-	-	-	-
Total Clinic	3,341,979		25,599	22,152	3,447	-	-
NON CLINICAL							
Administra	-	-	-	-	-	-	-
Parking		-	-	-	-	-	-
Gift Shop		-	-	-	-	-	-
	4,175,157		31,981	27,737	2,888		
Total Non-	4,175,157	-	-	-	-	-	-
TOTAL	7,517,136	-	57,580	22,152	3,447	-	-

APPEND DOCUMENTATION AS ATTACHMENT-8 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM
 Linked to ATTACHMENT-8

9,510,779

Background of Applicant

- 1) Resthave Home opened in 1961. It is a non-for-profit home. Resthave Home provides twenty-four hour nursing care in their nursing wing and supervised care in their retirement wing. A copy of their license and a brochure describing Resthave's history and mission are appended as **Attachment-11 Item 1**.
- 2) A certified listing of adverse actions is attached as **Attachment-11 Item 2**.
- 3) Letters authorizing HFSRB and DPH to access any documents necessary to verify the information submitted are appended as **Attachment-11 Item 3**.
- 4) The applicant has not submitted more than one application for permit. Therefore, this item is not applicable.



State of Illinois 1987694
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

DANON T. ARNOLD, M.D.
DIRECTOR

Issued under the authority of
 The State of Illinois
 Department of Public Health

EXPIRATION DATE	CATEGORY	LIC. NUMBER
06/19/2012	868E	0005785
LONG TERM CARE LICENSE		
INTERMEDIATE		049
SHELTERED		025
UNRESTRICTED 074 TOTAL BEDS		

BUSINESS ADDRESS
LICENSEE

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS

RESTHAVE HOME—WHITESIDE COUNTY
408 MAPLE AVENUE
MORRISON ILL 61276

EFFECTIVE DATE: 06/20/10

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/07 •

Resthave Nursing and Retirement Center



Located at 408 Maple Avenue in Morrison, IL

815-772-4021

Office hours are 8 a.m. to 5 p.m. Monday through Friday

Philosophy

Resthave Nursing and Retirement Home participates in Christian witness - a healing ministry of justice, love, peace and service. We affirm our commitment to serve our community, especially the needy, ill and the disabled. In our works, we affirm the dignity and value of each person. We dedicate our efforts to aid all persons in their striving for human wholeness - physically, spiritually, socially and intellectually.

We acknowledge health as a basic human value and commit our efforts to promote, preserve, protect, and restore wellness wherever we are able. We embrace the opportunity to extend compassionate service to the suffering and lonely. We acknowledge sickness, Suffering, and death as an integral aspect of human life. In these moments, we strive to offer hope, healing, and peace.

We pledge ourselves to these values and beliefs; we commit ourselves to continually seek out ways of embodying them in our services, actions, and activities.

Mission Statement

The mission of Resthave Nursing and Retirement Home is to provide quality nursing care for the chronically ill and elderly, in a home like atmosphere.

The beginning of Resthave

On January 15, 1955 a meeting was held in the Emanuel Reformed Church in Morrison, Illinois to begin a study for a proposed 'Home for the Aged'. The Reformed Church Classis of Illinois had adapted this committee. Those selected were from Morrison and Fulton Reformed Churches.

At the April 22, 1955 meeting, a motion was made to include all Reformed and Christian Reformed Churches in Whiteside County in this new project.

After Monthly meetings and much study and discussion, a motion was made at the September 13, 1955 meeting to vote on whether or not to proceed in establishing a "Home for the Aged". This motion was unanimously approved and another motion was made to elect 10 men, one from each of the following churches, to take steps to form a corporation for this "Home".

- First Reformed Church – Fulton, IL
- Second Reformed Church – Fulton, IL
- Trinity Reformed Church - Morrison, IL
- First Christian Reformed Church – Fulton, IL
- Spring Valley Reformed Church – Morrison, IL
- Ebenezer Reformed Church – Morrison, IL
- Christian Reformed Church – Morrison, IL
- Bethel Reformed Church – Sterling, IL
- Newton Zion Reformed Church – Erie, IL

Studies were made on existing buildings in the area to be renovated. However, the State of Illinois discouraged this because structures being considered had too many code violations to be dealt with thus probably becoming too costly.

The committee began searching building sites and found the area most practical to be the approximately 5 acres at the east end of Wall Street in Morrison, Illinois. The committee agreed to pick up an option on this property and talk to an attorney about Articles of Incorporation.

Resthave Timeline

January 21, 1957

Fulton churches became less interested in the Morrison site and suggested

further studies be made on other sites.

February 28, 1957

Interest became apparent of possibly establishing a "Home" in Morrison and one in Fulton.

March 25, 1957:

Members from First Reformed, Second Reformed and Christian Reformed Churches of Fulton, Illinois, reported they would not go along with the program if considering the Morrison site.

Up to this time, this project was identified as "Home for the Aged". *5-20-57 The project is referred to as "Resthave Home". It seems requests went out to interested churches and the new name was chosen. At this meeting it was voted to purchase the site at the east end of Wall Street, Morrison, Illinois.

September 30, 1957

Minutes reported to have each church of the county elect their own members to the Board of Trustees.

January 29, 1958

Noted the Board shall consist of 2 persons, one man and one woman from each church to serve a term of four (4) years and be eligible to serve for two terms.

February 26, 1958

8 Trustees were drawn for terms of service for one (1) year, two (2) years, three (3) years, four (4) years but no notes as to how the change came about. A motion was made to arrange for an architect to submit tentative plans for a retirement home for the aged.

March 23, 1959

Discussion of soliciting bonds. Most of the 1959 minutes noted funding, bonds, etc. - mowing the hay - good crop - and selling it.

February 15, 1960

Motion was made to proceed with working plans for a 25-bed Retirement Home, not to exceed \$100,000.00.

May 24, 1960

Special meeting held which noted the February 15, 1960 motion for \$100,000.00 cost had to be rescinded and a new motion made to extend construction indebtedness to \$140,000.00.

September 26, 1960

A motion to contact Fulton churches once again to meet with the Board to discuss possibilities of cooperation in the work of Resthave Home.

January 9, 1961

Board met in the newly constructed Resthave Home, and the building.

committee turned the Home over to the care of the Board of Trustees. Minutes noted letters from Fulton churches - but no note of contents and that is the last minutes that Fulton churches are mentioned.

The minutes note that all of the residents of the Home were approved or disapproved by the Board of Trustees.

May 8, 1961

Local Garden Club takes on the landscaping project.

May 22, 1961

Looking into possibilities for a service drive to the rear of the property.

November 23, 1964

Purchased the McLennan property for a service drive.

May 22, 1965

Discussed the potential of adding a Nursing Unit to existing building.

August 23, 1965

Discussed architects Blueprints for nursing wing.

September 27, 1965

Reviewed blueprints for nursing wing. Motion carried to build Nursing wing.

September 28, 1965

Motion to visit all churches in the community to try to get interest in nursing wing.

September 26, 1966

By-laws revised discussed new wing.

Construction to begin in the spring of 1967.

Feb 17/18 1969

Dedication service

March 31, 1969

Open house for new wing scheduled for April 19 and 20, 1969.

September 9, 1969

Reported forty three (43) beds occupied in Nursing wing and twenty five (25) in Retirement Wing.

November 1982

Activity wing addition

The opening of Resthave – 1961

February 17, 1961 was the official open house celebration for the Resthave Home for Senior Citizens, a work of Faith on the part of several members

who made up this corporation. Dreams and efforts were started in 1955 for the Home which was to be known as the Resthave Home of Whiteside County.

Resthave is a community of many Churches, a fine school system and a good Hospital. We feel our Senior Citizens are deserving of a good place to go when circumstances necessitate finding fellowship and proper care in their old age.

The six acre property was purchased for \$6,500.01; the original building cost - \$153,693.00; Kitchen equipment, furniture and draperies - \$15,390.07; total overall cost was \$175,520.00.

A word of appreciation to those involved in bringing Resthave to life: To the several contractors for their cooperation and fine workmanship; to those who made substantial gifts and memorials; to the Resthave Women's Auxiliary for their untiring efforts to raise money for those extras; to those who brought bonds and by their influence in word and in deed made this dream become a reality. THANK YOU every one.

We sincerely trust that Resthave Home may be a place of dignity and peace for those who have reached the sunset years of their life and that they may know the deep joy of Christian Fellowship and the security of compassionate care. This home has been built to serve the entire community and a cordial welcome is extended to ALL.

General Information

Resthave is a non-for-profit home.

Admission

Resthave provides twenty-four hour nursing care in our nursing wing and supervised care in our retirement wing. Persons joining us as Residents must be at least 65 years of age whose physical and emotional needs can be adequately provided by the services available.

Assessment and prescreening by Resthave admission team is completed after the Perspective Resident and/ or responsible party provides the initial application form.

Visiting

Visitors of all ages are welcome at all times. Polite pets are also welcome.

RESIDENT ROOMS

Rooms & Furnishings

Resthave has 21 Sheltered Care private rooms and one two-room suite in the Retirement wing. There are 48 semi-private nursing beds and one transitional private room in the Nursing wing. Each room is furnished with a bed, dresser, nightstand, chair, clock and wall lighting. Drapes, bedspreads, linens and towels are included.

Residents are encouraged to bring personal belongings such as bedspreads, pictures and knick-knacks, although we cannot be responsible for these items if another Resident damages them during routine housekeeping or.

Maintenance and/ or housekeeping will assist with pictures, room arrangement, telephone and television installation.

Telephone & Television

Sheltered Care Residents are required to have a telephone while personal telephones for nursing Residents are optional. Social Services will assist in establishing/ transferring your telephone account.

Nursing Residents who choose not to have a telephone in their room are assisted to use one of the facility's phones. A pay phone is located in the Sheltered Care lobby. Cell phones may be used with the consent of the Administrator.

SOCIAL SERVICES

Social Service Department assists Residents and their families in the adjustments necessary for entering our nursing and retirement home.

There are many issues to consider with such a move. We provide consideration of advanced directives such as: living wills, durable power of attorney and emergency issues or resuscitation. You will be provided with financial information, costs and levels of care.

Resident Council Meetings are held monthly. These meetings allow the Residents to express concerns, compliments and suggestions. Resident Rights are reviewed and Residents are given the opportunity to select special menus.

We understand that the transition to nursing home/retirement living can be a difficult adjustment. Social Services provide an open door to both family and Residents to assist with this transition.

FUNDING AND DONATIONS

The board has established a Long Range Planning Fund. This is for anyone wishing to donate money now, or to remember us in the future with a memorial gift. Donations are tax deductible. Anyone wishing to contribute to projects should contact the Resthave Administrator at Resthave.

IMPROVEMENTS

Three years ago the board conducted a survey of the churches. After reviewing the results the board has done several improvements such as:

- Secure front door for safety
- New paint throughout the facility
- New flooring underway in the kitchen, hallways and the retirement dining area
- New furniture for the Retirement rooms
- New doors, including new door jams and handrails installed in Retirement along with other hallway improvements

- New whirlpool tub in Retirement
- Lighted outdoor sidewalk around the facility
- Van to provide transportation for residents
- New garage to accommodate the van

RESTHAVE BOARD MEMBERS

The Resthave Home board consists of volunteers from 11 local churches and meet the fourth Tuesday of each month at 7:00p.m in a closed session. They are:

- Ebenezer Reformed
- Emmanuel Reformed
- Christian Reformed
- Morrison & Fenton United Methodist
- First Presbyterian
- St. Peter's Lutheran
- St. Ann's Episcopal
- Newton Zion Reformed
- St. Mary's Catholic
- First Baptist.

More Information

Resthave Nursing and Retirement home also has a website full of information. Come visit us at www.resthavehome.com

Online, not only can you take a virtual tour of Resthave, but you will find useful information such as:

- News and Events
- Services
- Admissions
- Meal Menus
- Activities
- Resident Council
- Email a Resident
- Contact us form
- FAQ's

Alternatively, if you would like more information, you may contact us on 815-772-4021.

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home, Morrison IL

Dear Secretary:

Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,



Jerry Lindsey, Board Treasurer
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Austin".

Barbara Austin, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

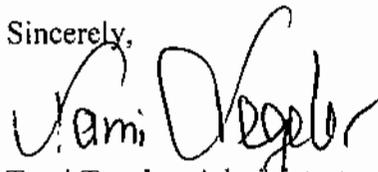
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Thank you.

Sincerely,

A handwritten signature in black ink that reads "Tami Tegeler". The signature is written in a cursive style with a large, looping initial "T".

Tami Tegeler, Administrator
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home, Morrison IL

Dear Secretary:

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Thank you.

Sincerely,



Roland Ebbers, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

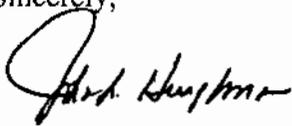
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Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "John Hauptman". The signature is written in a cursive style with a large initial "J".

John Hauptman, Board President
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

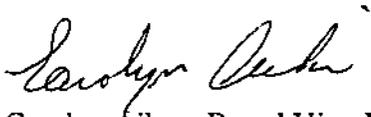
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Thank you.

Sincerely,



Carolyn Aiken, Board Vice-President
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

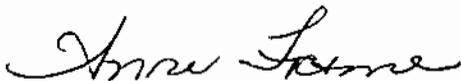
RE: Resthave Home, Morrison IL

Dear Secretary:

Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Anne Frame".

Anne Frame, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home, Morrison IL

Dear Secretary:

Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Marge Schleuning". The signature is written in a cursive style with a large initial "M".

Marge Schleuning, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home, Morrison IL

Dear Secretary:

Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,



Mary Lou Renwick, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home, Morrison IL

Dear Secretary:

Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,



Darlene Eckland, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

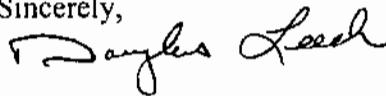
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Please be advised that no adverse action as defined under 1110.230.a).3)B has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Douglas Leech".

Douglas Leech, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
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Springfield, IL. 62761

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Jane Pessman".

Jane Pessman, Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
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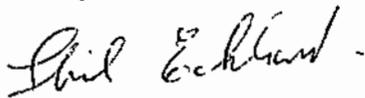
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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Phil Eckland".

Phil Eckland, Board Secretary
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

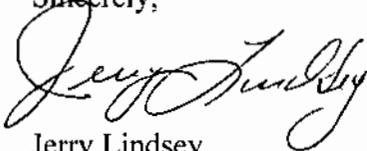
RE: Resthave Home of Whiteside County, Morrison Illinois

Dear Secretary:

I authorized the Illinois Health Facilities Planning Board and the Illinois Department of Public Health to obtain access to information in order to verify any documentation or information submitted in this permit application regarding the requirements of the Background of Applicant Criteria, or to obtain any additional documentation or information which the State Board or Agency finds pertinent to this subsection.

Thank you.

Sincerely,



Jerry Lindsey
Board Treasurer
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
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Springfield, IL. 62761

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Austin".

Barbara Austin
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

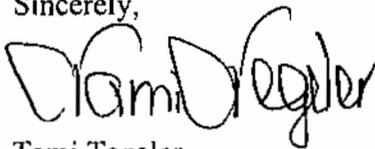
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Thank you.

Sincerely,

A handwritten signature in black ink that reads "Tami Tegeler". The signature is written in a cursive, slightly stylized font.

Tami Tegeler
Administrator
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Roland Ebbers".

Roland Ebbers
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

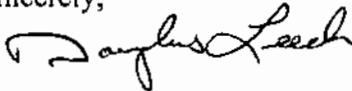
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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Douglas Leech". The signature is written in black ink and is positioned below the word "Sincerely,".

Douglas Leech
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

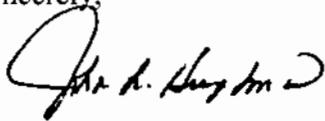
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Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "John H. Hauptman".

John Hauptman
Board President
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

RE: Resthave Home of Whiteside County, Morrison Illinois

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Thank you.

Sincerely,



Carolyn Aiken
Board Vice-President
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

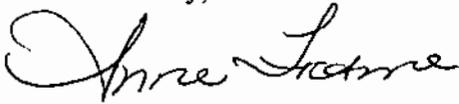
RE: Resthave Home of Whiteside County, Morrison Illinois

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Anne Frame".

Anne Frame
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL. 62761

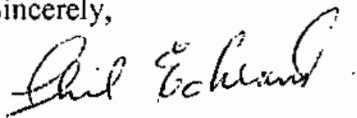
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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Phil Eckland".

Phil Eckland
Board Secretary
Resthave Home of Whiteside County, Illinois

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Jane Pessman".

Jane Pessman
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Illinois Health Facilities Planning Board
525 West Jefferson St., Second Floor
Springfield, IL 62761

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Thank you.

Sincerely,



Darlene Eckland
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
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Springfield, IL. 62761

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Thank you.

Sincerely,



Mary Lou Renwick
Board Member
Resthave Home of Whiteside County, Illinois

December 13th, 2011

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Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Marge Schleuning".

Marge Schleuning
Board Member
Resthave Home of Whiteside County, Illinois

Purpose of Project

1. Resthave Home will and currently does provide nursing services to the elderly of Morrison and surrounding communities. However, Resthave seeks to expand its capabilities and services to include Medicare certified skilled nursing care.
2. The market area is Whiteside County, which is consistent with the planning area.
3. Existing problems that will be addressed by Resthave Home include:
 - Residents of Whiteside County, and Morrison in particular, frequently leave the area in order to receive Medicare certified skilled nursing services.
 - In 2009, 14,043 of all patient days in Whiteside County had a Medicare payer source, or 6.9%. The average for Illinois is 16.7%.
 - Patients are choosing facilities in Clinton, Iowa and the Quad Cities over existing facilities in Whiteside County.
 - Whiteside County lacks modern facilities providing skilled nursing and rehabilitative services and operated by quality providers of care.

4. Sources of information for above:

A full market research analysis was conducted by Revere Healthcare, Ltd. The final report is attached.

5. Detail of how Resthave Home will address the above listed problems.

Resthave Home, as an existing non-profit provider of quality nursing care, seeks to address the above problems by substantially renovating and expanding its existing facility to provide Medicare certified skilled nursing and rehabilitative care to its current long-term care residents returning from the hospital as well as to residents of Morrison and surrounding communities.

6. Goals with measurable objectives and timeframes.

Serve 50 residents requiring skilled nursing and rehabilitative services and discharge to home by 2014.

**MARKET FEASIBILITY
ANALYSIS**

MORRISON, ILLINOIS

FINAL REPORT

**PREPARED BY REVERE
HEALTHCARE, LTD.
Cary, Illinois**

**PREPARED FOR
RESTHAVE HOME – WHITESIDE COUNTY
Morrison, Illinois**

March 2011

Table of Contents

I. EXECUTIVE SUMMARY	1
<i>Client's Proposed Development</i>	2
<i>Summary of Key Indicators</i>	2
II. INTRODUCTION	4
<i>Objectives</i>	4
<i>Criteria and Scope</i>	4
RISKS	5
<i>Assumptions and Limitations</i>	5
<i>Market Risk</i>	5
<i>Managing Project Risk</i>	5
INDUSTRY ANALYSIS	6
<i>Assisted Living Facilities</i>	6
<i>Supportive Living</i>	6
<i>Comprehensive Care in Residential Settings</i>	6
<i>Residential Dementia Care Facilities</i>	7
<i>Sheltered Care Homes</i>	7
<i>Nursing Care Facilities</i>	7
III. SERVICE AREA DEFINITION	12
METHODOLOGY	12
MARKET DEFINITION	12
<i>Primary Market Area</i>	12
<i>Project Draw</i>	12
<i>Service Area</i>	13
<i>Maps</i>	14
IV. DEMOGRAPHIC STUDY	15
METHODOLOGY	15
NATIONAL DEMOGRAPHICS	15
MARKET CHARACTERISTICS	16
<i>Population Distribution</i>	16
<i>Households by Tenure</i>	20
<i>Housing Values</i>	26
<i>Market Economy</i>	27
CONCLUSIONS	28
V. COMPETITION STUDY	29
METHODOLOGY	29
<i>Sources</i>	30
SUMMARY OF COMPETITIVE FACILITIES	30
<i>Assisted Living and Sheltered Care</i>	30
<i>Licensed Nursing Care</i>	32
<i>Medicare Analysis</i>	35
COMPETITION ASSESSMENT	36
<i>Assisted Living & Sheltered Care</i>	36
<i>Licensed Nursing Care</i>	41
PLANNED DEVELOPMENT	49
<i>Morrison</i>	49

<i>State of Illinois</i>	49
CONCLUSIONS	49
VI. DEMAND ANALYSIS	50
METHODOLOGY	50
ASSISTED LIVING	50
<i>Target Market</i>	50
<i>Rental Fee Calculation</i>	50
<i>Competition</i>	51
<i>Market Penetration Calculation for Assisted Living</i>	51
LICENSED NURSING CARE & MEDICARE-CERTIFIED NURSING PATIENT DAYS	53
<i>Supply</i>	53
<i>Demand Calculations</i>	54
RECOMMENDATION	58
GLOSSARY	59

Table of Figures & Tables

<i>Figure 3.1 Service Area Definition Map (PMA)</i>	14
<i>Figure 4.1 Comparison: 75+ as a Percent of Population</i>	17
<i>Figure 4.2 Comparison: 65+ as a Percent of Population</i>	17
<i>Table 4.1 Population Distribution by Age Group 55+</i>	18
<i>Figure 4.3 Comparison: Population Growth Age 75+</i>	19
<i>Figure 4.4 Comparison: Population Growth Age 65+</i>	19
<i>Figure 4.5 Household Tenure by Householder Age 75+</i>	20
<i>Figure 4.6 Household Tenure by Householder Age 65+</i>	21
<i>Table 4.2 Median Household Income (All Households)</i>	22
<i>Table 4.3 Median Household Income by Age Group (55+ Households)</i>	23
<i>Figure 4.7 Comparison: Median Income All Households</i>	23
<i>Figure 4.8 Comparison: Median Income Households Age 75+</i>	24
<i>Figure 4.9 Comparison: Median Income Households Age 65+</i>	24
<i>Figure 4.10 Comparison: Growth in Median Income for All Ages</i>	25
<i>Table 4.4 Median Housing Values (All Households)</i>	26
<i>Figure 4.11 Comparison: Median Housing Values (All Households)</i>	27
<i>Table 5.1 Assisted Living, SLF, & Sheltered Care Facilities – PMA</i>	31
<i>Figure 5.1 Assisted Living Competition Map – PMA</i>	31
<i>Figure 5.2 Assisted Living Competition Map – PMA (Sterling Enlarged)</i>	32
<i>Table 5.2 Competitive Nursing Facilities – Primary Market Area</i>	33
<i>Figure 5.3 Nursing Care Competition Map – PMA</i>	33
<i>Figure 5.4 Nursing Care Competition Map – PMA (Enlargement 1)</i>	34
<i>Figure 5.5 Nursing Care Competition Map – PMA (Enlargement 2)</i>	34
<i>Table 5.3 PMA Nursing Facilities Medicare Days Analysis</i>	35
<i>Table 6.1 Penetration Calculation – Assisted Living</i>	52
<i>Table 6.2 PMA Medicare Supply Total</i>	54
<i>Table 6.3 Nursing Bed Need (Percentage of 65+ Population Method)</i>	55
<i>Table 6.4 Net Patient Day Need Per Payor Type</i>	56
<i>Table 6.5 Medicare Beds and Total Percentage</i>	57
<i>Table 6.6 Medicare Patient Day Need</i>	58

I. EXECUTIVE SUMMARY

Resthave Home – Whiteside County (the Client or Sponsor) has engaged Revere Healthcare, Ltd., to conduct a market feasibility analysis for sheltered care/assisted living and Medicare-certified skilled nursing care services in the community of Morrison, Illinois. Demographic and utilization trends advocate further exploration of programs designed to meet the unique housing and health care needs of the mature adult population. Based on the information contained in this report, Revere identifies a need in 2010 for the following:

- A 16-unit assisted living development targeting middle- and upper-income older adults who need assistance with activities of daily living.
- A 32 bed development with licensed nursing care beds serving the post-acute health care needs of older adults in the Morrison area.
- 9,358 additional patient days of Medicare skilled nursing care specializing in the care of older adults who need short-term rehabilitation.

For a project opening in 2015, Revere identifies a need for the following:

- A 19-unit assisted living development targeting middle- and upper-income older adults who need assistance with activities of daily living.
- A 39 bed development with licensed nursing care beds serving the post-acute health care needs of older adults in the Morrison area.
- 9,736 additional patient days of Medicare skilled nursing care specializing in the care of older adults who need short-term rehabilitation.

It should be noted that the Illinois Health Facilities and Review Board (a division of the Department of Public Health) has determined that there is a calculated bed need of 717 nursing beds in Whiteside County and there are currently 822 approved nursing beds. As a result, there is no calculated need for new beds.

Client's Proposed Development

Client is seeking to remodel its current facility and expand it with additional licensed nursing beds (including Medicare beds), and assisted living units. Client currently has 49 licensed nursing units and is seeking remodel these units and to expand them by 21 total licensed nursing units, of which five will be Medicare beds. The expansion/remodel will result in a total of 70 total licensed nursing beds. The results of the market study show a need for 32 licensed nursing beds in 2010 and 39 licensed nursing beds in 2015 which indicates an adequate demand for this expansion. Also, the Medicare bed need in 2010 and 2015 shows a demand for 5 Medicare beds, an adequate demand for the planned 5 Medicare bed expansion.

Client currently has 21 sheltered care units and is seeking to remodel these units and expand them by adding 16 assisted living units. The expansion/remodel will result in a total of 37 units (21 licensed sheltered care units and 16 licensed assisted living units). The results of the market study show a need for 16 assisted living units in 2010 and 19 assisted living units in 2015 which indicates an adequate demand for this expansion.

Summary of Key Indicators

- The service area for sheltered care/assisted living and licensed nursing care services communities is defined as the age- and income-qualified individuals residing in Whiteside County, which includes the following communities: Morrison, Union Grove, Lyndon, Prophetstown, Garden Plain, Erie, Albany, Fulton, Rock Falls, Sterling, and Tampico. The service area is depicted in the map in the Service Area Definition section of this report.
- For the assisted living population, the target market will consist of individuals age 75 years or more. This population is growing in the market area, though at a slower pace given the already high percentage of 75+ seniors living in the PMA. The number of individuals 75 and older (4,823 in 2000) has increased an estimated 10.0% (5,305 total in 2010) and is projected to increase another 1.7 % (5,393 total individuals) by 2015.
- For the licensed nursing care population, the target market will be individuals age 65 years or more. This population is growing in the market area. The number of individuals 65 and older (9,740 in 2000) has increased an estimated 5.7% (10,291 total in 2010) and is projected to increase another 5.8% (10,886 total individuals) by 2015.
- In the Primary Market Area, there are six communities with Sheltered Care and assisted living units (totaling 207 units, 94% weighted average occupancy), and nine licensed nursing facilities that serve seniors 65+ (totaling 678 licensed nursing beds, 630 operating beds, 78% weighted average occupancy).
- Income- and age-qualified households for the 75+ age group are projected to grow from 1,180 in 2010 to 1,337 in 2015. The increase of 157 income-qualified households created results in a need for housing options appropriate for this age

group. High occupancy rates among the existing supply of appropriate facilities results in excess demand for housing.

Please note, these recommendations are current (2010) and future projection (2015) market demand based on current demographic data, market conditions and competitors in the market area. When the client has decided on a final project unit mix and unit count that will be built on a site then the penetration rates need to be calculated for each specific level of care and unit count to ensure that there is proper demand for the project.

II. INTRODUCTION

Revere Healthcare, Ltd. is pleased to submit this market feasibility analysis regarding the need for senior housing and Medicare nursing care services in Morrison, Illinois. The market feasibility plan is determined by characterizing a few key areas:

- The current number of age-, income-, and disability-qualified adults in a defined geographic area relative to the number of units/homes available.
- The inventory of competitive units in the area.

Objectives

The primary objectives of this market analysis were to determine the following:

- Supply, future need, and demand for sheltered care/assisted living and licensed Medicare skilled nursing care services in the service area of the Sponsor.
- Strength of market activity in the mature adult housing and geriatric nursing care market, at the present and in the near future, for determining and maximizing a product package.

Criteria and Scope

The scope of this report is defined in Phase 1 in the Approach and Methodology section of the agreement. In summary, the scope of this study is described below:

- A definition of the project's service area (Service Area Definition).
- A demographic analysis of primary market (Demographic).
- An analysis of facilities offering comparable services (Competitive).
- An analysis of market area demand for the proposed service(s) (Demand).

RISKS

This report must be read thoroughly in order to gain insight into the methodology and concepts used in forming our conclusions and recommendations. The analyses contain estimates of future events and trends based upon our market research, industry experience, and interaction with the Sponsor and other authorities in both the state and the nation. The conclusions and recommendations included in this report assume future developments in the economy, local real estate market, and the mature adult housing and health care industry. The viability of the proposed project depends on the timing and probability of a complex series of events both internal and external to the enterprise. Accordingly, we do not guarantee either the attainability of our recommendations or the viability of the proposed project.

Assumptions and Limitations

In order to make valid recommendations and conclusions, it is necessary to make certain assumptions about economic, political, and social forces that lie outside of the control of the project coordinators and consultants. Several basic assumptions exist that pertain specifically to this study. First, the concept, planning, execution, and management of the proposed development will incorporate the features necessary to create a substantial impact in the service area. Second, neither the service area, the geographic region, nor the nation as a whole will suffer any long-term or major economic decline or catastrophe during the period under consideration. Finally, this study assumes that population growth, demand for health care services, reimbursement for these services, and other related factors in the market area will perform at or above the rate predicted.

Market Risk

There is a possibility the project will not be accepted by the marketplace. Management of any risk begins with this strategic plan, which incorporates demographic, competitive, and demand analyses. Revere Healthcare, however, does not recommend proceeding with the proposed project until the Sponsor conducts all appropriate consumer research, explores facility design and composition options, and analyzes several operating pro forma scenarios. These actions will further minimize market risk.

Managing Project Risk

The project risks must be carefully assessed and managed. The currently known risks are not excessive or unusual; however, risks should be specifically addressed and contingency plans should be prepared, documented, and practiced as part of the development management plan.

INDUSTRY ANALYSIS

Assisted Living Facilities

Assisted living facilities may also be known as domiciliary care, board and care, or adult foster care facilities depending on the state. These facilities typically provide apartment living in a congregate or communal setting. Most assisted living facilities have small apartments, frequently without private kitchens. These units are often offered on a semi-private basis, but they are generally occupied on a private basis. This type of facility integrates shelter and services for a more frail elderly population who are functionally and/or socially impaired and need 24-hour supervision. Assisted living is a service-intensive living environment with social and support services.

There are many different applications of assisted living. The most common, known as geriatric assisted living, focuses on providing the older adult population with assistance as they grow older and have increasing health needs. Geriatric assisted living combines a 24-hour per day monitored living environment with assistance (as required) in activities of daily living (ADLs); e.g., dressing, bathing, grooming, hygiene, and supervised medication. Emergency call provisions, all utilities, three meals a day, transportation, and social and recreation activities may also be provided. The physical standards and staffing requirements of these facilities may be, but are not always, licensed by the state. More states, however, are moving to regulate assisted living as awareness increases.

Assisted living is particularly well suited for dementia care as well. The Dementia Care Facilities section discusses this aspect in greater detail.

Supportive Living

The supportive living program essentially improves access to assisted living services for older adults who do not have the financial means to pay for market rate assisted living. Accommodations and service offerings are very similar, except where differences exist in the State regulations. Essentially, the primary difference is that funds are available through the Illinois Department of Public Aid for supportive living residents.

Comprehensive Care in Residential Settings

The Illinois Department on Aging (IDoA) created the Comprehensive Care in Residential Settings (CCRS) program, formerly the Community Based Residential Facility Program demonstration program, originating in fiscal year 1997. The CCRSs provide housing with assisted living services for underserved low- and moderate-income seniors. The Illinois Department on Aging provides reimbursement for the cost of some of the supportive services received by Community Care Program clients residing in CCRSs. Six facilities currently participate in this program. All of the facilities are required to become licensed under the Assisted Living and Shared Housing Act.

The Illinois Housing Development Authority has funded four properties under this program and has converted one floor of an independent living building into a CCRS floor.

Residential Dementia Care Facilities

Dementia is defined as the loss of mental abilities in an alert and awake individual. There are varying degrees of dementia, and facilities typically target individuals suffering from light, moderate, or severe dementia. Light dementia includes individuals suffering from mild confusion or the early stages of Alzheimer's disease. Severe dementia occurs when individuals suffering from dementia become so incapacitated that continuous monitoring and care becomes necessary. Although severe dementia has several sources, the advanced stages of Alzheimer's disease are the typical cause of dementia among older adults.

Alzheimer's disease and related dementias are neurological disorders that require specialized treatments and therapies not available in facilities targeting other patients; i.e., a psychiatric hospital. In the past, nursing facilities have been the providers of dementia care. The growing popularity of assisted living, however, has led to a shift in the provision of dementia services. Distinct units in nursing facilities and specialized dementia-only facilities provide care for moderate to severe dementia patients, while assisted living facilities are increasingly targeting the mild to moderate dementia cases.

Sheltered Care Homes

Sheltered Care, according to Illinois Statute 210 ILCS 45/1-124, "means maintenance and personal care. (Source: P.A. 81-223.)" According to the Illinois Department on Aging, "Sheltered Care Facilities provide a supervised setting for individuals who need a protective environment but do not require nursing care, while they do need assistance with meals, dressing, walking, and personal care. Such facilities are licensed under the Illinois Nursing Home Care Act." Sheltered Care, as a licensure category, preceded Assisted Living in Illinois, so shares some similar characteristics. Most frequently, Sheltered Care beds are found within nursing homes. As Assisted Living licensure has grown in popularity, Sheltered Care has become less popular and few if any new Sheltered Care facilities are new as a result. Also, it should be noted that Sheltered Care is licensed on a bed basis, while assisted living is licensed on a unit basis. Competitively, however, Sheltered Care and Assisted Living are competing for overlapping markets and can be used somewhat interchangeably.

Nursing Care Facilities

Admissions to nursing facilities are by order of a physician. Nursing homes, as either free-standing facilities or as distinct wings, provide a living arrangement that integrates shelter with medical, nursing, psychological, and rehabilitative services for persons who require 24-hour supervision. Meals, utilities, housekeeping, laundry, and a social/activities program are all included in the fee.

States may classify nursing home beds as either skilled or intermediate care. Skilled Nursing Facilities (SNFs) are primarily for patients who require intensive nursing care; e.g., convalescence from a hospital stay. SNFs are state licensed and may be certified to participate in Medicare and/or Medicaid programs. Intermediate Care Facilities (ICF) are intended for patients whose needs are more custodial in nature. ICFs are also licensed by the state and may participate only in the Medicaid program. Medicare does not cover ICF services. SNFs generally provide a higher level of nursing care and a higher staff-to-patient ratio than ICFs. In addition to Medicare and Medicaid, nursing homes may also receive payment through third-party insurance and private cash payments.

The following was accessed at: <http://www.medicare.gov/Nursing/Payment.asp>

Paying for Care

Medicare

Under certain limited conditions, Medicare will pay some nursing home costs for Medicare beneficiaries who require skilled nursing or rehabilitation services. To be covered, you must receive the services from a Medicare certified skilled nursing home after a qualifying hospital stay. A qualifying hospital stay is the amount of time spent in a hospital just prior to entering a nursing home. This is at least three days.

Medicaid

Medicaid is a State and Federal program that will pay most nursing home costs for people with limited income and assets. Eligibility varies by State...Medicaid will pay only for nursing home care provided in a facility certified by the government to provide service to Medicaid recipients.

Personal Resources

About half of all nursing home residents pay nursing home costs out of their own savings. After these savings and other resources are spent, many people who stay in nursing homes for long periods eventually become eligible for Medicaid.

Managed Care Plans

A managed care plan will not help pay for care unless the nursing home has a contract with the plan.

Medicare Supplemental Insurance

This is private insurance. It's often called Medigap because it helps pay for gaps in Medicare coverage such as deductibles and co-insurances. Most Medigap plans will help pay for skilled nursing care, but only when that care is covered by Medicare. Some people use employer group health plans or long-term care insurance to help cover nursing home costs.

Long-Term Care Insurance

This is a private policy. The benefits and costs of these plans vary widely. For more information on these plans, contact the National Association of Insurance Commissioners (NAIC). It represents state health insurance regulators and has a free publication called "A Shopper's Guide to Long-Term Care Insurance."

The following was accessed at: <http://www.idph.state.il.us/healthca/nhregulate.htm>

Who Regulates Nursing Homes?

Nursing homes in Illinois are licensed, regulated, inspected and/or certified by a number of public and private agencies at the state and federal levels, including the Illinois Department of Public Health (IDPH) and the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS). These agencies have separate -- yet sometimes overlapping -- jurisdictions.

The Illinois Department of Public Health is responsible for ensuring nursing homes comply fully with mandatory state regulations. The Department, under a cooperative agreement with CMS, is also responsible for ensuring that facilities accepting Medicare and Medicaid payment for services rendered to program beneficiaries meet federal regulations and certification rules. Each year, the Department conducts approximately 1,300 full, on-site licensure inspections of nursing homes and responds to approximately 6,000 complaints. These inspections, called surveys, are conducted to evaluate the fitness and adequacy of the nursing home, its equipment, staff, policies, procedures and finances.

In addition to inspection by the state, some Illinois nursing homes are members of national accrediting organization [sic], such as the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), which independently inspects member facilities to assess performance.

Illinois, which has approximately 200 surveyors, employs a team concept in inspecting nursing homes. Teams consist of a registered professional nurse (RN), a nutritionist and an environmental health practitioner. On some inspections, the teams may be joined by other professionals, such as life safety code experts. Complaint surveys are conducted by surveyors with expertise in the area involved in the allegations of the complaint.

Illinois' licensure surveys are generally conducted on-site over a three- to four-day period during which the state's inspection teams evaluate all aspects of resident care and nursing home procedures and practices, assessing facility compliance with more than 1,500 specific state and federal standards. Samples of specific areas of care reviewed include resident rights, access to care, activities, assessment and care plans, health care and dietary services, housekeeping, staffing, quality of care and quality assurance.

The Department's evaluation may include an inspection of medical records, observation of resident care, inspection of all areas of the nursing home, and interviews of residents, family members, staff or other individuals. The Department also may evaluate the quality of resident care through an analysis of statistical data reported by nursing homes or by a review of reportable event information or other notices filed with IDPH. Reportable events include administrator or director of nursing personnel changes; interruptions of three or more hours of services essential to the health and safety of residents; alleged or suspected crimes investigated at the facility by police; and all fires, disasters, deaths or other risks to resident life or health resulting from accidents or incidents at the facility.

Inspections in response to complaints are generally shorter in duration than licensure surveys and focus primarily on those areas of resident care alleged to be at fault. If, during the course of a complaint investigation, additional problems are uncovered, a full on-site inspection may be initiated.

Nursing homes are inspected at least once every six to 15 months. The state average is once every 12 months. Nursing home inspections, whether standard or in response to complaints, are conducted without notice to the facility. Survey schedules are changed annually to make it difficult for facilities to anticipate when inspections will be conducted. Generally, facilities with poor surveys and numerous verified complaints are surveyed more frequently than facilities with deficiency-free surveys.

Long-term care surveys are typically conducted on weekdays although survey teams can and have conducted inspections at night, on weekends and during holidays.

At the conclusion of each inspection, the Department's findings are shared with nursing home administrative staff in an exit interview and are included in a survey report that is forwarded to the facility. If the Department has determined that the nursing home failed to comply with all applicable state and federal licensure standards, the facility will be cited for deficiencies.

III. SERVICE AREA DEFINITION

METHODOLOGY

Traditionally, the service area for sheltered care/assisted living and Medicare-certified nursing care services has been typically within a 20- to 30-mile radius of a rural or suburban location and within a 5-mile radius of an urban or dense suburban location. The area is usually limited by natural and cultural boundaries. The service area can be divided into primary and secondary market areas.

Depending on the location of a proposed facility, the primary market area may extend beyond the above guidelines. In addition, natural and cultural barriers may diminish or even eliminate what might have normally been defined as a secondary market area. Therefore, a market is defined through analysis of the above characteristics and verified through interviews with local planning officials.

MARKET DEFINITION

Primary Market Area

For the purpose of this study, the target market for sheltered care/assisted living and Medicare-certified nursing care services will be represented by age- and income-qualified individuals residing in the area depicted in Figure 3.1.

Project Draw

Revere has set the primary market area (PMA) as the region from which 70 percent of the project's market will originate. The region from which the remaining 30 percent of the prospective residents will most likely be drawn is referred to as the secondary market area (SMA).

For planning purposes, Revere estimates that 30% of residents will come from beyond the boundaries of the service area.

Service Area

The service area for sheltered care/assisted living and Medicare-certified nursing care services is the area within the boundaries illustrated on the map in Figure 3.1, which is Whiteside County. For planning purposes, Revere has set the area within these boundaries as the primary market area for the project for the following reasons:

- Political boundaries; specifically, Morrison and the project's site are located just to the northwest of the center of Whiteside County. The primary market area encompasses the entirety of Whiteside County. The county is bordered to the west by the State of Iowa.
- Geographical boundaries; Whiteside County is bordered to the West by the Mississippi River. The combined geographical and political boundary formed by the Mississippi and state line constitute a psychological boundary to the West.
- Drive times for most individuals living within the service area would be 30-35 minutes or less, according to *Microsoft MapPoint 2010*.
- Accessibility from Interstate 88, U.S. Highway 30 and IL Route 78. Other smaller roads traverse the service area. Whiteside County Airport, with no commercial flights, is located approximately 15 miles to the south and east of the project's site. The nearest airport with commercial flights is Quad City International Airport, nearly 40 miles southwest of Morrison. Access by passenger rail is located approximately 40 miles southeast of the project in Princeton, Illinois, while several commercial railroads traverse Whiteside County.

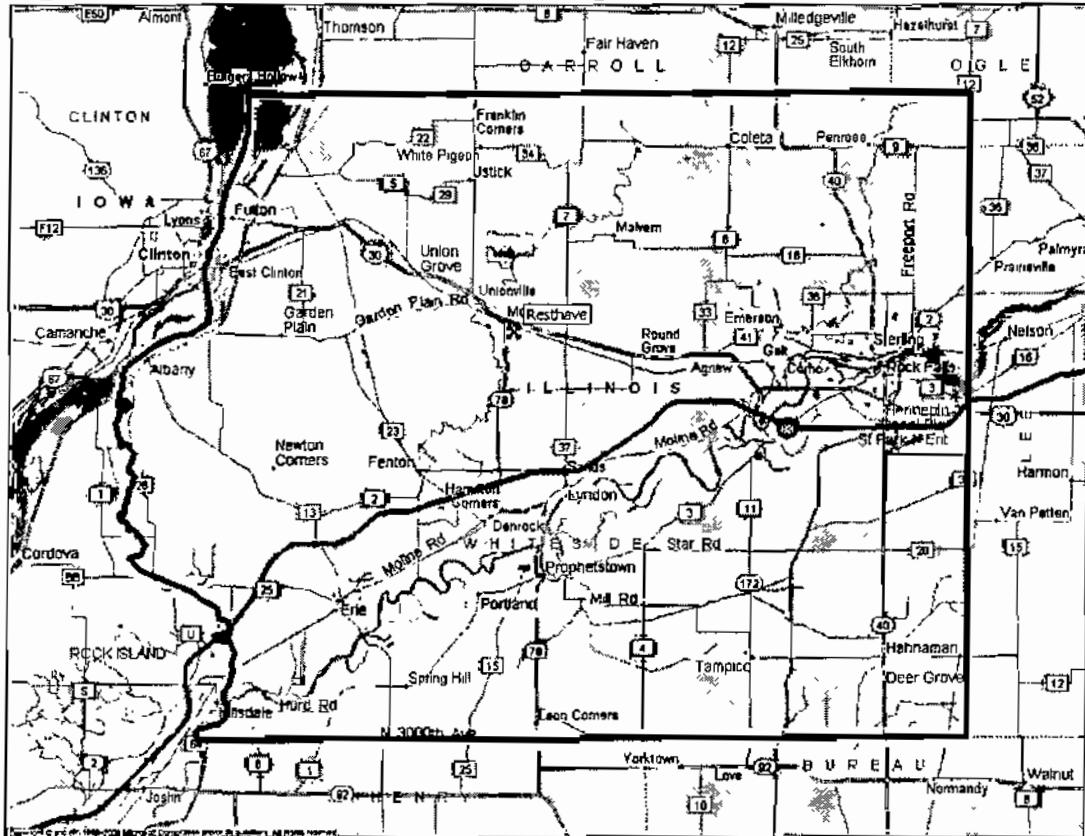
According to the administrator, the project is currently attracting most of its residents from Whiteside County, which suggests that Whiteside County is an appropriate market area. Some of the residents are originating from Iowa and other states, so we have not identified a particular secondary market area.

Parts or all of the following Illinois communities make up this primary market area of Whiteside County: Morrison, Union Grove, Lyndon, Prophetstown, Garden Plain, Erie, Albany, Fulton, Rock Falls, Sterling, and Tampico.

Maps

Figure 3.1 illustrates the boundaries of the primary service area.

Figure 3.1 Service Area Definition Map (PMA)



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IV. DEMOGRAPHIC STUDY

METHODOLOGY

Demographic information was obtained using the services of Nielsen Claritas, Inc. The information is based on the 2000 census, which is projected by Nielsen Claritas for 2010 and 2015 [2011 and 2016 projections have not yet been released]. Revere Healthcare analyzed and interpreted this information for the demographic study.

The following section of the market feasibility will analyze historical economic and demographic growth trends in the market area. The data included in this section are useful indicators of the potential strengths and weaknesses in key target markets for assisted living and licensed nursing care.

NATIONAL DEMOGRAPHICS

- This country's already significant 55+ population is expected to continue to surge over the next several years as the baby boomer generation born between 1942 and 1964 hits retirement age. The U.S. census expects today's senior population of approximately 40 million to jump to nearly 47 million by 2015 and then rocket to over 70 million and 80 million by 2030 and 2040, respectively.
- During this time, the 85-and-over population will be growing faster than the 65-84 age group, and it is estimated that by 2050 approximately 25% of the senior population will be 85 or older; the percentage of seniors 85 or older today is approximately 13%. The following trends discussed below will be crucial in shaping the housing choices of this population. (*Source: www.census.gov*)

Living Longer with Spouses – Women will continue to make up a disproportionate share of the senior population, but recent trends indicate that men are closing the longevity gap. Because the presence of a spouse is critical to the ability of seniors to remain at home, this should mean less demand for assisted living communities and nursing homes than would otherwise be expected.

Higher Education Levels – Higher levels of education among seniors are likely to mean more demand for high-quality healthcare and other support services, as well as a stronger demand to live independently.

Longer Work Life – Improved health and policy changes that increase the incentive to continue working make it both possible and likely that seniors will be increasingly active in the labor force.

Greater Financial Resources – Due to social security and the expansion of private pension funds and other retirement accounts (IRA's, 401k's, etc.), there is good reason to believe that tomorrow's seniors will have a somewhat stronger buying power despite the current economic climate.

Fewer Children to Support – The availability of children to help provide care plays an important role in the choice of living arrangements for seniors. While today's seniors tend to have larger families, baby-boomers have smaller families, meaning that shared housing – a senior living with an adult child- is likely to become less common. The lack of children living nearby should also boost demand for alternatives like active adult communities and assisted living.

Sources: Current year projections are provided by Nielsen Claritas, Inc. Historical data and future projections are from the US Census Bureau except where otherwise noted. Housing trends by the Joint Center for Housing Studies at Harvard University.

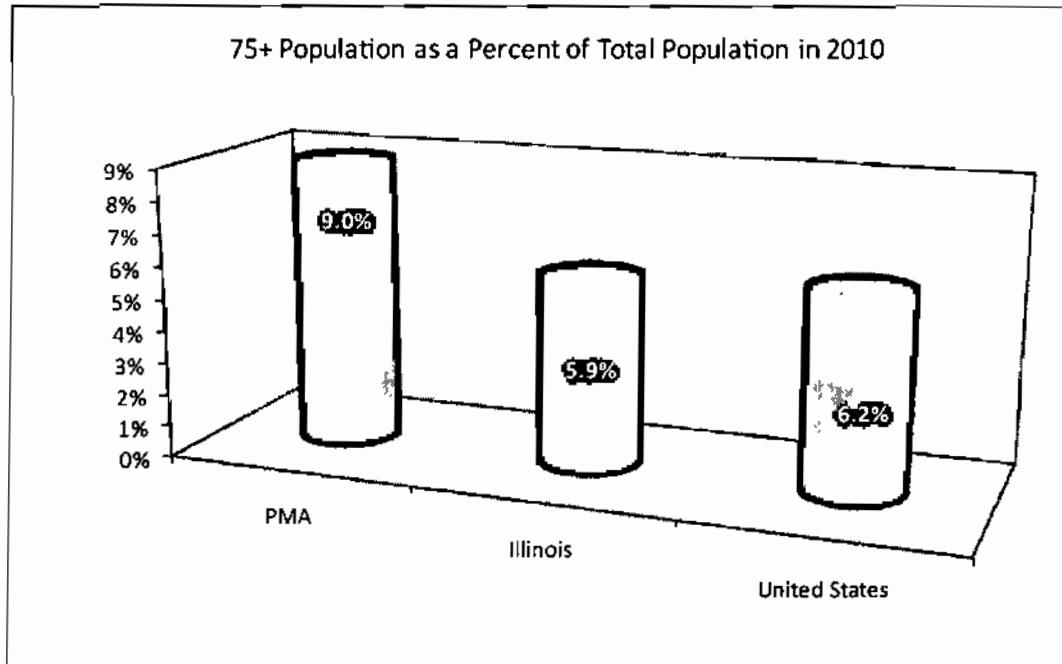
MARKET CHARACTERISTICS

The market can be analyzed by identifiable traits or characteristics. Typical market characteristics include population and income distribution.

Population Distribution

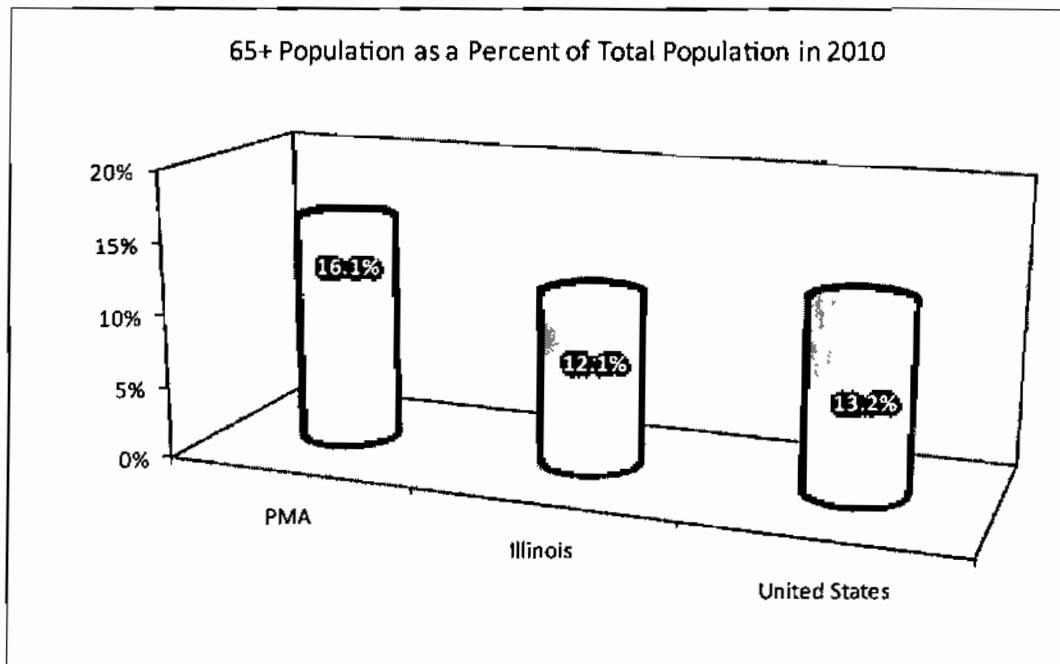
- As highlighted in table 4.1 and figure 4.1 (below), the market is considered “old” with individuals age 75 and over representing an estimated 9.0% of the total population in 2010. Nationally, the 75+ age group represents over an estimated 6.2% of the total population. A young market has fewer 75+ households relative to older families, for example.
- Figure 4.2 illustrates that the 2010 65+ population is also a higher percentage as related to the total population.

Figure 4.1 Comparison: 75+ as a Percent of Population



Source: Nielsen Claritas, Inc.

Figure 4.2 Comparison: 65+ as a Percent of Population



Source: Nielsen Claritas, Inc.

Typically, the strength of a market area is most accurately measured by growth trends.

For the assisted living population, the target market will consist of individuals age 75 years or more. This population is growing in the market area, though at a slower pace given the already high percentage of 75+ seniors living in the PMA. The number of individuals 75 and older (4,823 in 2000) has increased an estimated 10.0% (5,305 total in 2010) and is projected to increase another 1.7% (5,393 total individuals) by 2015.

For the Medicare-certified nursing care population, the target market will be individuals age 65 years or more. This population is growing in the market area. The number of individuals 65 and older (9,740 in 2000) has increased an estimated 5.7% (10,291 total in 2010) and is projected to increase another 5.8% (10,886 total individuals) by 2015.

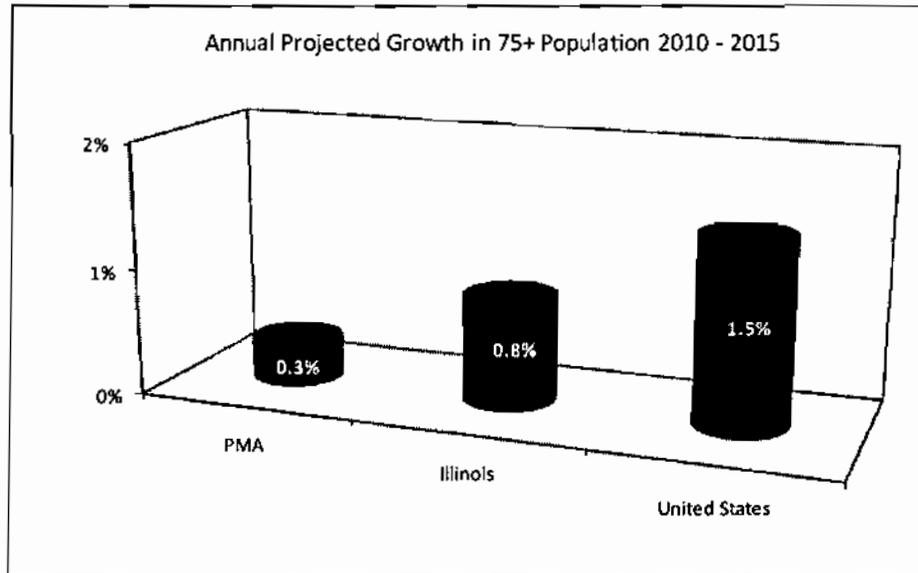
The percentage of adult children in the target market (individuals between the age of 55 and 64) is also experiencing significant growth in the service area. The number of individuals ages 55-64 (5,923 in 2000) has increased an estimated 24.3% (7,365 total in 2010) and is projected to increase another 7.0% (7,879 total individuals) by 2015 (an approximately 33% increase over the 2000 census). Adult children can influence seniors residing outside of the primary market area to move.

Table 4.1 Population Distribution by Age Group 55+

Age Group	2000	2010	% Change	2015	% Change
55-64	5,923	7,365	24.3%	7,879	7.0%
65-74	4,917	4,986	1.4%	5,493	10.2%
75-84	3,521	3,547	0.7%	3,540	-0.2%
85+	1,302	1,758	35.0%	1,853	5.4%
55-74 Population	10,840	12,351	13.9%	13,372	8.3%
65+ Population	9,740	10,291	5.7%	10,886	5.8%
75+ Population	4,823	5,305	10.0%	5,393	1.7%
Total Population	60,653	59,062	-2.6%	58,092	-1.6%
Active (55-74) % of Population	17.9%	20.9%		23.0%	
Older (65+) % of Population	16.1%	17.4%		18.7%	
Elderly (75+) % of Population	8.0%	9.0%		9.3%	

Source: Nielsen Claritas, Inc.

Figure 4.3 Comparison: Population Growth Age 75+

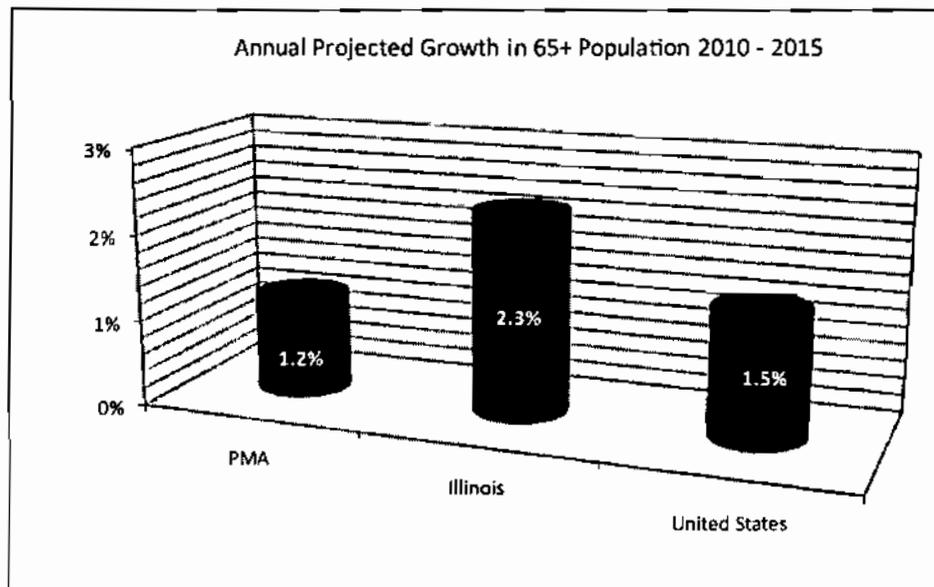


Source: Nielsen Claritas, Inc.

As seen in Figure 4.3, growth in the target market for assisted living is projected to be lower than the state and nation.

As seen in Figure 4.4, growth in the target market for Medicare-certified nursing care is also projected to be below the state and nation.

Figure 4.4 Comparison: Population Growth Age 65+

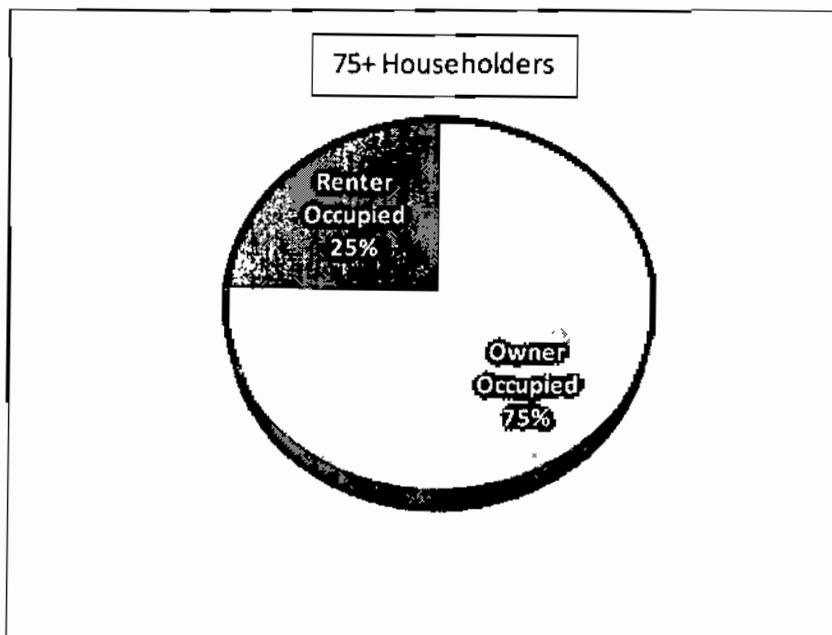


Source: Nielsen Claritas, Inc.

Households by Tenure

Of 3,099 households with a householder age 75 years or more (assisted living population), 75% own and 25% rent. The percentage of owners in the market area is slightly more heavily weighted toward owners as compared with the national averages of 74% who own and 26% who rent. The ratio of renters to owners can influence the types of pricing options offered. Figure 4.5 illustrates household tenure by age group for the population age 75+.

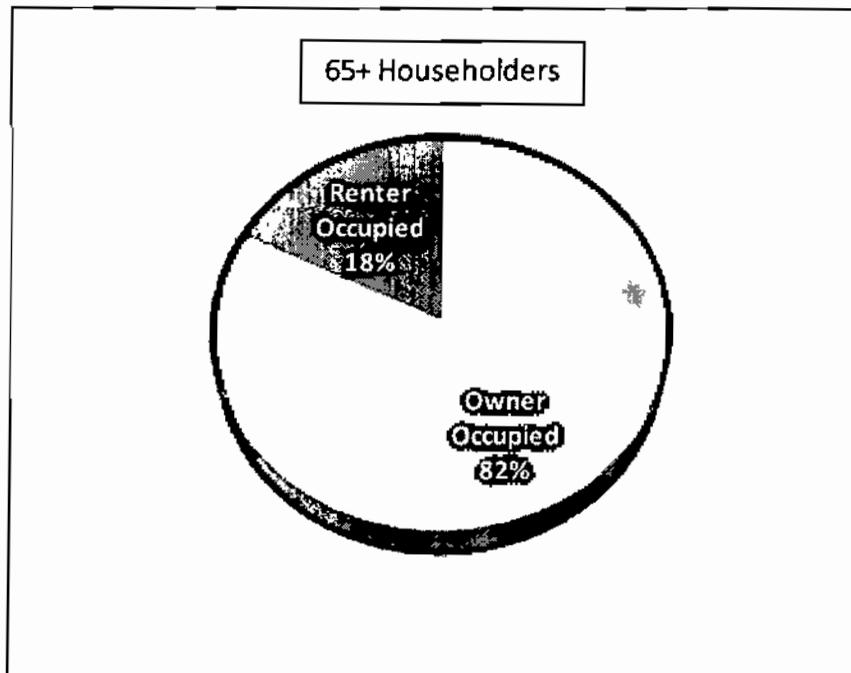
Figure 4.5 Household Tenure by Householder Age 75+



Source: Nielsen Claritas, Inc.

Of 5,647 households with a householder age 65 years or more (Medicare-certified nursing care population), 82% own and 18% rent. The percentage of owners in the market area is more heavily weighted towards owners when compared with the national averages of 78% who own and 22% who rent. The ratio of renters to owners can influence the types of pricing options offered. Figure 4.6 illustrates household tenure by age group for the population age 65+.

Figure 4.6 Household Tenure by Householder Age 65+



Source: Nielsen Claritas, Inc.

Income Distribution

Income distribution is an indicator of the economic wellbeing of a market.

- For the assisted living population (householders age 75+) the weighted average median household income for the primary market area (PMA) is estimated to be \$27,210 in 2010, which is slightly below the state and national averages. In 2015, it is estimated to be \$28,856, which remains below the state and national projections for that year.
- For the Medicare-certified nursing care population (householders age 65+) the median household income for the primary market area (PMA) is estimated to be \$31,664 in 2010 which is also below the state and national averages. For 2015, this age population is estimated to have a median household income of \$33,684, which remains below both the state and national projections.

The following tables illustrate the median income (table 4.2), median income by age group (table 4.3), and comparisons of the regional, state, and national averages (figures 4.7 through 4.10).

Table 4.2 Median Household Income (All Households)

Household Income	2000	2010	% Change	2015	% Change
Less than \$15,000	3,108	2,513	-19.1%	2,349	-6.5%
\$15,000-\$34,999	7,040	6,040	-14.2%	5,688	-5.8%
\$35,000-\$74,999	10,077	9,837	-2.4%	9,574	-2.7%
\$75,000-\$999,999	3,067	4,458	45.4%	4,901	9.9%
\$100,000-\$499,999	1,416	2,377	67.9%	2,771	16.6%
\$500,000 and over	22	48	118.2%	64	33.3%
Total	24,730	25,273	2.2%	25,347	0.3%
Average Household Income	\$ 48,468	\$ 55,943	15.4%	\$ 58,876	5.2%
Median Household Income	\$ 40,583	\$ 46,120	13.6%	\$ 48,018	4.1%
Per Capita HH Income	\$ 19,296	\$ 22,595	17.1%	\$ 23,938	5.9%

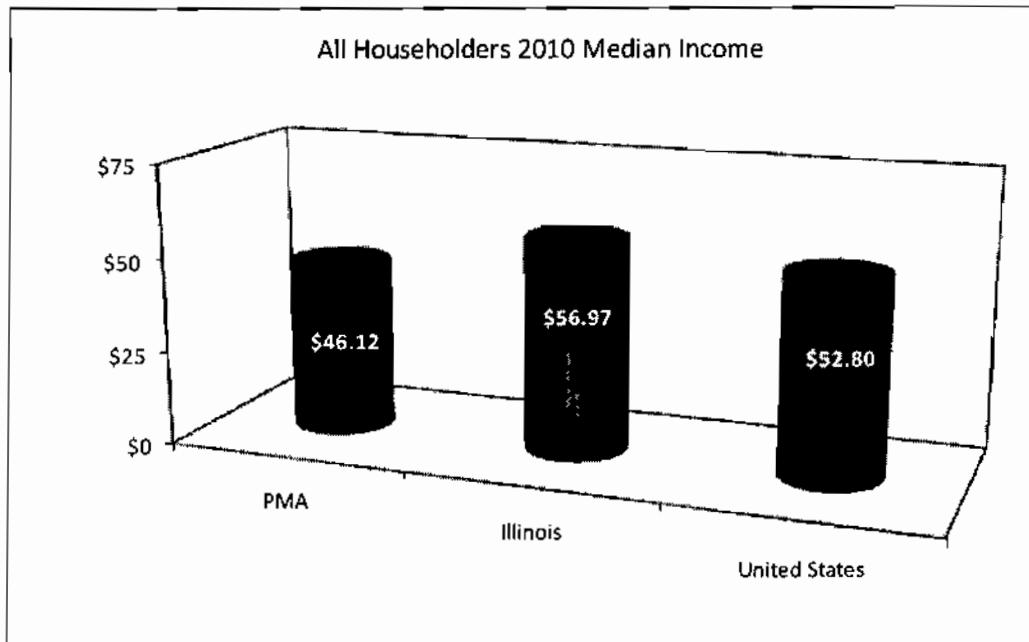
Source: Nielsen Claritas, Inc.

Table 4.3 Median Household Income by Age Group (55+ Households)

Age Group	2000	2010	% Change	2015	% Change
55-64	\$ 43,398	\$ 50,050	15.3%	\$ 53,024	5.9%
65-74	\$ 31,298	\$ 36,623	17.0%	\$ 38,661	5.6%
75-84	\$ 24,594	\$ 28,262	14.9%	\$ 29,979	6.1%
85+	\$ 21,638	\$ 24,684	14.1%	\$ 26,295	6.5%
55-74 Population	\$ 37,414	\$ 44,334	18.5%	\$ 46,808	5.6%
65+ Population	\$ 27,619	\$ 31,664	14.6%	\$ 33,684	6.4%
75+ Population	\$ 23,978	\$ 27,217	13.5%	\$ 28,856	6.0%
Total Population	\$ 40,583	\$ 46,120	13.6%	\$ 48,018	4.1%

Source: Nielsen Claritas, Inc.

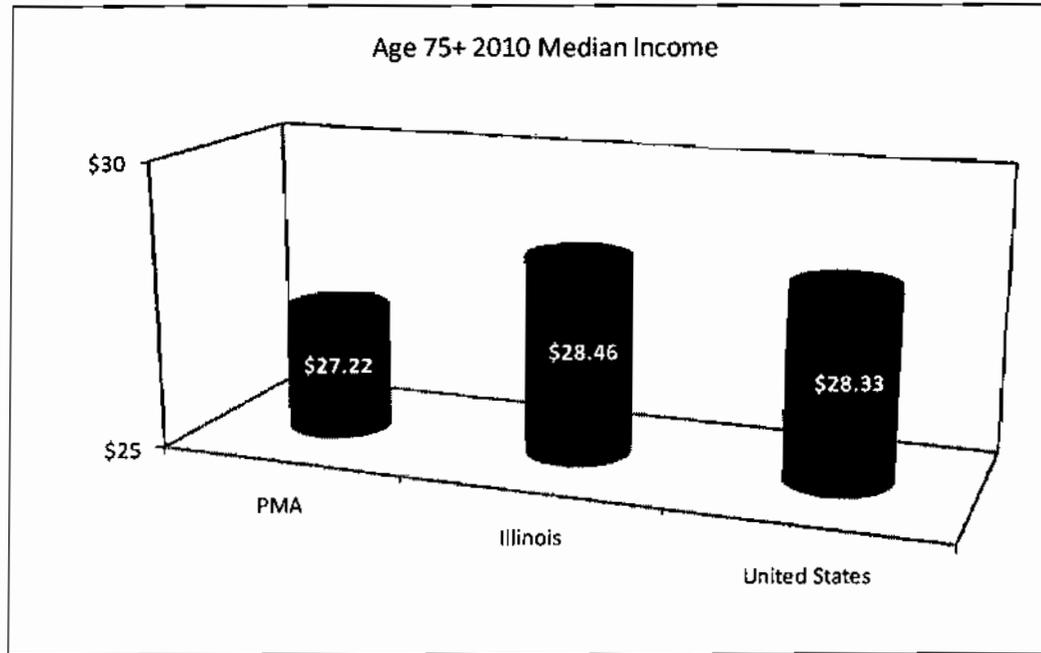
Figure 4.7 Comparison: Median Income All Households



Source: Nielsen Claritas, Inc.

In Thousands

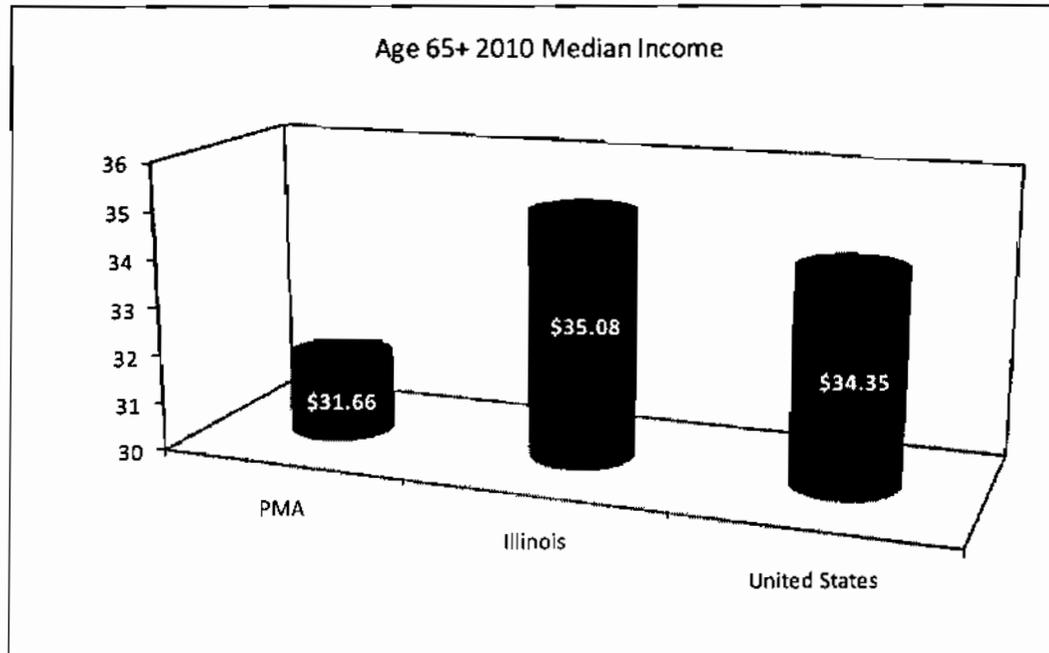
Figure 4.8 Comparison: Median Income Households Age 75+



Source: Nielsen Claritas, Inc.

In Thousands

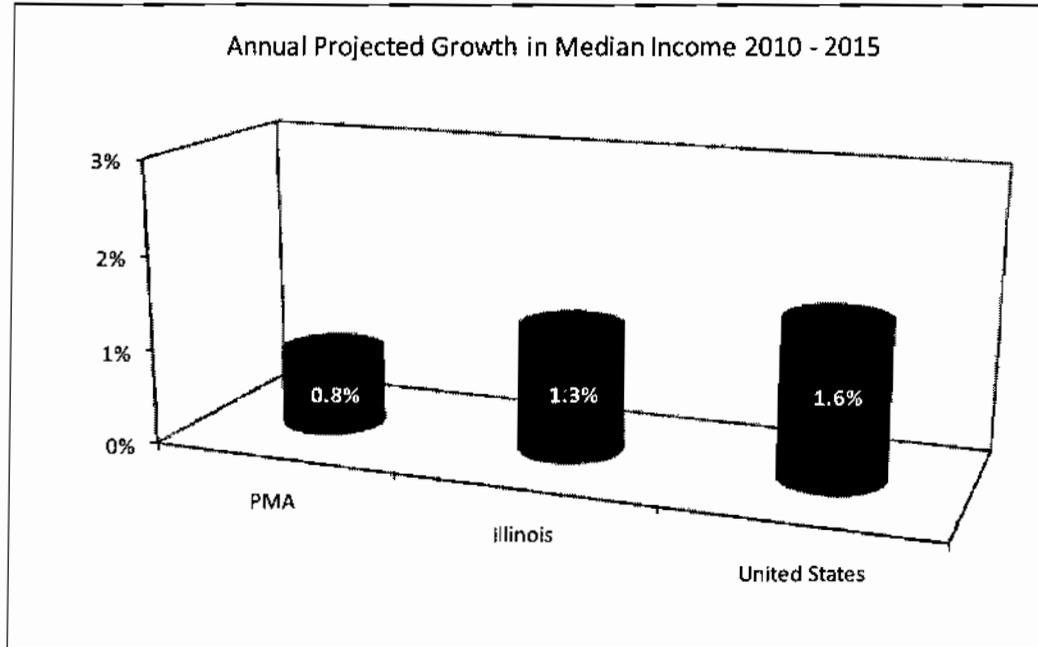
Figure 4.9 Comparison: Median Income Households Age 65+



Source: Nielsen Claritas, Inc.

In Thousands

Figure 4.10 Comparison: Growth in Median Income for All Ages



Source: Nielsen Claritas, Inc.

In Thousands

Housing Values

Housing values are both an indicator of the economic wellbeing of a market and a factor in determining entrance fees. The median housing value for the PMA is estimated to be \$90,877 in 2010, which is well below both the state and national averages.

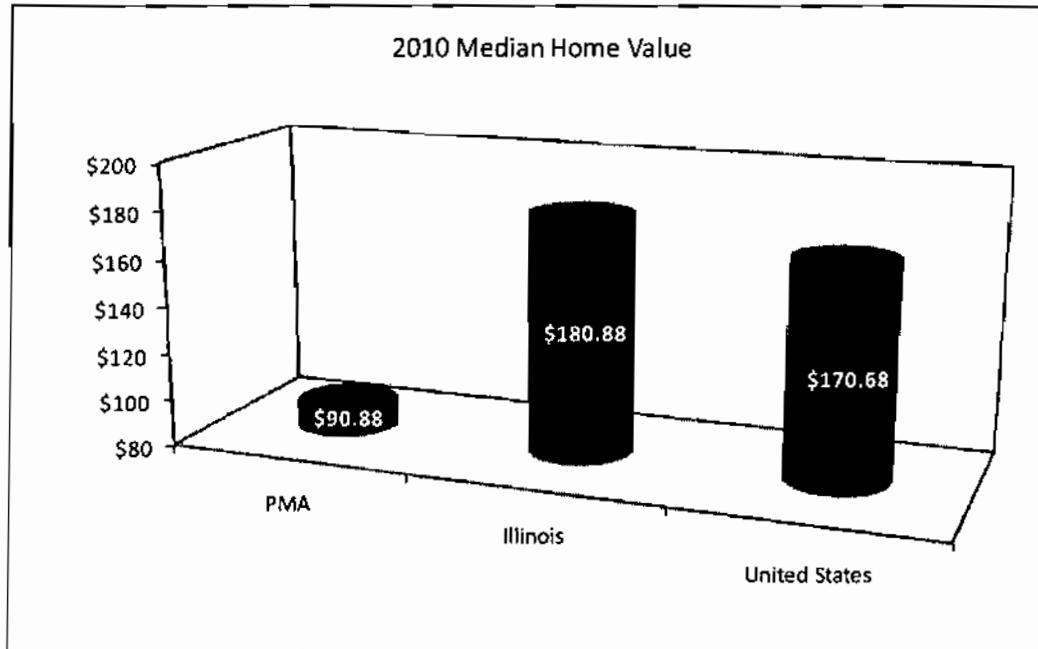
Table 4.4 Median Housing Values (All Households)

Housing Value	2000	2010	% Change	2015	% Change
Less than \$60,000	5,123	3,107	-39.4%	2,748	-11.6%
\$60,000-\$99,999	7,847	7,322	-6.7%	6,753	-7.8%
\$100,000-\$199,999	4,133	6,011	45.4%	6,475	7.7%
\$200,000-\$299,999	340	723	112.6%	928	28.4%
\$300,000-\$400,000	79	169	113.9%	181	7.1%
\$400,000-\$500,000	62	63	1.6%	78	23.8%
\$500,000+	51	101	98.0%	114	12.9%
Total Units	17,635	17,496	-0.8%	17,277	-1.3%
Median Housing Value	\$ 75,731	\$ 90,877	20.0%	\$ 95,144	4.7%

Source: Nielsen Claritas, Inc.

The affordability ratio of median house price to median household income is 1.97 for the PMA, which is considered to be in the 'very affordable' category. Very Affordable is defined as 1.75 to 2.0.

The lower home values in the market area suggest that the market was not as impacted by the soaring then bottoming out of housing values experienced in other markets late in the last decade. As a result, fewer households are experiencing negative equity (also known as "upside down borrowers") in the market. Among other factors, this contributes to the stability of the economy in the market.

Figure 4.11 Comparison: Median Housing Values (All Households)

Source: Nielsen Claritas, Inc.

In Thousands

Market Economy

The cost of living in Morrison is slightly below the national average. Our research has indicated that Bozeman, Montana was nearly identical to the national cost of living average as of November 2010 (see: http://www.belgrade-news.com/news/article_571dd46a-f1d3-11df-af5f-001cc4c03286.html). When compared to Bozeman, the 61270 zip code of Morrison was approximately \$4,000 lower annually for average total household expenditures based on 2008 data (see: <http://www.homefair.com/real-estate/compare-cities/results.asp?ZIP1=61270&Zip2=59715&sbmtZIP=Gct+Report>). As of December 2010, Whiteside County had an unemployment rate of 9.0%, while Illinois had an 8.8% rate, according to the U.S. Bureau of Labor Statistics (accessed at: <http://data.bls.gov/map/MapToolServlet>). The state and county rates, however, were slightly below the national unemployment rate in December 2010.

Overall, despite the unemployment rate being slightly higher than the state unemployment rate, the local economy appears relatively stable due to the lower cost of living, the lower home values, and fewer homeowners with negative equity.

CONCLUSIONS

The primary market area, which is in the northwest quadrant of Illinois, has experienced population growth among the senior populations. The PMA is projected to continue to experience growth among the 55+, 65+, and 75+ age cohorts in the next five years. Unemployment in the PMA is slightly lower than the U.S. as a whole. The economy appears overall to be relatively stable and able to support new development, such as additions to the proposed project.

V. COMPETITION STUDY

METHODOLOGY

An analysis of the older adult housing market in the primary market area provides the Sponsor and consultant with specific data on the supply and availability of competitive facilities. This section of the report analyzes the overall service area through a summary of the assisted living and licensed nursing care facilities available to the population of Morrison, Illinois, and surrounding communities.

The purpose of the study was to locate all existing and planned facilities in the targeted market area, to identify the greatest competition to the project, and to compare specific areas of operations and services. This summary represents Revere's best effort to identify all competitors, existing and potential, to the project; however, facilities in the planning stages are difficult to identify and may not be reflected here.

Our survey of the competitive facilities identified several assisted living and licensed nursing competitors inside the primary market area. Our evaluation and the elements involved in establishing our conclusions are detailed below.

Revere visited assisted living and licensed nursing care communities in the wider market area. At no time were competitors aware that Revere was gathering information for Resthave Home. Revere obtained information on the following comparative categories:

- Locations
- Number and type of units
- Occupancy levels
- Rates and payment structures
- Services and amenities

Sources

There are several sources of information on competitive facilities and alternative services. Revere used the following sources in conducting this analysis:

- Illinois Department of Public Health (*IDPH*) website (<http://www.idph.state.il.us>)
- Illinois Supportive Living Program (SLF) website (<http://www.slfillinois.com>)
- Medicare Compare - <http://www.medicare.gov>
- Illinois Department of Healthcare and Family Services (HFS) website (www.hfs.illinois.gov)
- Seniorhousingnet.com website – www.seniorhousingnet.com
- Independent research conducted by Revere Healthcare, Ltd.

SUMMARY OF COMPETITIVE FACILITIES

Assisted Living and Sheltered Care

Including the project, there are six facilities of this type of care in the primary market area. We have profiled four facilities from the primary market area with nearly 200 total assisted living and sheltered care units available. The most comparable facility in the market area is Avonlea Cottage with 30 total assisted living units as this property is a similar size and would provide similar care.

There are three “assisted living” competitors in the wider market and none in Morrison or its immediately adjacent communities. The assisted living facilities in the PMA are all located in Sterling and represent the assisted living population as a whole. One of those properties (Heritage Woods) is licensed as a Supportive Living Facility (see *Introduction* section) but was 62% private pay in 2009. Between these three facilities, they are 95% occupied on a weighted average basis.

For Sheltered Care, there are also three facilities in the PMA. In Morrison, the project is the only provider. Beyond that there are two others in Sterling. Of those two, one is attached to the Coventry Living Center, which is a small Continuing Care Retirement Community (“CCRC”). Coventry has six Sheltered Care beds, but is only averaging one resident per day. The other Sheltered Care facility is Parkway Center, which is licensed for 29 beds and is located on the first floor of a three-story independent living and Sheltered Care facility. Revere estimates that there are 16 units for these 29 beds, but has not profiled the property or included the occupancy in the overall statistics (table 5.1) considering its small size and age (approximately 25 years old).

The weighted average of the occupancies in the market as of February 2011 is 94% on a per-unit basis. This average occupancy is better than assisted living facilities nationally (88.4% according to NIC MAP, accessed with account at <http://www.nicmap.org> on March 3, 2011).

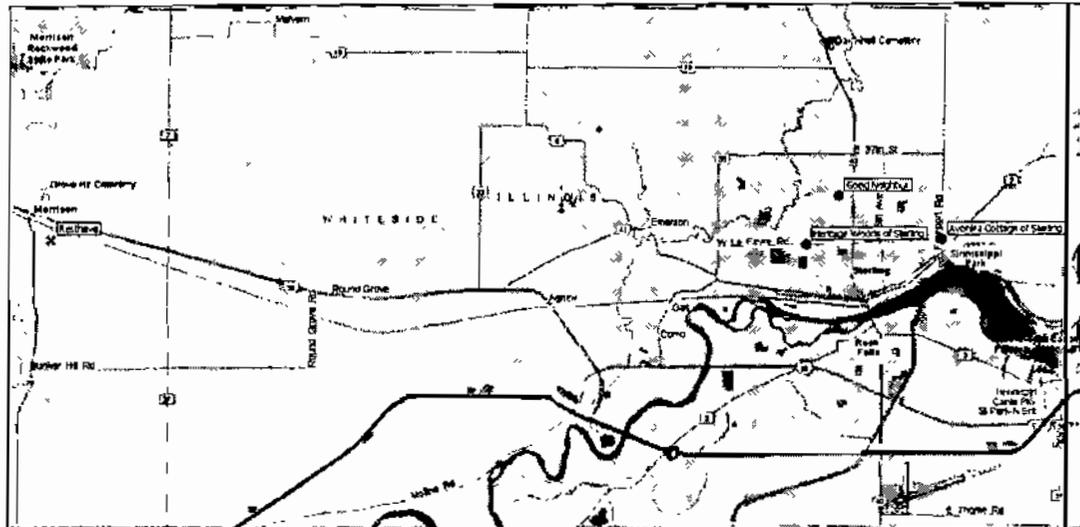
Table 5.1 Assisted Living, SLF, & Sheltered Care Facilities – PMA

	Facility Name	Type	Address	City	State	ZIP	Units	Beds	Occupancy
X	Project - Resthave Home	Sheltered	408 Maple Ave.	Morrison	IL	61270	21	25	95%
1	Good Neighbor of Sterling	ALF	2705 Avenue E	Sterling	IL	61081	61	n/a	90%
2	Avonlea Cottage of Sterling	ALF	2201 E. LeFevre Rd.	Sterling	IL	61081	30	n/a	93%
3	Heritage Woods of Sterling	SLF	2205 Oak Grove Avenue	Sterling	IL	61081	76	n/a	100%
4	Coventry Living Center	Sheltered	612 West St. Mary's St.	Sterling	IL	61081	3	6	33%
5	Parkway Center	Sheltered	1801 Avenue G	Sterling	IL	61081	16*	29	N/A
Primary Market Totals							207		94%**

*Parkway Center is licensed for 29 beds, but operates with fewer since most residents prefer private units (www.parkwaycenter.info)

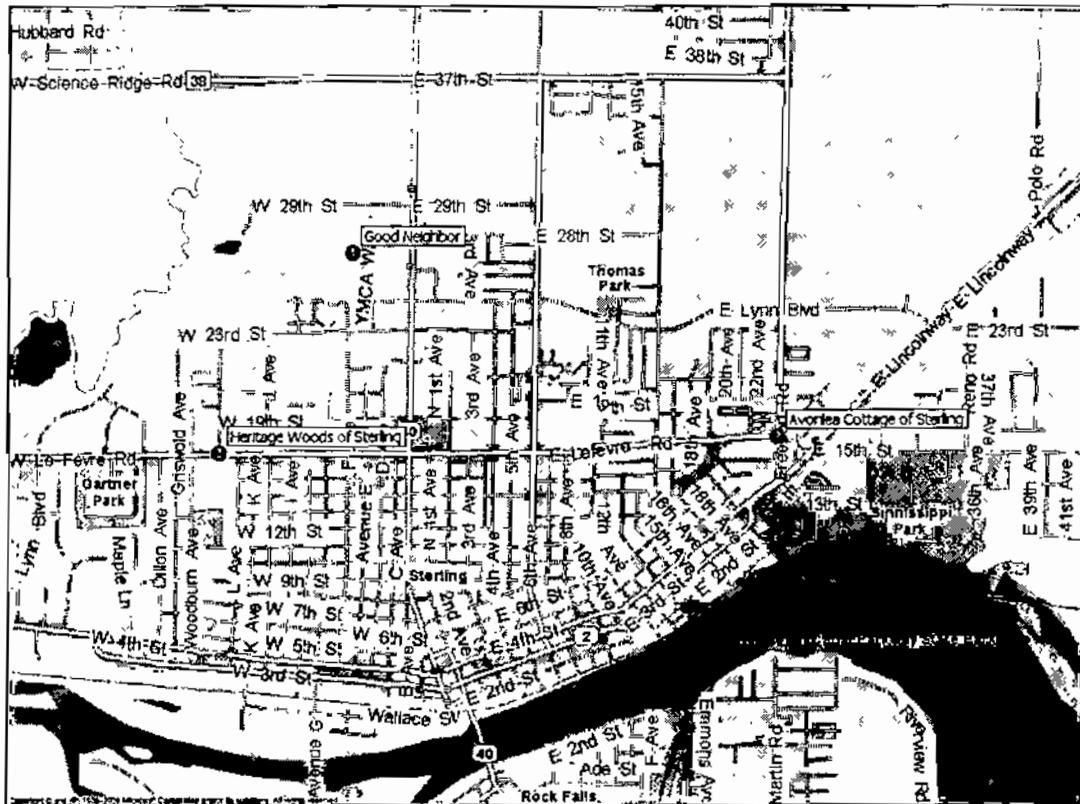
**Due to the lack of a defined occupancy at Parkway and its small size, we have excluded it from our overall occupancy analysis.

Figure 5.1 Assisted Living Competition Map – PMA



Revere Healthcare, Ltd. Copyright 2011

Figure 5.2 Assisted Living Competition Map – PMA (Sterling Enlarged)



Revere Healthcare, Ltd. Copyright 2011

Licensed Nursing Care

Within the primary market area of Whiteside County, there are 11 nursing facilities. Of those 11, we have not included Winning Wheels in our analysis, as it is not targeted to seniors, but those under 65 (there were no residents over 65 in 2009) and also Tammerlane because all of the residents there have a mental illness and only approximately 15 of those are elderly. Of the remaining nine nursing facilities, there were 678 licensed nursing beds among them. Revere has also noted that there were 630 “Peak Beds Set-Up” in 2009 among these facilities. Several facilities in the market are utilizing what were formerly semi-private units as private units. Harbor Crest, Sterling Pavilion, Transitions Nursing & Rehab, and Rock Falls Rehab all have between 7 and 21 licensed beds not in use. To account for these units and level of competitiveness Revere has considered only 75% of the Peak Beds Set Up as competitive for these facilities as well as Coventry Living Center. Facilities considered 100% competitive are those in Morrison (Pleasant View Rehab & HCC and Four Seasons Living Center) and Good Samaritan because it was the most competitive facility found in the PMA. For its market research, Revere visited all 9 comparable nursing homes in the PMA. Those 9 facilities had a

combined weighted average occupancy of 78 percent of operating beds (“peak beds set up”) and 73% of licensed beds.

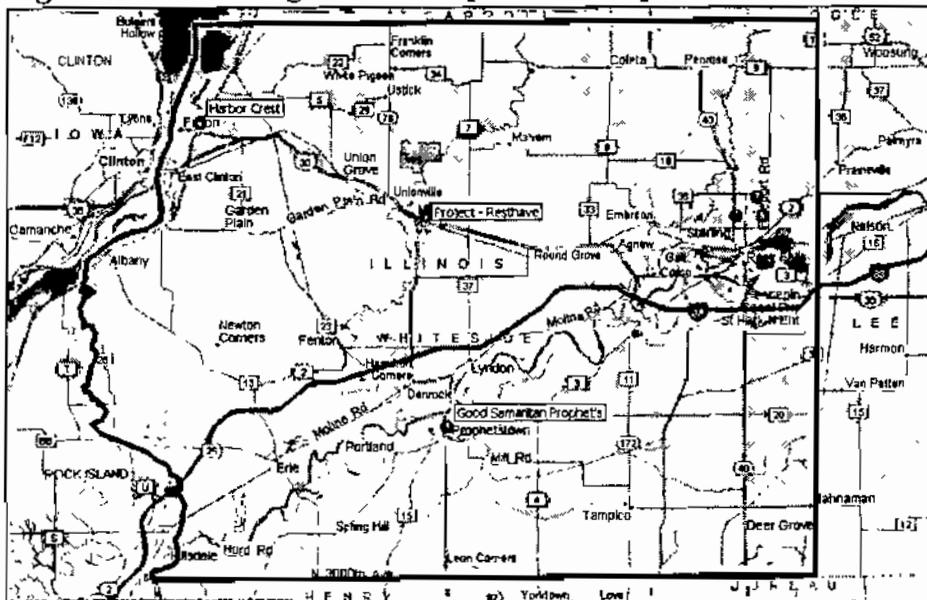
When comparing Medicare’s star ratings, the project was the only facility in the county that received a five-star rating on its most recent inspection posted as of March 2011. Facilities with four stars included Four Seasons Living Center in Morrison, and Good Samaritan Prophets Riverview, Rock Falls Rehab, and Harbor Crest elsewhere. Three facilities only received one or two stars: Coventry Living, Transitions Nursing, and Sterling Pavilion.

Table 5.2 illustrates the all of the facilities in Whiteside County considered competitive.

Table 5.2 Competitive Nursing Facilities – Primary Market Area

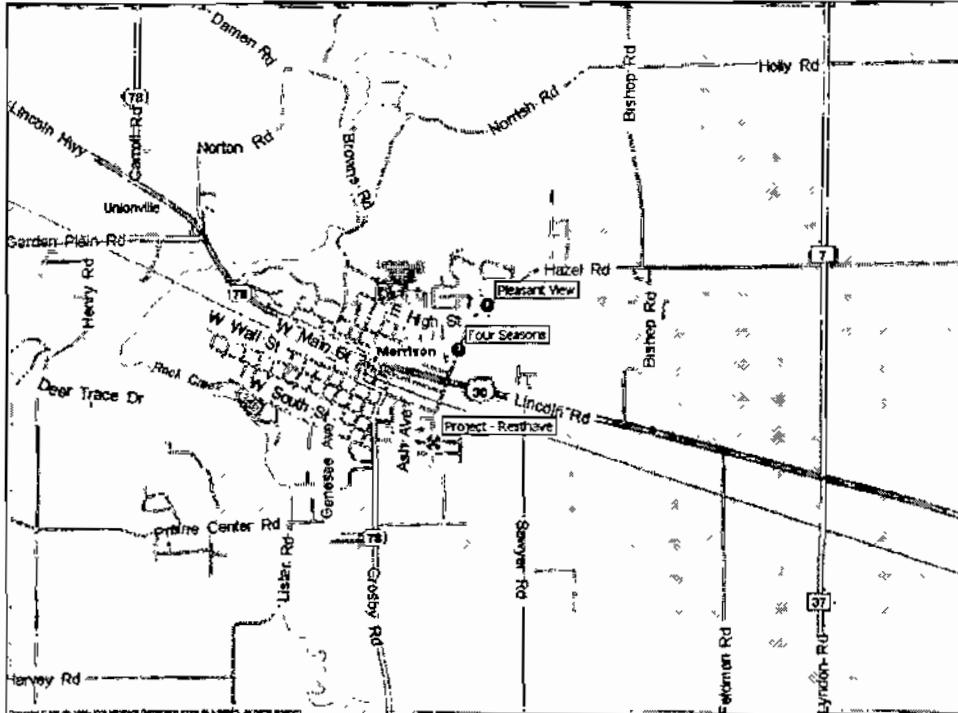
Facility Name	Address	City	State	ZIP	Star Rating	Licensed Beds	Peak Beds Set Up	Competitive Beds	Medicare Beds	Medicare Days	Peak Beds Occupancy
X Project - Resthve Home	408 Maple Ave.	Morrison	IL	61270	*****	49	49	49	0	0	98%
1 Pleasant View Rehab & HCC	500 North Jackson St.	Morrison	IL	61270	***	74	74	74	8	916	70%
2 Four Seasons Living Center	303 North Jackson St.	Morrison	IL	61271	****	38	38	38	0	0	66%
3 Good Sam. - Prophet's Riverview	310 Mosher Dr.	Prophetstown	IL	61277	****	70	70	70	20	2,254	94%
4 Harbor Crest	817 17th St.	Fulton	IL	61252	****	84	72	54	0	0	80%
5 Coventry Living Center	612 West St. Mary's St.	Sterling	IL	61081	**	130	130	98	48	5,475	61%
6 Sterling Pavilion	105 E 23rd St.	Sterling	IL	61081	*	121	100	75	121	4,467	92%
7 Transitions Nursing & Rehab. Center	1000 Dixon Ave.	Rock Falls	IL	61071	**	55	47	35	55	931	83%
8 Rock Falls Rehab & Healthcare	430 Martin Rd.	Rock Falls	IL	61071	****	57	50	38	0	0	66%
Primary Market Totals					Out of 5	678	630	530	252	14,043	78%

Figure 5.3 Nursing Care Competition Map – PMA



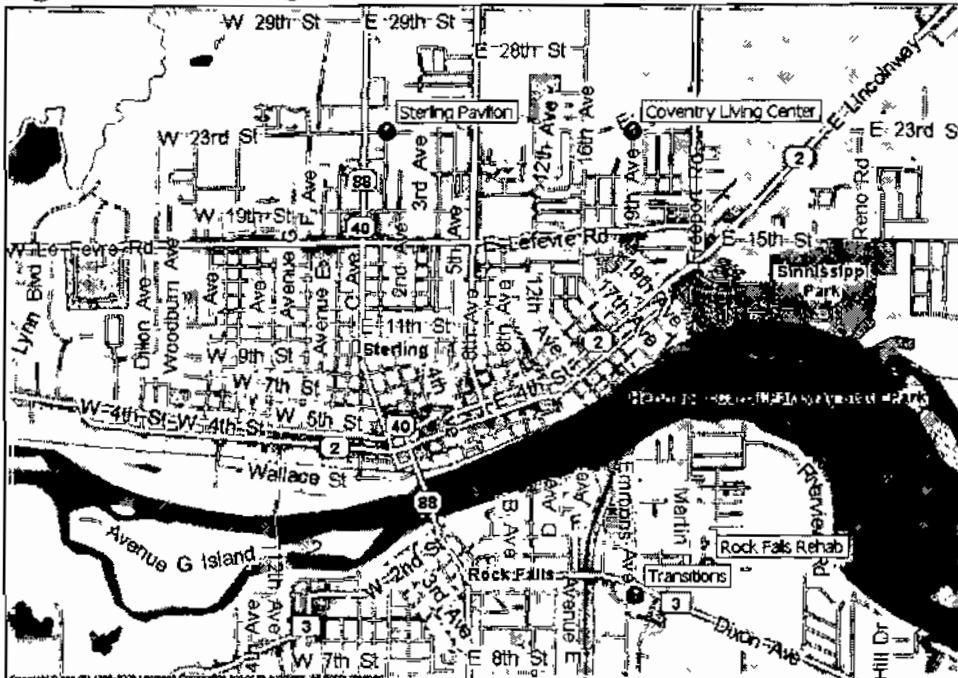
Revere Healthcare, Ltd. Copyright 2011

Figure 5.4 Nursing Care Competition Map – PMA (Enlargement 1)



Revere Healthcare, Ltd. Copyright 2011

Figure 5.5 Nursing Care Competition Map – PMA (Enlargement 2)



Revere Healthcare, Ltd. Copyright 2011

Medicare Analysis**Table 5.3 PMA Nursing Facilities Medicare Days Analysis**

2009	Facility Name	Medicare Beds	Medicare Days	% Total Medicare Days PMA
X	Project - Resthave Home	0	0	0%
1	Pleasant View Rehab & HCC*	8	916	7%
2	Four Seasons Living Center	0	0	0%
3	Good Sam. - Prophet's Riverview	20	2,254	16%
4	Harbor Crest	0	0	0%
5	Coventry Living Center	48	5,475	39%
6	Sterling Pavilion	121	4,467	32%
7	Transitions Nursing & Rehab. Center	55	931	7%
8	Rock Falls Rehab & Healthcare	0	0	0%
Primary Market Totals		252	14,043	100%

**According to the most recent IDPH Facility Profile, Pleasant View RHCC has 0 Medicare-Certified beds; according to the Medicaid cost report of the facility there are eight SNF beds, however.*

Of the nine facilities in the market catering to seniors (i.e. excluding Winning Wheels and Tammerlane), there were five facilities offering Medicare days in 2009 (the most recent data available). Pleasant View is the only long-term care facility in Morrison offering care to residents utilizing Medicare as their payor source. Of the facilities offering Medicare, only Good Samaritan Prophet's Riverview had a four-star Medicare rating (and a good reputation).

Additionally, it should be noted that Morrison Community Hospital is a Critical Access Hospital licensed for 63 beds with swing beds. In 2009 the hospital had 1,762 Medicare Skilled Nursing days in their census, which incorporated both adult and pediatric care, with an unknown portion of those days serving those over 65.

As a percentage of total nursing days in Whiteside County, 6.9% is significantly lower than the national average of approximately 14.7% in long-term care settings. According to interviews with market representatives, the only facility considering adding Medicare

days is Harbor Crest. Harbor Crest, however, has recently hired a new administrator and no definitive plans have been announced.

COMPETITION ASSESSMENT

Each service area competitor was visited in person by a representative of Revere. The following facility profiles identify specific data about each facility.

Assisted Living & Sheltered Care

Revere surveyed assisted living and Sheltered Care options in the service area in order to more accurately assess the characteristics of potential market area competitors. In particular, these assessments include information on the services and amenities available.

Licensed assisted living must include 24-hour supervision, assistance with activities of daily living (ADLs), and supportive services for the semi-independent elderly person. These facilities typically include 3 meals per day, housekeeping and laundry service, maintenance, utilities, and medication supervision. Amenities commonly include beauty and barber shop, assistance with transportation, and outdoor recreation areas. Personal care assistance is typically charged on a tiered payment system to account for amount of assistance required.

Characteristics of Residents

Typical ages range from the mid-70s to the upper 80s, although residents could be as young as low 50s and as old as over 100. The income bracket would be dependent on the demographic area, but the majority of residents are in the middle- to upper-income bracket due to the general scarcity of public funds for assisted living. Residents are more frequently women due to differences in life expectancy between genders; however, the percentage of men has been increasing over the past several years.

Most assisted living residents come into a facility from their home. Assisted living services are attractive to individuals who require assistance with activities of daily living in the absence of a caregiver. This assistance can include one or more of the following: bathing, dressing, ambulation, household chores, and medication reminders.

Assisted Living Profiles

The following facility profiles identify specific data about primary market facilities which are considered comparable to aspects of the project as proposed. The Sheltered Care facilities in the market area were small, old, and not truly competitive with the proposed addition to the project. As a result, after the project, we have only profiled assisted living and supportive living facilities in the market.

Resthave Home - Whiteside Co.
 408 Maple Ave.
 Morrison, IL 61270
 815-772-4021
www.Resthavehome.com

Project Type: AL, SNF
Year Built: 1961
Condition: Good
Remodeled: Minor renovations
Management: Private Non-Profit



Entrance Fee: None
Community Fee: None
Date Visited: February 17, 2011
Waiting List: Yes
Ownership Type: Non-Profit

Sheltered Care		Mar-11		Monthly
Unit Type	# of Units	Occupancy	Sq. Feet	Rates
Private	17	100%	-	\$2,433
Large private	3	100%	-	\$3,224
Suite (Semi or couple)	1	100%	-	\$4,867
Totals	21	100%		

Resident Units Include:

- Wall-to-wall carpeting
- Handicap-accessible bathroom
- Tiled kitchenette
- Closet storage space
- Shower with built-in seat
- Emergency call system
- Smoke & CO2 detectors
- Cable hookup available
- Phone hookup available
- Other:
Hospice care

Campus Amenities:

- Religious services
- Facility van
- Security/restricted access bldg.
- Lounges
- Activity room
- Fitness center
- Beauty & barber salon
- Gift shop
- Private dining room
- Outdoor gazebo/walking path
- 24-hour security
- Parking
- Other:

Services Provided Include:

- All utilities except phone
- Assistance with ADLs
- Buffet-style dining
- Restaurant-style dining
- 3 meals daily
- Daily activities
- Assessments
- Laundry - Linens
- Housekeeping
- All maintenance
- Transportation*
- Other:
- Pet visits
- Wellness
- Special diets
- Snacks
- 24-hour staff
- Video games
- Internet

Services for additional cost:

- Additional levels of care
- Beauty & barber
- Additional laundry
- Tray/room service
- Incontinence supplies
- Unscheduled transportation
- Guest meals
- Ice cream parlor
- Other:

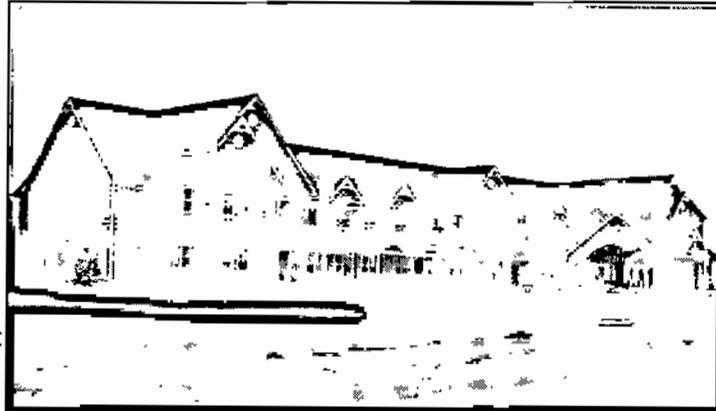
Comments:

The project - Resthave Home - has an excellent reputation in the market and is operating at high occupancy levels with a waiting list in the Sheltered Care component as a result. That portion of the building is aging, but is clean. Several residents have aged in place for many years. A partial or full remodel of the Sheltered Care units along with an addition would help Resthave maintain its status as one of the best providers in Morrison and Whiteside County and would justify somewhat higher rates. *Transportation is only available for nursing residents.

Good Neighbor Care of Sterling
 2705 Avenue E
 Sterling, IL 61081
 815-622-2800
www.goodneighbor.com

Project Type: IL, AL, A/z
Year Built: 2007
Condition: Excellent
Remodeled: No
Management: Good Neighbor Care Centers, LLC

Entrance Fee: None
Community Fee: N/A
Date Visited: February 17, 2011
Waiting List: No
Ownership Type: For profit



Assisted Living		Feb-11		Monthly
Unit Type	# of Units	Occupancy	Sq. Feet	Rates*
Studio			350-390	\$2,260-\$2,800
Small one-Bedroom	26	90%	435-500	\$3,080
One-Bedroom			525-700	\$3,800
Totals	61	90%		

Resident Units Include:

- Wall-to-wall carpeting
- Handicap-accessible bathroom
- Tiled kitchenette
- Closet storage space
- Shower with built-in seat
- Emergency call system
- Smoke & CO2 detectors
- Cable hookup available
- Phone hookup available
- Other: _____

Campus Amenities:

- Religious services
- Facility van
- Security/restricted access bldg.
- Library/computer room
- Game/activity rooms
- Fitness program
- Beauty & barber salon
- Gift shop
- Private dining room
- Garden areas
- 24-hour security
- Parking
- Other: _____

Services Provided Include:

- All utilities except phone
- Assistance with ADLs
- Buffet-style dining
- Restaurant-style dining
- 3 meals daily
- Daily activities
- Pets allowed
- Assessments
- Wellness
- Laundry
- Special diets
- Housekeeping
- Snacks
- All maintenance
- 24-hour staff
- Transportation
- Video games
- Other: _____
- Internet

Services for additional cost:

- Additional levels of care
- Beauty & barber
- Additional laundry
- Tray/room service
- Incontinence supplies
- Unscheduled transportation
- Guest meals
- Ice cream parlor
- Other: _____
- Respite care, \$75 per day

Comments:

*Base monthly rates. Three care levels: Care Level I includes night time checks, assistance with dressing and bathing, meal reminders laundry, light housekeeping general observation/supervision, 24-hour emergency response, monthly wellness checks; rate is \$400. Care Level II includes a.m and p.m. care, night incontinence checks, meal & escort assistance, medication assistance, and all that is included in Care Level I. Rate is \$800. Care Level III includes incontinence care, oral hygiene care, shaving, daily intake and output monitoring, as well as all services included in Levels I and II. Rate is \$1,200. Second person fee is \$500.

Avonlea Cottage
 2201 E. LeFevre Rd.
 Sterling, IL 61081
 815-626-5439
www.unitedresource.biz

Project Type: AL
Year Built: 2001
Condition: Excellent
Remodeled: No
Management: United Resource Holdings LLC

Entrance Fee: None
Community Fee: None
Date Visited: February 17, 2011
Waiting List: No



Assisted Living				
Unit Type	# of Units	Occupancy	Sq. Feet	Monthly Rates
Small suite	24	93%	N/A	\$1,500
Large suite	6		N/A	\$3,250
Totals		30	93%	

Resident Units Include:

- Individual heating & cooling
- Wall-to-wall carpeting
- Handicap-accessible bathroom
- Tiled kitchenette**
- Closet storage space
- Shower with built-in seat*
- Emergency call system
- Smoke & CO2 detectors
- Cable hookup available
- Phone hookup available
- Other:

Respite/short term stays

Services for additional cost:

- Additional levels of care
- Beauty & barber
- Additional laundry
- Respite/short term care
- Incontinence supplies
- Unscheduled transportation
- Guest meals
- Ice cream parlor
- Other:

Campus Amenities:

- Chapel
- Facility van
- Security/restricted access bldg.
- Library/computer room
- Lounges
- Fitness program
- Beauty/Barber salon
- Gift shop
- Private courtyard
- Gardening areas
- 24-hour security
- Parking
- Other:

Services Provided Include:

- All utilities except phone
- Assistance with ADLs
- Buffet-style dining
- Restaurant-style dining
- 3 meals daily
- Daily activities
- Pets allowed
- Assessments
- Wellness
- Laundry - Linens
- Special diets
- Housekeeping
- Snacks
- All maintenance
- 24-hour staff
- Transportation
- Video games
- Other:
- Internet

Medication assistance

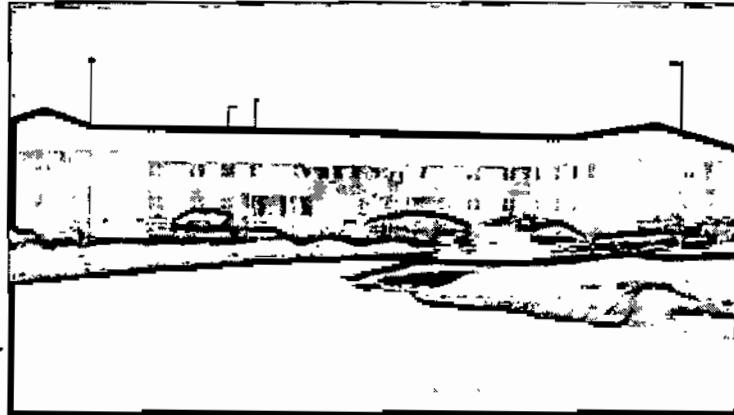
Comments:

Avonlea Cottage was built in 2001, but nearly doubled its size with an addition recently (added 16 and subtracted 2). The facility is smaller with limited common area, but is in good to excellent condition. Although the rates were reported by the facility's DON and were "all-inclusive", \$1,500/month for a small suite is not an "assisted living" rate. Revere surmises that this low rate would either be an exception to a higher standard rate or a rate for a room with no assisted living care. *Some units have showers with built-in seats. **Some units have kitchenettes.

Heritage Woods of Sterling
 2205 Oak Grove Ave.
 Sterling, IL 61081
 815-625-7045
www.bma-mgmt.com

Project Type: IL, SLF
Year Built: 2008
Condition: Excellent
Remodeled: No
Management: BMA Management, LTD.

Entrance Fee: No
Deposit: N/A
Date Visited: February 17, 2011
Waiting List: Yes



Supportive Living		2009 Avg.		Private Pay
Unit Type	# of Units	Occupancy	Sq. Feet	Rates
Studio			325	\$2,695
One-bedroom	76	100%	460	\$2,995*
Totals	76	100%		
2009 Private Pay Residents as a percentage of total:				62.0%

Resident Units Include:

- Individual heating & cooling
- Wall-to-wall carpeting
- Handicap-accessible bathroom**
- Kitchenette
- Closet storage space
- Shower with built-in seat
- Emergency call system
- Smoke & CO2 detectors
- Digital broadcast TV channels
- Phone hookup available
- Other:

Services for additional cost:

- Guest/respite suites
- Beauty & barber
- Personal laundry service
- Indoor parking
- Internet
- Unscheduled transportation
- Guest meals
- Extra storage
- Other:

Campus Amenities:

- Chapel
- Facility van
- Security/restricted access bldg.
- Activity/craft/game/rec. rooms
- Movie theater room
- Fitness center
- Beauty & barber salon
- Gift shop
- Private dining room
- Outdoor patio area
- Laundry facility
- Parking (Outdoor)
- Other:

Services Provided Include:

- All utilities except phone
 - Maintenance of building & grounds
 - Buffet-style dining
 - Restaurant-style dining
 - 3 meals daily
 - Scheduled transportation
 - 24-hour emergency call service
 - Linen service
 - Pets allowed
 - Housekeeping
 - Snacks
 - Wellness
 - 24-hour staff
 - Daily activities
 - Concierge
 - Other:
 - Internet
- Medication reminders

Comments:

Heritage Woods is part of a larger chain of SLF and private pay facilities, predominantly located in Illinois operated by Blair Minton and Associates. The facility was 38% Medicaid-paying in 2009, which was below average for Illinois SLFs. The facility was still in excellent condition and appeared to have an excellent marketing team. *Double occupancy rate is \$3,795. **Nine units are handicapped accessible.

Licensed Nursing Care

Nursing facilities provide a living arrangement that integrates shelter with medical, nursing, psychological, and rehabilitative services for persons who require 24-hour supervision. Meals, utilities, housekeeping, laundry, and a social/activities program are all included in the fee. A wide range of rehabilitation and specialized programs can be offered.

Characteristics of Skilled Nursing Facility Residents

A skilled care resident is generally aged 80 or higher. The patients are generally female but the numbers of males utilizing nursing homes is increasing. These patients often have lived alone prior to admission to a nursing facility, because most have been widowed. The limitations in ADLs can vary greatly depending upon the patient's reasons for needing a skilled nursing unit. Patients can be admitted for short-term stays to recover and/or rehabilitate from a spell of illness and then return home or may be admitted due to an increased inability to live at home. Many long-term skilled nursing residents have some form of Alzheimer's or dementia with or without additional physical disabilities requiring the need for assistance with ADLs.

Skilled Nursing Facility Profiles

The following facility profiles identify specific data about primary market facilities which are considered comparable to aspects of the project, which is profiled first.

Resthave Home - Whiteside Cty.
 408 Maple Avenue
 Morrison, Illinois 61270
 815-772-4021
 www.resthavehome.com



Project Type: AL, SNF
Year Built: 1969
Condition: Good
Remodeled: No
Management: Resthave Home -
 (Non-profit) Whiteside County
 Church-affiliated
Entrance Fee: None
Date Visited: February 17, 2011

Resident Units include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television (flat screen)
- Cable
- Phone hookup available
- Other: _____

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other: _____

Skilled Nursing		2009	Private Pay Rates	
Unit Type	# of Beds	Occupancy	Daily	Monthly
Semi-private	48	98%	\$145-\$155	\$4410-\$4714
Private	1		\$212	\$6,448
Totals	49	98%		

Medicare Star Rating		5 Stars	Inspected	3/10/2010
Payor Mix 2009	Private Pay	57.2%	Insurance	0.0%
	Medicare	0.0%	Medicaid	42.8%

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other: _____

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medication
- Medical supplies
- Oxygen
- Guest meals
- Laundry
- Beauty & barber
- Internet
- Other: _____

Comments:

Resthave Home has one of the best reputations in the county. Due to its smaller size, however, Resthave is considering an expansion in addition to converting some of its semi-private units into private units. Medicare.gov notes that the Project received a five-star rating at the time of the inspection, which was the only nursing home in the county to receive a 5-star rating. The project has a high occupancy percentage due to its emphasis on high-quality care, cleanliness, and compliance. The Project's nursing beds are nearly always full.

Pleasant View Rehab. & HCC
 500 N. Jackson Street
 Morrison, Illinois 61270
 815-772-7288
www.petersenhealthcare.net

Project Type: SNF
 Year Built: 1974
 Condition: Good
 Remodeled: No
 Management: Petersen Health
 (For-profit) Care

Entrance Fee: None
 Date Visited: February 17, 2011



Resident Units include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television (flat screen)
- Cable
- Phone hookup available
- Other: _____

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other: _____

Skilled Nursing		2009	Private Pay Rates	
Unit Type	# of Beds	Occupancy	Daily	Monthly
Semi-private	74	70%	\$134-\$160	\$4076-\$4867
Private				
Totals	74	70%		
Medicare Star Rating:		3 Stars	Inspected:	2/5/2010
Payor Mix 2009	Private Pay	36.1%	Insurance	0.7%
	Medicare	4.9%	Medicaid	58.3%

Services Provided include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other: _____

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medication
- Medical supplies
- Oxygen
- Guest meals
- Laundry
- Beauty & barber
- Internet
- Other: _____

Comments:

Pleasant View was purchased by Petersen Health Care on April 1, 2009. The facility had recently converted some beds to Medicare-certified beds. The overall reputation since being purchased by Petersen, however, appears to have declined as staffing levels have been decreased somewhat and other strong cost-cutting measures have been taken. At present, the facility is operating all or almost all of its semi-private units as privates. Layout & appearance are sub-par, which contributes to the low census.

Four Seasons Living Center
 303 North Jackson Street
 Morrison, Illinois 61270
 815-772-4003
www.morrisonhospital.com

Project Type: Hospital/NH
Year Built: 1974
Condition: Good
Remodeled: No
Management: Morrison Community (District-run) Hospital

Entrance Fee: None
Date Visited: February 17, 2011

Resident Units Include:

- Shared bathroom
- 8 bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television (flat screen)
- Cable
- Phone hookup available
- Other:

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Pharmacy
- Fitness center
- Beauty & barber salon
- Gift shop
- Other:
Family Care Clinic



Skilled Nursing		2009	Private Pay Rates	
Unit Type	# of Beds	Occupancy	Daily	Monthly
Semi-private	32	66%	\$125-\$191	\$3802-\$5810
Private	6		\$205	\$6,235
Totals	38	66%		
Medicare Star Rating: 4 Stars		Inspected:	1/21/2010	
Payor Mix	Private Pay	51.5%	Insurance	0.0%
2009	Medicare	0.0%	Medicald	48.5%

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other:

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medical supplies
- Guest meals
- Beauty & barber
- Other:
- Medication
- Oxygen
- Laundry
- Internet
- Lab work

X-ray; emergency

Comments:

Four Seasons is a nursing home within a small local hospital. None of the beds are Medicare-certified, so the home is fairly unique. Census appears to be low due in part to this fact as people do not typically associate nursing homes and long-term care with a hospital setting. Additionally, there were 29 residents as of February 18, 2011 (76%) and there were reportedly only 5 private units and 16 semi-private units in operation. Four Seasons has three levels of care: Level 1 (\$125) – fairly independent, minimal assistance; Level 2 (\$154) – no more than a one-person assist with transfers; Level 3 (\$191) – consistently requiring an assistance of two staff for transfers or a lift.

Good Samaritan Prophetstown
 310 Mosher Drive
 Prophetstown, Illinois 61277
 815-537-5175
www.good-sam.com

Project Type: IL, SLF
Year Built: 1967
Condition: Good
Remodeled: Minor renovations
Management: The Evangelical Lutheran Good Samaritan Society
Entrance Fee: None
Date Visited: February 17, 2011



Resident Units Include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television (flat screen)
- Cable
- Phone hookup available
- Other:

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other:

Skilled Nursing		2009	2009 Private Pay Rates	
Unit Type	# of Beds	Occupancy	Daily	Monthly
Semi-private	50	94%	\$154	\$4,684
Private	20		\$172	\$5,232
Totals	70	94%		

Medicare Star Rating: 4 Stars		Inspected: 10/14/2010	
Payor Mix	Private Pay	Insurance	Medicaid
2009	44.8%	0.1%	45.8%
	9.3%		

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other:

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medication
- Medical supplies
- Oxygen
- Guest meals
- Laundry
- Beauty & barber
- Internet
- Other:

Social services

Comments:

Although Good Samaritan - Prophetstown was originally built in 1967, the building has been well-maintained and given many upgrades in the last five years, including several exterior and interior improvements. Additionally, an independent living building was built adjacent to the nursing facility nearly three years ago. The property has a good reputation, but was below average in terms of nursing minutes per resident per day in the "Nursing Home Staffing" inspection in October of 2010. Overall, this home is one of the stronger competitors in Whiteside County.

Harbor Crest Home
 817 17th Street
 Fulton, Illinois 61252
 815-589-3411
 No website available



Project Type: SNF
Year Built: 1966
Condition: Fair
Remodeled: No
Management: Local 501(c)(3)
 (Non-profit)

Entrance Fee: None
Date Visited: February 17, 2011

Resident Units Include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television
- Cable
- Phone hookup available
- Other: _____

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other: _____

Skilled Nursing	Operating	2009	Private Pay Rates	
Unit Type	# of Beds	Occupancy	Daily	Monthly
Semi-private	22	80%	\$175	\$5,323
Private			\$189	\$5,749
Totals	72	80%		

Medicare Star Rating: 4 Stars. Inspected: 4/22/2010				
Payor Mix	Private Pay	41.4%	Insurance	0.0%
2009	Medicare	0.0%	Medicaid	58.6%

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other: _____

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medical supplies
- Medication
- Guest meals
- Oxygen
- Beauty & barber
- Laundry
- Internet
- Other: _____

Comments:

Harbor Crest was originally constructed in 1966 with 51 beds, but added 33 beds in 1977. Apart from a roof replacement in 1998, there appears to be no other major renovations to the building, which is evident in the condition. Of 84 licensed beds, the facility is only 69% occupied. One employee indicated the facility was raising funds to convert some of the building to Medicare certification, but there was no indication of progress on the fundraising or a definitive timeframe for this conversion. The facility recently brought on a new administrator and appears to have a relatively good reputation despite having an older building. Included in the private pay rates above are Level 1 care. Levels 2-5 start at \$3.50/day and go up \$3 per level of care.

Sterling Pavilion
 105 East 23rd Street
 Sterling, Illinois 61081
 815-626-4264
www.sterlingrehab.com

Project Type: SNF
Year Built: 1974
Condition: Good
Remodeled: Not in the past 5 years
Management: Dynamic Health Care,
 (For-profit) Ltd.

Entrance Fee: None
Date Visited: February 17, 2011

Resident Units Include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television
- Cable
- Phone hookup available
- Other: _____

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other: _____



Skilled Nursing Unit Type	Operating # of Beds	2009 Occupancy	Private Pay Rates	
			Daily	Monthly
Semi-private	100	76%	\$128	\$3,893
Private			\$138	\$4,198
Totals	100	92%		

Medicare Star Rating: 1-Star		Inspected: 6/17/2010	
Payor Mix 2009	Private Pay	Insurance	Medicaid
	42.7%	0.0%	44.0%
	Medicare	13.4%	

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other: Alzheimer's wing

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medication
- Medical supplies
- Oxygen
- Guest meals
- Laundry
- Beauty & barber
- Internet
- Other: _____

Comments:

Sterling Pavilion was purchased in 2005 by Petersen, which is a midwestern chain. As a percentage of licensed beds the facility was operating at 76% in 2009, however, twenty of the beds are entirely out of use. Likely, these are licensed semi-private units being utilized as private units as the facility does not appear to have closed any wing(s), which is a trend in the market and nationwide. Sterling was one of the largest SNF providers of Medicare services in Whiteside County in 2009 at 4,467 Medicare days (an average of 12 Medicare residents daily). At the same time, Sterling Pavilion received a 1-star rating for its last inspection due to low nursing staffing and health inspection violations.

Rock Falls Rehab & HCC
 430 Martin Road
 Rock Falls, Illinois 61071
 815-626-4575
www.petersenhealthcare.net

Project Type: IL, SNF
 Year Built: 1972
 Condition: Fair
 Remodeled: No
 Management: Petersen Health
 (For-profit) Care

Entrance Fee: None
 Date Visited: February 17, 2011



Resident Units Include:

- Shared bathroom
- Bed
- Chair
- Dresser
- Nightstand
- Emergency call system
- Rooms can be personalized
- Individual heating & cooling
- Television
- Cable
- Phone hookup available
- Other: _____

Campus Amenities:

- Chapel
- Facility van
- Secured entrance/alarmed doors
- Library
- Computer room
- Fitness center
- Beauty & barber salon
- Gift shop
- Other: _____

Skilled Nursing Unit Type	Operating # of Beds	2009 Occupancy	Private Pay Rates	
			Daily	Monthly
Semi-private	50	64%	\$128	\$3,893
Private	1		\$138	\$4,198
Totals	51	64%		
Medicare Star Rating: 4 Stars Inspected: 11/4/2009				
Payor Mix 2009	Private Pay	16.7%	Insurance	0.0%
	Medicare	0.0%	Medicaid	83.3%

Services Provided Include:

- 24 hour skilled nursing
- 3 meals daily
- Tray service dining
- Respite care
- Hospice care
- Daily activities
- Transportation
- Laundry
- Special diets
- Internet
- Other: _____

Services Available at Additional Cost:

- Physical therapy
- Occupational therapy
- Speech therapy
- Physician appointments
- Incontinence supplies
- Medical equipment
- Transportation
- Medical supplies
- Guest meals
- Beauty & barber
- Other: _____

Comments:

Rock Falls Rehabilitation and Health Care Center was purchased in 2005 by Petersen, which is a regional nursing and senior housing chain, with 57 licensed beds and 51 operating. Since then, virtually no improvements were reported to have been made to the Rock Falls nursing component, which is evident when one walks through. It is dated and in need of a remodel. Approximately 83% of the residents are utilizing Medicaid, and the reputation is poor. The last reported inspection of the facility was in 2009, when a four-star rating was given in part for high levels of staffing per resident, which was due more to low census. There were only 28 residents on 2/17/2011 (49% of licensed beds).

PLANNED DEVELOPMENT

Morrison

Gary Tresenriter – Zoning Administrator/Director of Public Works

According to Mr. Tresenriter of the Morrison Planning and Zoning Office there were no senior housing units or nursing beds currently in the planning or construction stages in Morrison as of March 2011. Additionally, there were no discussions to the effect that he was aware of.

State of Illinois

Health Facilities and Services Review Board (“HFSRB”)

According to the www.idph.state.il.us website, the HFSRB Certificate of Need applications list indicates that within Whiteside County there have been no applications that have been submitted for nursing home beds (whether as additions or new projects). As a result, we have not included additional nursing beds in our demand analysis.

CONCLUSIONS

Revere Healthcare identified several facilities as competitive to the Sponsor and/or the levels of care under consideration in the primary market area. In the primary market area, there are six communities with assisted living units and Sheltered Care beds (totaling approximately 207 units, 94% weighted average occupancy), and nine competitive facilities with nursing care units (totaling 678 licensed/630 operating beds, 78% weighted average occupancy of licensed beds). At present, there are no approvals for new senior housing projects in the PMA, no new nursing beds in the SMA, and some preliminary discussions of senior housing development in Antioch and Spring Grove.

VI. DEMAND ANALYSIS

METHODOLOGY

The demand analysis draws on the service area definition, demographic, and competition sections of this report. Relevant information collected to determine demand for the proposed services is summarized briefly in this section; however, the aforementioned sections must be read in order to fully understand the methodology used in this section. Analyses for assisted living and Medicare nursing are presented below.

ASSISTED LIVING

Target Market

Revere Healthcare, Ltd. determined the target market for assisted living services as older adults age 75+ with an annual income of \$35,000 or more. The income screen is calculated below. Based on industry standards for assisted living, an individual can use up to 80% of annual income for rent in a residential care setting.

Rental Fee Calculation

For assisted living, approximately 80% of annual income is considered adequate to cover the monthly rental fee, which pays for the room, basic utilities, three meals daily, activity program, security, scheduled transportation, maintenance, etc. Monthly fees in assisted living are typically higher because some amount of personal care is included in the fee.

Starting Monthly Fee Calculation (in 2010 \$)

$(\$35,000 \text{ annual income} / 12 \text{ months}) \times 0.8 = \$2,333 \text{ monthly rent}$

Competition

Six assisted living facilities with 207 units (ALUs & Sheltered Care units) were identified in the primary market area. Subsidized units are not generally considered competitive to the project based on the income screen. As a conservative measure, however, Revere has included all the SLF units of Heritage Woods. Please note that facilities are offering varying levels of services and amenities when compared to the project. The facilities in the market have approximately 11 vacant units. Typically, Revere deducts 50% of assisted living units considered competitive in the market penetration calculation (below). In this market, there are 180 ALUs from which to deduct, which equates to 90 units.

Market Penetration Calculation for Assisted Living

The market penetration rate is a measurement the financial community uses to determine market risk. The higher the penetration rate, the higher the market risk. A simple market penetration rate can be obtained by taking the number of planned units and dividing it by the total age- and income-qualified population. Age and income qualifications are set using *screens*, which vary for assisted living. A number of *deductions* are used for further market segmentation. See the following sections for more information.

Deductions

Certain elements of the age- and income-qualified population are deducted to account for various social phenomena; e.g., the percentage of the 75 and older population with mobility and/or self care limitations is a primary indicator for assisted living projects.

Other factors to be considered include the number of institutionalized individuals and the number of units offered by competing facilities (both in operation and in the planning stages). The number of age- and income-qualified individuals, less all appropriate deductions, is then divided into the number of proposed units to yield the penetration rate.

Assisted Living Screens

For assisted living, the age screen was set at 75+ years of age. Using the 80% of monthly income for rent rule mentioned in the previous section, Revere Healthcare set the income screen at \$35,000 or more in annual household income.

Table 6.1 Penetration Calculation – Assisted Living

Household Income by Age of Householder	2010 Demographic Estimates		
	75-84	85+	Total
\$35,000-\$49,999	372	136	508
\$50,000-\$74,999	250	73	323
\$75,000+	260	89	349
	882	298	1,180
Institutionalized	6.9%		(81)
			1,099
Assistance w/ ADLs			30%
Gross Age, Income, & Disability Qualified			330
# of Existing Units Occupied from PMA	180		
Annual Turnover*	50%		
Subtotal	90		
Vacant Units			(11)
Estimated Competition from PMA			(90)
Net Age, Income, & Disability Qualified			229
Number of Units Proposed			11
Penetration Rate**			5.0%
70% of the units will be filled by demand from the PMA			11
30% of the demand will come from the SMA			5
Total Project Size			16
*Assumes assisted living resident lives at the community 2 years on average.			
**Move rates have been excluded from this calculation.			

Source: Calculations based on information obtained from Nielsen Claritas, Inc.

Interpreting the Penetration Rate (Assisted Living)

For assisted living, market penetration rates may be higher than typical senior housing projects due to the health care aspects of the industry. Historically, acceptable penetration rates for assisted living ranged between 8% and 15%. Based on existing market conditions, Revere Healthcare is estimating a penetration rate of 5% for assisted living.

Based on industry guidelines and the market penetration rates indicated in table 6.1, a project offering an assisted living program could support approximately 16 units. Due to growth projected in the target market, demand calculations yield a demand estimate rising to an estimated 18 units by 2013 and 19 units by 2015.

LICENSED NURSING CARE & MEDICARE-CERTIFIED NURSING PATIENT DAYS

A skilled nursing environment provides a high level of nursing, supervision, and health care. Admission to a nursing facility (NF) is by order of a physician only. NFs provide nursing care for intensive needs such as convalescence from a hospital stay, and provide a high level of nursing care (RNs and LPNs).

The project currently has 49 licensed Intermediate Care nursing beds and proposes to build an addition to the existing NF, which would include Medicare patient days.

It should be noted that the Illinois Health Facilities and Review Board (a division of the Department of Public Health) has determined that there is a calculated bed need of 717 nursing beds in Whiteside County and there are currently 822 approved nursing beds. As a result, there is no calculated need for new beds.

Supply

For calculating the Medicare need we have examined the primary market area (PMA) surrounding the proposed project, which is Whiteside County. We estimated a total of 14,043 Medicare patient days in 2009 within five certified facilities with a total of 252 Medicare-certified beds in the PMA. Two facilities included in the Illinois *Inventory of Health Care Facilities and Services Need Determinations* are completely excluded from consideration due to their use as facilities focused on specific populations. Winning Wheels is entirely for the young (under 65) and Tammerlane is entirely for those with mental illness.

When considering the number of Medicare patient days utilized in Whiteside County, Revere took note of the low percentage of Medicare as a payor source when compared to state and national averages. According to the 2009 Illinois Long-Term Care State Profile, provided by IDPH, Medicare patient days comprised 16.7% of total patient days (which

included Medicare, Medicaid, Other Public Days, Private Insurance, Private Pay, and Charity Care Days).

Table 6.2 PMA Medicare Supply Total

2009	Facility Name	Medicare Beds	Medicare Days	% Total Medicare Days PMA
X	Project - Resthave Home	0	0	0%
1	Pleasant View Rehab & HCC*	8	916	7%
2	Four Seasons Living Center	0	0	0%
3	Good Sam. - Prophet's Riverview	20	2,254	16%
4	Harbor Crest	0	0	0%
5	Coventry Living Center	48	5,475	39%
6	Sterling Pavilion	121	4,467	32%
7	Transitions Nursing & Rehab. Center	55	931	7%
8	Rock Falls Rehab & Healthcare	0	0	0%
Primary Market Totals		252	14,043	100%

**According to the most recent IDPH Facility Profile, Pleasant View RHCC has 0 Medicare-Certified beds; according to the Medicaid cost report for the facility there are eight SNF beds, however.*

Additionally, it should be noted that in 2009 Morrison Community Hospital had 1,762 Medicare Skilled Nursing days in their census, which incorporated both adult and pediatric care, with an unpublished portion of those days serving those 65 and over. We have not included this in our final need analysis as swing-bed days are not incorporated in the overall patient day use/need rates described below.

Demand Calculations

The Percentage of 65+ Population Method

Revere Healthcare has selected a percentage of 65 and older population method of calculating bed need for the project's PMA because it is nearly reflects national utilization rates and represents the actual ratio of Illinois 65+ nursing residents to 65+ in the overall population of the state. This method sets a use rate of 38.14 beds per 1,000 residents age 65 and over. To determine this rate, Revere utilized the total number of

estimated Illinois residents 65 and older in 2009 from Nielsen Claritas, Inc. estimates. The 2009 number of those 65+ in Illinois totaled 1,594,643.

According to IDPH, there were 29,151,090 nursing patient days in 2009. Of those, 23.84% were under the age of 65. Deducting that number (6,950,371) leaves a total of 22,200,719 patient days dedicated to those 65+. Revere then divided this number by 365 to determine the number of patients utilizing those days, which resulted in 60,824. As a percentage of the population of all those 65 and older in Illinois 60,824 is 3.814%.

Revere Healthcare then divided the population from the primary market area by 1,000 to calculate the population 65+ in thousands. Furthermore, the calculation takes into consideration a 10% vacancy factor since nursing facilities do not average 100% occupancy.

Revere Healthcare calculates the overall net bed need as follows:

Table 6.3 Nursing Bed Need (Percentage of 65+ Population Method)

Nursing Bed Need	2010	2015
Population age 65+ (in thousands)	10.29	10.89
Bed need per 1,000 population age 65+ (1)	38.14	36.64
Calculated Bed Need	393	399
Occupancy Factor (2)	0.9	0.9
Net Bed Need	436	443
Supply (Less 23.84% under 65) (3)	404	404
Demand/(Surplus)	32	39

Notes:

(1) Utilization rate for Illinois calculated from Kaiser Family Foundation data as published in the State Health Facts website <http://www.statehealthfacts.org>

(2) Assumes 90% occupancy.

(3) Supply assumes that 23.84% of beds are being used by those under 65. This is the average for Illinois for 2009.

This method of projecting bed need suggests there is a net bed need for 436 beds in 2010. When the bed supply of the competitive facilities is subtracted the results show a demand for 32 total beds in 2010.

Given the national trend of declining use rates at approximately 1% per year, we have employed a 36.64 bed need per 1,000 population rate for 2015. This was calculated by applying a 1% declining rate per year. The resulting net bed need for 2015 was 443 beds, an increase of 7 beds due to growth in the 65+ population. When the bed supply of the competitive facilities is subtracted the results show a demand for 39 total beds in 2015.

Table 6.4 Net Patient Day Need Per Payor Type

Net Patient Day Need Per Payor Type in PMA				
	Mix	2010	2015	Growth
Medicare	14.7%	23,401	23,779	378
Private Pay/Other	22.2%	35,277	35,846	569
Medicaid	63.7%	101,357	102,992	1,635

Source: C. Harrington, H. Carrillo, and B. Blank. Table 6. "Nursing, Facilities, Staffing, Residents, and Facility Deficiencies, 2004 Through 2009." Department of Social and Behavioral Sciences, University of California, San Francisco. accessed March 2011. Available at <http://www.pascenter.org>. Based on the Online Survey, Certification, and Reporting system (OSCAR), Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services.

Based on national averages, Medicare is the payor source for approximately 14.7% of all nursing residents, while Medicaid-payors and Other payors comprise 63.7% and 22.2% of residents, respectively. Based on 14.7% of the 65+ population (436 beds multiplied by 365 days) there are 23,401 Medicare patient days needed in the market area. In the PMA, however, the current Medicare usage is as follows on table 6.5:

Table 6.5 Medicare Beds and Total Percentage

2009	Facility Name	Medicare Days	Equiv. Medicare Beds	% Total PMA NH Days
X	Project - Resthave Home	0	0.0	0.0%
1	Pleasant View Rehab & HCC	916	2.5	0.4%
2	Four Seasons Living Center	0	0.0	0.0%
3	Good Sam. - Prophet's Riverview	2,254	6.2	1.1%
4	Harbor Crest	0	0.0	0.0%
5	Coventry Living Center	5,475	15.0	2.7%
6	Sterling Pavilion	4,467	12.2	2.2%
7	Transitions Nursing & Rehab. Center	931	2.6	0.5%
8	Rock Falls Rehab & Healthcare	0	0.0	0.0%
Primary Market Totals		14,043	38.5	6.9%

In 2009, there were only 14,043 nursing patient days paid for by Medicare among long-term care facilities. This equates to approximately 6.9% of the total nursing days in the county. When compared to all nursing patient days in the nation, Whiteside County is nearly 8% below average. When compared to the Illinois average (16.7%), Whiteside County's percentage of nursing patient days paid for by Medicare is nearly 10% below the average.

According to market representatives, there are a few reasons for the low Medicare census in Whiteside County. The most common reason is that many of the residents on the west and south side of Whiteside County prefer newer and better condition facilities available in both Clinton, Iowa and the Quad Cities. Several residents, for example, go to a hospital in one of these areas and then prefer to do their rehabilitation utilizing Medicare in a Medicare-certified facility near the hospital. When the rehab is completed, residents then return home or transfer to a nursing home in Whiteside County closer to family. Many residents in this scenario typically already reside in a nursing home that does not offer Medicare.

Other long-term care residents have been known to forego their Medicare benefits in order to return to their existing non-Medicare certified nursing facility. These residents may have to pay for rehabilitation services out of pocket. One reason many residents leave Whiteside County for Medicare nursing services is that the Medicare-certified

homes in Whiteside often do not have a positive reputation or an appropriate facility is too far.

Table 6.6 Medicare Patient Day Need

2010 & 2015 Medicare Patient Days Needed	
Medicare Patient Days as 14.7% in 2010	23,401
PMA Medicare Patient Days 2009	(14,043)
Total Medicare Patient Days Needed 2010	9,358
Medicare Patient Days as 14.7% in 2015	23,779
PMA Medicare Beds 2009	(14,043)
Total Medicare Patient Days Needed 2015	9,736

Utilizing the 2010 number of Medicare beds assuming a 14.7% share of the total payor market (23,401, from table 6.4), Revere then deducts the number of Medicare patient days in the PMA from the most recent data available (2009 data), which is 14,043 days (see table 6.5). The result is 9,358 Medicare patient days needed in 2010. This is based on the national average which is lower than the state average. Revere has utilized the national average as a conservative measure.

It is reasonable to assume with Resthave Home – Whiteside County’s reputation and location, that 1,825 Medicare patient days (approximately one-fifth of the 2010 and 2015 net Medicare patient day need) can be captured, which is equivalent to 5 beds.

RECOMMENDATION

Revere recommends further planning for an addition to the project that includes assisted living, licensed nursing care beds, and licensed Medicare nursing care services in Morrison, Illinois. Using 2010 population estimates, Revere calculates a 2010 demand for 16 ALUs, 32 licensed nursing beds, and 9,358 Medicare nursing patient days.

The target market is projected to experience growth, resulting in a potential demand for 18 ALUs by 2013. This need is estimated to increase to 19 assisted living units by 2015. Revere also anticipates a need for 39 licensed nursing care beds and 9,736 Medicare nursing patient days in 2015.

GLOSSARY

AA or AARC. *See active adult retirement community.*

active-adult retirement community (AA or AARC). These communities target adults 55 and older seeking housing typically restricted to that age group. Typically, these communities include a clubhouse and are comprised of townhomes, duplexes, and single-family ranch-style homes, and sometimes include condominiums. The pioneer for AARCs has been and continues to be Del Webb (now a subsidiary of Pulte Homes) with its extensive research and large communities nationwide.

absorption rate. The anticipated rate that housing units will be filled. Industry norms, product demand, existing competition, and the real estate market within the primary market area are used to determine this rate.

activities of daily living (ADLs). Actions or events concerning personal appearance, hygiene, or health performed on a regular or daily basis, including but not limited to dressing, bathing, grooming, hygiene, and supervised self-administered medication. Also called *personal care*.

ADLs. *See activities of daily living.*

Alzheimer's disease. A degenerative disease of the central nervous system characterized primarily by premature senile mental deterioration.

ALU. *See assisted living units.*

assisted living units (ALU). A housing facility type integrating shelter and services for a more frail elderly population, typically those who are functionally and/or socially impaired and need 24-hour supervision. Unlike retirement housing, this is a service-intensive living environment with social and support services combined with assistance (as required) in activities of daily living. Residents must generally be ambulatory and not require actual nursing care, but even these requirements are relaxing. Physical standards and staffing requirements for these facilities may be, but are not always, licensed by the state. May also be known as *domiciliary care, board and care, personal care, sheltered care, or adult foster care facilities* depending on the state

CCRC. *See continuing care retirement communities.*

CCRS, *See comprehensive care in residential settings.*

caregiver population. Term for individuals age 45–64 years old, because they are often involved in the care and support of an elderly parent.

continuing care retirement communities (CCRC). Also called life care communities. A facility that provides congregate living, private apartments, and a wide variety of services. However, an assisted living and/or licensed nursing unit (wing or separate building) will also be located on the campus. CCRCs offer a broad continuum of health care and housing located in one building or complex. Some CCRCs offer the endowment or entrance fee payment option in addition to a monthly maintenance charge, others use a monthly rental fee option, and yet others incorporate both types.

comprehensive care in residential settings (CCRS). The Comprehensive Care in Residential Settings (CCRS), formerly the Community Based Residential Facility demonstration program, originated in fiscal year 1997. The CCRSs provide housing with assisted living services for underserved low- and moderate-income seniors. The Illinois Department on Aging provides reimbursement for the cost of some of the supportive services received by Community Care Program clients residing in CCRSs. Six facilities currently participate in this program. All of the facilities are required to become licensed under the Assisted Living and Shared Housing Act.

dementia. The loss of mental abilities in an alert and awake individual. In older adults, Alzheimer's disease is the most common cause of dementia. *See also Alzheimer's disease.*

Department of Health and Human Services (DHHS). Governmental agency charged with maintaining public health. DHHS is the parent organization for HCFA.

DHHS. *See* Department of Health and Human Services.

gate keepers. In managed care, a gate keeper serves as the initial contact for medical services and/or referrals—usually a primary care physician. In retirement housing, a gatekeeper serves as the initial contact for housing services. Examples of the latter include real estate agents, marketing personnel, and key individuals in the community. *See also* key persons.

HCFA. *See* Health Care Financing Administration.

Health Care Financing Administration (HCFA). The governmental agency that oversees the Medicare and the federal portion of the Medicaid programs. In addition, HCFA establishes Medicare reimbursement rates, investigates fraudulent Medicare claims, and issues waivers to innovative Medicaid programs.

home health care. Also called home care. Home care uses the patient's residence as an alternative site for the delivery of health care services. This level of care is suitable for patients who are medically stable enough to return home but who still require some health care services. Because home care reduces the need for extended, costly hospitalization, this sector of the health care industry has realized amazing growth over the past few years.

hospice care. A supportive care environment for the terminally ill patient. Hospice care can be provided in a variety of settings, including hospital and nursing facility units and stand-alone facilities.

ICF. *See* intermediate care facilities.

ILU. *See* independent living units.

independent living units (ILU). A housing facility type integrating shelter and services for the older adult who is willing and able to remain living independently, but who requires assistance in coordinating the support and services they need. Older adults who choose independent living want to be a part of a supportive and caring group of neighbors while maintaining their independence and privacy. ILU facilities must successfully coordinate environment, services, and community support in order to increase independence and offset social isolation. Residents will have different levels of service requirements, with some needing no additional services. Services generally include housekeeping, personal care, nutrition, and transportation. May also be known as *congregate living facilities*, *Continuing Care Retirement Communities (CCRCs)*, and *retirement villages*.

intermediate care facilities (ICF). ICFs serve patients whose needs are custodial in nature, and these facilities generally provide a lower level of nursing care and a lower staff-to-patient ratio than SNFs. ICFs are licensed by the state and may participate only in the Medicaid program.

key persons. Individuals involved in the older adult community. Key persons often have knowledge of services that are missing and/or desired by the local elderly population. These individuals can include bankers, local politicians, attorneys, health care employees, and senior center volunteers.

long-term care (LTC). A residential housing or health care delivery setting that focuses on patients in need of care for a chronic condition, convalescence or rehabilitation from an acute episode, assistance with personal care, supervision (as in dementia cases), or any other situation involving a diagnosis with no short-term resolution.

LTC. *See* long-term care.

managed care. A new paradigm in health care reimbursement where the payor attempts to control rising costs through negotiating prices for a covered population prior to the actual use of services. Managed care payors track the utilization of health care services, monitor the cost of services, and measure a health care provider's performance in the delivery of services. Negotiations are based on these factors. The covered population receives access to quality, cost-effective health care as a result.

market penetration rate. A measurement that the financial community utilizes to determine market risk for housing projects. The higher the penetration rate, the higher the market risk. The calculation involves defining a qualified population based on several standard criteria. For example, an age and income screen would produce the qualified population for a retirement housing project. Several

deductions may be used to further define a project's target population. The number of competitive units is typically deducted.

Medicaid. Title XIX of the Social Security Act as amended in 1966. A program of federal grants to the states for the purpose of providing medical assistance to those unable to afford the cost of these services. There are four categories of Medicaid recipients: 1) families with dependent children; 2) older adults; 3) the blind; 4) the disabled; and comparable groups of medically indigent persons. Medically needy is defined as those individuals whose medical expenses reduce their income below the Medicaid eligibility level. Each state must provide at least partial coverage for inpatient, outpatient, laboratory, nursing, and medical services.

nursing facility. In a 1986 survey, the National Center for Health Statistics stated that to be classified as a nursing or related care home, a facility must have three or more beds and have provided nursing care, personal care, and/or custodial care to its residents. Based on this survey and several more recent reports, approximately 15,000–16,000 free-standing nursing facilities exist in the United States. These facilities tend to be 50–150 beds in size and 93% occupied on average.

nursing home. *See* nursing facility.

payor (or payer). An organization (or individual in the case of self-pay) that reimburses a provider for expenses incurred in the course of rendering services. Medicare is the most common payor for inpatient services in the acute care setting, while Medicaid is the primary payor for long-term care.

personal care. Assistance with daily activities relating to the person or body. For example, assistance with grooming and dressing are personal care services.

PMA. *See* primary market area.

primary market area (PMA). The majority (in this case 80%–85%) of a project's market originates from this part of the service area. Market-specific analysis, the market areas of primary competitors, and a Sponsor's historical draw for similar services are common methods of primary market definition.

pro forma. A financial model of a project's estimated operating results to be used as a basis for financing and development. Common components include notes and assumptions, a balance sheet, cash a flow statement and a revenues over expenses statement.

provider. Any supplier of health care services, from a physician to a hospital.

registered nurse (RN). A graduate trained nurse who has been licensed by a state authority after meeting the criteria set for registration.

rehabilitation. The process of restoring an individual who has experienced an illness or other traumatic event to a condition of health or former activity. Common types of rehabilitation include speech, occupational, and physical therapies.

RN. *See* registered nurse.

secondary market area (SMA). The portion of the service area outside of the primary market area. Approximately 10%–15% of a project's market originates from this area.

service area. The most likely consumers for a particular service reside in the area surrounding the proposed site. This area is limited by geographic, political, and socio-economic boundaries. Sponsorship by a not-for-profit organization or a hospital may also affect the size and scope of a service area. ZIP codes, communities, or counties are frequently used to define a service area.

licensed nursing facilities (SNF). A nursing facility providing medical and rehabilitation services to patients. Services are of lower acuity than those provided by a hospital, but they are also generally provided for a longer period of time. Licensed nursing beds provide patient's with a high level of nursing, supervision, and health care. Admission to a SNF is by order of a physician only. SNFs render intensive nursing, such as convalescence from a hospital stay, and generally provide a high level of nursing care (RNs) and staff-to-patient ratios.

SMA. *See* secondary market area

Alternatives

Resthave has chosen to undertake a substantial renovation and expansion of its existing facility in Morrison, Illinois. The combined project will contain 57,580 gross square feet. The facility will contain nearly all private skilled nursing rooms. The total project will be constructed for \$10.5 million. The facility will be built specifically for the intended population requiring skilled nursing care. The project will allow Resthave to accomplish the following:

- deliver high quality skilled nursing care in an efficient manner
 - deliver high quality rehabilitative care at substantially reduced cost compared to an acute care medical/surgical or acute care rehabilitation hospital
- Do nothing

Although this alternative is no longer recognized by the Board, doing nothing was rejected due to the age and condition of the physical plant of Resthave, thereby prohibiting the applicant to meet the licensed skilled nursing care needs of residents of Morrison and surrounding communities.

1. Proposing a project of greater or lesser scope

The size of the facility being proposed meets the needs of the area in the most cost efficient method possible. The project as proposed combines substantial renovation of the existing facility coupled with new construction. The combination of renovation and new construction provides a modern physical plant at the lowest possible cost.

A facility of smaller size (eg 60 beds) still requires certain staff, such as an Administrator and a Director of Nursing, whose salaries would then be spread over fewer beds. Furthermore, the cost of renovating the outdated physical plant would also be offset by lower revenues. A facility of larger size (eg 120 beds) would exceed the need of the service area. Replacing the existing physical plant with an entirely new facility would result in a total project cost of \$20 million. This alternative was rejected due to the cost in excess of the combined modernization and construction proposed.

2. Pursuing a joint venture or similar arrangement with one or more providers

This was rejected because the applicant was not able to identify a suitable partner in Morrison. In addition to Resthave, two facilities are licensed for skilled nursing care. The local hospital acts as a competitor to Resthave, and prefers use of its facility to a joint venture with Resthave. Pleasant View Rehab and Health Care Center belongs to the Petersen Healthcare organization, which is a for-profit chain of nursing facilities. A joint venture between Pleasant View and Resthave would require substantial renovation of Pleasant View's physical plant, thereby conferring no benefit when compared to the expansion and renovation of Resthave. We estimate a total project cost of \$11-12 million or more for such an alternative, presuming that all parties could come to an agreement.

3. Developing alternative settings to meet all or a portion of the project's intended purposes

Resthave currently provides assisted living services, which is the primary alternative to licensed skilled nursing beds. The renovation will improve Resthave's assisted living services; therefore, this alternative setting is being developed to meet a portion of the project's intended purposes.

4. Utilizing other LTC resources that are available to serve all or a portion of the population proposed to be served by the project.

Utilizing other licensed skilled nursing facilities was addressed in option 2 above. Outside of these facilities, home health care and adult day health care agencies are already utilized by area hospitals. However, these home and community based alternatives do not meet the need for a high quality provider of 24-hour nursing, rehabilitation, and supervision in a modern facility in Morrison.

Caring for a patient of this acuity would require staffing, equipment, and supplies into the home setting, coupled with frequent transportation to and from the physician's office, therapy, and so on. We believe that Resthove's provision of 24-hour skilled nursing and rehabilitation services is the most efficient method of service delivery, but lack the ability to analyze these costs. As such, this alternative was rejected.

Project Scope, Utilization, and Unfinished/Shell Space

Size of Project:

1. The physical space is necessary for delivering the program – 70 skilled nursing beds, nurses stations, therapy rooms, clean and dirty linen rooms, shower rooms, etc.
2. The gross square footage is in line with the BGSF standards in Appendix B.

SIZE OF PROJECT

DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
General Long-Term Care	541 BGSF/Bed	435-713 BGSF/Bed	N/A	Yes

Of the project's total square footage of 57,580, only 37,929 is attributable to the skilled nursing portion of the facility. When divided by 70 beds, this yields a BGSF of 541. The remaining 19,651 square feet is attributable to the assisted living portion of the building.

Section 1125.650(d) PROJECT SERVICES UTILIZATION

The operating proforma model projects a starting occupancy of 56 beds in month 1. This starting occupancy is achievable because Resthave is an existing and operating licensed nursing facility and as such currently boasts full occupancy with a waiting list. The projections shows that the project's occupancy will ramp up at a rate of 1.3 beds per month until achieving stabilized occupancy of 90% or 64 beds in month 7.

The rationale behind this fill rate is as follows:

1. Residents in existing facility, with a waiting list.
2. Ten local physicians estimate that they will refer between 32 patients per year to the facility.
3. One local hospital estimates that it will refer 20 patients per year to the facility.

UTILIZATION

	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	General Long-Term Care	Occupancy	99%	90%	YES
YEAR 2	General Long-Term Care	Occupancy	100%	90%	YES

Service Demand – Expansion of General Long-Term Care

1125.550(a) Historical Service Demand

Resthave has exceeded the average annual occupancy rate specified in Section 1125.210(c), or 90%, in each of the last two years. In 2010, 49 licensed ICF beds had 17,885 bed days available and 16,557 bed days occupied for an occupancy rate of 92.5%. In 2009, Resthave had 17,596 bed days yielding an occupancy rate of 98.4%. Resthave maintains a waiting list, and is effectively full on any given day.

1125.550(b)

1125.540(d) Projected Referrals

To support the need for this expansion, projected referrals from CGH Hospital are attached.

1125.530(a) Planning Area Need – Bed Need Determination

The project proposes 70 beds, of which 49 beds are in the inventory. This results in an expansion by 21 beds. The project site is in Morrison, Illinois in Whiteside County, which is part of planning area 1. As of the 2008 Inventory of LTC Facilities, this planning area has the following need/(surplus):

105 bed surplus

As of the July 26, 2011 update to the Inventory, the need/(surplus) calculations show the following:

105 bed surplus

Therefore, the 21 beds established in not in conformance with the projected bed need.

1125.530(b)(1) Planning Area Need – Service to Planning Area Residents

The primary purpose of the project is to provide necessary LTC to the residents of Whiteside County, the planning area, and specifically Morrison, where the facility is currently located.

The 21 beds established as part of the expansion project are necessary for improving access to a particular type of patient at Resthave requiring Medicare certified skilled nursing care upon return from a hospital stay. This service is not currently offered by Resthave in the planning area. Although the service is offered by other facilities in the planning area, both current and prospective residents have expressed a preference for receiving the service at Resthave due to its non-profit status, reputation, and track record of quality care and service. See the project scope attachment 14 for more information.

1125.530(b)(2)&(3) Planning Area Need – Service to Planning Area Residents

Resthave has had 12 admissions in the past 12 months. Of these, 8 have Morrison, Illinois as the address of origin. This meets the requirement that over 50% of admissions originate from the service area. The following lists admissions by ZIP code:

Morrison 61270 – 8
Lyndon 61261 – 2
Fenton 61251 – 1
Sterling 61081 – 1

The following lists admissions by month and ZIP code:

March '11 – 1 admit – 61270
April '11 – 1 admit – 61251
May '11 – 1 admit – 61270
June '11 – 5 admits – 61270 x4; 61081 x1
July '11 – 0
Aug. '11 – 0
Sept. '11 – 2 admits – 61270 x2
Oct. '11 – 0
Nov. '11 – 1 admit - 61261
Dec. '11 – 0
Jan. '12 – 1 admit – 61261
Feb. '12 – 0



December 21, 2011

TO WHOM IT MAY CONCERN:

I am writing this letter in support of Resthave Home's Certificate of Need Application.

As Chief Executive Officer of CGH Medical Center, I am familiar with the need to ensure quality health care for a growing population of elderly residents.

Our hospital draws patients from the communities to be served by Resthave Home of Morrison, Illinois. Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them.

Our Hospital referred 620 patients to area long term care facilities in the 12 month period of 12/14/10 through 12/15/2011.

Sterling – 61081 – 280 patients
Rock Falls – 61071 - 130 patients
Prophetstown 61277 – 55 patients
Morrison – 61270 – 35 patients
Polo - 61064, Walnut - 61376, Dixon - 61021, Tampico - 61283, Milledgeville – 61051 and
Chadwick – 61014 – 120 patients

We anticipate that Resthave Home will become a discharge destination for some of our patients, and we look forward to the increased access to high quality post-acute care that will be provided as a result of Resthave's proposed project.

We would anticipate referring 20 of patients annually to Resthave Home within a 24 month period after the project is completed.

Those projected patient referrals:

- Do not exceed our Hospital's total discharges to long term care facilities during the time period mentioned above.
- Have not been used to support another pending or approved CON application.

Sincerely,

Edward A. Andersen
President and CEO





December 21, 2011

TO WHOM IT MAY CONCERN:

I am writing this letter in support of Resthave Home's Certificate of Need Application.

As Chief Executive Officer of CGH Medical Center, I am familiar with the need to ensure quality health care for a growing population of elderly residents.

Our hospital draws patients from the communities to be served by Resthave Home of Morrison, Illinois. Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them.

Our Hospital referred 620 patients to area long term care facilities in the 12 month period of 12/14/10 through 12/15/2011. Approximately 2/3 of patients referred to skilled care are from Sterling/Rock Falls and the remaining 1/3 are from the surrounding communities of Prophetstown, Polo, Morrison, Walnut, Dixon, Tampico, Milledgeville and Chadwick.

We anticipate that Resthave Home will become a discharge destination for some of our patients, and we look forward to the increased access to high quality post-acute care that will be provided as a result of Resthave's proposed project.

We would anticipate referring 20 of patients annually to Resthave Home within a 24 month period after the project is completed.

Those projected patient referrals:

- Do not exceed our Hospital's total discharges to long term care facilities during the time period mentioned above.
- Have not been used to support another pending or approved CON application.

Sincerely,


Edward A. Andersen
President and CEO



MEDICAL ASSOCIATES

"Providing comprehensive care with a commitment to you"

January 18, 2012

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, and medical director of Resthave, I am familiar with the aging population of this area and the corresponding need to ensure quality health care for this demographic group.

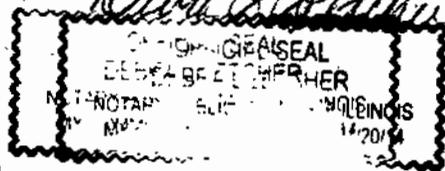
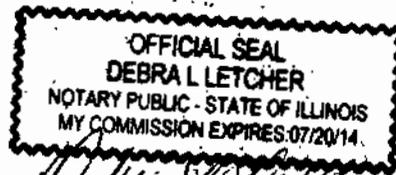
Being able to discharge patients from the hospital to skilled nursing facility closer to home is surely a desired goal for elderly patients and their families. I am confident that Resthave Home can provide this valuable service to our area.

Based on recent experience, I could refer 3 or 4 patients per month to the Resthave Home skilled nursing facility for skilled and/or rehabilitation services.

I fully support Resthave Home's proposed facility expansion.

Sincerely,

Mark S. Woods, M.D.



1603

- ALLERGY**
Preeti Bhatia, M.D.
- ANESTHESIOLOGY**
- CARDIOLOGY**
Saadi Albaghdadi, M.D.
Khalid Manzar, M.D.
Qaiser Rasheed, M.D.
- ENDOCRINOLOGY**
Humaira Naseer, M.D.
- FAMILY PRACTICE**
John E. Dixon, M.D.
Donald G. Flory, M.D.
Steven C. Fowler, M.D.
Stephen D. Harrison, M.D.
Trae Ingram, M.D.
Peter J. Laureijs, M.D.
Wade E. Lenz, M.D.
Mel G. Marilim, M.D.
John M. O'Shea, M.D.
Dale H. Weber, M.D.
Mark S. Woods, M.D.
Dale G. Wulf, M.D.
George L. York, M.D.
- GASTROENTEROLOGY and HEPATOLOGY**
Mohammed Irshad, M.D.
Khalid Naseer, M.D.
- GENERAL SURGERY**
S. Akin Beckley, M.D.
Robert Carlson, M.D.
Surendra Kumar, M.D.
James Olney, M.D.
- HEMATOLOGY/ONCOLOGY**
Anoop Aggarwal, M.D.
- INTERNAL MEDICINE**
Ali Albaghdadi, M.D.
Anis Ansari, M.D.
S.I. Barakat, M.D.
Paul Manning, M.D.
- NEPHROLOGY**
Anis Ansari, M.D.
- NEUROLOGY**
Oliver M. Ancheta, M.D.
- OBSTETRICS and GYNECOLOGY**
Robert J. Donnelly, M.D.
Samuel J. Rickerl, M.D.
- OPHTHALMOLOGY**
Brad M. Borgwardt, M.D.
- ORTHOPAEDIC SURGERY**
Xerxes R. Colah, M.D.
Rajiv Khanna, M.D.
- OTOLARYNGOLOGY and HEAD and NECK SURGERY**
James W. Roeder, M.D.
- PATHOLOGY**
Salwa Albaghdadi, M.D.
- PEDIATRICS**
Neeru Aggarwal, M.D.
Preeti Bhatia, M.D.
Virgilio D. Corpuz, M.D.
L. Gregorio Lauz, M.D.
- PODIATRY**
W. Ashton Nickles, DPM
- PULMONARY MEDICINE**
Paul G. Manning, M.D.
- RHEUMATOLOGY**
Anwar Rasheed, M.D.
- UROLOGY**
Margaret C. Wolf, M.D.
- VASCULAR and THORACIC SURGERY**
Surendra Kumar, M.D.
- ADMINISTRATION**
Abraham Chacko, COO
James Holstein, CPA, CFO

MAIN CAMPUS: 915-13th Ave. N. • Clinton, Iowa 52732-5099 • Ph. (563) 243-2511 • Fax (563) 243-9471 • Lab Fax (563) 243-8762

DEWITT FAMILY HEALTH CLINIC: 1021 - 11th St. • DeWitt, Iowa 52742 • Ph. (563) 659-9294 • Fax (563) 659-8104

FULTON FAMILY HEALTH CLINIC: 1705 16th Ave. • Fulton, Illinois 61252-9708 • Ph. (815) 589-2121 • Fax (815) 589-4468

MORRISON FAMILY HEALTH CLINIC: 635 E. Lincolnway • Morrison, Illinois 61270 • Ph. (815) 772-7491 • Fax (815) 772-7891

GATEWAY SURGERY CENTER: 841 Springdale Dr. • Clinton, Iowa 52732 • Ph. (563) 244-9955 • Fax (563) 243-3481



December 14, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge my patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

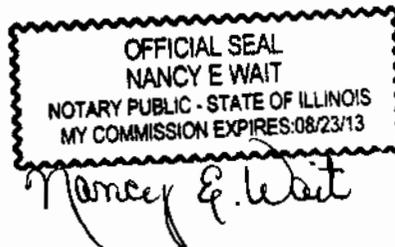
Based on recent experience, I could refer two patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,

William G. Bird, IV, M.D.
Department of Family Practice

R: 12/20/2011
T: 12/20/2011/plm



Dixon
1321 N. Galena Avenue
Dixon, IL 61021
815.284.1600

Downtown
15 W. 3rd Street
Sterling, IL 61081
815.625.0226

Locust Street
1809 N. Locust Street
Sterling, IL 61081
Chiropractic 815.622.1211
Infectious Disease 815.632.5334
Physical Therapy 815.622.1210
Wound Healing 815.564.4002

Lynn Blvd
3010 E. Lynn Blvd.
Sterling, IL 61081
815.625.6750

Milledgeville
601 E. Old Mill Street
Milledgeville, IL 61051
815.225.5040

Morrison
105 S. Heaton Street
Morrison, IL 61270
Family Medicine 815.772.8100
Vision 815.772.8225

Polo
711 S. Division Street
Polo, IL 61064
815.946.3661

Prophetstown
212 E. Railroad Street
Prophetstown, IL 61277
815.537.5050

Ready Care
15 W. 3rd Street
Sterling, IL 61081
855.460.CARE (2273)

Rock Falls
100 W. 1st Street
Rock Falls, IL 61071
Family Medicine 815.632.5366
Pediatrics 815.632.5350

Tampico
123 S. Main Street
Tampico, IL 61283
815.438.2538

Vision & Oral Surgery
10 W. 3rd Street
Sterling, IL 61081
Oral Surgery 815.632.5300
Vision 815.622.1208

Walnut
131 Jackson Street
Walnut, IL 61376
815.379.2161

www.cgmmc.com

164

December 14th, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge my patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

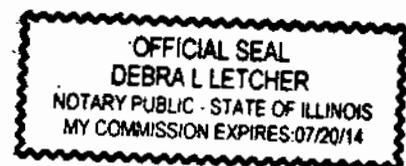
Based on recent experience, I could refer 3-4 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,

Stephen O. Hamish MD 5071

Dr.



December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 3 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Dr. Hasmukh Shah

Shah Hasmukh P, M.D.
123 S. Main St.
Tampico, IL 61283
(815) 438-2538

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 7 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Dr. Melinda Marilim

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Division of Health Planning
1100 North First Street
Springfield, IL 62761

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

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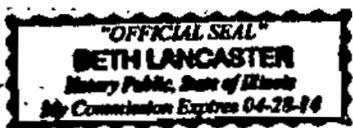
Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 5 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,

Dr. Michael Galle



December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

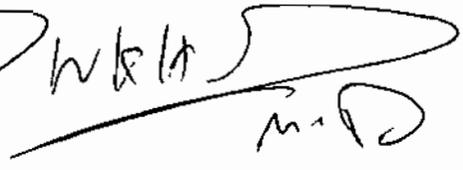
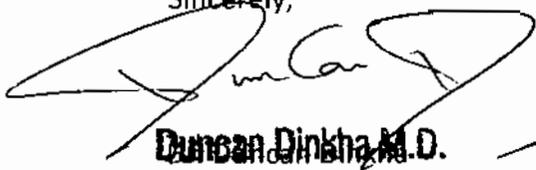
As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 2 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Duncan Dinkha M.D.

Duncan Dinkha M.D.

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

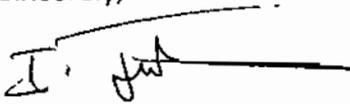
As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 4 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Dr. Iyad Jundi

[Faint, illegible text, likely bleed-through from the reverse side of the page]

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 1-2 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Dr. Joseph Gaziano

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer 4-5 patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,



Dr. Shawn Hanlon

PHOTO COPY OF ORIGINAL DOCUMENT
DATE: 12/15/11
BY: [illegible]
[illegible]

CONFIDENTIAL

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Planning Area: Whiteside			General Nursing Care								
Facility Name	City	County/Area	Beds	2008 Patient Days							
CGH MEDICAL CENTER (SWING BEDS)	STERLING	Whiteside County	0	176							
COVENTRY LIVING CENTER	STERLING	Whiteside County	124	31,826							
8/1/2009 Own Change change of ownership occurred											
FOUR SEASONS LIVING CENTER	MORRISON	Whiteside County	38	9,770							
HARBOR CREST HOME	FULTON	Whiteside County	84	24,162							
MORRISON COMMUNITY HOSPITAL (SWING BEDS)	MORRISON	Whiteside County	0	3,011							
NEW BEGINNINGS CARE CENTRE	ROCK FALLS	Whiteside County	55	14,677							
PLEASANT VIEW REHAB & HEALTHCARE CENTER	MORRISON	Whiteside County	74	19,001							
4/1/2009 Name Change Name changed from Pleasant View Home.											
4/1/2009 Own. Change Change of Ownership occurred.											
PROPHET'S RIVERVIEW NURSING	PROPHETSTOWN	Whiteside County	70	24,252							
RESTHAVE HOME - WHITESIDE COUNTY	MORRISON	Whiteside County	49	17,743							
ROCK FALLS REHAB & HEALTHCARE	ROCK FALLS	Whiteside County	57	13,310							
STERLING PAVILION	STERLING	Whiteside County	121	33,195							
TAMMERLANE INC	STERLING	Whiteside County	70	24,490							
WANNING WHEELS	PROPHETSTOWN	Whiteside County	80	28,158							
Planning Area Totals			822	243,771							
HEALTH SERVICE AREA	AGE GROUPS	2008 Patient Days	2008 Population	2008 Use Rates (Per 1,000)	2008 Minimum Use Rates	2008 Maximum Use Rates					
001	0-64 Years Old	233,098	593,100	393.0	235.8	628.8					
	65-74 Years Old	190,649	46,900	4,065.0	2,439.0	6,504.0					
	75+ Years Old	1,293,584	46,300	27,939.2	16,763.5	44,702.7					
	2008 PSA Patient Days	2008 PSA Estimated Populations	2008 PSA Use Rates (Per 1,000)	2008 HSA Minimum Use Rates	2008 HSA Maximum Use Rates	2018 PSA Planned Use Rates	2018 PSA Projected Populations	2018 PSA Planned Patient Days	Planned Average Daily Census	Planned Bed Need (90% Occ.)	Excess Beds
0-64 Years Old	66,347	49,000	1,354.0	235.8	628.8	628.8	52,400	32,951			
65-74 Years Old	27,210	5,100	5,335.3	2,439.0	6,504.0	5,335.3	6,600	35,213			
75+ Years Old	150,214	5,300	28,342.3	16,763.5	44,702.7	28,342.3	5,900	167,219			
Planning Area Totals								235,383	644.9	717	105

Application Page 173

STATE OF ILLINOIS

Facility Name & ID Number RESTHAVE HOME OF WHITESIDE COUNTY ILLINOIS

005785 Report Period Beginning: 09/01/09 Ending: 08/31/10

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 _____

	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		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3	49	Intermediate (ICF)	49	17,885	3
4		Intermediate/DD			4
5	25	Sheltered Care (SC)	25	9,125	5
6		ICF/DD 16 or Less			6
7	74	TOTALS	74	27,010	7

B. Census-For the entire report period.

	1 Level of Care	2 3 4 Patient Days by Level of Care and Primary Source of Payment			5 Total	
		Medicaid Recipient	Private Pay	Other		
8	SNF					8
9	SNF/PED					9
10	ICF	4,915	11,642		16,557	10
11	ICF/DD					11
12	SC		8,001		8,001	12
13	DD 16 OR LESS					13
14	TOTALS	4,915	19,643		24,558	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.92%

D. How many bed-hold days during this year were paid by the Department? 0 (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)

N/A

F. Does the facility maintain a daily midnight census? YES

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

YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES NO

I. On what date did you start providing long term care at this location?

Date started 04/31/1969

J. Was the facility purchased or leased after January 1, 1978?

YES Date _____ NO

K. Was the facility certified for Medicare during the reporting year?

YES NO If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary N/A

IV. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 08/31/10 Fiscal Year: 08/31/10

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

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Facility Name & ID Number **RESTHAVE HOME-WHITESIDE COUNTY**

0005785 Report Period Beginning: **09/01/08** Ending: **08/31/09**

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 _____

D. How many bed-hold days during this year were paid by the Department? 0 (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) N/A

F. Does the facility maintain a daily midnight census? YES

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES NO

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES NO

I. On what date did you start providing long term care at this location? Date started 04/30/1969

J. Was the facility purchased or leased after January 1, 1978? YES Date _____ NO

K. Was the facility certified for Medicare during the reporting year? YES NO If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary N/A

IV. ACCOUNTING BASIS

ACCURAL MODIFIED CASH* CASH*

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

Tax Year: 08/31/09 Fiscal Year: 08/31/09

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

1	2	3	4	5
Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
	Skilled (SNF)			1
	Skilled Pediatric (SNF/PED)			2
49	Intermediate (ICF)	49	17,885	3
	Intermediate/DD			4
25	Sheltered Care (SC)	25	9,125	5
	ICF/DD 16 or Less			6
74	TOTALS	74	27,010	7

B. Census-For the entire report period.

1	Level of Care	2 Patient Days by Level of Care and Primary Source of Payment			5
		3 Medicaid Recipient	4 Private Pay	Other	
8	SNF				8
9	SNF/PED				9
10	ICF	7,530	10,066		17,596
11	ICF/DD				11
12	SC		7,856		7,856
13	DD 16 OR LESS				13
14	TOTALS	7,530	17,922		25,452

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 94.23%

Application Page 173

1125.590 Staffing Availability

The professional staffing needs of the proposed project at stabilized occupancy are as follows:

Administrator	1.0	FTE
Assistant Admin/SLF	1.0	FTE
Nursing Salaries:		
RN-Includes MDS Nurse	5.7	FTE
LPN	8.3	FTE
CNA	34.4	FTE
Rehab Aides	1.3	FTE
Nursing admin	1.0	FTE
ADON	1.0	FTE
Dietary Supervisor	1.0	FTE
Dietary	9.0	FTE
Activities	4.0	FTE
Laundry	2.1	FTE
Housekeeping	5.5	FTE
THERAPY EXPENSE		
Maintenance	1.0	FTE
Social Service	1.0	FTE
Business Office/Clerical	2.0	FTE

Resthave is an existing facility and currently has an Administrator and a Director of Nursing on staff. Additionally, many other positions are currently filled. Additional professional nursing staff – RNs, LPNs, and CNAs – can be recruited from the nursing schools in the area. Projections from Illinois Department of As an established provider, Resthave has the following applications for employment on file:

RN – 10

LPN – 9

C.N.A – 42

Applications are kept on file for one year. The remaining facility staffing needs can be met by the local labor pool in Morrison and the Sterling/Rock Falls area.

February 6, 2012

To Whom It May Concern:

Resthove in Morrison, IL is one of the local facilities that could potentially employ graduates of Sauk Valley Community College. The college accepts a class of 40 ADN , 20 LPN, and up to 200 CNA students each year. Our graduates typically look for employment in our local communities. Last year there were 33 ADN, 14 LPN, and 165 CNA's who were eligible to sit for their license/certification exam.

We recognize that quality healthcare is necessary for the future of our community. The college is committed to providing quality healthcare workers to meet the needs of the Sauk Valley area.

Sincerely,



Janet Lynch, MS, RN
Dean of Health Professions

177

Board of Trustees

Ed Andersen, Chair, Sterling - Andrew Bollman, Vice Chair, Dixon - Joan Padilla, Secretary, Sterling
Dr. William Simpson, Morrison - Scott Stoller, Walnut - Robert J. Thompson, Dixon - Lisa Wiersema, Chadwick

1125.600 Bed Capacity

The criterion reads:

The maximum size of a general long term care facility is 250 beds unless the applicant documents that a larger facility would provide personalization of patient care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards.

This does not apply, as the facility is proposing 21 additional SNF beds for a total of 70.

Section 1125.620 Project Size

The amount of physical space proposed for the project is necessary and not excessive. As shown in attachment 14, the proposed gross square footage (GSF) of 541 per bed is within the standards of 435 to 713 BGSF/Bed standard set forth by the Board.

ATTACHMENT-28

Section 1125.640 Assurances

Assurances regarding the applicant's understanding that, by the second year of operation after project completion, the project will achieve and maintain the occupancy standards specified in Section 1125.210(c).

Resthave Retirement and Nursing Home

408 Maple Avenue
Morrison, Illinois 61270-2998

Tami Tegeler, Administrator
Phone 815-772-4021
Fax 815.772.4583

Assurances Statement

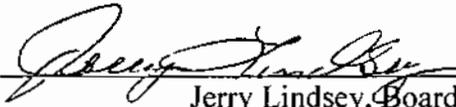
This statement is being filed pursuant to Section 1110.1730(K) of the Board's Rules (771L Adm.Code 1110.1730). The undersigned is an authorized representative of the applicant and attests that the applicant understands that by the second year of operation after the project completion the applicant will make every attempt to achieve and maintain the occupancy standards specified in Part 1100 of the Board's Rules for the long term care category of service.



John Hauptman, Board President

12-15-11

Date

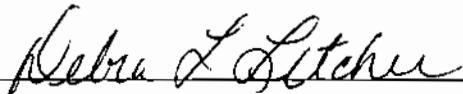


Jerry Lindsey, Board Treasurer

12-15-11

Date

Notary:



Date:

12-15-11





CITY OF MORRISON

Department of Public Works
200 West Main Street
Morrison, Illinois 61270-2400
Phone 815 / 772-7657

December 7, 2011

Tami Tegeler, Administrator
Resthave Retirement and Nursing Home
408 Maple Ave.
Morrison, IL. 61270

Dear Ms. Tegeler

This letter is verification that the property located at 408 Maple Avenue, is zoned R-3 Multiple Family Residential in which, nursing/retirement homes are a permitted use.

Please feel free to contact me with any other questions at 815-772-7657.

Sincerely,

Gary M Tresenriter

City of Morrison
Director of Public works
www.morrisonil.org
gtresen@morrisonil.org

Modernization

Section 1125.650(a) Deteriorated Facilities

Resthave Home was constructed in 1961. The nursing unit was added in 1969. As indicated in the attached report by an architect, the facilities require substantial investments to maintain current operations. Furthermore, the latest CMS survey illustrates numerous areas on non-compliance with licensing and life safety codes. Finally, the existing physical plant is inadequate to deliver Medicare certified skilled nursing care, which is a service requested by residents returning from a hospital stay.

Section 1125.650(d) Utilization

From attachment 15:

The operating proforma model projects a starting occupancy of 56 beds in month 1. This starting occupancy is achievable because Resthave is an existing and operating licensed nursing facility and as such currently boasts full occupancy with a waiting list. The projections shows that the project's occupancy will ramp up at a rate of 1.3 beds per month until achieving stabilized occupancy of 90% or 64 beds in month 7.

The rationale behind this fill rate is as follows:

1. Residents in existing facility, with a waiting list.
2. Ten local physicians estimate that they will refer 32 patients per year to the facility.
3. One local hospital estimates that it will refer 20 patients per year to the facility.

UTILIZATION

	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MET STANDARD?
YEAR 1	General Long-Term Care	Occupancy	99%	90%	YES
YEAR 2	General Long-Term Care	Occupancy	100%	90%	YES

Section 1125.650(b) and (c) Documentation

Documentation required under the Modernization sections 1125.650(b) and (c) are attached.

ATTACHMENT-28

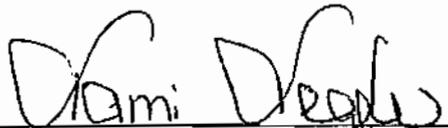
Annual Waiver Application
Resthave Home - Whiteside County
Provider ID:14E288 / 0005785
Cycle Date: April 28th, 2011
Survey Date: June 21st, 2011
Survey Type: Federal Monitoring Life Safety Code Survey
Addendum - July 15th, 2011

Annual Waiver Application for K067 - Addendum

Resthave Home is a fully sprinklered facility with a complete automatic (dry) sprinkler system. All the smoke detectors in the nursing facility are hard-wired into the fire alarm system, there currently are no battery operated smoke detectors.

Attached is a bid from TJ's Maintenance and Repair for installation of return air ducts for both nursing resident room wings for an estimated cost of \$43,750.00 (see attachment #c). Also attached is several pages of the last fiscal year (September 1st, 2009 - August 31st, 2010) cost report (see attachment #d1 thru 5).

Also attached is a statement from Gleason Architects as the Board of Directors is planning to do a major remodel and update of the existing facility over the next several years. (see attachment #e).



Signature of Administrator

7.15.11

Date



GLEASON
ARCHITECTS, P.C.

July 15, 2011

Tami Tegeler
Resthave Retirement and Nursing Home
408 Maple Avenue
Morrison, IL 61270

**Subject: Resthave Retirement and Nursing Home
Architect's Project No. 11-001**

Dear Tami:

This letter is in regards to the Statement of Deficiencies and Plan of Correction report issued by the Department of Health and Human Services Item K 067 from a survey conducted on 06/21/2011. Gleason Architects P.C. has been retained by Resthave Retirement and Nursing Home to prepare designs to remodel and update the existing facility. Part of our work will be to bring the facility into compliance with the current applicable NFPA 101 Life Safety Code Standard. The intent is to proceed with the design and construction as soon as possible.

If there are any questions in regards to this issue please do not hesitate to give me a call.

Sincerely,

Gleason Architects, P.C.

Thad Gleason
Architect

Attachment #e

K:\Gleason Architects\PROJECTS\11-001 Resthave Retirement Home Addition\Correspondence\Letter Tami 7-15-2011.docx

769 Heartland Drive, Unit A Sugar Grove, Illinois 60554

Phone: 630-466-8740 Fax: 630-466-8760

E-mail: thadgleason@gleasonarchitectspc.com



Pat Quinn, Governor
Damon T. Arnold, M.D., M.P.H., Director

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

August 3, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Huber, Administrator
Resthove Home-Whiteside Co
408 Maple Ave
Morrison, Illinois 61270

REFERENCE:	Provider #:	14E288/0005785
	Survey Date:	07/22/11
	Survey Type:	Revisit to Life Safety Code Federal Monitoring Survey

Dear Administrator:

On 06/11/11, a Life Safety Code (LSC) survey was conducted at your facility by staff CMS to determine compliance with federal certification requirements for nursing homes participating in Medicare and/or Medicaid programs. Deficiencies were identified and remedies imposed, proposed or recommended in an 'Initial Notice'.

After review of Plans of Correction (POCs) related to those deficiencies and receipt of a credible "Allegation of Compliance", Department staff conducted a revisit. At the time of the revisit, it was determined that while specific deficiencies had been corrected, other deficiencies are the subject of Annual and/or Temporary waiver requests and/or were resolved through the Fire Safety Evaluation System (FSES). You will be notified at a later date of Regional Centers for Medicare & Medicaid Services (CMS) approval or denial of Waiver or FSES requests. Copies of the "Post-Certification Revisit Report" (CMS-2567B) and "Statement of Deficiencies" (CMS-2567) are enclosed.

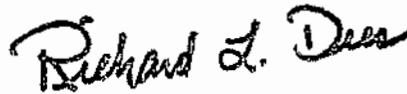
*****REQUIRED SPRINKLER STATUS BY AUGUST 13, 2013*****

On August 13, 2008, CMS published a final rule that requires all long-term care facilities to be equipped with a complete supervised automatic sprinkler system by no later than August 13, 2013. Facilities with no or partial sprinkler systems installed and/or that use Annual Waiver or the Fire Safety Evaluation System (FSES) to comply with the current sprinkler requirements have until August 13, 2013 to install or upgrade the sprinkler system. Please review your facility's sprinkler system to ensure it fully complies with the National Fire Protection Association's (NFPA) "Standard for the Installation of Sprinkler Systems" (1999 Edition, NFPA 13). The Federal survey process requires review of the sprinkler system to determine if the system is providing complete coverage or only partial coverage. Complete coverage means that the entire facility, including all closets, storage areas and walk-in coolers and freezers are sprinkler protected. There are specific requirements for overhangs attached to

the outside of the building (1999 Edition, NFPA 13, Section 5-13.8), electrical equipment rooms (1999 Edition, NFPA 13, Section 5-13.11) and Elevator Hoistways and Machine Rooms (1999 Edition, NFPA 13, Section 5-13.6) that are the responsibility of the facility to understand and comply with, that may result in costly upgrades that will require time to complete. Since there is no waiver and/or FSES provision after August 13, 2013, it is imperative that you ensure that your facility is fully sprinkled in accordance with the regulation on August 13, 2013. Failure to do so is likely to result in enforcement remedies, including but not limited to termination.

If you have any questions concerning this notice, please contact my staff at the address above or telephone (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800-547-0466.

Sincerely,



Richard L. Dees, Chief
Bureau of Long Term Care

Enclosure(s)

cc: State Medicaid Agency
Illinois Department on Aging
File (3)

LR1/0108/as/LS

Post-Certification Revisit Report

Public reporting for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to CMS, Office of Financial Management, P.O. Box 28684, Baltimore, MD 21207; and to the Office of Management and Budget, Paperwork Reduction Project (0938-0390), Washington, D.C. 20503.

(Y1) Provider / Supplier / CLIA / Identification Number 14E288	(Y2) Multiple Construction A. Building 01 - BUILDING 01 (WING 0102) B. Wing	(Y3) Date of Revisit 7/22/2011
---	---	-----------------------------------

Name of Facility RESTHAVE HOME-WHITESIDE COUNTY	Street Address, City, State, Zip Code 408 MAPLE AVENUE MORRISON, IL 61270
--	---

This report is completed by a qualified State surveyor for the Medicare, Medicaid and/or Clinical Laboratory Improvement Amendments program, to show those deficiencies previously reported on the CMS-2567, Statement of Deficiencies and Plan of Correction that have been corrected and the date such corrective action was accomplished. Each deficiency should be fully identified using either the regulation or LSC provision number and the identification prefix code previously shown on the CMS-2567 (prefix codes shown to the left of each requirement on the survey report form).

(Y4) Item	(Y5) Date	(Y4) Item	(Y5) Date	(Y4) Item	(Y5) Date
ID Prefix _____ Reg. # NFPA 101 LSC K0029	Correction Completed 06/24/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0046	Correction Completed 07/05/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0047	Correction Completed 06/24/2011
ID Prefix _____ Reg. # NFPA 101 LSC K0144	Correction Completed 07/07/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0211	Correction Completed 07/01/2011	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed

Reviewed By _____ State Agency	Reviewed By <i>Wm</i>	Date: 6/23/11	Signature of Surveyor: _____	Date: _____
Reviewed By _____ CMS RO	Reviewed By _____	Date: _____	Signature of Surveyor: _____	Date: _____

Followup to Survey Completed on: 6/21/2011	Check for any Uncorrected Deficiencies. Was a Summary of Uncorrected Deficiencies (CMS-2567) Sent to the Facility? YES NO
---	--

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 08/03/2011
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 14E288	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - BUILDING 01 (WING 0102) B. WING _____	(X3) DATE SURVEY COMPLETED R 07/22/2011
NAME OF PROVIDER OR SUPPLIER RESTHAVE HOME-WHITESIDE COUNTY			STREET ADDRESS, CITY, STATE, ZIP CODE 408 MAPLE AVENUE MORRISON, IL 61270	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
{K 000}	<p>INITIAL COMMENTS</p> <p>42 CFR 483.70(a)</p> <p>K3 BUILDING: 0101 K6 PLAN APPROVAL: 1968 K7 SURVEY UNDER: 2000 EXISTING K8 NF</p> <p>Type of Structure: One story, Type V (111), protected combustible wood frame construction with a partial basement. A one story sheltered care facility adjoins the nursing facility on the West side. The sheltered care facility is separated from the nursing facility by two hour construction. The sprinkler riser and main fire alarm control panel for the entire building was located in the basement of the sheltered care facility which required the survey to be extended to these areas: The nursing facility has a complete automatic (dry) sprinkler system and a total of five smoke compartments (four smoke compartments on the main level and one smoke compartment at the basement level).</p> <p>MF1 to A Comparative Federal Monitoring Survey was conducted on 06/21/11 following a State Agency Survey on 04/28/11, in accordance with 42 Code of Federal Regulations, Part 483: Requirements for Long Term Care Facilities. During this Comparative Federal Monitoring Survey, Resthave Home - Whiteside County was found to be in compliance with the Requirements for Participation in Medicaid based on Annual Waiver.</p> <p>The findings that follow demonstrate compliance with Title 42, Code of Federal Regulations, 483.70 (a) et seq. (Life Safety from Fire).</p>	{K 000}		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE _____ TITLE _____ (X6) DATE _____

A deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 08/03/2011
FORM APPROVED
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STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 14E288	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - BUILDING 01 (WING 0102) B. WING _____	(X3) DATE SURVEY COMPLETED R 07/22/2011
NAME OF PROVIDER OR SUPPLIER RESTHAVE HOME-WHITESIDE COUNTY			STREET ADDRESS, CITY, STATE, ZIP CODE 408 MAPLE AVENUE MORRISON, IL 61270	
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{K 067} SS=F	<p>NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Heating, ventilating, and air conditioning comply with the provisions of section 9.2 and are installed in accordance with the manufacturer's specifications. 19.5.2.1, 9.2, NFPA 90A, 19.5.2.2</p> <p>This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to maintain a balanced engineered return air supply system. The deficient practice affected two of five smoke compartments, which included all resident sleeping rooms, staff and all residents. The facility has the capacity for 49 beds with a census of 44 the day of survey.</p> <p>Findings Include:</p> <p>Observation on 06/21/11 at 1:05 p.m. revealed that the facility was using the corridor area below the drop grid ceiling in the North and South egress corridors as a return air plenum with supply registers in resident rooms and the only return registers located below the drop tile grid ceiling at the end of the corridors near the exits. The return registers were drawing air from the rooms through the exit corridor space below the ceiling. The facility was unable to provide evidence of a balanced engineered HVAC system without using the North and South egress corridor space as a return air supply plenum. Interview with the Maintenance Supervisor on 06/21/11 at 1:05 p.m. revealed that the facility was unaware of the requirement to prohibit the use of egress corridors as return air plenums.</p>	{K 067}		

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{K 067}	Continued From page 2 The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11. Actual NFPA Standard: NFPA 90A section 2-3.11.1*. Egress corridors in health care, detention and correctional, and residential occupancies shall not be used as a portion of a supply, return, or exhaust air system serving adjoining areas. An air transfer opening(s) shall not be permitted in walls or in doors separating egress corridors from adjoining areas. Exception No. 1: Toilet rooms, bathrooms, shower rooms, sink closets, and similar auxiliary spaces opening directly onto the egress corridor. Exception No. 2: Where door clearances do not exceed those specified for fire doors in NFPA 80, Standard for Fire Doors and Fire Windows, air transfer caused by pressure differentials shall be permitted. Exception No. 3: Use of egress corridors as part of an engineered smoke-control system. Exception No. 4: In detention and correctional occupancies with corridor separations of open construction (e.g., grating doors or grating partitions). Facility requested Annual Waiver	{K 067}		

CMS Certification Number (CCN): 14E288

July 6, 2011
(By Certified Mail and Facsimile)

James Huber, Administrator
Resthaven Home-Whiteside County
408 Maple Avenue
Morrison, IL 61270

Dear Mr. Huber:

**SUBJECT: FEDERAL MONITORING SURVEY RESULTS AND
NOTICE OF IMPOSITION OF REMEDIES
Cycle Start Date: April 28, 2011**

STATE SURVEY RESULTS

On April 28, 2011, a health survey was completed at Resthaven Home-Whiteside County by the Illinois Department of Public Health (IDPH) to determine if your facility was in compliance with the Federal requirements for nursing homes participating in the Medicaid programs. This survey found that your facility was not in substantial compliance, with the most serious deficiency at scope and severity (S/S) level E, cited as follows:

- F323 -- S/S: E -- 483.25(h) -- Free of Accident Hazards/Supervision/Devices

In addition, on April 28, 2011, a Life Safety Code (LSC) survey was completed at your facility by the IDPH to determine if your facility was in compliance with the Federal requirements for nursing homes participating in the Medicaid programs. This survey found that your facility was not in substantial compliance, with the most serious deficiencies at S/S level F, cited as follows:

- K11 -- S/S: F -- NFPA 101 -- Life Safety Code Standard
- K144 -- S/S: F -- NFPA 101 -- Life Safety Code Standard

The IDPH advised you of the deficiencies that led to this determination and provided you with a copy of the survey reports (CMS-2567).

FEDERAL MONITORING SURVEY

In its notice dated May 10, 2011, the IDPH informed you that your facility could avoid the imposition of remedies if substantial compliance was achieved by June 12, 2011. The IDPH subsequently accepted your allegation of compliance and revisited your facility on May 26, 2011. As the IDPH informed you, that visit revealed that your facility was in substantial compliance with the health portion of the survey, but your facility still remained out of compliance with the LSC portion. In addition, a surveyor representing this office of the Centers for Medicare & Medicaid Services (CMS) completed a Federal Monitoring Survey (FMS) of your facility on June 21, 2011. As the surveyor informed you during the exit conference, the FMS has revealed that your facility continues to not be in substantial compliance. The FMS found deficiencies, with the most serious deficiencies at S/S level F, cited as follows:

- K46 -- S/S: F -- NFPA 101 -- Life Safety Code Standard

- K67 -- S/S: F -- NFPA 101 -- Life Safety Code Standard
- K144 -- S/S: F -- NFPA 101 -- Life Safety Code Standard

The findings from the FMS are enclosed with this letter on form CMS-2567.

PLAN OF CORRECTION

Within ten (10) calendar days after your receipt of this notice, you must submit an acceptable plan of correction (POC) for the enclosed deficiencies cited at the FMS. An acceptable POC will serve as your allegation of compliance. Upon receipt of an acceptable POC, we will authorize a revisit to your facility to determine if substantial compliance has been achieved. The failure to submit an acceptable POC can lead to termination of your Medicaid participation.

To be acceptable, a provider's POC must include the following:

- How corrective action will be accomplished for those residents found to have been affected by the deficient practice;
- How the facility will identify other residents having the potential to be affected by the same deficient practice;
- What measures will be put into place, or systemic changes made, to ensure that the deficient practice will not recur;
- How the facility will monitor its corrective actions to ensure that the deficient practice is being corrected and will not recur; and
- The date that each deficiency will be corrected.

The POC must be signed and dated by an official facility representative. Send your POC to the following address:

Daniel Kristola, Program Representative
Centers for Medicare & Medicaid Services
Division of Survey and Certification
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

INFORMAL DISPUTE RESOLUTION

The IDPH offered you an opportunity for informal dispute resolution (IDR) following its survey visit. A request for IDR will not delay the effective date of any enforcement action. However, IDR results will be considered when applicable.

CMS has established an informal dispute resolution (IDR) process to give providers one opportunity to informally refute deficiencies cited at a Federal survey, in accordance with the regulation at 42 CFR 488.331. To use this process, you must send your written request, identifying the specific deficiencies you are disputing, to Heather A. Lang, Branch Manager, at the Chicago address shown above. The request must set forth in detail your reasons for disputing each deficiency and include copies of all relevant documents supporting your position. A request for IDR will not delay the effective date of any enforcement action, nor can you use it to challenge any other aspect of the survey process, including the following:

- Scope and Severity assessments of deficiencies, except for the deficiencies constituting immediate jeopardy and substandard quality of care;
- Remedies imposed;
- Alleged failure of the surveyor to comply with a requirement of the survey process;

- Alleged inconsistency of the surveyor in citing deficiencies among facilities; and
- Alleged inadequacy or inaccuracy of the IDR process.

You must submit your request for IDR within the same ten (10) calendar day timeframe for submitting your POC. You must provide an acceptable POC for all cited deficiencies, including those that you dispute. We will advise you in writing of the outcome of the IDR. Should the IDR result in a change to the Statement of Deficiencies, we will send you a revised CMS-2567 reflecting the changes.

LIFE SAFETY CODE (LSC) WAIVERS

If you request an annual waiver for a LSC deficiency cited during the FMS, the request must indicate why correcting would impose an unreasonable hardship on the facility; if high cost is the hardship, you must include recent, bona fide cost estimates. In addition, the request must indicate how continued non-correction of the deficiency will not pose a risk to resident safety, based on additional compensating features or other reasons.

Each cited deficiency (other than those which receive annual waivers) must be corrected within a reasonable timeframe. If a reasonable correction date falls beyond your enforcement cycle's three month date, you may request a temporary waiver to allow correction by the reasonable date, and without the noncompliance leading to the imposition of remedies. Include a request for a temporary waiver as part of your POC, indicating the basis for the length of correction time needed, and include a timetable for correction. A temporary waiver may be granted if the POC date extends beyond your enforcement cycle's three month date, and if the correction timeframe is reasonable, in CMS' judgment. Your enforcement cycle's three month date is July 28, 2011.

DENIAL OF PAYMENT FOR NEW ADMISSIONS

As a result of these survey findings, the state Medicaid agency should have notified you that mandatory denial of payment for all new Medicaid admissions will be imposed effective July 28, 2011 if your facility does not achieve compliance within the required three months. This action is mandated by the Social Security Act at Sections 1919 (h)(2)(C) and Federal regulations at 42 CFR Section 488.417(b).

TERMINATION PROVISION

If your facility has not attained substantial compliance by October 28, 2011, your Medicaid participation will be terminated effective with that date. This action is mandated by the Act at Sections 1919(h)(3)(D) and Federal regulations at 42 CFR Sections 488.412 and 488.456. If termination is imposed, it is required to provide the general public with notice of the impending termination and publication of a notice in a local newspaper prior to the effective date of termination.

Should subsequent visits to your facility by either the State and/or CMS prior to the above termination date reveal additional noncompliance with higher levels of scope and severity, remedies in addition to those referenced above may be imposed. The authority for the imposition of remedies is contained in Section 1919(h) of the Act and Federal regulations at 42 CFR Subpart F, Enforcement of Compliance for Long-Term Care Facilities with Deficiencies.

REQUIRED SPRINKLER STATUS BY AUGUST 13, 2013

On August 13, 2008, CMS published a final rule that requires all long-term care facilities to be equipped with a complete supervised automatic sprinkler system by no later than August 13, 2013. Facilities with no or partial sprinkler systems installed and/or that use waivers or the Fire Safety Evaluation System (FSES) to comply with the current sprinkler requirements have until August 13, 2013 to install or upgrade the sprinkler system. Please review your facility's sprinkler system to ensure it fully complies with the National Fire Protection Association's (NFPA) "Standard for the Installation of Sprinkler Systems" (1999 Edition, NFPA 13). The Federal survey process requires review of the sprinkler system to determine if the system is providing complete coverage or only partial coverage. Complete coverage means that the

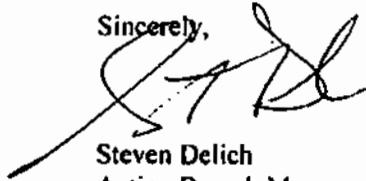
entire facility, including all closets, storage areas and walk-in coolers and freezers are sprinkler protected. There are specific requirements for overhangs attached to the outside of the building (1999 Edition, NFPA 13, Section 5-13.8), electrical equipment rooms (1999 Edition, NFPA 13, Section 5-13.11) and Elevator Hoistways and Machine Rooms (1999 Edition, NFPA 13, Section 5-13.6) that are the responsibility of the facility to understand and comply with, that may result in costly upgrades that will require time to complete. **Since there is no waiver and/or FSES provision after August 13, 2013, it is imperative that you ensure that your facility is fully sprinkled in accordance with the regulation on August 13, 2013. Failure to do so is likely to result in enforcement remedies, including but not limited to termination.**

If you have any questions regarding the sprinkler status requirements, please contact Daniel Kristola, LSC Principal Program Representative in the Chicago regional office at 312-886-5210.

CONTACT INFORMATION

If you have any questions regarding the Federal Monitoring LSC survey, please contact Daniel Kristola at (312) 886-5210. Daniel Kristola's fax number is (312) 353-2898. For questions regarding this enforcement case, please contact Tamika J. Brown, Program Representative, at (312) 353-1502 or Mrs. Charlotte A. Hodder, RN, BSN, CRRN, Certification Specialist, at (312) 353-5169. Information may also be faxed to (312)777-0280. All correspondence should be directed to Tamika J. Brown in our Chicago office.

Sincerely,



Steven Delich
Acting Branch Manager
Long Term Care Certification
& Enforcement Branch

Enclosure: Statement of Deficiencies (CMS-2567)

cc: Illinois Department of Public Health
Illinois Department of Healthcare and Family Services
Illinois Department on Aging
Illinois foundation for Quality Health Care

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K 000	<p>INITIAL COMMENTS</p> <p>42 CFR 483.70(a)</p> <p>K3 BUILDING: 0101 K6 PLAN APPROVAL: 1968 K7 SURVEY UNDER: 2000 EXISTING K8 NF</p> <p>Type of Structure: One story, Type V (111), protected combustible wood frame construction with a partial basement. A one story sheltered care facility adjoins the nursing facility on the West side. The sheltered care facility is separated from the nursing facility by two hour construction. The sprinkler riser and main fire alarm control panel for the entire building was located in the basement of the sheltered care facility which required the survey to be extended to these areas. The nursing facility has a complete automatic (dry) sprinkler system and a total of five smoke compartments (four smoke compartments on the main level and one smoke compartment at the basement level).</p> <p>A Comparative Federal Monitoring Survey was conducted on 06/21/11 following a State Agency Survey on 04/28/11, in accordance with 42 Code of Federal Regulations, Part 483: Requirements for Long Term Care Facilities. During this Comparative Federal Monitoring Survey, Resthave Home - Whiteside County was found not to be in compliance with the Requirements for Participation in Medicaid.</p> <p>The findings that follow demonstrate noncompliance with Title 42, Code of Federal Regulations, 483.70 (a) et seq. (Life Safety from Fire).</p>	K 000		
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LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE _____ TITLE _____ (X6) DATE _____

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K 029 SS=D	<p>NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>One hour fire rated construction (with ¾ hour fire-rated doors) or an approved automatic fire extinguishing system in accordance with 8.4.1 and/or 19.3.5.4 protects hazardous areas. When the approved automatic fire extinguishing system option is used, the areas are separated from other spaces by smoke resisting partitions and doors. Doors are self-closing and non-rated or field-applied protective plates that do not exceed 48 inches from the bottom of the door are permitted. 19.3.2.1</p> <p>This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to provide separation of hazardous areas from other areas in the facility. The deficient practice affected one of five smoke compartments, staff and no residents. The facility has the capacity for 49 beds with a census of 44 the day of survey.</p> <p>Findings include:</p> <p>1. Observation on 06/21/11 at 10:45 a.m. revealed that the door to the laundry room was rubbing on the frame resulting in a one inch gap between the door and the door frame. The door was not self closing and smoke resistive as required for rooms containing gas fired equipment. Interview with the Maintenance Supervisor on 06/21/11 at 10:45 a.m. revealed that the facility was not aware that the door was not self closing.</p>	K 029		

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K 029	Continued From page 2 2. Observation on 06/21/11 at 10:50 a.m. revealed that the corridor door to the soiled linen room was open and had a rubber chock under the door that prevented the automatic closure of the door. Interview with the facility Maintenance Supervisor on 06/21/11 at 10:50 a.m. revealed the facility was not aware of the requirement to prohibit the use of any device or arrangement that prevented the automatic closure of doors to hazardous areas. The census of 44 was verified by the Administrator 06/21/11. The findings were acknowledged by the Administrator and verified by the Maintenance Supervisor during the exit interview on 06/21/11. Actual NFPA Standard: NFPA 101, 19.3.2.1. Hazardous areas shall be safeguarded by a fire barrier of one-hour fire resistance rating or provided with an automatic sprinkler system. The doors shall be self-closing or automatic-closing. Where the sprinkler option is used, the areas shall be separated from other spaces by smoke-resisting partitions and doors.	K 029		
K 046 SS=F	NFPA 101 LIFE SAFETY CODE STANDARD Emergency lighting of at least 1½ hour duration is provided in accordance with 7.9. 19.2.9.1. This STANDARD is not met as evidenced by: Based on interview and record review, the facility failed to maintain the emergency battery powered back-up lighting fixtures. The deficient practice affected five of five smoke compartments, staff and all residents. The facility has the capacity for	K 046		

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K 046	Continued From page 3 49 beds with a census of 44 the day of survey. Findings include: During a review of facility maintenance records for the twelve months prior to the survey on 06/21/11 at 2:10 p.m., the facility was unable to provide documentation of annual testing of the facility's emergency battery powered back-up light fixtures. Interview on 08/21/11 at 2:10 p.m. with the Administrator revealed that the facility was aware of the requirement for annual testing of the facility's emergency battery powered back-up light fixtures. The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11. Actual NFPA Standard: NFPA 101, 7.9.3. A functional test shall be conducted on every required emergency lighting system at 30-day intervals for not less than 30 seconds. An annual test shall be conducted on every required battery-powered emergency lighting system for not less than 1 and 1/2 hours. Written records of visual inspections and tests shall be kept by the owner for inspection by the authority having jurisdiction.	K 046		
K 047 SS=D	NFPA 101 LIFE SAFETY CODE STANDARD Exit and directional signs are displayed in accordance with section 7.10 with continuous illumination also served by the emergency lighting system. 19.2.10.1	K 047		

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K 047	Continued From page 4 This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to provide continuous illuminated exit signs in the basement. The deficient practice affected one of five smoke compartments, staff and no residents. The facility has the capacity for 49 beds with a census of 44 the day of survey. Findings include: On 06/21/11 at 10:25 a.m., the basement was observed to not have any emergency illuminated exit signs which would direct occupants to exits in case of emergency. Interview with the Maintenance Supervisor on 06/21/11 at 10:25 a.m. revealed that the facility was not aware that the basement was required to be equipped with illuminated emergency egress exit signs. The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11. Actual NFPA Standard: NFPA 101, 7.10.1.2*. Exits, other than main exterior exit doors that obviously and clearly are identifiable as exits, shall be marked by an approved sign readily visible from any direction of exit access. Actual NFPA Standard: NFPA 101, 7.10.5.1*. Every sign required by 7.10.1.2 or 7.10.1.4, other than where operations or processes require low lighting levels, shall be suitably illuminated by a reliable light source. Externally and internally	K 047			

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(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
K 047	Continued From page 5 illuminated signs shall be legible in both the normal and emergency lighting mode. Actual NFPA Standard: NFPA 101, 7.10.5.2. Every sign required to be illuminated by 7.10.6.3 and 7.10.7 shall be continuously illuminated as required under the provisions of Section 7.8. Exception: Illumination for signs shall be permitted to flash on and off upon activation of the fire alarm system.	K 047		
K 067 SS=F	NFPA 101 LIFE SAFETY CODE STANDARD Heating, ventilating, and air conditioning comply with the provisions of section 9.2 and are installed in accordance with the manufacturer's specifications. 19.5.2.1, 9.2, NFPA 90A, 19.5.2.2 This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to maintain a balanced engineered return air supply system. The deficient practice affected two of five smoke compartments, which included all resident sleeping rooms, staff and all residents. The facility has the capacity for 49 beds with a census of 44 the day of survey. Findings Include: Observation on 06/21/11 at 1:05 p.m. revealed that the facility was using the corridor area below the drop grid ceiling in the North and South egress corridors as a return air plenum with supply registers in resident rooms and the only return registers located below the drop tile grid ceiling at the end of the corridors near the exits.	K 067		

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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FORM APPROVED
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K 067	<p>Continued From page 6</p> <p>The return registers where drawing air from the rooms through the exit corridor space below the ceiling. The facility was unable to provide evidence of a balanced engineered HVAC system without using the North and South egress corridor space as a return air supply plenum. Interview with the Maintenance Supervisor on 06/21/11 at 1:05 p.m. revealed that the facility was unaware of the requirement to prohibit the use of egress corridors as return air plenums.</p> <p>The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11.</p> <p>Actual NFPA Standard: NFPA 90A section 2-3.11.1*. Egress corridors in health care, detention and correctional, and residential occupancies shall not be used as a portion of a supply, return, or exhaust air system serving adjoining areas. An air transfer opening(s) shall not be permitted in walls or in doors separating egress corridors from adjoining areas.</p> <p>Exception No. 1: Toilet rooms, bathrooms, shower rooms, sink closets, and similar auxiliary spaces opening directly onto the egress corridor.</p> <p>Exception No. 2: Where door clearances do not exceed those specified for fire doors in NFPA 80, Standard for Fire Doors and Fire Windows, air transfer caused by pressure differentials shall be permitted.</p> <p>Exception No. 3: Use of egress corridors as part of an engineered smoke-control system.</p> <p>Exception No. 4: In detention and correctional occupancies with corridor separations of open construction (e.g., grating doors or grating</p>	K 067		

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NAME OF PROVIDER OR SUPPLIER RESTHAVE HOME-WHITESIDE COUNTY	STREET ADDRESS, CITY, STATE, ZIP CODE 408 MAPLE AVENUE MORRISON, IL 61270
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K 067	Continued From page 7 partitions).	K 067		
K 144 SS=F	NFPA 101 LIFE SAFETY CODE STANDARD Generators are inspected weekly and exercised under load for 30 minutes per month in accordance with NFPA 99. 3.4.4.1. This STANDARD is not met as evidenced by: Based on record review and interview, the facility failed to inspect and load test the Emergency Power Supply System (EPSS). The deficient practice affected five of five smoke compartments, staff and all residents. The facility has the capacity for 44 beds and at the time of the survey the census was 49. Findings include: During record review on 06/21/11 at 2:00 p.m. of the facility's generator inspection logs for the calendar year prior to the survey, the facility was not able to provide documented monthly load tests of the emergency generator. Although the facility had the generator programmed to automatically run for 30 minutes on a weekly basis, the facility was not inspecting and testing the generator transfer switch monthly, using the test switch provided on the transfer panel to initiate load testing of the generator and was not documenting the results of the inspections and	K 144		

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K 144	<p>Continued From page 8</p> <p>testing to include the duration between the initiation of the test and the amount of time required for the EPSS to transfer to the generator power source. Interview with the Maintenance Supervisor on 06/21/11 at 2:00 p.m. revealed that the facility was unaware of the requirement to perform a manual observed load test of the emergency generator and document the results of testing to include the success of the transfer of the load within the ten seconds permitted by code.</p> <p>The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11.</p> <p>Actual NFPA Standards: NFPA 110, 6.4.1* and 6.4.2*. Level 1 and level 2 Emergency Power Supply Sources (EPSS)s, including all appurtenant components, shall be inspected weekly and shall be exercised under load monthly for a minimum of 30 minutes.</p> <p>Actual NFPA Standard: NFPA 99, 3-4.4.1.1(b), 1. Generator sets shall be tested twelve (12) times a year with testing intervals between not less than 20 days or exceeding 40 days. Generator sets serving emergency and equipment systems shall be in accordance with NFPA 110, Standard for Emergency and Standby Power Systems, Chapter 6.</p> <p>Actual NFPA Standard: NFPA 99, 3-4.4.1.1 (a). The generator set or other alternate power source and associated equipment, including all appurtenant parts, shall be so maintained as to be capable of supplying service within the shortest time practicable and within a 10-second</p>	K 144		

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K 144	Continued From page 9 interval. Actual NFPA Standard: NFPA 99, 3-4.4.1.1 (b) 2. The scheduled generator test under load conditions shall include a complete simulated cold start and appropriate automatic and manual transfer of all essential electrical system loads. Actual NFPA Standard: NFPA 110, 6-3.4. A written record of the EPSS inspections, tests, exercising, operation, and repairs shall be maintained on the premises. Actual NFPA Standards: NFPA 110, 6-4.5. Level 1 and Level 2 transfer switches shall be operated monthly. The monthly test of a transfer switch shall consist of electrically operating the transfer switch from the standard position to the alternate position and then a return to the standard position.	K 144			
K 211 SS=D	NFPA 101 LIFE SAFETY CODE STANDARD Where Alcohol Based Hand Rub (ABHR) dispensers are installed in a corridor: o The corridor is at least 6 feet wide o The maximum individual fluid dispenser capacity shall be 1.2 liters (2 liters in suites of rooms) o The dispensers have a minimum spacing of 4 ft from each other o Not more than 10 gallons are used in a single smoke compartment outside a storage cabinet. o Dispensers are not installed over or adjacent to an ignition source. o If the floor is carpeted, the building is fully sprinklered. 19.3.2.7, CFR 403.744, 418.100, 460.72, 482.41, 483.70, 483.623, 485.623	K 211			

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K 211	<p>Continued From page 10</p> <p>This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to assure that Alcohol Based Hand Rub (ABHR) dispensers were installed as required. The deficient practice affected one of five smoke compartments, staff and no residents. The facility has the capacity for 49 beds with a census of 44 the day of survey.</p> <p>Findings include:</p> <p>Observation on 06/21/11 at 1:50 p.m. revealed that the ABHR dispenser at the main nursing station was mounted to the wall directly above a light switch. Interview with the Maintenance Supervisor on 06/21/11 at 1:50 p.m. revealed that the facility was not aware that ABHR dispensers could not be installed above ignition sources (light switches).</p> <p>The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11.</p> <p>Federal Document Register requires that ABHR dispensers are not installed over or adjacent to an ignition source, CFR 403.744, 418.100, 460.72, 482.41, 483.70, 483.623, 485.623.0</p>	K 211		

7

Annual Waiver Application
Resthabe Home - Whiteside County
Provider ID:14E288 / 0005785
Cycle Date: April 28th, 2011
Survey Date: June 21st, 2011
Survey Type: Federal Monitoring Life Safety Code Survey
Addendum – July 15th, 2011

Annual Waiver Application for K067 – Addendum

Resthabe Home is a fully sprinklered facility with a complete automatic (dry) sprinkler system. All the smoke detectors in the nursing facility are hard-wired into the fire alarm system, there currently are no battery operated smoke detectors.

Attached is a bid from TJ's Maintenance and Repair for installation of return air ducts for both nursing resident room wings for an estimated cost of \$43,750.00 (see attachment #c). Also attached is several pages of the last fiscal year (September 1st, 2009 – August 31st, 2010) cost report (see attachment #d1 thru 5).

Also attached is a statement from Gleason Architects as the Board of Directors is planning to do a major remodel and update of the existing facility over the next several years. (see attachment #e).



Signature of Administrator

7.15.11

Date



GLEASON
ARCHITECTS, P.C.

July 15, 2011

Tami Tegeler
Resthave Retirement and Nursing Home
408 Maple Avenue
Morrison, IL 61270

**Subject: Resthave Retirement and Nursing Home
Architect's Project No. 11-001**

Dear Tami:

This letter is in regards to the Statement of Deficiencies and Plan of Correction report issued by the Department of Health and Human Services Item K 067 from a survey conducted on 06/21/2011. Gleason Architects P.C. has been retained by Resthave Retirement and Nursing Home to prepare designs to remodel and update the existing facility. Part of our work will be to bring the facility into compliance with the current applicable NFPA 101 Life Safety Code Standard. The intent is to proceed with the design and construction as soon as possible.

If there are any questions in regards to this issue please do not hesitate to give me a call.

Sincerely,

Gleason Architects, P.C.

Thad Gleason
Architect

Attachment #e

K:\Gleason Architects\PROJECTS\11-001 Resthave Retirement Home Addition\Correspondence\Letter Tami 7-15-2011.docx

769 Heartland Drive, Unit A Sugar Grove, Illinois 60554

Phone: 630-466-8740 Fax: 630-466-8760

E-mail: thadgleason@gleasonarchitectspc.com



Pat Quinn, Governor
Damon T. Arnold, M.D., M.P.H., Director

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.idph.state.il.us

August 3, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

James Huber, Administrator
Resthove Home-Whiteside Co
408 Maple Ave
Morrison, Illinois 61270

REFERENCE:	Provider #:	14E288/0005785
	Survey Date:	07/22/11
	Survey Type:	Revisit to Life Safety Code Federal Monitoring Survey

Dear Administrator:

On 06/11/11, a Life Safety Code (LSC) survey was conducted at your facility by staff CMS to determine compliance with federal certification requirements for nursing homes participating in Medicare and/or Medicaid programs. Deficiencies were identified and remedies imposed, proposed or recommended in an 'Initial Notice'.

After review of Plans of Correction (POCs) related to those deficiencies and receipt of a credible "Allegation of Compliance", Department staff conducted a revisit. At the time of the revisit, it was determined that while specific deficiencies had been corrected, other deficiencies are the subject of Annual and/or Temporary waiver requests and/or were resolved through the Fire Safety Evaluation System (FSES). You will be notified at a later date of Regional Centers for Medicare & Medicaid Services (CMS) approval or denial of Waiver or FSES requests. Copies of the "Post-Certification Revisit Report" (CMS-2567B) and "Statement of Deficiencies" (CMS-2567) are enclosed.

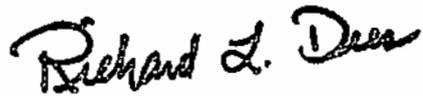
*****REQUIRED SPRINKLER STATUS BY AUGUST 13, 2013*****

On August 13, 2008, CMS published a final rule that requires all long-term care facilities to be equipped with a complete supervised automatic sprinkler system by no later than August 13, 2013. Facilities with no or partial sprinkler systems installed and/or that use Annual Waiver or the Fire Safety Evaluation System (FSES) to comply with the current sprinkler requirements have until August 13, 2013 to install or upgrade the sprinkler system. Please review your facility's sprinkler system to ensure it fully complies with the National Fire Protection Association's (NFPA) "Standard for the Installation of Sprinkler Systems" (1999 Edition, NFPA 13). The Federal survey process requires review of the sprinkler system to determine if the system is providing complete coverage or only partial coverage. Complete coverage means that the entire facility, including all closets, storage areas and walk-in coolers and freezers are sprinkler protected. There are specific requirements for overhangs attached to

the outside of the building (1999 Edition, NFPA 13, Section 5-13.8), electrical equipment rooms (1999 Edition, NFPA 13, Section 5-13.11) and Elevator Hoistways and Machine Rooms (1999 Edition, NFPA 13, Section 5-13.6) that are the responsibility of the facility to understand and comply with, that may result in costly upgrades that will require time to complete. Since there is no waiver and/or FSES provision after August 13, 2013, it is imperative that you ensure that your facility is fully sprinkled in accordance with the regulation on August 13, 2013. Failure to do so is likely to result in enforcement remedies, including but not limited to termination.

If you have any questions concerning this notice, please contact my staff at the address above or telephone (217) 782-5180. You may also telephone the Department's TTY number for the hearing impaired at 1-800-547-0466.

Sincerely,



Richard L. Dees, Chief
Bureau of Long Term Care

Enclosure(s)

cc: State Medicaid Agency
Illinois Department on Aging
File (3)

LR1/0108/as/LS

Post-Certification Revisit Report

Public reporting for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to CMS, Office of Financial Management, P.O. Box 26884, Baltimore, MD 21207; and to the Office of Management and Budget, Paperwork Reduction Project (0938-0390), Washington, D.C. 20503.

(Y1) Provider / Supplier / CLIA / Identification Number 14E288	(Y2) Multiple Construction A. Building B. Wing 01 - BUILDING 01 (WING 0102)	(Y3) Date of Revisit 7/22/2011
Name of Facility RESTHAVE HOME-WHITESIDE COUNTY		Street Address, City, State, Zip Code 408 MAPLE AVENUE MORRISON, IL 61270

This report is completed by a qualified State surveyor for the Medicare, Medicaid and/or Clinical Laboratory Improvement Amendments program, to show those deficiencies previously reported on the CMS-2567, Statement of Deficiencies and Plan of Correction that have been corrected and the date such corrective action was accomplished. Each deficiency should be fully identified using either the regulation or LSC provision number and the identification prefix code previously shown on the CMS-2567 (prefix codes shown to the left of each requirement on the survey report form).

(Y4) Item	(Y5) Date	(Y4) Item	(Y5) Date	(Y4) Item	(Y5) Date
ID Prefix _____ Reg. # NFPA 101 LSC K0029	Correction Completed 06/24/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0046	Correction Completed 07/05/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0047	Correction Completed 06/24/2011
ID Prefix _____ Reg. # NFPA 101 LSC K0144	Correction Completed 07/07/2011	ID Prefix _____ Reg. # NFPA 101 LSC K0211	Correction Completed 07/01/2011	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed
ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed	ID Prefix _____ Reg. # _____ LSC _____	Correction Completed

Reviewed By _____ State Agency	Reviewed By _____ <i>Wm</i>	Date: _____ 6/21/11	Signature of Surveyor: _____	Date: _____
Reviewed By _____ CMS RO	Reviewed By _____	Date: _____	Signature of Surveyor: _____	Date: _____

Followup to Survey Completed on: 6/21/2011

Check for any Uncorrected Deficiencies. Was a Summary of Uncorrected Deficiencies (CMS-2567) Sent to the Facility? YES NO

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{K 000}	<p>INITIAL COMMENTS</p> <p>42 CFR 483.70(a)</p> <p>K3 BUILDING: 0101 K6 PLAN APPROVAL: 1968 K7 SURVEY UNDER: 2000 EXISTING K8 NF</p> <p>Type of Structure: One story, Type V (111), protected combustible wood frame construction with a partial basement. A one story sheltered care facility adjoins the nursing facility on the West side. The sheltered care facility is separated from the nursing facility by two hour construction. The sprinkler riser and main fire alarm control panel for the entire building was located in the basement of the sheltered care facility which required the survey to be extended to these areas. The nursing facility has a complete automatic (dry) sprinkler system and a total of five smoke compartments (four smoke compartments on the main level and one smoke compartment at the basement level).</p> <p>MF1 to A Comparative Federal Monitoring Survey was conducted on 06/21/11 following a State Agency Survey on 04/28/11, in accordance with 42 Code of Federal Regulations, Part 483: Requirements for Long Term Care Facilities. During this Comparative Federal Monitoring Survey, Resthave Home - Whiteside County was found to be in compliance with the Requirements for Participation in Medicaid based on Annual Waiver.</p> <p>The findings that follow demonstrate compliance with Title 42, Code of Federal Regulations, 483.70 (a) et seq. (Life Safety from Fire).</p>	{K 000}		

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE _____ TITLE _____ (X6) DATE _____

A. Deficiency statement ending with an asterisk (*) denotes a deficiency which the Institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

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{K 067} SS=F	<p>NFPA 101 LIFE SAFETY CODE STANDARD</p> <p>Heating, ventilating, and air conditioning comply with the provisions of section 9.2 and are installed in accordance with the manufacturer's specifications. 19.5.2.1, 9.2, NFPA 90A, 19.5.2.2</p> <p>This STANDARD is not met as evidenced by: Based on observation and interview, the facility failed to maintain a balanced engineered return air supply system. The deficient practice affected two of five smoke compartments, which included all resident sleeping rooms, staff and all residents. The facility has the capacity for 49 beds with a census of 44 the day of survey.</p> <p>Findings Include:</p> <p>Observation on 06/21/11 at 1:05 p.m. revealed that the facility was using the corridor area below the drop grid ceiling in the North and South egress corridors as a return air plenum with supply registers in resident rooms and the only return registers located below the drop tile grid ceiling at the end of the corridors near the exits. The return registers were drawing air from the rooms through the exit corridor space below the ceiling. The facility was unable to provide evidence of a balanced engineered HVAC system without using the North and South egress corridor space as a return air supply plenum. Interview with the Maintenance Supervisor on 06/21/11 at 1:05 p.m. revealed that the facility was unaware of the requirement to prohibit the use of egress corridors as return air plenums.</p>	{K 067}		

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NAME OF PROVIDER OR SUPPLIER RESTHAVE HOME-WHITESIDE COUNTY			STREET ADDRESS, CITY, STATE, ZIP CODE 408 MAPLE AVENUE MORRISON, IL 61270	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE
{K 067}	Continued From page 2 The census of 44 was verified by the Administrator on 06/21/11. The finding was acknowledged by the Administrator and verified by the Maintenance Supervisor at the exit interview on 06/21/11. Actual NFPA Standard: NFPA 90A section 2-3.11.1*. Egress corridors in health care, detention and correctional, and residential occupancies shall not be used as a portion of a supply, return, or exhaust air system serving adjoining areas. An air transfer opening(s) shall not be permitted in walls or in doors separating egress corridors from adjoining areas. Exception No. 1: Toilet rooms, bathrooms, shower rooms, sink closets, and similar auxiliary spaces opening directly onto the egress corridor. Exception No. 2: Where door clearances do not exceed those specified for fire doors in NFPA 80, Standard for Fire Doors and Fire Windows, air transfer caused by pressure differentials shall be permitted. Exception No. 3: Use of egress corridors as part of an engineered smoke-control system. Exception No. 4: In detention and correctional occupancies with corridor separations of open construction (e.g., grating doors or grating partitions). Facility requested Annual Waiver	{K 067}		

1125.610 Community Related Functions

Community support letters for this project follow this page.

(Date) 12-17-11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Don & Malinda Galloway
217

(Date) 1-3-2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Jones", written over a large, loopy flourish.

218

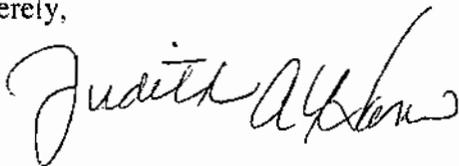
(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Bill Van Oosten

Jan 5, 2018

To Whom It May Concern;

We are writing this letter in support of Resthove Home's of need application. We live in the area surrounding Morrison, Illinois, and are concerned about the needs of our community, particularly those relating to the availability of quality health care. The access to this type of high quality nursing home services is limited. Having access to short-term rehabilitative services in our community is important to us and our family and friends.

We appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthove Home.

Sincerely,

Darlene Wiebenga
Robert Wiebenga

January 15, 2012

To Whom It May Concern:

I am writing this letter in support of Resthove Home's Certificate of need application.

As a resident of Morrison, Illinois, I am concerned about the needs of our community, particularly those relating to the availability of quality health care. This project by Resthove Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthove Home,

Sincerely,

Joan Olson
711 Milnes Drive
Morrison, IL 61270

Joan Olson
222

To whom it may Concern -

I am writing this letter in support of Rest Home Home's Certificate of Need Application.

As a resident of Morrison, Illinois, I am concerned about the needs of our Community, particularly those relating to the availability of quality Health Care. This project by Rest Home Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Care Facilities and Services Review Board to lend your support to this expansion of service at Rest Home Home.

Sincerely

Mrs Eunice Still

Member of Rest Home and
also member of Ebenezer C

To Whom it May Concern:

I am writing the letter in support of Rectore Home's Certificate of Need application. As a resident of Morris, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home and assisted living services is limited. Ensuring that we have adequate access to short-term rehabilitative and assisted living services in our community is important to me, my family and our friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Rectore Home.

Sincerely,
Karen Mulnix

1/8/2012

To Whom It May Concern;

My wife Barbara & I write this letter in support of Rest Home Nursing Home to obtain a Certificate of need so that they may put into effect their expansion effort in the future. This expansion effort will greatly enhance the quality care given to their clients. Please grant the Nursing Home this vital Certificate.

Thank You,

Dan & Barbara
Murnane



Mr. Dan Murnane
703 Melody Ct Apt 1
Morrison IL 61270-9806

16630 Brown Rd
Morrison, Ill 61270
December 15, 2011

Bethrave Retirement
and Nursing Home
408 Maple Avenue
Morrison, Ill 61270 - 2998

December 17, 2011

To Whom It May Concern:

We are writing this letter in support of Bethrave Home's Certificate of Need application. As a resident of Morrison, Illinois, we are very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

We appeal to you as members of the

Health Facilities and Services Review
Board to lend your support to this
expansion of services at Resthaven Home.

Sincerely,

Dan and Mary, R.N. Buckley

Jan. 3, 2012

To Whom It May Concern:

I am writing to support Resthove's Certificate of Need Application.

My family member has had to go to another skilled nursing facility after her hip surgery. Jessie would much rather have returned to Resthove for her care.

Ensuring that my Mother has adequate access to short-term rehab at Resthove is important to me & my family.

Sincerely,

Nancy Seaver
Brookhead, WVa

December 19, 2011

To Whom It May Concern:

I am writing this letter in support of Resthaven Home's Certificate of Need application. As a family member of a resident at Resthaven Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthaven Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthaven Home.

Although my family member has not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff.

Sincerely,

Elle A. Kramer

CITY OF MORRISON POLICE DEPARTMENT

200 West Main Street
Morrison, Illinois 61270-2400
Phone: 815-772-7659
Fax: 815-772-4291
Website: www.morrisonil.org



Brian R. Melton
Chief of Police

December 12, 2011

RE: Resthave Home's Certificate of Need Application

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need application. As the Chief of Police in Morrison, Illinois, I am very aware and concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of service at Resthave Home.

Respectfully,

Brian R. Melton
Chief of Police
City of Morrison, Illinois USA

STATE OF ILLINOIS
WHITESIDE COUNTY COURT SERVICES
JUVENILE DIVISION

204 E. Lincolnway - Morrison, Illinois 61270-2819
Phone 815-772-5276

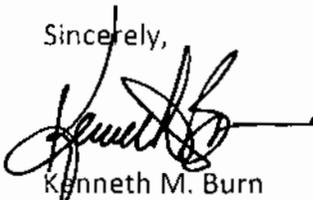
December 19, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Kenneth M. Burn
Juvenile Supervisor
Whiteside County Court Services

CITY OF MORRISON

200 West Main Street
Morrison, Illinois 61270-2400
Phone 815 / 772-7657
Fax 815 / 772-4291
morrisonil.org



12/26/2011

To: Illinois Health Facilities Planning Board

I was very glad to hear about Resthave Home's expansion plans. I fully support this expansion of beds and services to add skilled care at Resthave Home. As a city alderman, I am always looking for growth of business and the expansion of services to our citizens. This expansion by Resthave Home does both by bringing high quality short-term rehabilitative services to our community.

I fully support Restave Home's undertaking and I am willing to help in any way possible.

Sincerely,

Ronald P. Kallemeyn
Alderman - Ward 4

Morrison Courthouse
815-772-5188

SUSAN E. OTTENS
Circuit Clerk, Whiteside County
Fourteenth Judicial Circuit
200 E. Knox Street
MORRISON, IL 61270

Eastern Court Facility
815-535-4530

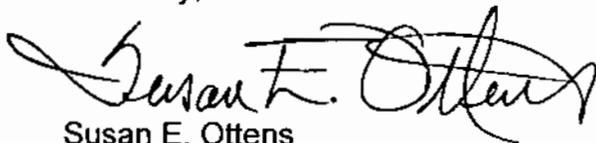
December 26, 2011

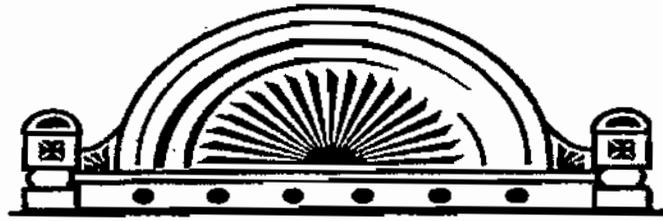
To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need Application. As a resident of Morrison, IL, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends. Both of my parents are elderly and it has been a struggle over the past few years to find quality skilled care nursing while they have been recovering from an illness or surgery.

I appeal to you as a member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,


Susan E. Ottens



Kophamer & Blean Realty

December 19, 2011

To: Illinois Health Facilities Planning Board

It is my pleasure to write in support of Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

As a business owner and Public Official in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for both short-term skilled and long-term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality, long-term care to our community. By this expansion of beds and services, it will be ensuring that we have adequate access to high quality, short-term rehabilitative services in our community as well.

I fully support this expansion of beds and services to add skilled care at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Michael D. Blean".

Michael D. Blean
Ward 1 Alderman, City of Morrison
IL Certified General Real Estate Appraiser
IL Licensed Real Estate Broker

CITY OF MORRISON

200 West Main Street
Morrison, Illinois 61270-2400
Phone 815 / 772-7657
Fax 815 / 772-4291
morrisonil.org



To: Illinois Health Facilities Planning Board

It is my pleasure to write in support of Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

As a Public Official in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion beds and services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I fully support this expansion of beds and services to add skilled care at Resthave Home.

Sincerely,

Larry J. Hayenga

CITY OF MORRISON

200 West Main Street
Morrison, Illinois 61270-2400
Phone 815 / 772-7657
Fax 815 / 772-4291
morrisonil.org



Roger K. Drey • Mayor

January 5, 2012

To: Illinois Health Facilities and Services Review Board,

I am writing this letter in support of Resthave Home's Certificate of Need application. As Mayor for the City of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services Resthave Home will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Roger Drey".

Roger Drey, Mayor
City of Morrison

SPRINGFIELD OFFICE:
208 - N STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
217/782-3992
FAX: 217/782-5201



DISTRICT OFFICE:
4416 RIVER DRIVE
MOLINE, ILLINOIS 61265
309/762-3008
FAX: 309/762-3045
email: reprmorthland@gmail.com

RICH MORTHLAND
STATE REPRESENTATIVE · 71ST DISTRICT

January 4, 2012

To: Illinois Health Facilities Planning Board

It is my pleasure to write in support of Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

I believe the addition of skilled care services to Resthave Home will provide a highly needed health care services in the area of Illinois and will contribute to the welfare of many residents in the surrounding communities.

I fully support this expansion of beds and services to add skilled care at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Rich".

Representative Rich Morthland



STATE OF ILLINOIS
SENATE

SENATOR
MIKE JACOBS
36TH DISTRICT

STATE CAPITOL
SPRINGFIELD, ILLINOIS
62706

January 3, 2012

To: Illinois Health Facilities Planning Board

It is my pleasure to write in support of Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

I believe the addition of skilled care services to Resthave Home will provide a highly needed health care service in this area of Illinois and will contribute to the welfare of many residents in the surrounding communities.

I fully support this expansion of beds and services to add skilled care at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Mike".

Mike Jacobs
State Senator
36th District

MDJ/pr

WHITESIDE COUNTY TREASURER
200 EAST KNOX STREET
MORRISON IL 61270
815.772.5196
815.772.5244 (fax)
dhook@whiteside.org

December 19, 2011

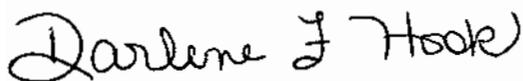
To Whom It May Concern:

I am writing this letter in support of Resthave Homes Certificate of Need application. As a resident of Morrison, Illinois and a daughter of an elderly couple, I am concerned about the needs of our community. I would like to see an expansion of services for assisted living and skilled care needs. I would also like to see the needs of Alzheimer and dementia patients met with a possible unit dedicated to their needs. With many people my age still active in the working community and having responsibilities to take care of their parents the need for short-term rehab services and a possible "day-care" facility is very important to meet the needs of families in these situations.

I am asking for your support to the expansion of services at Resthave Home. As a member of the Health Facilities and Services Review Board you can make this become a reality instead of a wish.

On behalf of my family please support this important decision regarding Resthave Retirement and Nursing Home.

Sincerely,



Darlene F Hook
Whiteside County Treasurer

OFFICE OF SUPERVISOR OF ASSESSMENTS

WHITESIDE COUNTY COURTHOUSE
200 East Knox Street, Morrison, IL 61270
Phone - 815-772-5195 FAX - 815-772-5252
rbrands@whiteside.org

December 19, 2011

Robin Brands
Supervisor of
Assessments

To Whom It May Concern:

Shari Akker
Chief Deputy
815-772-5255

I am writing this letter in support of Resthave Nursing Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

Sheri Swanson
Deputy
815-772-5132

I appeal to you as a member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Nursing Home.

Megan Modglin
Map Technician
815-772-5133

Sincerely,



Robin Brands

Lauren Lee
GIS Coordinator
815-772-5185



Whiteside County Clerk

Dana Nelson

200 E. Knox Street - Morrison, Illinois 61270

Phone: (815) 772-5189 Fax: (815) 772-7673

Email: dnelson@whiteside.org

December 20, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. I just recently had to put my elderly mother into a short-term rehabilitative facility in Sterling, so I am aware of what a need there is for this type of facility. Access to this type of high quality nursing home is limited and Resthave has one, if not, the best reputations in Whiteside County for long-term care. In fact, I have my mother on a wait list for this facility. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as a member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Dana Nelson
Whiteside County Clerk



WHITESIDE COUNTY SHERIFF'S OFFICE

Kelly C. Wilhelmi, Sheriff

Tim Cain, Chief Deputy 815-772-5216

Andy Henson, Lieutenant, Field Services 815-772-5209

Tim Erickson, Lieutenant, Corrections 815-772-5227

December 19, 2011

To Whom it may Concern,

I am writing this letter to show my support of Resthave Nursing Home's Certificate of Need application. As Sheriff of Whiteside County, I am always concerned with the need and availability of quality healthcare in our community.

We are very fortunate to have quality nursing homes, such as Resthave, in our area. Ensuring that our residents have adequate access to quality rehabilitative services is very important to me and my Office.

Please consider lending your support to help Resthave expand their vital services to our community.

Very sincerely,

A handwritten signature in black ink that reads "Kelly C. Wilhelmi".

Kelly C. Wilhelmi, Sheriff
Whiteside County

241

400 N. Cherry Street
Morrison, IL 61270
815-772-4044

*Offender*watch

D.A.R.E.

United States Senate

December 22, 2011

Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

To whom it may concern:

I am writing at the request of my constituent, Tami Tegeler, regarding Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

I hope the addition of skilled care services to this facility will provide a highly needed health care service in this area of Illinois and contribute to the welfare of many residents in the surrounding communities.

Thank you in advance for your fair and lawful consideration of this application.

Sincerely,



Mark Steven Kirk
United States Senator



December 21, 2011

Resthave Nursing Home
Attn: Tami Tegeler
408 Maple Avenue
Morrison, IL 61270

Dear Tami:

On behalf of Central Bank Illinois, I want to take this opportunity to thank you for allowing us to review your proposed development. Based upon the information provided by Mr. Lindsey, it is clear that your board has given much thought and energy to this project and we are pleased to be considered as a potential lending partner in this mission.

While Central Bank has not been asked to make a formal lending decision on the plan to-date, we have been asked to provide you with confirmation of our interest in providing the financing that will be needed once the approval process at the State level has been completed.

To that end, please accept this letter as confirmation of that interest.

While we look forward to continued communication with your board during this phase of the project, it is difficult, if not impossible, to provide a formal loan approval based solely on the information that has been provided to us. Presuming the State gives their necessary approval, and if your Board of Directors asks Central Bank to provide the financing for this development, we will request additional financial information related to Resthave that will help us underwrite the request and make our official lending decision.

Please know that Central Bank is familiar with financing projects like this and logistically, I believe we can be a strong and positive partner in this venture.

We will look forward to hearing from you as your plan develops and I hope you will feel comfortable calling on me with questions you have about the financing segment of this project.

Respectfully Submitted,

Handwritten signature of Karrie M. Kenney in black ink.

Karrie M. Kenney
Assistant Vice President
Central Bank Illinois #757597

Handwritten signature of Randy S. Clary in black ink.

Randy S. Clary
Community Bank President
Central Bank Illinois

Geneseo—101 North State Street, P O Box 89, Geneseo, IL 61254 PH: 309-944-5601
Fulton—1404 14th Avenue, Fulton, IL 61252 PH: 815-589-3232 or 800-828-8941
Princeton—317 South Main Street, Princeton, IL 61356 PH: 815-875-3461

www.central-bank.com
Member FDIC

243





William M. Wilkin, D.D.S.
Scott M. Kunau, D.D.S.
1130 17th Street
Fulton, IL 61252
(815) 589-4007

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner serving the Morrison, Illinois community, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

William M. Wilkin DDS



404 East Lincolnway

Morrison, IL 61270

Telephone
(815) 772-2322

Fax
(815) 772-4202

Website
www.bosmarenkes.com

January 5, 2012

Tami Tegler – Administrator
Resthave Nursing Home
408 Maple Avenue
Morrison, IL 61270

Dear Tami:

Thank you for the time you took today to share with me the need our community has for skilled care nursing services.

As a business owner serving the Morrison and surrounding community, I see great value in knowing that a long standing institution like Resthave is responding to both current needs and planning for future needs. I am now aware of the efforts you and the Board of Directors have undertaken to expand the services and facility offered. I understand that high quality short term rehabilitative service is as important as quality long term care.

Please consider this letter as a statement of support of Resthave Home's application to the Illinois Health Facilities and Services Review Board for a **Certificate of Need**.

It is very impressive to learn that a financial feasibility study has shown that Resthave is fiscally sound and can financially support such a project.

Best wishes in your future endeavors.

Sincerely,

James D. Bosma
Bosma-Renkes Funeral Homes, Ltd.

JDB
Copy: Jane Pessman – Board Member



Joy Tegeler

218 W. Main Street - Suite 102 • Morrison, IL 61270
Phone: 815-772-8474 • Fax: 815-772-8785 • tacctg@mchsi.com

January 3, 2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for the short-term skilled and long-term nursing home services.

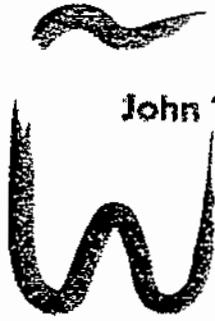
I am aware of the effort Resthave Home has undertaken to bring high quality long-term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Joy Tegeler". Below the signature, the name "Joy Tegeler" is printed in a small, sans-serif font.

Joy Tegeler



John Tomasino, Jr., D.D.S., P.C.

200 East Main Street
Morrison, IL 61270
(815) 772-2811

Over 25 Years Experience
in General Dentistry

December 29, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

John A. Tomasino Jr. DDS PC



CROSSROADS COMMUNITY CHURCH

|| www.crossroadscn.com ||

January 4, 2012

To Whom it May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of several Church's providing services to Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care.

I appeal to you as a member of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Jonathan Neal
Crossroads Community Church
Campus Pastor

248

ONE CHURCH. MULTIPLE LOCATIONS.

HELPING EVERY PERSON WE CAN, FIND THEIR PLACE IN GOD'S PLAN.



Staff

Chris Byrd
Lead Pastor

January 3, 2012

Stephen Harmon
OBF-Morrison
Campus Pastor

Scott Schaefer
OBF-Davenport
Campus Pastor

Ben Johnson
OBF-Morrison
Youth Pastor

Rich Nolan
Administrator

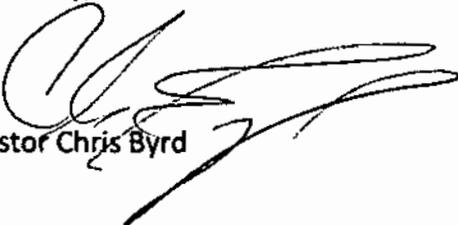
To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of the several churches providing services to Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Pastor Chris Byrd

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Yvonne Burkholder

12-29-02

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Em Schreder

P.S. I have visited many residents over the years and I look forward to my visits. I am also on the auxiliary board (15 yrs). I see Resthave Home as a top notch home and I've visited in many.

Yes, I feel we have a great need for additional expansion, especially since I'm in the age group of people who need that availability.

(Date) 7-2-2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

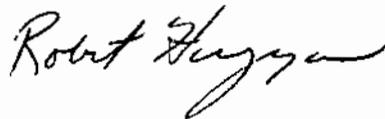
Bonnie Behnkoff

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Robert Huggan". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, *Sam Becht*

+
Ms Paty Becht

12/23/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a former board member of Resthave Home, I have witnessed Morrison's need for skilled care services as well as how well known Resthave is for high quality nursing home services. Morrison community members would benefit from this facility also providing an option of skilled rehabilitation.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Kristi Christiansen". The signature is written in black ink and is positioned above the printed name.

Kristi Christiansen

**Edw. F. VanderMeulen
13774 Rockwood Ct.
Morrison, IL. 61270-9300
(815)772-3589
evanderm@frontiernet.net**

January 5, 2012

To Whom It May Concern:

I am writing this letter in STRONG support of Resthave Home's Certificate of Need application. It is clear that there is currently a crucial need for care of this type in our community right now and with the increasing population of the aged and infirm, this need will continue to grow.

I have been active in, and responsible for caring for several of my precious relatives in their old age. It's a tough job - entrusting a loved one to a new environment, trusting their lives and the quality of their lives to others; knowing that we can no longer serve their needs at home, taking away their independence, taking them from their homes. Necessary, but a painful and daunting decision and transition for all.

I have visited and observed life and care at many care facilities in this area as a family member, worship leader, and Holy Communion "deliverer". Currently my 89 year old mother and my soon-to-be 99 year old aunt reside at Resthave. I love them both dearly. When I ponder whether or not I have been a faithful son and nephew, a loyal and true guardian of their lives, and whether I have brought them to the very best place that they could be (in the whole world), I am reassured that I have indeed done right by them because they live in a caring community and residence, and receive the most genuinely compassionate and competent care that I have ever seen.

My standard description of Resthave is that it is a treasure to this community. I cannot say enough good about it. The compassion and competency is second to none. If I can supply any further testimony or information as a family member, I would be happy to assist in any way.

Please support an expansion of services at Resthave Home.

Sincerely,



Ed VanderMeulen

January 4, 2012

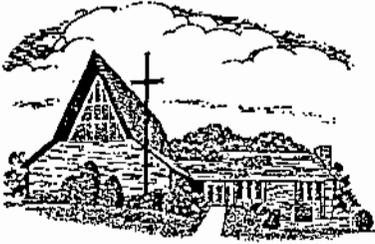
To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Family Member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Last spring my mother needed rehab services after surgery and had to receive these services in another nursing home. I therefore had both parents in two different nursing homes. It would have been more accommodating to both of my parents to be in the same nursing home and they would have been able to see each other on a daily basis instead of going through six weeks of not having any contact with each other. This was traumatic to both of my parents at this time. Ensuring that my family member(s) has adequate access to short-term rehabilitative services at Resthave Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "Paddy Zakaria". The signature is fluid and cursive, with a long horizontal flourish extending to the right.



BETHESDA LUTHERAN CHURCH

301 W. South St., Morrison, IL 61270

Ph: 815/772-4896 Fax: 815/772-4896

E-mail: bethesdalc@frontiernet.net

Pastor: Rev. Robert E. Burton

Ph#: 772-0123 Cell#: 815-354-4477

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of the several Church's providing services to Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Pastor Robert E. Burton 1/10/12

OUR MISSION STATEMENT:

**BETHESDA LUTHERAN CHURCH IS EMPOWERED BY GOD'S PROMISES;
TO WITNESS, SERVE, AND SUPPORT, IN OUR COMMUNITY AND BEYOND.**

Emmanuel Reformed Church

202 East Morris Street

Morrison, IL 61270

Phone: 815-772-3890/Fax: 815-772-2279

www.emmanuelreformedchurch.org

Rev. Jeffrey N. McIlrath, Senior Pastor

January 6, 2012

To Whom It May Concern,

As the senior pastor of a large and multi-generational church, I have seen the important need that Resthave Nursing and Retirement Home meets in our community. Our town is heavily dependent on the services that Resthave provides and it is clear that these demands are on the rise as our population ages. Our local area struggles to have access to quality short-term and long-term care and the ability of Resthave to expand its services is important to the health of our community. We urge your support of their plans to increase services to our community.

Sincerely,



Rev. Jeffrey N. McIlrath MDiv.

revjeff@frontiernet.net

(815) 441-4257

January 4, 2012

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Family Member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Last spring I needed rehab services after surgery and had to receive these services in another nursing home. I therefore was in a different nursing home than my husband. It would have been more accommodating to both of us to be in the same nursing home and we would have been able to see each other on a daily basis instead of going through six weeks of not having any contact with each other. This was traumatic to both of us at this time. Ensuring that my family member(s) has adequate access to short-term rehabilitative services at Resthave Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Virginia A. Wilpens

January 3, 2012

To Whom It May Concern:

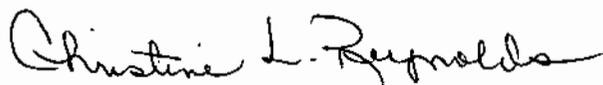
I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave is important to me and to my family.

My family member has had to go to another skilled care nursing facility for services following their hospital stay and while that was not a bad experience, they would have been less confused if they had been able to go directly back to Resthave to be cared for by the staff who knew them best, the staff at Resthave Home.

My family member has no short term memory and being able to return to Resthave coming out of the hospital for her rehabilitation, I believe, would have been less confusing for her. I believe she would have adjusted better to her surroundings & quicker if she had been able to return to Resthave after her stay in the hospital instead of having to be moved somewhere else first. Being away from the home, for such a long length of time, made it more difficult for her adjust again when she was able to return to Resthave.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion at Resthave

Sincerely,



Christine L Reynolds

1-6-12

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Lynndee Tegeler

January 4, 2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to high quality nursing home services in Morrison is quite limited. We have two nursing homes, both of which could use expansion to serve the needs of our residents in the years to come. Ensuring that we have adequate access to short-term rehabilitative services in our community is also very important to us all.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home in Morrison.

Sincerely,

A handwritten signature in cursive script that reads "Ms. Jacqueline Jevne". The signature is written in black ink and is positioned above the printed name.

Ms. Jacqueline Jevne

1/8/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Jon R. Kophammer

Jan 8, 2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Maetta Kephamer

Dec. 29, 2011

To: Health Facilities and Services
Review Board;

As trustee for Resthane resident, Evelyn
Irion I urge you to support expansion
of and addition of Skilled Care Services
to Resthane Retirement and Nursing Home
residents.

Resthane does an excellent, caring
operation and most residents feel that
Resthane is their home and the other
fellow residents become family to
each other.

Respectfully,
Laurin A. Irion, Trustee
For Evelyn C. Irion

(Mother will be 100
on JAN. 14, 2012)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Joan Zuidema

Paul Zuidema

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

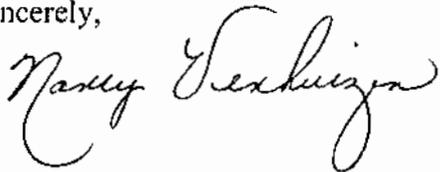
Dorothy Kaufman
Auxiliary Rep. from St. Peter Lutheran Church, LMS
North Jackson St.
Morrison, Ill. 61270

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Texeira". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Stephanie DeKruizer
1826-2nd Ave.
Sterling, Md. 21151

(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ronald W. Harvey". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Long + Bonnie Bush



MORRISON UNITED METHODIST CHURCH

200 W. Lincolnway
Morrison, IL 61270
815 772 4030
815 772 4197 (Fax)

d.schenck@frontier.com
www.morrumc.org

Rev. Dan Schenck, Pastor

December 9, 2011

To Whom it May Concern:

Resthave Retirement and Nursing Home of Morrison Illinois is applying for a Certificate of Need from your Board in order to expand the services they provide in our community. They hope to add Skilled Care Services to the list of care they already provide here.

I represent one of the many churches affiliated with Resthave. I'm excited that these short-term needs might be met through the expansion of Skilled Care added to the, already excellent, long-term care Resthave Home provides. There are many in our church and community who will benefit from this service.

I respectfully request that all the members of the Health Facilities and Services Review Board consider approving this application for this needed expansion of services at Resthave Home.

Blessings,


Rev. Dan Schenck, Pastor

Morrison United Methodist Church



MORRISON CHRISTIAN REFORMED CHURCH
300 WEST SOUTH ST. MORRISON, IL 61270

"Equipping Lives to Mirror Christ Through Loving, Caring, and Sharing"

December 27, 2011

To Whom It May Concern:

We are writing this letter in support of Resthave Home's Certificate of Need application.

As one of the several Churches's affiliated with Resthave Retirement and Nursing Home, we are very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave will help ensure that our community has adequate access to high quality short-term and long term care.

We appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave.

Sincerely,

A handwritten signature in cursive script that reads "Alan Meurs".

Alan Meurs, Vice, President
Jim Bosma, Clerk of Council
The Church Council
Morrison Christian Reformed Church

A handwritten signature in cursive script, likely belonging to Jim Bosma, positioned to the right of the typed name.

cc: AM, JB

Phone: 815-772-4657

Email: morrisoncrc@frontiernet.net

309 E. Park Street, Morrison, Illinois 61270
815-772-2472



Gerald H. Norman, Senior Pastor
Email: pastorgerry@ercmorrison.com

Ken Renkes, Director of Congregational Care
Email: kenr@ercmorrison.com

Laurie Wilkins, Music Coordinator
Email: laurie@ercmorrison.com

Website: www.ercmorrison.com

December 16, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of several churches affiliated with Resthave Home, I am concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

**Ken Renkes
Director of Congregational Care**



December 14, 2011

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of the several Church's affiliated with Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely yours,

Rev. William R. Antillon, Pastor

St. Mary Parish

276th

309 E. Park Street, Morrison, Illinois 61270
815-772-2472



Gerald H. Norman, Senior Pastor
Email: pastorgerry@ercmorrison.com

Ken Renkes, Director of Congregational Care
Email: kenr@ercmorrison.com

Laurie Wilkins, Music Coordinator
Email: laurie@ercmorrison.com

Website: www.ercmorrison.com

December 12, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As one of several churches affiliated with Resthave Home, I am concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

**Gerald H. Norman,
Sr. Pastor, Ebenezer Reformed Church**

**First Baptist Church
406 Maple Avenue
Morrison, IL 61270**

**Church 815-772-2696
Parsonage 815-772-3181**

**Office Email fbcc@essex1.com
Pastor's Email dladams2@frontier.com**

December 23, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

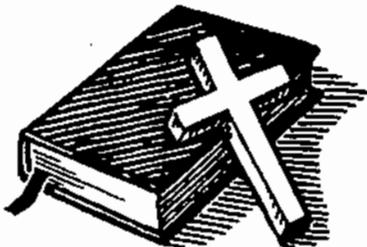
As one of several Church's affiliated with Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the available of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Pastor Dick Adams
Morrison First Baptist Church



"Growing Together in Christ"

**NELSON, KILGUS, RICHEY,
HUFFMAN & BUCKWALTER-SCHURMAN**

ATTORNEYS AT LAW

209 EAST MAIN STREET

P.O. BOX 111

MORRISON, ILLINOIS 61270-0111

TELEPHONE (815) 772-2121

FAX (815) 772-2026

L. WILLARD NELSON (1947-2003)
WALTER C. KILGUS
LON M. RICHEY
DANIEL A. HUFFMAN
MICHELLE B. BUCKWALTER-SCHURMAN

December 12, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Very truly yours,

NELSON, KILGUS, RICHEY, HUFFMAN
& BUCKWALTER-SCHURMAN

BY 
WALTER C. KILGUS

WCK/mjh



Jan 9, 2012

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

COPLAN & BUCKWALTER, P.C.

ATTORNEYS AT LAW

114 EAST MAIN STREET

P.O. BOX 190

MORRISON, ILLINOIS 61270

RONALD F. COPLAN
COLLEEN M. BUCKWALTER

FAX (815) 772-7702
PHONE (815) 772-7441

December 28, 2011

Illinois Health Facilities
And Service Review Board
2nd Floor
525 West Jefferson Street
Springfield, IL 62761

RE: Resthave Retirement and Nursing Home
Morrison, IL

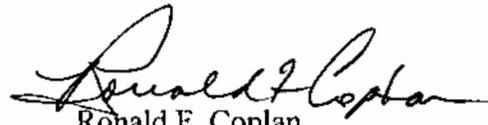
Dear Chairman Galassie:

I am well acquainted with the services rendered to the senior citizens of the Morrison area by the Resthave Retirement and Nursing Home since its inception in the early 1960's. Its reputation is that of a caring and compassionate facility.

Our community, as others in northwestern Illinois, is an aging one with greater and greater numbers of seniors in need of quality health care for short term skilled and long term nursing home services. Resthave can provide that quality care by expanding its services consistent with its application for a Certificate of Need.

I join others in urging the Review Board to support its application.

Very truly yours,


Ronald F. Coplan

RFC:mj



December 26, 2011

Tami Tegeler, Administrator
408 Maple Avenue
Morrison, Illinois 61270

Re: Certificate of Need Application

To Whom It May Concern:

As owner of Oregon Healthcare Pharmacy Services, a provider of pharmacy and clinical services, I am writing this letter in strongest support for the Certificate of Need Application for Resthave Retirement and Nursing Home in Morrison, Illinois.

The approval of this application will provide the citizens of Morrison, and the surrounding area, the ability of admittance to Resthave Retirement and Nursing Home, adequate access to high quality short-term rehabilitative services, and long-term nursing home services.

The senior citizens and frail elderly demand an environment that provides exceptional care, a pleasant atmosphere, and comfortable surroundings. Resthave Retirement and Nursing Home has an excellent reputation with all of these attributes.

The approval of this application to add additional beds to nursing home license would also directly result in staff increase. This would directly benefit Whiteside County, with one of Illinois highest unemployment rates.

Due to the increased need for nursing beds, comprehensive rehabilitation, and community employment, I strongly support the application for Resthave Retirement and Nursing Home.

Thank you for your consideration.

Respectfully,

Marc Morgan, RPh, Owner/President
Oregon Healthcare Pharmacy Services, Inc.

Rx

Oregon Healthcare Pharmacy Services Inc. • 1302 Pines Road • Oregon, IL 61061
Phone: 815.732.1422 • Fax: 815.732.9074

282

SCOTT CHIROPRACTIC CLINICS, P.C.
500 North Madison Street
Morrison, Illinois 61270
815-772-9000

December 22, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application.

As a business owner in Morrison, Illinois, I am very interested in the needs of our community, particularly those relating to the availability of quality health care. In the 18 years I have lived and worked in Morrison, I have had a lot of feedback regarding Resthave...their staff, support teams, programs and administration, and all of it has been 100% positive. Therefore, I am in support of any programs they wish to expand with as I know it will be helpful and supportive to our community.

You may not be aware that access to this type of high quality nursing home service is limited. Accordingly, I am requesting that you, the members of the Health Facilities and Services Review Board lend your support to the expansion of services at Resthave Home. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and my family and friends.

Sincerely,

A handwritten signature in black ink that reads "Rebecca S. Scott" followed by a long horizontal flourish.

Rebecca S. Scott, D.C

QUALITY IS ...

QUINN'S JEWELERS

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Fax: 1-815-772-7933

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The Village Wexford
Suite G-5
1000 William Hilton Parkway
Hilton Head Island, South Carolina 29928
Phone: 1-843-DIAMOND (342-6663)

E-mail: sales@quinnsjewelers.com

Web: www.quinnsjewelers.com

December 28, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Brad Quinn

Kreative Rentals Ltd.

115 E Main Street

Morrison, IL 61270

January 3, 2012

To whom it may Concern:

I am writing this letter in support of Resthave Nursing & Retirement Home's Certificate of Need Application. As a Resident and business owner of Morrison Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is very important to me and to my family and friends. We would very much like to stay in town rather than take our loved ones out of town to another facility and out of their comfort zone at their age.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave home.

Sincerely,

Kris Muur – Kreative Rentals LTD.



MORRISON TIRE CENTER

Randy Muur, Owner

318 East Main Street - Morrison, IL 61270

Telephone 772-4211

January 3, 2012

To Whom it may Concern:

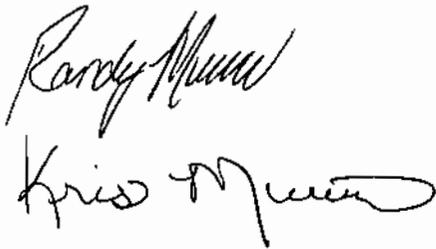
I am writing this letter in support of Resthave Nursing & Retirement Home's Certificate of Need Application. As a Resident and business owner of Morrison Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. To know that we could have an adequate access to short-term rehabilitative services in our community is very important to me and to my family and friends. We would very much like to stay in town rather than take our loved ones out of town to another facility and out of their comfort zone at their age.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave home.

Sincerely,

Randy and Kris Muur

Owners of Morrison Tire Center

The image shows two handwritten signatures in black ink. The first signature is 'Randy Muur' and the second is 'Kris Muur'. Both are written in a cursive, flowing style.



Sandrock Insurance

Tampico, IL
1-800-293-5128

Mickley Insurance

Morrison, IL
1-888-772-2793

December 20, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Luke Sandrock
Mickley Insurance

Stephanie Deckro Interiors

101 East Main Street, Suite A
Morrison, Illinois 61270

Phone: 815-772-2188
Fax: 815-772-2144

sdinteriors@frontiernet.net

December 19, 2011

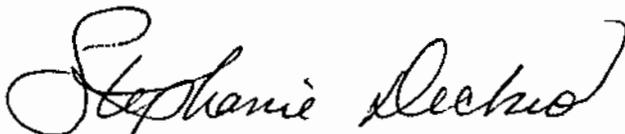
To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care for short-term skilled and long term nursing home services.

I am aware of the effort that Resthave Home has undertaken to bring quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well

I appeal to you as members of the Health Facilities and Services Review Board to lend your support top this expansion of services at Resthave Home.

Regards,



Stephanie Deckro, ASID

PharmRx Inc

20736 White Oaks Rd

Morrison, Il. 61270

December 11, 2011

To: Illinois Health Facilities and Services Review Board

I am writing this letter in support of Resthave Home's Certificate of Need application. As a pharmacist who has owned two pharmacies in this community, I am very concerned about the needs of the community and particularly those needs relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am well aware of the effort Resthave Home has undertaken to continually provide high quality long term care to the community. Also by the expansion of the Resthave Home services there will be adequate access to high quality short-term rehabilitative services as well.

As a pharmacist I have provided medication and consulted nursing homes for twenty-six years. In my opinion Resthave Nursing Home is outstanding in providing Residents' CARE and will meet the challenges in supplying the future needs of community Residents.

I appeal to you as members of the Health Facilities and Service Review Board to lend your support to this expansion of services at Resthave Nursing Home.

Sincerely,



William J. Adams, Sr., R.Ph., M.S.
PharmRx, Inc.
President
Long Term Care Consultant Pharmacist
20736 White Oaks Road
Morrison, Il 61270
Ph: (815) 622-8537



MANCE CHIROPRACTIC, LTD

125 East Main Street
Morrison, Illinois 61270
815/772-7641

12/16/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a business owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short-term skilled and long-term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long-term care to our community. By this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Dr. Gerald L. Mance, DC



707 W. LINCOLNWAY • P.O. BOX 188 • MORRISON, ILLINOIS 61270-0188 • PHONE (815)772-2111 • FAX (815)772-7160

December 15, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need Application. As a business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Mary K Black



109 WEST MAIN
MORRISON, ILLINOIS 61270

12-12-2011

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need application. As a longtime business owner in Morrison, Illinois, I am concerned about the needs of our community, particularly those relating to the availability of quality nursing/health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to myself, my family, my friends and to the quality of life in Morrison, Illinois.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Lynn S. Kenady".

Lynn S. Kenady

The Carpet House, Inc
120 East Main Street
Morrison, IL 61270
(815) 772-8846

December 12, 2011

To Whom it May Concern,

I am writing you this letter to show my support of Resthave Nursing Home's Certificate of Need Application. Being a business owner in Morrison, Illinois, I am very concerned with the needs of our community, especially those referring to availability of qualified health care for our elderly. Access to this type of high quality nursing home services is quite limited. It is very important to me, my family, and to our friends that we have access to short-term rehabilitative services in our community.

I am asking you as members of the Health Facilities and Services Review Board to give your support in the expansion of services at Resthave Home.

Sincerely,

Mr & Mrs Jerry House



113 E. Main Street
Morrison, IL 61270
Phone: 815-772-2678
Cell: 815-499-6678
E-mail: clockworkrealty@yahoo.com

December 13th, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois. I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitation services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Allan Huizenga
Clockwork Realty
Morrison, Illinois



December 13, 2011

To Whom It May Concern:

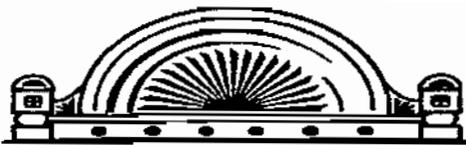
I am writing this letter in support of Resthve Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthve Home.

Sincerely,

A handwritten signature in cursive script that reads "Michael D. Blean".

Michael D. Blean



KOPHAMER & BLEAN REALTY

Kenneth W. Kophamer

Real Estate Broker

118 E. Main Street

Morrison, IL 61270

www.kenkoprealty.com

Phone: (815) 772-2728 Fax: (815) 772-8134

Cell: (815) 631-6115 e-mail: kennv@kenkoprealty.com

December 13, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Best regards,

Kenneth W. Kophamer



Morrison Chamber of Commerce
221 W. Main Street
P.O. Box 8
Morrison, IL 61270

Phone/Fax (815) 772-3757
morrisonchamber@frontiernet.net
www.morrisonchamber.com

December 12, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a representative of Morrison Businesses, the Morrison Chamber of Commerce is concerned about the needs of our community, particularly those relating to the availability of high quality health care for short-term skilled and long-term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long-term care to our community and by this expansion of services; it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and services Review Board to lend your support to this expansion of services at Resthave Home.

With warm regards,

Corinne Bender
Administrator
Morrison Chamber of Commerce

"With a focus on business, the Morrison Chamber of Commerce serves its members and community by supporting and promoting Morrison, building relationships, and providing structure and events that unite the community."



December 12, 2011

Subj: Resthave Retirement and Nursing Home, Morrison, IL

To Whom it may concern:

Please accept this letter of support for Resthave Home's Certificate of Need application.

Both as a business owner in Morrison and a resident, I am aware of the continuing need for quality and sustainable quality health care for the elderly. I am aware of the efforts Resthave Home has undertaken to provide these services and fully support their efforts.

I encourage the members of the Health Facilities and Services Review Board to support the efforts of Resthave to bring these needed services to their Morrison facility.

Thank you very much

Bob Vaughn
The City.....Rebar Detailing, Inc.
218 West Main Street
Suite 109
Morrison, IL 61270
815-772-3366
815-772-5682 fax website www.thecityrebar.com



December 13, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services of Resthave Home.

Sincerely,

Dale Reisenbigler
President

STEPHEN A. DECKRO
ATTORNEY AT LAW

101 EAST MAIN STREET
MORRISON, ILLINOIS 61270-2639

815-772-2187
FAX 815-772-2144

December 15, 2011

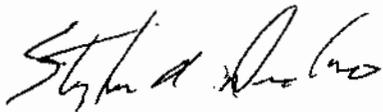
To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care for short-term skilled and long term nursing home services.

I am aware of the effort that Resthave Home has undertaken to bring quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well

I appeal to you as members of the Health Facilities and Services Review Board to lend your support top this expansion of services at Resthave Home.

Sincerely,



Stephen A. Deckro



December 13, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Business Owner in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

I am aware of the effort Resthave Home has undertaken to bring high quality long term care to our community and by this expansion of services it will be ensuring that we have adequate access to high quality short-term rehabilitative services in our community as well.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads 'Anthony M. Komlanc, Jr.'.

Anthony M. Komlanc, Jr.
Owner, Shawver Press

301

W.N.S. Publications

Publishers & Printers Of



Shawver Press - Commercial Printing
100 E. Main Street
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Morrison, IL 61270
Phone: 815-772-4700
Fax: 815-772-2676

Whiteside News-Sentinel
100 E. Main Street
P.O. Box 31
Morrison, IL 61270
Phone: 815-772-7244
Fax: 815-772-4105

The Echo
342 Washington Street
P.O. Box 7
Prophetstown, IL 61277
Phone: 815-537-5107
Fax: 815-537-2658

The Review
P.O. Box 575
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800-245-4927
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Fulton Journal
1009 Fourth Street
Fulton, IL 61252
Phone: 815-589-2424
Fax: 815-589-2714

Email: sentinel@whitesidesentinel.com

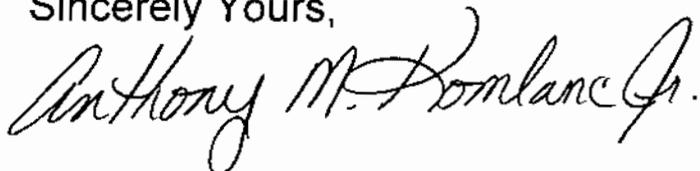
December 13, 2011

To Whom It May Concern:

I am writing this letter in support of Morrison Resthave Home's Certificate of Need Application. I am the Owner of the Whiteside News Sentinel, the local newspaper that has served Morrison for over 150 years. I am very concerned about the needs of our community, particularly those relating to the availability of QUALITY health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my Morrison family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Morrison Resthave Home.

Sincerely Yours,



Anthony M. Komlanc Jr.

December 27, 2011

To Whom It May Concern:

I am writing this letter in support of Resthaze Home's Certificate of Need application. My husband is a resident at Resthaze Home. I am concerned about the needs of our community, especially those relating to the availability of high quality skilled care.

You may not be aware that access to this type of high quality nursing home services is limited in this area.

Ensuring that my family member has adequate access to short-term rehabilitative services at Resthaze Home is important to my family and to me.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthaze Home.

Sincerely -

Mrs. Phyllis Maxfield
306 North Jackson St.
Morrison, Ill. 61270

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Wilma J. Bush
744 Milnes Dr.
Morrison, IL 61270

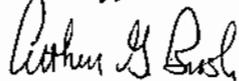
1285 Glen Oak Street
Dubuque, Iowa 52001
December 27, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of the community, particularly those relating to the availability of high quality skilled care. Access to skilled care is limited in this area. Although my family member has not recently had the need for skilled care, it would be difficult for her to adjust to a new environment and new staff if the need arose. As a retired physical therapist I am aware of the importance of quality skilled nursing and rehabilitation services, and I wish to ensure that my family member has adequate access to this type of skilled care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,


Arthur G. Bush

December 30, 2011

Karla Burn
700 Coralyn Drive
Morrison IL 61270

To Whom It May Concern:

I am writing this letter to support Resthave Home's Certificate of Need application. Morrison is located in a small, rural area and it is difficult to find quality nursing care. It is very important to me and my family, as well as our community that this type of care be available to our loved ones.

Change is very difficult for most of us, but especially for our elderly. For residents needing rehabilitation, they now must leave their home and go to a hospital for treatment and then off to another facility for physical therapy before they can return to their home at Resthave. This can be very difficult on our fragile loved ones and often causes more of a decline in their health or increased confusion due to all this moving around.

I am an employee at Resthave and am frequently asked by community members if there are rooms available. Resthave is very blessed to almost always be at capacity. However, it is unfortunate when we are not able to help a family in need. We have an excellent reputation for having caring staff and quality care which is what people in the community are looking for, for their loved ones.

Allowing Resthave to go forward with this project will also provide more jobs in a rural area where jobs are much needed. This, again, would be a win for our community.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave home.

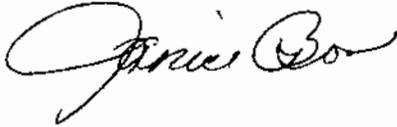
Sincerely,


To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

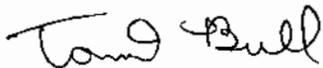
A handwritten signature in cursive script, appearing to read "Janice Bo".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Tom Bull".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Lori Neighbour

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

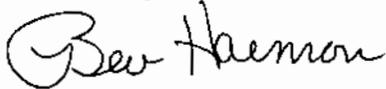
A handwritten signature in cursive script that reads "Carl Schipper". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Bev Haemon".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

James K. Lawson

Dec. 22, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

Although my family member has not had the need for skilled care, it would be difficult for her to adjust to a new environment and new staff, instead of returning to Resthave Home and having her skilled care needs met at her home, Resthave.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink that reads "James D. Workman". The signature is written in a cursive style with a large initial "J" and "W".

James D. Workman and Family

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Shirley Nowak

Robert Nowak

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "Kim Keech". The signature is written in a cursive style with a large, looped final letter.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Barbara Shepard". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Sullivan". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

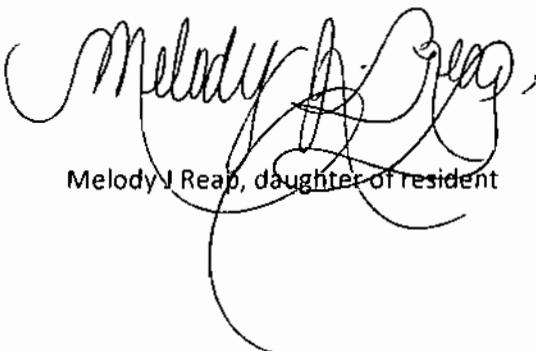
Beth Bickerman

To Whom It May Concern:

I am writing this letter in support of Resthave's Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

 , Dec. 30, 2011
Melody J Reap, daughter of resident

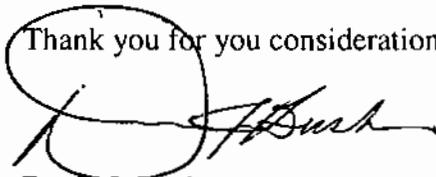
December 28, 2011

To Whom It May Concern:

I am writing to support Resthave Homes's Certificate of Need application. As a family member of a resident at Resthave, I am concerned about the needs of our community. We need this highly skilled care to be available in our community. There are very limited resources that exist at this time. Ensuring that short term rehabilitative services are available is extremely important to me and my family.

I appeal to you as members of the Health Care Facilities and Services Review Board to lend your support and act favorably to the expansion of these services at Resthave Home.

Thank you for you consideration.

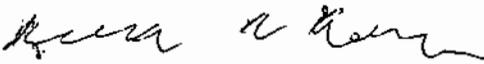
A handwritten signature in black ink, appearing to read "D. J. Bush", is written over a circular stamp or seal.

David J. Bush

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, 

Mr. Richard N. Larson
13032 Locust Ct.
Morrison, IL 61270



To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Kate Kuehl". The signature is written in black ink on a white background.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Phyllis Douglas

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Jim Straight". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Beth Ashby

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Rodman M. Comister

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

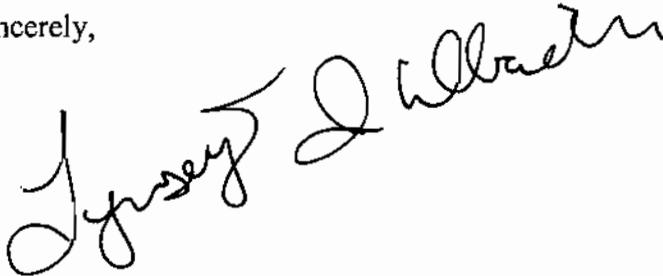
Ruby Phillips

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

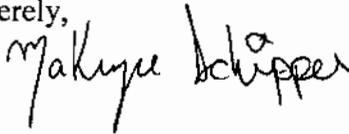
A handwritten signature in cursive script, reading "Lynsey L. Wilbaker". The signature is written in black ink and is slanted upwards from left to right.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Makye Schipper". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Amy Braun". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script, appearing to read "Emily Blasko". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

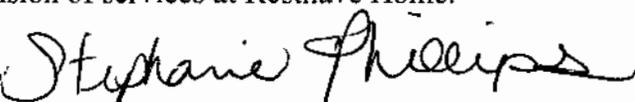
I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, 

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, 

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Padua". The signature is written in black ink and is positioned to the right of the "Sincerely," text.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

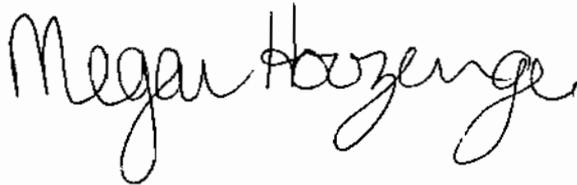
A handwritten signature in cursive script that reads "Janet Baumgardt". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Megan Horzenga". The signature is written in black ink and is positioned below the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Kara Todd

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Sarah Houzenga

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

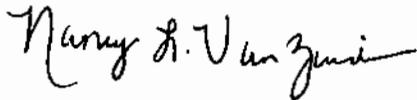
Courtney Thomas.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Whiteside County in Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Nancy D. Van Zandt". The signature is written in black ink and is positioned below the word "Sincerely,".

December 27, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Retirement and Nursing Home's Certificate of Need application. As a family member of a resident at Resthave, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my mom has adequate access to short-term rehabilitative services at Resthave is important to me and my family.

My dad lived at Resthave for 3 years and was hospitalized twice during that time. It was difficult for him and us as a family when he transitioned from the hospital to a skilled nursing facility and then back to Resthave.

My mom has lived at Resthave for 9 years now. It is the only "home" she knows. After one of her hospital visits (broken hip with surgery) it was very difficult for her to be bounced around so to speak. It was also difficult for those caring for her and also for us as a family. The moves were done by ambulance so it was costly for her insurance company as well. My mom only knows the staff at Resthave and is very comfortable with them. Anyone else is a stranger and any place else is strange which leads to much confusion on her part.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services for the residents of Resthave Retirement and Nursing Home.

Sincerely,



Cindy & Craig Hoogheem
508 Portland Ave
Morrison IL. 61270
choogheem@frontiernet.net

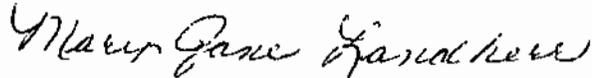
December 22, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is import to me and to my family. Although my family member has not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Mary Jane Landherr

December 28, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Mary Longanek

December 27, 2011

To Whom It May Concern:

I am writing this letter in support of RestHave Home's Certificate of Need application. As a family member of *two current* and two previous generation residents at RestHave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family members have access to short-term rehabilitative services at RestHave Home is important to me and my family.

I support RestHave's expansion into this additional service as I believe they would bring the same level of high quality professional care and personal attention to this additional service that they already bring to their current regimen of medical and personal care.

RestHave has a long standing reputation in the community for high quality care, and adding this additional service will help solidify their position as a full service medical provider, and I feel would be well received in the community.

Although my parents have not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff. This would be a very well received additional and complementary service that we would be very glad to have.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at RestHave Home.

Sincerely,

A handwritten signature in black ink that reads "Eric Johnson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Eric Johnson

1589 Deerwood Dr.

Bettendorf, IA 52722

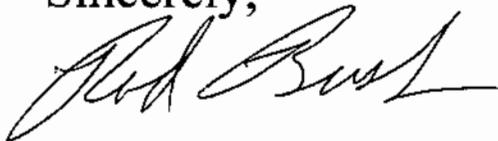
December 28, 2011

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need Application. As a resident of Morrison, IL, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and my family and friends.

I appeal to you, as members of the Health Facilities and Services Review Board, to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Bush". The signature is written in a cursive style with a long horizontal stroke at the end.

December 28, 2011

To Whom It May Concern,

I am writing this letter in support of Resthave Home's Certificate of Need Application. As a resident of Morrison, IL, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and my family and friends.

I appeal to you, as members of the Health Facilities and Services Review Board, to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script, reading "Pamela J. Bush". The signature is written in black ink and is positioned below the word "Sincerely,".

December 26, 2011

To Whom It May Concern:

I write this letter in support of Resthave Home's Certificate of Need application. I will be Medicare-eligible this Summer. I may have major surgery then. I am concerned about the availability of high quality skilled care. You **may not** be aware that access to this type of high quality nursing home services is limited in our area. Our County is rural, poor, and with high unemployment in our part of the State. Ensuring that I, or a family member, have adequate access to short-term rehabilitative services at Resthave Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Yours,

A handwritten signature in black ink, appearing to read "Stephen R. Burns", with a horizontal line extending to the right.

Stephen R. Burns
Erie IL 61250

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Jamie Troutman". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Rhonda Woods". The signature is written in black ink and includes a long horizontal flourish extending to the right.

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, *Rita Mitchell*

(Date) 12/21/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Beth Palino

December 19, 2001

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my mom has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

As mom gets up in years it would be nice if she had a room of her own and the dignity that goes along with that.

I and my family fully support the expansion plans at Resthave Home. Thank you for your consideration.

Sincerely,



Linda Hall
daughter of Ida Thudium

Dec. 20, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends. We had the opportunity to experience this first hand with my mother, who was hospitalized and then needed rehab and had to go to another facility. While she was there, she contracted C-Diff and had to stay an extended time, before she was allowed to return to Resthave. It was not a good experience for her and she would have much rather been at Resthave following the hospital time.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Arlyn L. Pessman".

Arlyn L. Pessman

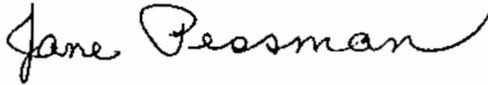
Dec. 20, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need Application. As a resident and current Board Member of Resthave here in Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely

A handwritten signature in cursive script that reads "Jane Pessman". The signature is written in black ink and is positioned below the word "Sincerely".

Jane Pessman
Board Member

December 2011

Dear Sir:

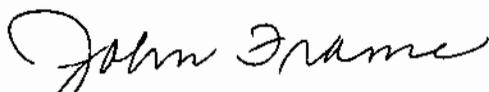
It is my understanding that the Resthave Home of Morrison, Illinois is seeking to expand. This expansion is greatly needed to provide for the health care concerns of the people of this community.

My mother-in-law, aunt and family friend all lived at Resthave, both in the Sheltered Care unit and the nursing unit. The care was of the highest quality. However, the nursing home unit services are limited and expansion is a must.

This letter is in support of Resthave Home's Certificate of Need application. I appeal to the Health Facilities and Services Review Board to lend your support to this expansion of services for Resthave, which will enhance the care and needs of Morrison citizens.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "John Frame".

John Frame

To Whom It May Concern:

12/22/11

I would like to write this letter supporting Resthave Home and their Certificate of Need application. I am a wound care nurse for our community and have had occasion to work with the caring staff. The quality care that is given is apparent.

I appeal to you as members of the Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, Ramona Cowley LPN WCC

December 11, 2011

To: Illinois Health Facilities and Services Review Board

I am writing this letter in support of Resthave Home's Certificate of Need application. As the retiring Director of Nursing of Resthave Nursing Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short term skilled and long term nursing home services.

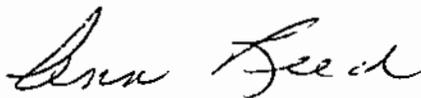
I am well aware of the effort Resthave Home has undertaken to continue the highest quality of long term care for our Residents' future needs. By expanding the services there will be adequate access to high quality short-term rehabilitative services as well.

I have been the Director of Nursing almost fourteen years and have had the opportunity to serve many families who were grateful for local health care services and who expressed the need for Resthave to offer additional services for their loved ones.

Both of my parents were Residents of Resthave as my family felt this was the nursing home of choice in the community.

I appeal to you as members of the Health Facilities and Service Review Board to lend your support to this expansion of services at Resthave Nursing Home.

Sincerely,

A handwritten signature in cursive script that reads "Ann L. Reed".

Ann L. Reed B.S., R.N.
Director of Nursing
Resthave Nursing Home
408 Maple Avenue
Morrison, Il 61270

To Whom It May Concern:

December 18, 2011

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services to Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Jill Vegter & Family". The signature is written in black ink and is positioned above the typed name and address.

Jill Vegter

11791 Lincoln Road

Morrison, Illinois 61270

December 19, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

Although my family member has not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "JoAnn Stralow".

Mrs. JoAnn Stralow

24 December 2011

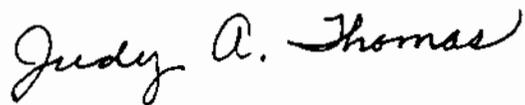
To Whom It May Concern;

My mother Barbara Johnson has been a resident of the assisted living branch of Resthave Retirement and Nursing Home in Morrison, for over 8 years. During that time she has not yet needed a skilled care facility.

I am concerned to learn Resthave is not an authorized skill care facility and feel they offer excellent care and facilities to qualify for this status. I appeal to you as members of the Health Facilities and Services Review Board to lend your support to the expansion of services at Resthave Home.

Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads "Judy A. Thomas".

Judy A. Thomas
462 43rd Ave. Ct.
East Moline, IL 61244

12/29/2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Beth Faling

907 W. Ringwood Road
McHenry, IL 60051
December 20, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community.

Although my father has not had the need for skilled care, it would be difficult for him to adjust to a new environment and new staff.

You may not be aware that access to this type of high quality nursing home services is limited in the Morrison area. Ensuring that my father would have adequate access to short-term rehabilitative services if needed at Resthave Home is very important to his family.

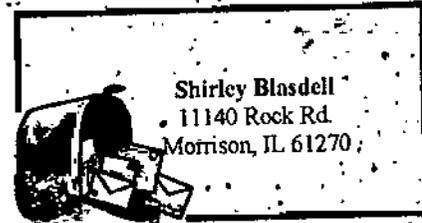
I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



Wilbur Farrell

Dec 19, 2011



Resthave Home,

When in our church bulletin I read about the potential idea to have Skilled Care at your facility, Yes this could be an ideal.

I have been in my church and community ministry for over 30 years calling on many residents and friends at Resthave.

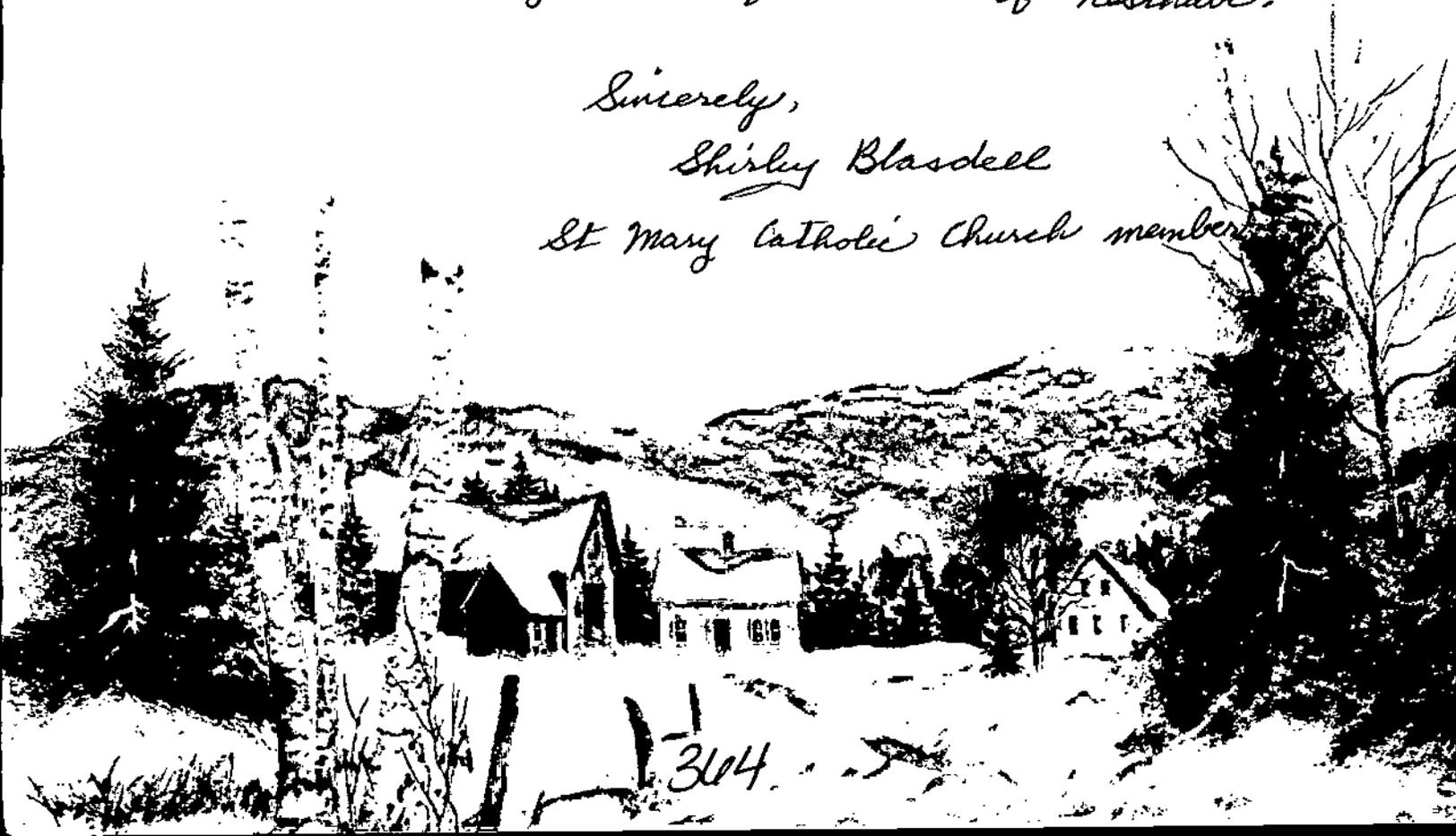
At this time my viewpoint is not to consider Skilled Care. I sense that this would get into Medicare, Insurances and Regulations.

Rather I feel that our community needs more assisted living facilities. Maybe ideas and information can be gathered and this potential for our already wonderful home of Resthave.

Sincerely,

Shirley Blasdell

St Mary Catholic Church member



304

DEC. 20, 2011

TO WHOM IT MAY CONCERN;

I AM WRITING THIS LETTER IN SUPPORT OF RESTHAVE HOME'S CERTIFICATE OF NEED APPLICATION.

MY MOTHER HAS BEEN AT RESTHAVE FOR ABOUT 2 ½ YEARS AND HAS BEEN VERY WELL CARED FOR. THE STAFF HAS BEEN EASY TO WORK WITH, WHICH MY FAMILY HAS REALLY APPRECIATED.

I AM VERY CONCERNED ABOUT THE NEEDS OF OUR COMMUNITY, PARTICULARLY THOSE RELATING TO THE AVAILABILITY OF HIGH QUALITY SKILLED CARE.

YOU MAY NOT BE AWARE THAT ACCESS TO THIS TYPE OF HIGH QUALITY NURSING SERVICES IS LIMITED IN OUR AREA. ENSURING THAT MY FAMILY MEMBER HAS ADEQUATE ACCESS TO SHORT-TERM REHABILITATIVE SERVICES AT RESTHAVE HOME IS IMPORTANT TO ME AND TO MY FAMILY.

IT WOULD BE VERY DIFFICULT FOR MOM TO ADJUST TO A DIFFERENT PLACE AND NEW STAFF IF SHE SHOULD NEED THESE SERVICES.

I APPEAL TO YOU AS MEMBERS OF THE HEALTH FACILITIES AND SERVICE REVIEW BOARD TO LEND YOUR SUPPORT TO THIS EXPANSION OF SERVICES AT RESTHAVE HOME.

SINCERELY

A handwritten signature in cursive script that reads "Kenneth Schauer".

(Date) 12/18/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Elwyn L. Rice

December 22nd, 2011

To Whom it May Concern,

I am writing this letter in support of the Certificate of Need application for Resthave Home. As a family member of two residents at Resthave Home, I am very concerned about the needs of our community and particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family members have adequate access to short-term rehabilitative services at Resthave Home is important to me and my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely, *Gloria S. De Valle*

(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Paul Geerts

X *Although my family member has not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff.

(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Ernest Bielerna

(Date)

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to be "R. H. ...", written in a cursive style.

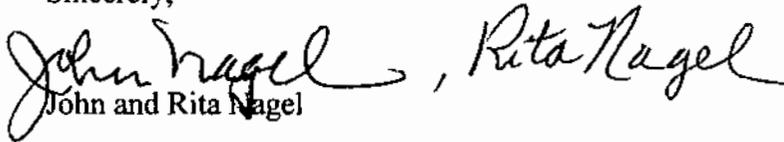
December 19, 2011

To Whom it May Concern:

Our brother has had to be moved to a skilled care facility because he could no longer live alone. We chose Resthave in Morrison because we were familiar with the kind of care they give. We have had a family member work at Resthave and I have been a board member for the Resthave Board in the past.

Knowing it would be difficult change for my brother, it was made easier to have him in the same town where I live and be able to visit him often. We are fortunate to have such an excellent facility in our home town. Having my brother be able to have the services he needs and have him nearby was very important to me. Resthave meets these qualifications. Having the facilities available and more advanced care in the future are of the most important to our family. Hopefully, as more skilled care is needed these needs can be met by Resthave's staff and facilities. High quality nursing care is very important. Resthave Home's application for a Certificate of Need and acceptance is of great importance to us.

Sincerely,

Handwritten signatures of John and Rita Nagel. The signature for John Nagel is on the left, and the signature for Rita Nagel is on the right, separated by a comma. Below the signatures, the text "John and Rita Nagel" is printed.

John and Rita Nagel

Jan 3, 2012

To whom it may concern:

This letter is written in support of Resthave Home's Certificate of Need application. As a family member of a Resthave resident, I am concerned about the availability of high quality skilled care. Access to this type of care is very limited in our area. Ensuring that my family member has access to short-term rehabilitative services at Resthave home is important to me and to my family.

I also note that my mother had need for skilled care services after her hospital stay and was at another place for this care. Both she and our family would have preferred to be cared for by the staff of Resthave Home. I appeal to you as members of the Health Facilities and Services Review Board to support this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Harvey Y. Nice". The signature is written in black ink and is positioned above the typed name.

Harvey Y. Nice
19815 Beach Rd.
Morrison, IL 61270

January 1, 2012

To: Illinois Health Facilities Planning Board

I am writing this letter in support of Resthave Home's Certificate of Need application to expand their facility in Morrison, Illinois and add skilled care services.

As an employee of Resthave, I am very concerned about the needs of our community, particularly those relating to the availability of high quality health care for short-term skilled and long-term nursing home services as I can see the need first hand. I have witnessed married couples being split because of their separate needs, as we are currently unable to accommodate them both. We want to meet the needs of everyone. We always put the resident first.

We at Resthave Home have always tried to provide quality long-term care to our community. This expansion of services will ensure that our community has adequate access to high quality short-term rehabilitative services as well.

I fully support this expansion of beds and services to add skilled care at Resthave Home.

Sincerely,

A handwritten signature in cursive script that reads "Marcia Blean".

Support Letter

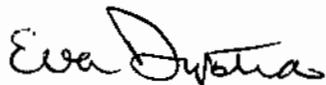
12/26/2011

Dear Members of the Health Facilities and Services Review Board,

I am writing this letter in support of Resthave Home's Certificate of Need application. As a Resident of Morrison, Illinois, I am very concerned about the quality and availability of health care in our community. The access to high quality nursing home services is limited. Ensuring that we have adequate access to short term rehabilitative services in our community is important to myself and my community.

I appeal to you as members of the Health Facilities and Services Review Board to lend you support to the expansion of services at Resthave Home.

Sincerely,



*Eva Dykstra
Resthave Auxillary Member*

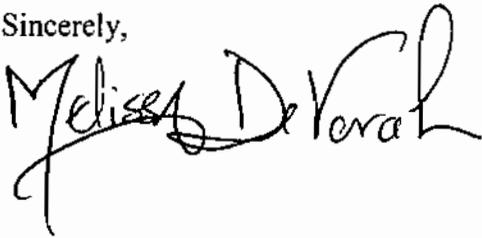
12/29/11

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink that reads "Melissa DeVera". The signature is written in a cursive style with a large, looping initial "M".

December 27, 2011

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate Of Need application. As a family member of a resident at Resthave Home, I am very concerned about the needs of our community, particularly those relating to the availability of high quality skilled care. You may not be aware that access to this type of high quality nursing home services is limited in our area. Ensuring that my family member has adequate access to short-term rehabilitative services at Resthave Home is important to me and to my family. Although my family member has not had the need for skilled care, it would be difficult for them to adjust to a new environment and new staff.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Jo Zibble", with a long horizontal flourish extending to the right.

Mary Jo Zibble

To Whom It May Concern:

I am writing this letter in support of Resthave Home's Certificate of Need application. As a resident of Morrison, Illinois, I am very concerned about the needs of our community, particularly those relating to the availability of quality health care. You may not be aware that access to this type of high quality nursing home services is limited. Ensuring that we have adequate access to short-term rehabilitative services in our community is important to me and to my family and friends.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

Ronald R. Wissema

Morrison Area Development Corporation (MADC)

P.O. Box 206, Morrison, Illinois 61270

www.morrison-area-development.com

madcpresident@gmail.com

815 441-4257

Board of Directors:

January 10, 2012

Jeff McIlrath, President

Jerry Lindsey, Vice President

Lynn S. Kenady, Secretary

Phillip M. Renkes, Treasurer

Roger Drey, Mayor

Tim Long, City Administrator

Ronald F. Coplan

Aubrey Fisher

Jim Fox

Brian Frickenstein

Dr. Suellen Girard, ex officio

Craig Gray

Gary L. Hayenga

Anthony Nardi

R. Everett Pannier

John R. Prange

Merle Reisenbigler

Kevin L. Schisler

Kevin Schlueter

Betty Steinert, ex officio

Michael J. Wiersema

To Whom It May Concern,

The Morrison Area Development Corporation (MADC) is a volunteer non-for-profit organization that exists to advocate for the economic development and overall wellbeing of Morrison, IL and the surrounding area. We have seen clearly the ways that Resthave Nursing and Retirement Home benefits the quality of life and care for the residents of our area. We further believe that it would be a great benefit to our area for their services to expand as they serve an aging population that lacks enough access to such services. In fact, we have lost residents in recent years to other communities that have entities that provide the type of services Resthave is seeking to now provide. So on behalf of our board of directors, I urge your support of Resthave's efforts in this matter before you.

Sincerely,



Jeffrey N. McIlrath - President, MADC

MORRISON CHRISTIAN CHURCH
201 S. GENESSEE
MORRISON, ILLINOIS 61270
LOUIE P. CELAYA, MINISTER

+++

January 24, 2012

To Whom It May Concern:

As one of the several Church's providing services to Resthave Home, I am very concerned about the needs of our community and congregation, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care. I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,



January 16, 2012

To whom it may concern:

I am writing this letter in support of Resthave Home's Certificate of Need Application.

As a resident of Morrison, IL, I am concerned about the needs of our community, particularly those relating to the availability of quality health care. Especially as I have a parent who would greatly benefit from such a facility and she has expressed many times a desire to have this type of "home" to look forward to. This project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jane Brainerd".

Jane Brainerd

January 23, 2012

Illinois Health Facilities and Services Review Board

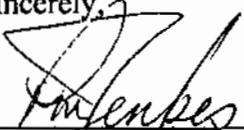
To Whom It May Concern;

We are writing this letter in support of Resthave Home's "Certificate of Need" application for approval of potential expansion of Skilled Care Services for our community.

We are long time residents of Morrison, Illinois and have reached the age where one thinks about the needs of quality health care facilities and services. Resthave Home has been a supplier of quality care for many years to our community and this project will ensure that they will be able to address the future needs of the Morrison community with adequate access to high quality health care services.

We ask that you as members of the Health Facilities and Services Review Board, will review the needs of our community and provide your support to the expansions of services at Resthave Home.

Sincerely,



Phillip M. Renkes



Alice M. Renkes

January 21, 2012

Illinois Health Facilities and Review Board

To Whom it may Concern

I am writing a letter in support of Resthave Home's Certificate of Need application.

As a resident of Morrison, Illinois, I am concerned about the needs of our community, particularly relating to the availability of quality health care. The project by Resthave Home will help ensure that our community has adequate access to high quality short-term and long-term care.

I appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home

Sincerely

A handwritten signature in cursive script that reads "Marilyn Vos". The signature is written in black ink and is positioned below the word "Sincerely".

Marilyn Vos
518 Christopher St.
Morrison, IL 61270

January 16, 2012

To Whom it May Concern:

We are writing this letter in support of Resthave Home's Certificate of Need Application.

As residents of Morrison, Illinois, we are concerned about the needs of our community, particularly those relating to the availability of quality health care. This project by Resthave Home will help ensure that our community will have adequate and financially available access to high quality care.

We appeal to you as members of the Health Facilities and Services Review Board to lend your support to this expansion of services at Resthave Home.

Sincerely,

James A. Ardapple
Mrs. James Ardapple

Mr. and Mrs. James Ardapple

December 15, 2011

Executive Secretary
Illinois Health Facilities Planning Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Dear Sir or Madam:

I am writing this letter in support of the proposed Resthave Home Certificate of Need application for expansion of their existing skilled nursing facility in Whiteside County, Illinois.

As a physician serving the Whiteside County community, I am familiar with the growing population of this area and the corresponding need to ensure quality health care for a growing population of residents.

Being able to discharge our patients to skilled nursing facilities closer to home is surely a desired goal for elderly patients and the families that care for them. We are confident as well that Resthave Home will provide a valuable service to the community members of Whiteside County.

Based on recent experience, I could refer ___ patients per month from this area to the Resthave Home skilled nursing facility for skilled nursing and/or rehabilitation.

I fully support Resthave Home's proposed facility.

Sincerely,


Dr. Robert June





Availability of Funds

The sources and uses of funds are detailed on the following page. Letters from two banks regarding project financing are attached.

To whom it may concern: I am
writing this letter in support of Red Haven's
"Certificate of Need" for approval of their
expansion so they can offer skilled care
services to our community.

Sincerely,
Alice Gardner



	H	I	J	K
32	<u>ILU/ALU SOURCE OF FUNDS:</u>			
33				
34	Mortgage			\$8,510,779
35	2nd Mortgage			
36				
37	Additional Cash		\$1,000,000	
38	Land Equity		\$1,000,000	
39				
40				
41				\$2,000,000
42				
43	Total Funds			\$10,510,779
44				

December 9, 2011

Ms. Tami Tegeler, Administrator
Resthave Nursing Home
408 Maple Avenue
Morrison, Illinois 61270

RE: Resthave Construction/Expansion Project.

Dear Ms. Tegeler:

Wells Fargo Bank is pleased to issue this non-binding Letter of Interest in support of the Resthave construction/expansion project.

It is clear from our discussion that the demand for skilled-care and assisted living accommodations locally continues to grow. With 100% occupancy and a waiting list of 50 prospective residents, Resthave is a highly-regarded institution in the eyes of many in and around the Morrison community. It also appears from our conversation that the feasibility/market studies confirm strong support for the project.

We look forward to learning more about the project as it progresses.

Sincerely,



Gary Hayenga
Market President
Wells Fargo Bank, Morrison, Illinois

THE NATIONAL BANK

211 W. Main
Morrison, IL 61270

December 19, 2011

Resthave Nursing Home
Atten: Tami Tegeler
408 Maple Ave.
Morrison, IL 61270

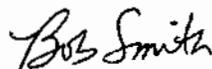
Dear Tami:

Thank you for meeting with me to discuss your future plans for Resthave to support the growing needs of Morrison and the surrounding area. I enjoyed meeting you and talking again with Jerry. THE National Bank is very interesting in supporting our community through projects such as your proposed expansion and modernization. Please consider this letter an indication of our interest in reviewing your project and financing needs subject to our normal underwriting considerations.

Our bank has a strong background in financing large projects and we are here to partner with you. As you proceed with your plans and have further information to review, please feel free to contact me directly at 815-772-2896 or by e-mail at bob.smith@thenb.com.

Best wishes to you and your staff for a joyful Christmas season.

Sincerely,



Bob Smith
Vice President



Section 1120.310(b) Certification of Financing at Lowest Net Cost Available

Assurances by authorized representatives of Resthave Home regarding financing are attached.

ATTACHMENT-42

Resthove Retirement and Nursing Home

408 Maple Avenue
Morrison, Illinois 61270-2998

Tami Tegeler, Administrator
Phone 815-772-4021
Fax 815.772.4583

Certificate of Financing at Lowest Net Cost Available

This statement is being filed pursuant to Section 1 120.310(b) of the Board's Rules (77 Ill. Adm. Code 1 120.310). The undersigned are authorized representatives of the applicant and attest that the HUD 232 insured mortgage selected to finance the project is at the lowest net cost available.

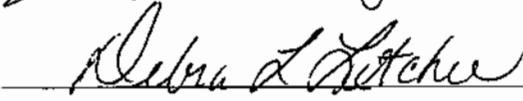
Dated this 15TH day of December 2011:



John Hauptman, Board President



Jerry Lindsey, Board Treasurer



Notary



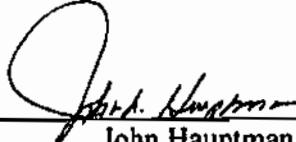
Resthave Retirement and Nursing Home

408 Maple Avenue
Morrison, Illinois 61270-2998

Tami Tegeler, Administrator
Phone 815-772-4021
Fax 815.772.4583

Assurances Statement

This statement is being filed pursuant to Section 1110.1730(K) of the Board's Rules (771L Adm.Code 1110.1730). The undersigned is an authorized representative of the applicant and attests that the applicant understands that by the second year of operation after the project completion the applicant will make every attempt to achieve and maintain the occupancy standards specified in Part 1100 of the Board's Rules for the long term care category of service.



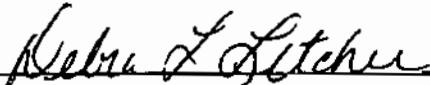
John Hauptman, Board President

12-15-11
Date



Jerry Lindsey, Board Treasurer

12-15-11
Date

Notary: 

Date: 12-15-11



Financial Viability

An operating proforma for the proposed project and a discussion of the financial ratios are attached.

ATTACHMENT-41

ATTACHMENT-9		Gross Square Feet			Amount of Proposed Total Gross Square Feet that is:			
Dept./Area	Total Project Cost	Construction Cost	Existing	Proposed	New Construction	Modernized	As Is	Vacated Space
CLINICAL								
Patient Rooms	2,337,392	1,847,430	-	14,151	14,151	-	-	-
Patient Bathrooms	592,978	468,679	-	3,590	3,590	-	-	-
Nurses Station/Med Prep	105,877	83,683	-	641	366	275	-	-
LR/DR/Activity	705,463	557,584	-	4,271	2,431	1,840	-	-
Exam Room	12,388	9,791	-	75	75	-	-	-
Kitchen/Food Svc	135,609	107,183	-	821	211	610	-	-
PT/OT	112,980	89,297	-	684	-	684	-	-
Laundry	38,651	30,549	-	234	234	-	-	-
Janitor Closet	4,955	3,917	-	30	30	-	-	-
Clean/Soiled Linen	137,095	108,357	-	830	792	38	-	-
Beauty/Barber	44,928	35,510	-	272	272	-	-	-
Total CLINICAL	4,228,316	3,341,979	-	25,599	22,152	3,447	-	-
NON CLINICAL								
Office/Admin	251,562	198,829	-	1,523	1,523	-	-	-
Kitchen	-	-	-	-	-	-	-	-
EE Lounge	71,686	56,659	-	434	-	434	-	-
Locker, Training	-	-	-	-	-	-	-	-
Mechanical	111,658	88,253	-	676	-	-	676	-
Lobby	104,225	82,378	-	631	-	631	-	-
Storage/Maint	198,210	156,661	-	1,200	-	570	630	-
Corridor/Public Toilet	1,076,611	850,932	-	6,518	5,463	1,055	-	-
Structure/Misc	214,397	169,455	-	1,298	1,100	198	-	-
Stairs/Elevators	8,259	6,528	-	50	-	-	50	-
Common Areas-AL and SNF	3,245,855	2,565,461	-	19,651	19,651	-	-	-
Total NON CLINICAL	5,282,463	4,175,157	-	31,981	27,737	2,888	1,356	-
TOTAL	9,510,779	7,517,136	-	57,580	49,889	6,335	1,356	-
Total for entire building:	9,510,779	7,517,136		57,580	49,889	6,335	1,356	

ATTACHMENT-76e,f

Criterion 1120.310(d) Projected Operating Costs

For first full year of stabilized occupancy

Salaries	\$	2,330,812	Includes AL
Supplies and other costs	\$	1,500,170	Includes AL
Benefits	\$	<u>422,153</u>	Includes AL
Total direct costs	\$	4,253,135	

Year of Target Utilization		Year 3	
Patient days per year	\$	32,485	
Cost per patient day	\$	130.93	

Criterion 1120.310(e) Total Effect of the Project on Capital Costs

Depreciation	\$	444,247	
Interest	\$	430,700	
Property Tax			
Total annual capital cost	\$	874,947	

Year of Target Utilization		Year 3	
Patient days per year	\$	32,485	
	\$	26.93	

Resthave

CON pg 58

Criterion 1120.210(a) Financial Viability

Viability Ratios

Using first full year of stabilized occupancy

Provide Data for Projects Classified as:	Category A or Category B (last three years)	Category B (Projected)
Enter Historical and/or Projected Years:		
Current Ratio		20.09
Net Margin Percentage		2.66%
Percent Debt to Total Capitalization		80%
Projected Debt Service Coverage		1.80
Days Cash on Hand		60.57
Cushion Ratio		0.70

applicable line item amounts from the financial statements. Complete a separate table for each co-applicant

Year 3

Current Ratio

A	Current Assets	\$1,585,321
B	Current Liabilities	\$78,909
	Current ratio (A/B)	20.09

Net Margin percentage

C	Net Income/(Loss)	\$139,733
D	Net Operating Revenue	\$5,263,000
	Net Margin percentage (C/D)	2.66%

Percent Debt to Total Capitalization

E	LT Debt	\$8,131,050
F	LT Debt + Equity	\$10,126,908
	Debt service coverage ratio (E/F)	80%

Projected Debt Service Coverage

G	Net inc + depr+int+amort/P&I payment	\$1,014,680
H	Principal and interest payment	\$563,962
	Debt capitalization ratio (G/H)	1.80

Days Cash on Hand

I	Cash + investments	\$705,751
J	Operating expense-depreciation/365	\$11,652
	Days cash on hand (I/J)	61

Cushion Ratio

K	Cash + investments	\$705,751
L	Max Annual Debt Service	\$1,014,680
	Cushion Ratio (K/L)	0.70

Days Cash on Hand

I	Cash + investments	\$705,751
J	Operating expense-depreciation/365	\$11,652
	Days cash on hand (I/J)	61

The standard for Days Cash on Hand of 75 is substantially met at 61. The investments of Resthave total \$1.8M of which \$1M has been allocated if needed for this project. In the event that additional cash is available the rest of the investments are available. Debt underwriting will require certain use of cash by Resthave.

Cushion Ratio

K	Cash + investments	\$705,751
L	Max Annual Debt Service	\$1,014,680
	Cushion Ratio (K/L)	0.70

The debt service is more than adequately covered by the debt service ratio. In the event that additional cash is required the facility has additional investments available. Again debt underwriting will determine cash needs.

Resthave

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	As of December 31		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
SERVICE REVENUES			
Private	\$2,508,112	\$2,889,979	\$2,991,128
Medicaid	\$757,184	\$862,309	\$892,490
Medicare	\$680,026	\$774,439	\$801,544
AL	\$708,028	\$825,192	\$854,838
TOTAL SERVICE REVENUES	\$4,653,350	\$5,351,918	\$5,540,000
Less Vacancy and Bad Debts	\$232,668	\$267,596	\$277,000
Net Income	\$4,420,683	\$5,084,322	\$5,263,000
OPERATING EXPENSES			
Management Fee	\$221,034	\$254,216	\$263,150
Administrator	\$89,449	\$92,580	\$95,820
Assistant Admin/SLF	\$55,120	\$57,049	\$59,046
Nursing Salaries:			
RN-Includes MDS Nurse	\$251,715	\$274,184	\$283,835
LPN	\$334,905	\$354,924	\$367,416
CNA	\$740,265	\$836,679	\$866,128
Rehab Aides	\$53,137	\$41,685	\$43,152
Nursing admin	\$66,500	\$68,827	\$71,236
ADON	\$53,200	\$55,062	\$56,989
Dietary Supervisor	\$37,545	\$38,859	\$40,219
Dietary	\$171,719	\$197,688	\$204,646
Activities	\$85,237	\$98,127	\$101,581
Laundry	\$41,531	\$47,811	\$49,494
Housekeeping	\$107,600	\$123,873	\$128,233
Maintenance	\$23,961	\$24,799	\$25,667
Social Service	\$29,924	\$30,971	\$32,055
Business Office/Clerical	\$56,160	\$58,126	\$60,160
Employee Benefits and payroll taxes	\$410,830	\$407,814	\$422,153
Therapy	\$149,274	\$169,999	\$175,949
Pharmacy	\$58,051	\$66,111	\$68,424
Medical Supplies	\$101,909	\$117,321	\$121,450
Medicare Ancillary	\$16,586	\$18,889	\$19,550
Raw Food	\$223,736	\$257,572	\$266,638
Dietary Supplies	\$47,516	\$54,702	\$56,628
Laundry	\$16,482	\$18,975	\$19,642
Utilities	\$53,400	\$55,269	\$57,203
Maintenance	\$44,912	\$46,484	\$48,111
Housekeeping Supplies	\$35,844	\$41,265	\$42,718
Accounting and Legal	\$9,000	\$9,315	\$9,641
Office Supplies	\$14,807	\$15,325	\$15,861
Social Service Supplies	\$4,634	\$3,022	\$3,129
Telephone/Internet			
Property Taxes			
Insurance	\$56,250	\$58,219	\$60,256
Medical Director and Physiatrist	\$12,000	\$12,420	\$12,855
Administrative Costs	\$52,955	\$54,808	\$56,726

Resthave

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

	As of December 31		
	2013	2014	2015
Bed Taxes	\$38,325	\$38,325	\$38,325
Auto-Transportation	\$7,592	\$8,740	\$9,048
TOTAL OPERATING EXPENSES	\$3,773,105	\$4,110,033	\$4,253,135
INCOME (LOSS) BEFORE OTHER EXPENSE (INCOME)	\$647,578	\$974,289	\$1,009,865
OTHER EXPENSES (INCOME)			
Depreciation and Amortization	(\$442,247)	(\$443,247)	(\$444,247)
Interest Income	(\$48)	\$1,258	\$4,815
Interest Expense	(\$443,956)	(\$437,501)	(\$430,700)
TOTAL OTHER EXPENSES (INCOME)	(\$886,251)	(\$879,491)	(\$870,132)
NET INCOME (LOSS)	(\$238,673)	\$94,799	\$139,733
RETAINED EARNINGS			
Beginning of Period		(\$238,673)	(\$143,875)
End of Period	(\$238,673)	(\$143,875)	(\$4,142)

**Resthave
PROJECTED BALANCE SHEETS**

	As of December 31		
	2013	2014	2015
ASSETS			
CURRENT ASSETS			
Cash	(\$53,292)	\$337,172	\$705,751
Accounts Receivable	\$810,924	\$849,826	\$879,570
TOTAL CURRENT ASSETS	\$757,632	\$1,186,998	\$1,585,321
PLANT, PROPERTY & EQUIPMENT			
Land	\$1,000,000	\$1,000,000	\$1,000,000
Land Improvements			
Building	\$7,725,136	\$7,725,136	\$7,725,136
Equipment	\$5,000	\$10,000	\$15,000
	\$8,730,136	\$8,735,136	\$8,740,136
Less Accumulated Depreciation	(\$257,505)	(\$516,009)	(\$775,514)
TOTAL PLANT, PROPERTY & EQUIPMENT	\$8,472,631	\$8,219,127	\$7,964,622
OTHER ASSETS			
Financing Costs (Net of Amortization)	\$260,987	\$251,987	\$242,988
Organizational Costs (Net of Amortization)	\$702,971	\$527,228	\$351,485
Debt Service Reserve Fund	\$20,000	\$20,000	\$20,000
Replacement Reserve - Building	\$450	\$900	\$1,350
Replacement Reserve - Equipment	\$13,350	\$26,700	\$40,050
TOTAL OTHER ASSETS	\$997,758	\$826,816	\$655,873
TOTAL ASSETS	\$10,228,021	\$10,232,940	\$10,205,817
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable	\$75,922	\$112,503	\$78,909
Current Portion of Long-Term Debt			
Accrued Payroll and Payroll Taxes			
TOTAL CURRENT LIABILITIES	\$75,922	\$112,503	\$78,909
LONG-TERM DEBT			
Mortgage	\$8,390,772	\$8,264,311	\$8,131,050
Bank Letter of Credit			
TOTAL LONG-TERM DEBT	\$8,390,772	\$8,264,311	\$8,131,050
OTHER LIABILITIES			
Deposits			
TOTAL OTHER LIABILITIES			
TOTAL LIABILITIES	\$8,466,694	\$8,376,815	\$8,209,958
Unrestricted Net Assets			
FUND BALANCE	\$2,000,000	\$2,000,000	\$2,000,000
Retained Earnings	(\$238,673)	(\$143,875)	(\$4,142)
TOTAL STOCKHOLDERS' EQUITY	\$1,761,327	\$1,856,125	\$1,995,858
TOTAL LIABILITIES AND STOCKHOLDERS'	\$10,228,021	\$10,232,940	\$10,205,817

	Resthava		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss)	(238,673)	94,799	139,733
Adjustments to Reconcile Net Revenues (Expenses) to Net Cash Provided (Used) By Operating Activities:			
Depreciation and Amortization	442,247	443,247	444,247
Changes in Current Assets and Liabilities:			
Accounts Receivable	(810,924)	(38,902)	(29,744)
Other Current Assets	-	-	-
Accounts Payable	75,922	36,581	(33,595)
Accrued Payroll and Payroll Taxes	-	-	-
Operating Deficit Reserve	-	-	-
Working Capital Reserve	-	-	-
Deposits	-	-	-
Replacement Reserves	(13,800)	(13,800)	(13,800)
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(545,228)	521,924	506,841
CASH FROM (USED IN) FINANCING ACTIVITIES			
Equity Contribution	2,000,000	-	-
Loan Acquisition Costs	(269,987)	-	-
Proceeds from Long-Term Debt	8,510,779	-	-
Principal Payments on Long-Term Debt	(120,006)	(126,461)	(133,262)
-	-	-	-
TOTAL CASH FROM (USED IN) FINANCING ACTIVITIES	10,120,786	(126,461)	(133,262)
CASH FROM (USED IN) INVESTING ACTIVITIES			
Capitalized Organization Costs	(878,714)		
Application inspection insurance fees	-		
Purchase of Land	(1,000,000)		
TOTAL CASH FROM (USED IN) FINANCING ACTIVITIES	8,242,072	(\$126,461)	(\$133,262)
CASH FROM (USED IN) INVESTING ACTIVITIES			
Capitalized Organization Costs	(\$878,714)		
Purchase of Land	(\$1,000,000)		
Purchase of Plant and Equipment	(\$7,730,136)	(\$5,000)	(\$5,000)
TOTAL CASH FROM (USED IN) INVESTING ACTIVITIES	(\$9,628,850)	(\$5,000)	(\$5,000)
INCREASE (DECREASE) IN CASH	(\$53,292)	\$390,463	\$368,579
INVESTMENT INCOME			
CASH - BEGINNING OF PERIOD		(\$53,292)	\$337,172
CASH - END OF PERIOD	(\$53,292)	\$337,172	\$705,751

Criterion 1120.210c

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND

SERVICE REVENUES

SERVICE REVENUES	Year 1
Private	\$2,508,112
Medicaid	\$757,184
Medicare	\$680,026
AL	\$708,028
TOTAL SERVICE REVENUES	\$4,653,350
Less Vacancy and Bad Debts	\$232,668
Net Income	\$4,420,683
OPERATING EXPENSES	
Management Fee	\$221,034
Administrator	\$89,449
Assistant Admin/SLF	\$55,120
Nursing Salaries:	\$0
RN-Includes MDS Nurse	\$251,715
LPN	\$334,905
CNA	\$740,265
Rehab Aides	\$53,137
Nursing admin	\$66,500
ADON	\$53,200
Dietary Supervisor	\$37,545
Dietary	\$171,719
Activities	\$85,237
Laundry	\$41,531
Housekeeping	\$107,600
Maintenance	\$23,961
Social Service	\$29,924
Business Office/Clerical	\$56,160
Employee Benefits and payroll taxes	\$410,830
Therapy	\$149,274
Pharmacy	\$58,051
Medical Supplies	\$101,909
Medicare Ancillary	\$16,586
Raw Food	\$223,736
Dietary Supplies	\$47,516
Laundry	\$16,482
Utilities	\$53,400
Maintenance	\$44,912
Housekeeping Supplies	\$35,844
Accounting and Legal	\$9,000
Office Supplies	\$14,807
Social Service Supplies	\$4,634
Telephone/Internet	\$0
Property Taxes	\$0
Insurance	\$56,250
Medical Director and Psychiatrist	\$12,000
Administrative Costs	\$52,955
Bed Taxes	\$38,325
Auto-Transportation	\$7,592
TOTAL OPERATING EXPENSES	\$3,773,105

Criterion 1120.210c

PROJECTED STATEMENTS OF REVENUES, EXPENSES AND

SERVICE REVENUES	
INCOME (LOSS) BEFORE	
OTHER EXPENSE (INCOME)	\$647,578
OTHER EXPENSES (INCOME)	
Depreciation and Amortization	(\$442,247)
Interest Income	(\$48)
Interest Expense	(\$443,956)
TOTAL OTHER EXPENSES (INCOME)	(\$886,251)
NET INCOME (LOSS)	(\$238,673)

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.

There are ten licensed and operational nursing facilities within a 30-minute drive time of the subject site; therefore, there is no material impact by the project on essential safety net services in the community to the extent that it is feasible for the applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

There is no impact on another provider or health care system to cross-subsidize safety net services in the community to the extent that it is feasible for the applicant to have such knowledge.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Not applicable

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

See table below.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

See table below.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

Applicant's cost of care in 2010 was \$118.51 per day. Medicaid reimbursement in 2010 was \$106.38 per day, resulting in a loss of \$59,629.

Safety Net Information per PA 96-0031			
CHARITY CARE			
	Year	Year	Year
Charity (# of patients)	2010	2009	2008
Inpatient	\$18,027	\$0	\$0
Outpatient	0	0	0
Total	0	0	0
Charity (cost in dollars)			
Inpatient	\$18,027	\$0	\$0
Outpatient	0	0	0
Total	0	0	0
MEDICAID			
	Year	Year	Year
Medicaid (# of patients)	2010	2009	2008
Inpatient	10	15	21
Outpatient	0	0	0
Total	10	15	21
Medicaid (revenue)			
Inpatient	4,915	7,530	7,811
Outpatient	0	0	0
Total	4,925	7,530	7,811

Attachment 44 Charity Care

Payer Mix

	Beds	Mix
Private	45	64%
Medicaid	20	29%
VA	0	0%
Medicare	5	7%
HMO	0	0%
	70	

Anticipated charity care expense, 2nd full year \$133,798

Projected ratio of charity care to net patient revenue 2.63%

CHARITY CARE			
	2013	2014	2015
Net Patient Revenue	\$4,420,683	\$5,084,322	\$5,263,000
Amount of Charity Care (charges)	\$116,334	\$133,798	\$138,500
Cost of Charity Care	\$116,334	\$133,798	\$138,500

Financial Statements

Audited financial statements from financial years 2009-2010 and 2010-2011 are attached.

ATTACHMENT-Fin



**RESTHAVE HOME OF
WHITESIDE COUNTY, ILLINOIS
Morrison, Illinois**

**FINANCIAL STATEMENTS
August 31, 2011 and 2010**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities - Year Ended August 31, 2011	3
Statement of Activities - Year Ended August 31, 2010	4
Statements of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	15
Schedule of Expenses - Year Ended August 31, 2011	16
Schedule of Expenses - Year Ended August 31, 2010	17



Independent Auditor's Report

Board of Directors
Resthove Home of Whiteside County, Illinois
Morrison, Illinois

We have audited the accompanying statements of financial position of Resthove Home of Whiteside County, Illinois, as of August 31, 2011 and 2010 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Board of Directors and management of Resthove Home of Whiteside County, Illinois. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Resthove Home of Whiteside County, Illinois, as of August 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Dixon, Illinois
November 2, 2011

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
STATEMENTS OF FINANCIAL POSITION
August 31, 2011 and 2010

ASSETS		
	<u>2011</u>	<u>2010</u>
Cash and cash equivalents	\$ 499,870	\$ 788,991
Restricted cash	8,180	8,871
Investments:		
Stocks	155,078	105,006
Annuities	1,151,974	1,047,120
Mutual funds	1,215,311	710,013
Accounts receivable	67,657	109,141
Interest receivable	605	605
Inventory	13,006	11,351
Prepaid expenses	17,617	15,096
Property and equipment, net	<u>478,793</u>	<u>488,315</u>
TOTAL ASSETS	<u>\$ 3,608,091</u>	<u>\$ 3,284,509</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 33,790	\$ 34,389
Accrued wages	55,128	47,721
Accrued vacation	44,510	59,031
Payroll taxes and other withholdings payable	<u>1,761</u>	<u>1,606</u>
Total liabilities	<u>135,189</u>	<u>142,747</u>
NET ASSETS		
Unrestricted:		
General operating	3,431,793	3,093,446
Board designated	<u>32,929</u>	<u>39,445</u>
Total unrestricted net assets	<u>3,464,722</u>	<u>3,132,891</u>
Temporarily restricted	<u>8,180</u>	<u>8,871</u>
Total net assets	<u>3,472,902</u>	<u>3,141,762</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,608,091</u>	<u>\$ 3,284,509</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended August 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Net patient service revenues:			
Nursing:			
Rent	\$ 2,362,045	\$ -	\$ 2,362,045
Personal purchases	16,296	-	16,296
Sheltered care:			
Rent	660,250	-	660,250
Personal purchases	3,000	-	3,000
Other revenues:			
Ancillaries	17,568	-	17,568
Beauty and barber shop	23,197	-	23,197
Employee and guest meals	6,921	-	6,921
Equipment rental	546	-	546
Contributions	5,162	3,442	8,604
Interest income	24,733	65	24,798
Net unrealized gain on investments	169,694	-	169,694
Net realized gain on investments	33,723	-	33,723
Loss on sale of equipment	(1,067)	-	(1,067)
Net assets released from restrictions:			
Satisfaction of program restrictions	4,198	(4,198)	-
Total revenues, gains, and other support	<u>3,326,266</u>	<u>(691)</u>	<u>3,325,575</u>
EXPENSES			
Salaries and wages	1,824,152	-	1,824,152
Employee benefits	317,715	-	317,715
Contract nurses aids and consultants	8,899	-	8,899
Supplies	115,207	-	115,207
Small equipment	34,708	-	34,708
Food and ancillaries	209,540	-	209,540
Linen and bedding	2,817	-	2,817
Utilities	90,917	-	90,917
Repairs and maintenance	37,260	-	37,260
Beauty and barber	20,782	-	20,782
Depreciation	93,899	-	93,899
Insurance	41,216	-	41,216
Professional and purchased services	114,121	-	114,121
Dues and subscriptions	8,036	-	8,036
Licensed bed fee	26,828	-	26,828
Bad debt expense	18,027	-	18,027
Other	30,311	-	30,311
Total expenses	<u>2,894,435</u>	<u>-</u>	<u>2,894,435</u>
CHANGES IN NET ASSETS	331,831	(691)	331,140
NET ASSETS, BEGINNING OF YEAR	<u>3,132,891</u>	<u>8,871</u>	<u>3,141,762</u>
NET ASSETS, END OF YEAR	<u>\$ 3,464,722</u>	<u>\$ 8,180</u>	<u>\$ 3,472,902</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
STATEMENT OF ACTIVITIES
Year Ended August 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND PUBLIC SUPPORT			
Net patient service revenues:			
Nursing:			
Rent	\$ 2,267,682	\$ -	\$ 2,267,682
Personal purchases	15,867	-	15,867
Sheltered care:			
Rent	634,478	-	634,478
Personal purchases	4,729	-	4,729
Other revenues:			
Ancillaries	20,122	-	20,122
Beauty and barber shop	18,064	-	18,064
Employee and guest meals	5,417	-	5,417
Equipment rental	712	-	712
Contributions	11,428	3,257	14,685
Interest income	40,842	110	40,952
Net unrealized gain on investments	54,616	-	54,616
Net realized gain on investments	38,160	-	38,160
Gain on sale of equipment	450	-	450
Net assets released from restrictions:			
Satisfaction of program restrictions	4,464	(4,464)	-
Total revenues, gains, and other support	<u>3,118,031</u>	<u>(1,097)</u>	<u>3,116,934</u>
EXPENSES			
Salaries and wages	1,787,247	-	1,787,247
Employee benefits	308,582	-	308,582
Contract nurses aids and consultants	8,992	-	8,992
Supplies	110,234	-	110,234
Small equipment	17,335	-	17,335
Food and ancillaries	215,339	-	215,339
Linen and bedding	3,467	-	3,467
Utilities	83,549	-	83,549
Repairs and maintenance	36,705	-	36,705
Beauty and barber	18,042	-	18,042
Depreciation	88,361	-	88,361
Insurance	42,158	-	42,158
Professional and purchased services	131,242	-	131,242
Dues and subscriptions	5,840	-	5,840
Licensed bed fee	26,828	-	26,828
Other	26,499	-	26,499
Total expenses	<u>2,910,420</u>	<u>-</u>	<u>2,910,420</u>
CHANGES IN NET ASSETS	207,611	(1,097)	206,514
NET ASSETS, BEGINNING OF YEAR	<u>2,925,280</u>	<u>9,868</u>	<u>2,935,248</u>
NET ASSETS, END OF YEAR	<u>\$ 3,132,891</u>	<u>\$ 8,871</u>	<u>\$ 3,141,762</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 331,140	\$ 206,514
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	93,899	88,361
Bad debt expense	18,027	-
(Gain) loss on sale of equipment	1,067	(450)
Unrealized gain on investments	(169,694)	(54,816)
Realized gain on investments	(33,723)	(38,160)
Effects of changes in operating assets and liabilities:		
Accounts receivable	23,457	(19,761)
Inventory	(1,655)	1,911
Prepaid expenses	(2,521)	(8,363)
Accounts payable	(599)	(1,921)
Accrued wages	7,407	7,834
Accrued vacation	(14,521)	1,757
Payroll taxes and other withholdings payable	155	(2,454)
Net cash provided by operating activities	<u>252,439</u>	<u>180,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(85,944)	(138,101)
Purchase of investments	(705,840)	(609,182)
Proceeds from sale of equipment	500	450
Proceeds from sale of investments	249,033	1,041,490
Net cash provided by (used in) investing activities	<u>(542,251)</u>	<u>296,677</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(289,812)	477,329
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>797,862</u>	<u>320,533</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 508,050</u>	<u>\$ 797,862</u>
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 499,870	\$ 788,991
Restricted cash	<u>8,180</u>	<u>8,871</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 508,050</u>	<u>\$ 797,862</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resthave Home of Whiteside County, Illinois is an Illinois corporation formed under the "General Not-for-Profit Corporation Act of the State of Illinois". It was incorporated in 1957 and maintains a fiscal year ending August 31. The Home's primary function is the ownership and operation of a health care facility for the aged, providing both sheltered care and nursing home services. The Home receives revenues primarily from state and private sources and grants credit to its residents. The facility is located in Morrison, Illinois. Significant accounting policies followed by the Home are presented below:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Resthave Home of Whiteside County, Illinois's financial statements are presented in accordance with ASC Topic 958, *Not-for-Profit Entities*. ASC Topic 958 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted - Unrestricted net assets includes all net assets which are neither temporarily nor permanently restricted. The Board of Directors has designated portions of the unrestricted net assets to be used for memorial items.

Temporarily Restricted - Temporarily restricted net assets include contributed net assets subject to donor imposed stipulations that may or will be met, either through actions of the organization and/or the passage of time.

Permanently Restricted - Permanently restricted net assets include contributed net assets subject to donor imposed restrictions that they be maintained permanently by the organization. Generally, donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes. The Home had no permanently restricted net assets at August 31, 2011 and 2010.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Home qualifies as a tax exempt organization under Section 501 (c)(3) of the Internal Revenue Code and as such, is not liable for income taxes. The Home is classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

The Home considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

The Home reports investments in accordance with ASC Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income is reported in the statement of activities as unrestricted or temporarily restricted revenue based upon donor-imposed restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in unrestricted net assets when the restrictions are met in the same reporting period as the income is recognized.

Accounts Receivable and Credit Policies

Accounts receivable is comprised of both private pay receivables and receivables from a third party payor (Public Aid) that provides for payments to the Home at an amount different from its established rates.

Private pay receivables are uncollateralized customer obligations which generally require payment at the beginning of the month of residency. Accounts receivable are stated at the billing amount.

Payments of private pay receivables are applied to the earliest unpaid billing. Currently, Resthave does not have a policy concerning delinquent accounts and does not deem such a policy necessary due to usual prompt payment by residents. Any overdue payments are handled on a case by case basis.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Credit Policies (Continued)

Revenue under third-party payor agreements is subject to audit. Provisions for estimated third-party payor settlements, if any, are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a resident's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Home could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. No allowance was deemed necessary by Management as of August 31, 2011 and 2010.

Inventory

Inventories are carried at the lower of cost or market with cost determined on a first-in, first-out (FIFO) basis.

Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line method over their estimated useful lives, which range from three to thirty-three years. Expenditures of maintenance and repairs that do not extend the life of the applicable assets are expensed as incurred.

Impairment of Long-lived Assets

The Home reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by an asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Accrued Vacation

Employees of the Home are entitled to paid vacation depending on their length of service and other factors. Management has estimated accrued vacation based on hours accumulated and the employee's current hourly rate.

Advertising

The Home expenses advertising costs as incurred.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards

Measuring Charity Care for Disclosure (ASU No. 2010-23) – US GAAP intended to reduce the diversity in how charity care is disclosed across healthcare entities that provide it. Charity care is required to be measured at cost, defined as the direct and indirect costs of providing the charity care, and disclose the method used to identify and determine such costs. The Home does not recognize revenue when charity care is provided and therefore this ASU will have no impact on the Home's presentation in the statement of activities. This ASU will require the Home to present additional disclosures in the footnotes. This new guidance is effective for fiscal years beginning after December 15, 2010, (fiscal year 2012 for the Home), with early application permitted.

Improving Disclosures about Fair Value Measurements (Accounting Standards Update (ASU) No. 2010-06) – ASU 2010-06 amends ASC Topic 820 to require a number of additional disclosures regarding fair value measurements. These disclosures include the amounts of significant transfers between Level 1 and Level 2 of the fair value hierarchy and the reasons for these transfers; the reasons for any transfer in or out of Level 3; and information in the reconciliation of recurring Level 3 measurements about purchases, sales, issuances and settlements on a gross basis, as well as clarification on previous reporting requirements. This new guidance is effective for the first reporting period beginning after December 15, 2009 for all disclosures except the requirement to separately disclose purchases, sales, issuances and settlements of recurring Level 3 measurements which will be effective for fiscal years beginning after December 15, 2010 (fiscal year 2012 for the Home). The Home is evaluating the effect this guidance related to the Level 3 disclosures will have on its financial statements.

Health Care Entities: Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts (ASU No. 2011-07). This ASU is to provide financial statement users with greater transparency about a health care entity's patient service revenue and allowance for doubtful accounts. This ASU provides information to assist financial statement users in assessing an entity's sources of patient service revenue and changes in its allowance for doubtful accounts. The amendments would require health care entities to report the provision for bad debts as a reduction from patient service revenue (net of contractual allowances and discounts) on their statement of activities. The guidance will apply to health care patient service revenue for which collectability is not assessed at the time of service and that the provision for bad debts for such revenue be deducted from revenue on the statement of activities and not shown as an operating expense. Additionally, quantitative and qualitative information, including explanations of significant changes in the allowance for doubtful accounts is to be provided in the footnotes. This guidance will be effective for fiscal years beginning after December 15, 2011 (fiscal year 2013 for the Home) with early application permitted. The Home is evaluating the effect this guidance will have on its financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 2 - CASH AND CASH EQUIVALENTS

The Home maintains its cash accounts primarily with banks located in Morrison, Illinois. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of August 31, 2011 and 2010, the uninsured balances were \$257,252 and \$110,724, respectively.

NOTE 3 - INVESTMENTS

The Home held \$2,522,363 and \$1,862,139 in investments at August 31, 2011 and 2010, respectively. Investments are stated at fair value and consist of stocks, annuities, and mutual funds.

	2011		2010	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Stocks	\$ 112,823	\$ 155,078	\$ 83,500	\$ 105,006
Annuities	1,184,761	1,151,974	1,184,761	1,047,120
Mutual funds	1,164,844	1,215,311	634,947	710,013
Total	<u>\$ 2,472,428</u>	<u>\$ 2,522,363</u>	<u>\$ 1,813,208</u>	<u>\$ 1,862,139</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

	August 31, 2011		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ 24,733	\$ 65	\$ 24,798
Net realized and unrealized gains	203,417	-	203,417
Total investment return	<u>\$ 228,150</u>	<u>\$ 65</u>	<u>\$ 228,215</u>
	August 31, 2010		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ 40,842	\$ 110	\$ 40,952
Net realized and unrealized gains	92,776	-	92,776
Total investment return	<u>\$ 133,618</u>	<u>\$ 110</u>	<u>\$ 133,728</u>

There were six and eighteen securities in an unrealized loss position at August 31, 2011 and 2010, respectively. In estimating other-than-temporary impairment losses, management considers the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Home to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Management has also considered industry analyst reports, sector credit reports, and volatility in the stock and bond market in concluding that the unrealized losses as of August 31, 2011 and 2010 were primarily the result of customary and expected fluctuations in the stock and bond market.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 3 - INVESTMENTS (CONTINUED)

The following tables present investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	<u>Investments in a Continuous Unrealized Loss Position at August 31, 2011</u>					
	<u>Less Than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
Equity and debt securities:						
Stocks	\$ 4,070	\$ 24,968	\$ -	\$ -	\$ 4,070	\$ 24,968
Mutual funds	44,385	384,626	-	-	44,385	384,626
Annuities	-	-	85,503	506,973	85,503	506,973
Total temporarily impaired securities	<u>\$ 48,455</u>	<u>\$ 409,594</u>	<u>\$ 85,503</u>	<u>\$ 506,973</u>	<u>\$ 133,958</u>	<u>\$ 916,567</u>

	<u>Investments in a Continuous Unrealized Loss Position at August 31, 2010</u>					
	<u>Less Than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
Equity and debt securities:						
Corporate bonds	\$ -	\$ -	\$ 148	\$ 80,986	\$ 148	\$ 80,986
Mutual funds	18,884	334,366	2,051	45,833	20,935	380,199
Annuities	-	-	147,641	1,047,120	147,641	1,047,120
Total temporarily impaired securities	<u>\$ 18,884</u>	<u>\$ 334,366</u>	<u>\$ 149,840</u>	<u>\$ 1,173,939</u>	<u>\$ 168,724</u>	<u>\$ 1,508,305</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The costs and related accumulated depreciation of property and equipment consisted of the following:

	<u>2011</u>	<u>2010</u>
Land	\$ 11,477	\$ 11,477
Building	1,044,841	1,042,497
Furnishings and equipment	1,268,519	1,208,920
Vehicles	26,250	28,250
Construction in progress	24,000	-
Land improvements	213,767	213,766
Total, at cost	<u>2,588,854</u>	<u>2,504,910</u>
Less accumulated depreciation	<u>(2,110,061)</u>	<u>(2,016,595)</u>
Total property and equipment	<u>\$ 478,793</u>	<u>\$ 488,315</u>

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 5 - FUNCTIONAL EXPENSES

The Home provides both sheltered care and nursing home services to residents within its geographic location. Expenses related to providing these services are as follows at August 31:

	<u>2011</u>	<u>2010</u>
Sheltered care and nursing home services	\$ 2,589,926	\$ 2,508,685
General and administrative	<u>404,509</u>	<u>401,735</u>
	<u>\$ 2,994,435</u>	<u>\$ 2,910,420</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at August 31:

	<u>2011</u>	<u>2010</u>
Auxiliary funds	\$ 8,180	\$ 8,871

NOTE 7 - VULNERABILITY DUE TO CONCENTRATION

The Home received approximately 10% and 13% of its net patient service revenues from public aid for the years ended August 31, 2011 and 2010, respectively. The Home was owed approximately 55% and 57% of its accounts receivable from public aid as of August 31, 2011 and 2010, respectively. Laws and regulations governing the public aid program are extremely complex and subject to interpretation. As a result, a significant reduction in this level of support could have a negative effect on the Home's activities.

NOTE 8 - RETIREMENT PLAN

The Home has a 401(k) retirement plan, which is available to substantially all employees. To be eligible to participate, an employee must be at least the age of 21 years, and have completed 1,000 or more hours of service within a 12-month period. The Home's matching contribution is discretionary for each plan year. The Home's contribution was \$5,530 and \$5,430 for the years ended August 31, 2011 and 2010, respectively.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

In determining fair value, the Home uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value Measurements (Continued)

Generally Accepted Accounting Standards established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy:

Equity and Debt Securities

Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Annuities consisting of equity and debt securities are generally valued at net asset value of the shares held by the Company. Annuities are generally classified within Level 2 of the valuation hierarchy.

The following tables present assets measured at fair value by classification within the fair value hierarchy as of August 31, 2011 and 2010:

	2011			Total
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equity and debt securities:				
Stocks-various industries	\$ 155,078	\$ -	\$ -	\$ 155,078
Annuities (a)	-	1,151,974	-	1,151,974
Mutual funds:				
Index funds	997,463	-	-	997,463
Balanced fund	15,440	-	-	15,440
Other funds	202,408	-	-	202,408
Total mutual funds	<u>1,215,311</u>	<u>-</u>	<u>-</u>	<u>1,215,311</u>
Total	<u>\$ 1,370,389</u>	<u>\$ 1,151,974</u>	<u>\$ -</u>	<u>\$ 2,522,363</u>

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
August 31, 2011 and 2010

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Equity and Debt Securities (Continued)

Gains of \$203,417 are included in the increase in net assets for 2011, attributed to the change in unrealized and realized gains relating to investments held at August 31, 2011.

	2010			Total
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equity and debt securities:				
Stocks - various Industries	\$ 105,006	\$ -	\$ -	\$ 105,006
Annuities (a)	-	1,047,120	-	1,047,120
Mutual funds:				
Index funds	629,026	-	-	629,026
Bond funds	80,987	-	-	80,987
Total mutual funds	<u>710,013</u>	<u>-</u>	<u>-</u>	<u>710,013</u>
Total	\$ 815,019	\$ 1,047,120	\$ -	\$ 1,862,139

(a) The annuities invest in the Equitable Life Assurance Society of U.S. Accumulator annuity and the Pacific Life Insurance Company Innovation Select annuities. The annuities' objective is to provide preservation of capital while providing a competitive rate of return.

Gains of \$92,776 are included in the increase in net assets for 2010, attributed to the change in unrealized and realized gains relating to investments held at August 31, 2010.

NOTE 10 - RISKS AND UNCERTAINTIES

The Home invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

NOTE 11 - MEDICAL MALPRACTICE CLAIMS

The Home purchases professional and general liability insurance to cover medical malpractice claims.

NOTE 12 - SUBSEQUENT EVENTS

Management evaluated subsequent events through November 2, 2011, the date the financial statements were available to be issued.

In November 2011, the board approved pursuing the availability of a certificate of need and securing financing for a potential expansion.

This information is an integral part of the accompanying financial statements.

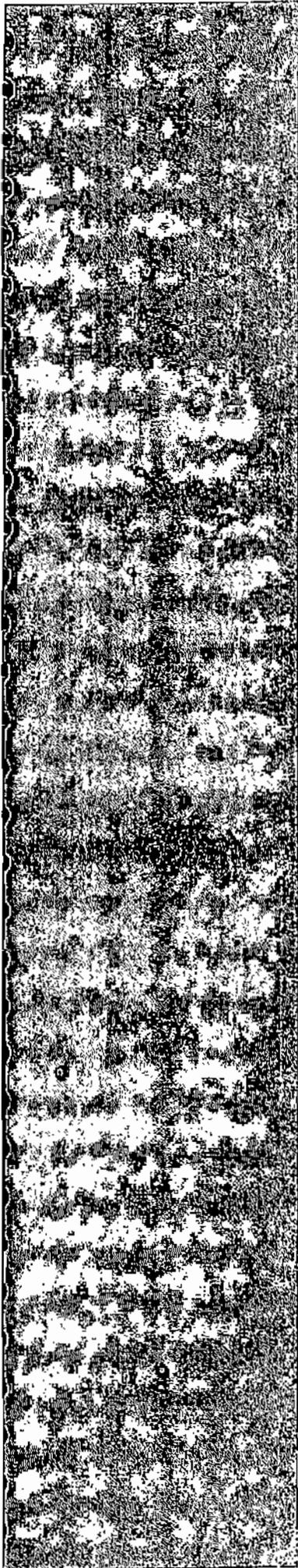
SUPPLEMENTAL INFORMATION

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
SCHEDULE OF EXPENSES
Year Ended August 31, 2011

	Department Expenses									
	Activities	Dietary	Housekeeping	Laundry	Maintenance	Nursing	Sheltered Care	Social Services	Management & General	Total
Salaries and wages	\$ 112,294	\$ 245,304	\$ 124,581	\$ 37,040	\$ 52,195	\$ 1,047,134	\$ 14,953	\$ 46,975	\$ 143,668	\$ 1,824,152
Staff development	99	237	42	-	105	2,793	-	179	1,385	4,840
Employee benefits/payroll taxes	19,486	41,716	20,741	6,360	9,127	177,256	2,481	8,317	27,411	312,875
Consultants	409	3,908	-	-	-	3,900	-	682	-	8,899
Supplies	5,465	22,378	24,736	11,808	7,318	21,321	100	3,389	18,686	115,207
Small equipment	62	480	460	18	424	18,627	460	40	6,348	28,819
Dishes, glasses, and silver	-	7,889	-	-	-	-	-	-	-	7,889
Food costs	62	165,685	-	-	-	-	-	-	-	165,747
Ancillaries	-	-	-	-	74	23,701	16	-	-	23,793
Linen and bedding	-	-	-	2,817	-	-	-	-	-	2,817
Telephone	-	-	-	-	-	-	-	-	5,099	5,099
Utilities	-	-	-	-	78,322	-	-	-	-	78,322
Repairs and maintenance	180	3,115	2,998	5,024	10,704	13,001	365	-	1,873	37,280
Cablevision	7,495	-	-	-	-	-	-	-	-	7,495
Purchased services	611	-	370	-	14,158	3,844	542	-	30,199	49,824
Beauty shop and barber	-	-	-	-	-	12,656	7,926	-	-	20,762
Depreciation	-	-	-	-	84,509	-	-	-	9,390	93,899
Insurance	-	-	-	-	-	-	-	-	41,216	41,216
Professional services	-	-	-	-	-	-	-	-	64,297	64,297
Licenses	-	-	-	-	305	-	-	-	115	420
Dues and subscriptions	70	45	20	-	-	2,032	-	-	5,869	8,036
Advertising and public relations	-	-	-	-	-	-	-	376	6,441	6,817
Travel	426	557	89	-	15	2,208	-	1,189	1,951	6,445
Freight	20	350	272	319	144	1,383	-	55	2,010	4,563
Licensed bed fee	-	-	-	-	-	-	-	-	26,826	26,826
Investment expense	-	-	-	-	-	-	-	-	9,696	9,696
Bad debt expense	-	-	-	-	-	16,027	-	-	-	16,027
Other	49	-	-	-	-	292	-	-	2,029	2,370
TOTAL	\$ 148,709	\$ 511,664	\$ 174,309	\$ 63,384	\$ 257,398	\$ 1,348,385	\$ 28,855	\$ 61,222	\$ 404,508	\$ 2,884,435

RESTHAVE HOME OF WHITESIDE COUNTY, ILLINOIS
SCHEDULE OF EXPENSES
Year Ended August 31, 2010

	<u>Department Expenses</u>									
	<u>Activities</u>	<u>Dietary</u>	<u>Housekeeping</u>	<u>Laundry</u>	<u>Maintenance</u>	<u>Nursing</u>	<u>Sheltered Care</u>	<u>Social Services</u>	<u>Management & General</u>	<u>Total</u>
Salaries and wages	\$ 116,684	\$ 235,517	\$ 114,803	\$ 44,914	\$ 51,451	\$ 1,023,189	\$ 13,992	\$ 45,115	\$ 141,582	\$ 1,787,247
Staff development	103	150	-	-	-	2,689	-	100	893	3,935
Employee benefits/payroll taxes	9,061	18,154	8,628	3,866	3,827	78,956	1,058	3,548	177,549	304,647
Contract nurses aides	-	-	-	-	-	248	-	-	-	248
Consultants	546	4,182	-	-	-	3,470	-	548	-	8,744
Supplies	5,459	20,881	28,094	9,883	8,402	23,625	115	1,680	14,308	110,234
Small equipment	80	414	319	234	454	7,422	98	528	-	9,549
Diabeto, glasses, and silver	-	7,786	-	-	-	-	-	-	-	7,786
Food costs	270	181,537	-	-	-	-	-	-	-	181,807
Ancillaries	-	-	-	-	-	33,532	-	-	-	33,532
Linon and bedding	-	-	-	3,487	-	-	-	-	-	3,467
Telephone	-	-	-	-	-	-	-	-	5,870	5,870
Utilities	-	-	-	-	71,188	-	-	-	-	71,188
Repairs and maintenance	1,112	5,744	313	146	24,929	3,298	1,143	20	-	38,705
Cablevision	6,481	-	-	-	-	-	-	-	-	6,481
Purchased services	1,337	897	-	-	13,658	9,526	-	150	20,940	46,508
Beauty shop and barber	-	-	-	-	-	10,892	7,350	-	-	18,042
Depreciation	-	-	-	-	88,361	-	-	-	-	88,361
Insurance	-	-	-	-	-	-	-	-	42,158	42,158
Professional services	-	-	-	-	-	-	-	-	84,734	84,734
Licenses	-	-	-	-	105	35	-	-	2,038	2,178
Dues and subscriptions	50	20	-	-	-	1,165	-	-	4,604	5,840
Advertising and public relations	-	-	-	-	-	180	-	-	3,344	3,524
Travel	340	478	247	16	230	1,298	-	698	829	4,132
Freight	-	109	411	132	420	1,272	-	23	448	2,613
Licensed bed fee	-	-	-	-	-	-	-	-	26,828	26,828
Investment expense	-	-	-	-	-	-	-	-	12,464	12,464
Other	86	-	-	-	-	723	-	49	530	1,388
TOTAL	\$ 141,608	\$ 475,667	\$ 152,805	\$ 62,658	\$ 261,035	\$ 1,201,319	\$ 23,766	\$ 52,457	\$ 539,115	\$ 2,910,420



**RESTHAVE HOME OF
WHITESIDE COUNTY, INC.**
Morrison, Illinois

FINANCIAL STATEMENTS
August 31, 2010 and 2009

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities - Year Ended August 31, 2010	3
Statement of Activities - Year Ended August 31, 2009	4
Statements of Cash Flows	5
Notes to Financial Statements	6
SUPPLEMENTAL INFORMATION	15
Schedule of Expenses - Year Ended August 31, 2010	16
Schedule of Expenses - Year Ended August 31, 2009	17



Independent Auditor's Report

Board of Directors
Resthave Home of Whiteside County, Inc.
Morrison, Illinois

We have audited the accompanying statements of financial position of Resthave Home of Whiteside County, Inc., as of August 31, 2010 and 2009 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Board of Directors and management of Resthave Home of Whiteside County, Inc. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Resthave Home of Whiteside County, Inc., as of August 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Clifton Gunderson LLP

Dixon, Illinois
October 28, 2010

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 788,991	\$ 310,565
Restricted cash	8,871	9,968
Investments:		
Stocks	105,006	84,292
Corporate bonds	-	527,531
Annuities	1,047,120	1,021,722
Mutual funds	710,013	568,145
Accounts receivable	109,141	89,380
Interest receivable	605	605
Inventory	11,351	13,262
Prepaid insurance	15,096	6,733
Property and equipment, net	<u>488,315</u>	<u>440,576</u>
TOTAL ASSETS	<u>\$ 3,284,509</u>	<u>\$ 3,072,779</u>
LIABILITIES		
Accounts payable	\$ 34,389	\$ 36,310
Accrued wages	47,721	39,887
Accrued vacation	59,031	57,274
Payroll taxes and other withholdings payable	<u>1,606</u>	<u>4,060</u>
Total liabilities	<u>142,747</u>	<u>137,531</u>
NET ASSETS		
Unrestricted:		
General operating	3,093,446	2,896,990
Board designated	<u>39,445</u>	<u>28,290</u>
Total unrestricted net assets	3,132,891	2,925,280
Temporarily restricted	<u>8,871</u>	<u>9,968</u>
Total net assets	<u>3,141,762</u>	<u>2,935,248</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,284,509</u>	<u>\$ 3,072,779</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended August 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Net patient service revenues:			
Nursing:			
Rent	\$ 2,267,682	\$ -	\$ 2,267,682
Personal purchases	15,867	-	15,867
Sheltered care:			
Rent	634,478	-	634,478
Personal purchases	4,729	-	4,729
Other revenues:			
Ancillaries	20,122	-	20,122
Beauty and barber shop	19,064	-	19,064
Employee and guest meals	5,417	-	5,417
Equipment rental	712	-	712
Contributions	11,428	3,257	14,685
Interest income	40,842	110	40,952
Net unrealized gain on investments	54,616	-	54,616
Net realized gain on investments	38,160	-	38,160
Gain on sale of equipment	450	-	450
Net assets released from restrictions:			
Satisfaction of program restrictions	4,464	(4,464)	-
Total revenues, gains, and other support	<u>3,118,031</u>	<u>(1,097)</u>	<u>3,116,934</u>
 EXPENSES			
Salaries and wages	1,787,247	-	1,787,247
Employee benefits	308,582	-	308,582
Contract nurses aids and consultants	8,992	-	8,992
Supplies	110,234	-	110,234
Small equipment	17,335	-	17,335
Food and ancillaries	215,339	-	215,339
Linen and bedding	3,467	-	3,467
Utilities	83,549	-	83,549
Repairs and maintenance	36,705	-	36,705
Beauty and barber	18,042	-	18,042
Depreciation	88,361	-	88,361
Insurance	42,158	-	42,158
Professional and purchased services	131,242	-	131,242
Dues and subscriptions	5,840	-	5,840
Licensed bed fee	26,828	-	26,828
Other	26,499	-	26,499
Total expenses	<u>2,910,420</u>	<u>-</u>	<u>2,910,420</u>
 CHANGES IN NET ASSETS	 207,611	 (1,097)	 206,514
NET ASSETS, BEGINNING OF YEAR	<u>2,925,280</u>	<u>9,968</u>	<u>2,935,248</u>
 NET ASSETS, END OF YEAR	 <u>\$ 3,132,891</u>	 <u>\$ 8,871</u>	 <u>\$ 3,141,762</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended August 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND PUBLIC SUPPORT			
Net patient service revenues:			
Nursing:			
Rent	\$ 2,195,524	\$ -	\$ 2,195,524
Personal purchases	10,972	-	10,972
Sheltered care:			
Rent	617,083	-	617,083
Personal purchases	3,064	-	3,064
Other revenues:			
Ancillaries	26,042	-	26,042
Beauty and barber shop	20,101	-	20,101
Employee and guest meals	6,029	-	6,029
Equipment rental	720	-	720
Contributions	9,980	2,865	12,845
Interest income	46,811	131	46,942
Net unrealized loss on investments	(188,840)	-	(188,840)
Net realized loss on investments	(104,729)	-	(104,729)
Loss on sale of equipment	(531)	-	(531)
Net assets released from restrictions:			
Satisfaction of program restrictions	830	(830)	-
Total revenues, gains, and other support	<u>2,643,056</u>	<u>2,166</u>	<u>2,645,222</u>
EXPENSES			
Salaries and wages	1,781,065	-	1,781,065
Employee benefits	299,254	-	299,254
Contract nurses aids and consultants	19,831	-	19,831
Supplies	102,338	-	102,338
Small equipment	9,601	-	9,601
Food and ancillaries	221,533	-	221,533
Linen and bedding	4,985	-	4,985
Utilities	89,472	-	89,472
Repairs and maintenance	44,665	-	44,665
Beauty and barber	18,886	-	18,886
Depreciation	84,483	-	84,483
Insurance	40,055	-	40,055
Professional and purchased services	64,564	-	64,564
Dues and subscriptions	5,292	-	5,292
Licensed bed fee	26,828	-	26,828
Other	31,050	-	31,050
Total expenses	<u>2,843,902</u>	<u>-</u>	<u>2,843,902</u>
CHANGES IN NET ASSETS	(200,846)	2,166	(198,680)
NET ASSETS, BEGINNING OF YEAR	<u>3,126,126</u>	<u>7,802</u>	<u>3,133,928</u>
NET ASSETS, END OF YEAR	<u>\$ 2,925,280</u>	<u>\$ 9,968</u>	<u>\$ 2,935,248</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 206,514	\$ (198,680)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	88,361	84,483
(Gain) loss on sale of equipment	(450)	531
Unrealized (gain) loss on investments	(54,816)	188,840
Realized (gain) loss on investments	(38,160)	104,729
Effects of changes in operating assets and liabilities:		
Resident accounts receivable	(19,761)	(3,544)
Inventory	1,911	(1,532)
Prepaid insurance	(8,363)	5,346
Accounts payable	(1,921)	3,030
Accrued wages	7,834	8,720
Accrued vacation	1,757	13,199
Payroll taxes and other withholdings payable	(2,454)	273
	<u>180,652</u>	<u>205,395</u>
Net cash provided by operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(136,101)	(82,857)
Purchase of investments	(609,162)	(618,712)
Proceeds from sale of property and equipment	450	
Proceeds from sale of investments	1,041,490	615,327
	<u>296,677</u>	<u>(86,242)</u>
Net cash provided by (used in) investing activities		
NET INCREASE IN CASH AND CASH EQUIVALENTS	477,329	119,153
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>320,533</u>	<u>201,380</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 797,862</u>	<u>\$ 320,533</u>
SUMMARY OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	\$ 788,991	\$ 310,565
Restricted cash and cash equivalents	<u>8,871</u>	<u>9,968</u>
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 797,862</u>	<u>\$ 320,533</u>

The accompanying notes are an integral part of the financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resthave Home of Whiteside County, Inc. is an Illinois corporation formed under the "General Not-for-Profit Corporation Act of the State of Illinois". It was incorporated in 1957 and maintains a fiscal year ending August 31. The Home's primary function is the ownership and operation of a health care facility for the aged, providing both sheltered care and nursing home services. The Home receives revenues primarily from state and private sources and grants credit to its residents. The facility is located in Morrison, Illinois. Significant accounting policies followed by the Home are presented below:

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Resthave Home of Whiteside County, Inc.'s financial statements are presented in accordance with ASC Topic 958, *Financial Statements of Not-for-Profit Organizations*. ASC Topic 958 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. A description of the three net asset categories follows:

Unrestricted - Unrestricted net assets includes all net assets which are neither temporarily nor permanently restricted. The Board of Directors has designated portions of the unrestricted net assets to be used for memorial items.

Temporarily Restricted - Temporarily restricted net assets include contributed net assets subject to donor imposed stipulations that may or will be met, either through actions of the organization and/or the passage of time.

Permanently Restricted - Permanently restricted net assets include contributed net assets subject to donor imposed restrictions that they be maintained permanently by the organization. Generally, donors of these assets permit the organization to use all or part of the income earned on related investments for general or specific purposes. The Home had no permanently restricted net assets at August 31, 2010 and 2009.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Income Taxes

The Home qualifies as a tax exempt organization under Section 501 (c)(3) of the Internal Revenue Code and as such, is not liable for income taxes. The Home is classified by the Internal Revenue Service as other than a private foundation.

Cash and Cash Equivalents

The Home considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost and depreciated on the straight-line method over their estimated useful lives, which range from three to thirty-three years. Expenditures of maintenance and repairs that do not extend the life of the applicable assets are expensed as incurred.

Investments

The Home reports investments in accordance with ASC Topic 958, *Not-for-Profit Entities*. Under ASC Topic 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities.

Investment income is reported in the statement of activities as unrestricted or temporarily restricted revenue based upon donor-imposed restrictions. Gains and investment income that are limited to specific uses by donor-imposed restrictions are reported in unrestricted net assets when the restrictions are met in the same reporting period as the income is recognized.

Resident Accounts Receivable and Credit Policies

Resident accounts receivable is comprised of both private pay receivables and receivables from a third party payor that provides for payments to the Home at an amount different from its established rates.

Private pay receivables are uncollateralized customer obligations which generally require payment at the beginning of the month of residency. Accounts receivable are stated at the billing amount.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Accounts Receivable and Credit Policies (Continued)

Payments of private pay receivables are applied to the earliest unpaid billing. Currently, Resthave does not have a policy concerning delinquent accounts and does not deem such a policy necessary due to usual prompt payment by residents. Any overdue payments are handled on a case by case basis.

Revenue under third-party payor agreements is subject to audit. Provisions for estimated third-party payor settlements, if any, are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Home could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. No allowance was deemed necessary by Management as of August 31, 2010 and 2009.

Inventory

Inventories are carried at the lower of cost or market with cost determined on a first-in, first-out (FIFO) basis.

Impairment of Long-lived Assets

The Home reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by an asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Accrued Vacation

Employees of the Home are entitled to paid vacation depending on their length of service and other factors. Management has estimated accrued vacation based on hours accumulated and the employee's current hourly rate.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles*, which was primarily codified into Topic 105, *Generally Accepted Accounting Standards*, in the Accounting Standards Codification ("ASC"). This standard will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles ("GAAP"), superseding existing FASB, American Institute of Certified Public Accountants ("AICPA"), Emerging Issues Task Force ("EITF"), and related accounting literature. This standard reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. This guidance is effective for financial statements issued for reporting periods that end after September 15, 2009. This guidance impacts the Home's financial statements and related disclosures as all references to authoritative accounting literature reflect the newly adopted codification.

Subsequent Events – US GAAP introduced new terminology, defined a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance sheet date. The Home adopted this enhancement in its August 31, 2010 financial statements.

The Home adopted ASC Topic 740, *Income Taxes*, on September 1, 2009. This guidance was created to develop a single model to address accounting for uncertainty in tax positions. The guidance clarifies the accounting for income taxes by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The guidance also provides guidance on derecognition, measurement, classification, interest and penalties, disclosure and transition. The adoption of this guidance did not have a significant impact on the Home's financial position or results of operations.

Fair Value Measurements - US GAAP defined fair value, provides a framework for measuring fair value, and expands the disclosures required for assets and liabilities measured at fair value. This principle applies to existing accounting pronouncements that require or permit fair value measurement; it does not require any new fair value measurements. The Home adopted the required disclosures in its August 31, 2009 financial statements. The adoption of this standard did not have a material impact to our financial statements.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 2 - CASH AND CASH EQUIVALENTS

The Home maintains its cash accounts primarily with banks located in Morrison, Illinois. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of August 31, 2010 and 2009, the uninsured balances were \$110,724 and \$61,506. As of August 31, 2010 and 2009, the carrying amounts of the Home's deposits were \$797,712 and \$320,553 and the bank balances were \$858,550 and \$343,054, respectively.

NOTE 3 - INVESTMENTS

The Home held \$1,862,139 and \$2,201,690 in investments at August 31, 2010 and 2009, respectively. Investments are stated at fair value and consist of stocks, corporate bonds, annuities, and mutual funds.

	2010		2009	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Stocks	\$ 83,500	\$ 105,006	\$ 83,499	\$ 84,292
Corporate bonds	-	-	521,892	527,531
Annuities	1,194,761	1,047,120	1,194,761	1,021,722
Mutual funds	<u>634,947</u>	<u>710,013</u>	<u>571,108</u>	<u>568,145</u>
Total	<u>\$ 1,913,208</u>	<u>\$ 1,862,139</u>	<u>\$ 2,371,260</u>	<u>\$ 2,201,690</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended:

	<u>August 31, 2010</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ 40,842	\$ 110	\$ 40,952
Net realized and unrealized gains	<u>92,776</u>	<u>-</u>	<u>92,776</u>
Total investment return	<u>\$ 133,618</u>	<u>\$ 110</u>	<u>\$ 133,728</u>
	<u>August 31, 2009</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest income	\$ 46,811	\$ 131	\$ 46,942
Net realized and unrealized losses	<u>(293,569)</u>	<u>-</u>	<u>(293,569)</u>
Total investment return	<u>\$ (246,758)</u>	<u>\$ 131</u>	<u>\$ (246,627)</u>

There were 18 securities in an unrealized loss position at August 31, 2010. In estimating other-than-temporary impairment losses, management considers the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Home to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Management has also considered industry analyst reports, sector credit reports, and volatility in the stock and bond market in concluding that the unrealized losses as of August 31, 2010 were primarily the result of customary and expected fluctuations in the stock and bond market.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 3 - INVESTMENTS (CONTINUED)

The following tables present investments' gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position:

	<u>Investments in a Continuous Unrealized Loss Position at August 31, 2010</u>					
	<u>Less Than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
Equity and debt securities:						
Stocks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporate bonds	-	-	148	80,986	148	80,986
Mutual funds	18,884	334,366	2,051	45,833	20,935	380,199
Annuities	-	-	147,641	1,047,120	147,641	1,047,120
Total temporarily impaired securities	<u>\$ 18,884</u>	<u>\$ 334,366</u>	<u>\$ 149,840</u>	<u>\$ 1,173,939</u>	<u>\$ 168,724</u>	<u>\$ 1,508,305</u>

	<u>Investments in a Continuous Unrealized Loss Position at August 31, 2009</u>					
	<u>Less Than 12 Months</u>		<u>12 Months or More</u>		<u>Total</u>	
	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>
Equity and debt securities:						
Stocks	\$ 3,399	\$ 41,033	\$ 3,067	\$ 17,000	\$ 6,466	\$ 58,033
Corporate bonds	6,033	57,574	-	-	6,033	57,574
Mutual funds	-	-	28,361	406,140	28,361	406,140
Annuities	-	-	173,038	1,021,722	173,038	1,021,722
Total temporarily impaired securities	<u>\$ 9,432</u>	<u>\$ 98,607</u>	<u>\$ 204,466</u>	<u>\$ 1,444,862</u>	<u>\$ 213,898</u>	<u>\$ 1,543,469</u>

NOTE 4 - PROPERTY AND EQUIPMENT

The costs and related accumulated depreciation of property and equipment consisted of the following:

	<u>2010</u>	<u>2009</u>
Land	\$ 11,477	\$ 11,477
Building	1,042,497	1,023,217
Furnishings and equipment	1,208,920	1,103,100
Vehicles	28,250	19,250
Land improvements	213,766	213,766
Total, at cost	<u>2,504,910</u>	<u>2,370,810</u>
Less accumulated depreciation	<u>(2,016,595)</u>	<u>(1,930,234)</u>
Total property and equipment	<u>\$ 488,315</u>	<u>\$ 440,576</u>

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 5 - FUNCTIONAL EXPENSES

The Home provides both sheltered care and nursing home services to residents within its geographic location. Expenses related to providing these services are as follows at August 31:

	<u>2010</u>	<u>2009</u>
Sheltered care and nursing home services	\$ 2,508,685	\$ 2,511,006
General and administrative	<u>401,735</u>	<u>332,896</u>
	<u>\$ 2,910,420</u>	<u>\$ 2,843,902</u>

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at August 31:

	<u>2010</u>	<u>2009</u>
Auxiliary funds	\$ 8,871	\$ 9,968

NOTE 7 - VULNERABILITY DUE TO CONCENTRATION

The Home received approximately 13% of its net patient service revenues from public aid for the year ended August 31, 2010 and 18% of its net patient service revenues from public aid for the year ended August 31, 2009. The Home was owed approximately 57% and 95% of its resident accounts receivable from public aid as of August 31, 2010 and 2009, respectively. Laws and regulations governing the public aid program are extremely complex and subject to interpretation. As a result, a significant reduction in this level of support could have a negative effect on the Home's activities.

NOTE 8 - RETIREMENT PLAN

The Home has a 401(k) retirement plan, which is available to substantially all employees. To be eligible to participate, an employee must be at least the age of 21 years, and have completed 1,000 or more hours of service within a 12-month period. The Home's matching contribution is discretionary for each plan year. The Home's contribution was \$5,430 and \$4,430 for the years ended August 31, 2010 and 2009, respectively.

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair Value Measurements

In determining fair value, the Home uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value Measurements (Continued)

Generally Accepted Accounting Standards established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Levels within the hierarchy are based on the reliability of inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 - Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 - Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy:

Equity and Debt Securities

Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Annuities consisting of equity and debt securities are generally valued at net asset value of the shares held by the Company. Annuities are generally classified within Level 2 of the valuation hierarchy.

The following tables present assets measured at fair value by classification within the fair value hierarchy as of August 31, 2010 and 2009:

	2010			Total
	Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equity and debt securities:				
Stocks	\$ 105,005	\$ -	\$ -	\$ 105,005
Annuities (a)	-	1,047,120	-	1,047,120
Mutual funds				
Index funds	629,026	-	-	629,026
Bond funds	80,987	-	-	80,987
Total mutual funds	<u>710,013</u>	<u>-</u>	<u>-</u>	<u>710,013</u>
Total	<u>\$ 815,019</u>	<u>\$ 1,047,120</u>	<u>\$ -</u>	<u>\$ 1,862,139</u>

- (a) The annuities invest in the Equitable Life Assurance Society of U.S. Accumulator annuity and the Pacific Life Insurance Company Innovation Select annuities. The annuities' objective is to provide preservation of capital while providing a competitive rate of return.

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2010 and 2009

NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Equity and Debt Securities (Continued)

Gains of \$92,776 are included in the increase in net assets for 2010, attributed to the change in unrealized and realized gains relating to investments held at August 31, 2010.

	2009			Total
	2009 Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Equity and debt securities:				
Stocks	\$ 84,292	\$ -	\$ -	\$ 84,292
Corporate bonds	-	527,531	-	527,531
Annuities	-	1,021,722	-	1,021,722
Mutual funds	568,145	-	-	568,145
Total	\$ 652,437	\$ 1,549,253	\$ -	\$ 2,201,690

Losses of \$293,569 are included in the decrease in net assets for 2009 attributable to the change in unrealized and realized losses relating to investments held at August 31, 2009.

NOTE 10 - RISKS AND UNCERTAINTIES

The Home invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

NOTE 11 - SUBSEQUENT EVENTS

Management evaluated subsequent events through October 28, 2010, the date the financial statements were available to be issued.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

RESTHAVE HOME OF WHITESIDE COUNTY, INC.
SCHEDULE OF EXPENSES
Year Ended August 31, 2010

	<u>Department Expenses</u>									
	<u>Activities</u>	<u>Dietary</u>	<u>Housekeeping</u>	<u>Laundry</u>	<u>Maintenance</u>	<u>Nursing</u>	<u>Sheltered Care</u>	<u>Social Services</u>	<u>Management & General</u>	<u>Total</u>
Salaries and wages	\$ 116,884	\$ 235,517	\$ 114,803	\$ 44,814	\$ 51,451	\$ 1,023,189	\$ 13,892	\$ 45,115	\$ 141,582	\$ 1,787,247
Staff development	103	150	-	-	-	2,689	-	100	583	3,535
Employee benefits/payroll taxes	9,051	18,154	8,628	3,856	3,827	78,958	1,058	3,548	177,548	304,647
Contract nurses aides	-	-	-	-	-	248	-	-	-	248
Consultants	548	4,182	-	-	-	3,470	-	548	-	8,744
Supplies	5,458	20,681	28,084	8,883	8,402	23,625	115	1,680	14,306	110,234
Small equipment	80	414	319	234	454	7,422	88	528	-	8,549
Dishes, glasses, and silver	-	7,788	-	-	-	-	-	-	-	7,788
Food costs	270	181,637	-	-	-	-	-	-	-	181,807
Ancillaries	-	-	-	-	-	33,532	-	-	-	33,532
Linen and bedding	-	-	-	3,467	-	-	-	-	-	3,467
Telephone	-	-	-	-	-	-	-	-	5,870	5,870
Utilities	-	-	-	-	71,188	-	-	-	-	71,188
Repairs and maintenance	1,112	5,744	313	146	24,929	3,298	1,143	20	-	36,705
Cablevision	6,481	-	-	-	-	-	-	-	-	6,481
Purchased services	1,337	897	-	-	13,658	8,526	-	150	20,840	46,568
Beauty shop and barber	-	-	-	-	-	10,662	7,350	-	-	18,042
Depreciation	-	-	-	-	88,361	-	-	-	-	88,361
Insurance	-	-	-	-	-	-	-	-	42,158	42,158
Professional Services	-	-	-	-	-	-	-	-	84,734	84,734
Licenses	-	-	-	-	105	36	-	-	2,038	2,178
Dues and subscriptions	50	20	-	-	-	1,186	-	-	4,604	5,840
Advertising and public relations	-	-	-	-	-	180	-	-	3,344	3,524
Travel	340	478	247	16	230	1,286	-	688	829	4,132
Freight	-	108	411	132	420	1,272	-	23	446	2,813
Licensed bed fee	-	-	-	-	-	-	-	-	26,828	26,828
Investment expense	-	-	-	-	-	-	-	-	12,464	12,464
Other	88	-	-	-	-	723	-	49	530	1,388
TOTAL	\$ 141,608	\$ 475,697	\$ 152,805	\$ 62,858	\$ 281,035	\$ 1,201,319	\$ 23,768	\$ 62,457	\$ 538,115	\$ 2,810,420

Application Page 444

RETHAVE HOME OF WHITESIDE COUNTY, INC.
SCHEDULE OF EXPENSES
 Year Ended August 31, 2009

<u>Department Expenses</u>										
	<u>Activities</u>	<u>Dietary</u>	<u>Housekeeping</u>	<u>Laundry</u>	<u>Maintenance</u>	<u>Nursing</u>	<u>Sheltered Care</u>	<u>Social Services</u>	<u>Management & General</u>	<u>Total</u>
Salaries and wages	\$ 110,594	\$ 226,178	\$ 114,279	\$ 48,365	\$ 50,121	\$ 1,032,388	\$ 14,721	\$ 42,361	\$ 142,056	\$ 1,781,085
Staff development	188	164	49	-	173	1,786	-	403	528	3,321
Employee benefits/payroll taxes	8,655	17,609	8,683	3,773	3,809	78,120	1,139	3,417	170,427	285,833
Contract nurses aides	728	-	-	-	-	10,690	-	-	287	11,705
Consultants	273	3,825	-	-	-	3,481	-	546	-	8,125
Supplies	4,721	18,447	21,555	6,437	8,620	28,261	203	2,241	11,853	102,338
Small equipment	-	395	1,230	-	205	1,169	-	-	126	3,127
Dishes, glasses, and silver	-	8,474	-	-	-	-	-	-	-	6,474
Food costs	-	178,448	-	-	-	-	-	-	-	178,448
Ambulances	-	-	-	-	-	43,085	-	-	-	43,085
Linen and bedding	-	-	-	4,836	-	148	-	-	-	4,885
Telephone	-	-	-	-	-	-	-	-	5,520	5,520
Utilities	-	-	-	-	77,846	-	-	-	-	77,846
Repairs and maintenance	929	2,322	184	713	23,893	13,518	2,056	-	1,040	44,885
Cablevision	6,108	-	-	-	-	-	-	-	-	6,108
Purchased services	1,053	97	-	-	15,281	14,581	-	100	11,159	42,281
Beauty shop and barber	-	-	-	-	-	13,082	5,604	-	-	18,886
Depreciation	-	-	-	-	84,483	-	-	-	-	84,483
Insurance	-	-	-	-	-	-	-	-	40,055	40,055
Professional Services	-	-	-	-	-	-	-	-	22,283	22,283
Licenses	-	20	-	-	76	-	-	-	175	270
Dues and subscriptions	50	-	-	-	150	80	-	-	5,002	5,292
Library and reference	-	58	-	-	-	-	-	-	-	59
Advertising and public relations	-	-	-	-	-	-	-	-	3,166	3,166
Travel	228	532	282	-	285	1,222	17	838	1,448	4,850
Freight	43	173	393	74	127	487	9	22	409	1,737
Licensed bed fee	-	-	-	-	-	-	-	-	26,828	26,828
Investment expense	-	-	-	-	-	-	-	-	20,314	20,314
Other	115	-	-	-	-	-	-	-	539	654
TOTAL	\$ 133,905	\$ 454,765	\$ 146,655	\$ 64,188	\$ 265,168	\$ 1,242,110	\$ 23,859	\$ 49,928	\$ 463,213	\$ 2,843,802