

		FOR BHF USE			

LL2

Supportive Living Facility

**2009
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE & FAMILY SERVICES
COST REPORT FOR
SUPPORTIVE LIVING FACILITIES
(FISCAL YEAR 2009)**

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

I.

Facility Name: Hawthorne Inn of Clinton

Address: 1 Park Lane West Clinton 61727
Number City Zip Code

County: Dewitt

Telephone Number: (217) 935-8500 Fax # ()

Federal Employer ID Number: 37-1223846

Date Current Owners were Certified: 01/02/07

Type of Ownership:

<input type="checkbox"/>	VOLUNTARY, NON-PROFIT	<input type="checkbox"/>	PROPRIETARY	<input type="checkbox"/>	GOVERNMENTAL
<input checked="" type="checkbox"/>	Charitable Corp.	<input type="checkbox"/>	Individual	<input type="checkbox"/>	State
<input type="checkbox"/>	Trust	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	County
	IRS Exemption Code <u>501(C) 3</u>	<input type="checkbox"/>	Corporation	<input type="checkbox"/>	Other
		<input type="checkbox"/>	"Sub-S" Corp.	<input type="checkbox"/>	
		<input type="checkbox"/>	Limited Liability Co.	<input type="checkbox"/>	
		<input type="checkbox"/>	Trust	<input type="checkbox"/>	
		<input type="checkbox"/>	Other	<input type="checkbox"/>	

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 04/01/2008 to 03/31/2009 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

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

Officer or Administrator of Provider

(Signed) _____ (Date) _____

(Type or Print Name) Tim Bledsoe

(Title) Director of Operations

Paid Preparer

(Signed) See Attached Independent Accountant's Report (Date) _____

(Print Name and Title) McGladrey & Pullen, LLP
117 E Main Street, Suite 210

(Firm Name & Address) P.O. Box 1070
Galesburg, IL 61401

(Telephone) (309) 342-1175 Fax (309)342-7816

In the event there are further questions about this report, please contact:

Name: Ron Wilson Telephone Number: (309) 343-1550
Email Address: rjwilson@rfmsinc.com

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

Facility Name Hawthorne Inn of Clinton

Report Period Beginning: 04/01/2008 Ending: 03/31/2009

III. STATISTICAL DATA

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

Date of change in certified units / /

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	15	Single Unit Apartment	15	5,475	1
2	6	Double Unit Apartment	6	4,380	2
3		Other			3
4	21	TOTALS	21	9,855	4

B. Census-For the entire report period.

	1 Type of Unit	2 3 4 5 Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	676	3,989		4,665	5
6	Double Unit	1,201	2,656		3,857	6
7	Other					7
8	TOTALS	1,877	6,645		8,522	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 86.47%

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

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

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

YES NO

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

YES NO

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

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

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

Tax Year: 03/31/09 Fiscal Year: 03/31/09

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

J. Does the facility have any Illinois Housing Development Authority Loans outstanding? No If yes, did the facility make all of the required payments of interest and principle? _____

If no, explain. _____

K. Does the facility have any loans from the Federal Home Loan Bank outstanding? No If yes, did the facility make all of the required payments of interest and principle? _____

If no, explain. _____

L. Does the facility have any loans from the IL Dept of Commerce and Economic Opportunity outstanding? No If yes, did the facility make all of the required payments of interest and principle? _____

If no, explain. _____

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning:

04/01/2008

Ending: 03/31/2009

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

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	308,905	380,566	9,314	698,785	(570,669)	128,116	1
2	Housekeeping, Laundry and Maintenance	249,184	114,991	41,974	406,149	(336,258)	69,891	2
3	Heat and Other Utilities			221,864	221,864	(185,777)	36,087	3
4	Other (specify):							4
5	TOTAL General Services	558,089	495,557	273,152	1,326,798	(1,092,704)	234,094	5
B. Health Care and Programs								
6	Health Care/ Personal Care	2,055,597	375,699	536,999	2,968,295	(2,760,524)	207,771	6
7	Activities and Social Services	92,370	4,566	180	97,116	(96,630)	486	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	2,147,967	380,265	537,179	3,065,411	(2,857,154)	208,257	9
C. General Administration								
10	Administrative and Clerical	182,425	34,292	430,374	647,091	(585,373)	61,718	10
11	Marketing Materials, Promotions and Advertising	58,032		83,727	141,759	(139,787)	1,972	11
12	Employee Benefits and Payroll Taxes			529,842	529,842	(471,702)	58,140	12
13	Insurance-Property, Liability and Malpractice			105,362	105,362	(92,237)	13,125	13
14	Other (specify): See Att Sch II			190,862	190,862	(190,862)		14
15	TOTAL General Administration	240,457	34,292	1,340,167	1,614,916	(1,479,961)	134,955	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	2,946,513	910,114	2,150,498	6,007,125	(5,429,819)	577,306	16
Capital Expenses								
D. Ownership								
17	Depreciation			55,765	55,765	(43,050)	12,715	17
18	Interest					1,229	1,229	18
19	Real Estate Taxes			243,200	243,200	(201,856)	41,344	19
20	Rent -- Facility and Grounds			1,135,536	1,135,536	(942,495)	193,041	20
21	Rent -- Equipment			18,251	18,251	(18,251)		21
22	Other (specify):							22
23	TOTAL Ownership			1,452,752	1,452,752	(1,204,423)	248,329	23
24	GRAND TOTAL (Sum of lines 16 and 23)	2,946,513	910,114	3,603,250	7,459,877	(6,634,242)	825,635	24

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning 04/01/2008

Ending:

03/31/2009

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	10	9.94	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook	0	15.63	6
7	Cook Helpers/Assistants	2	9.18	7
8	Dishwashers	0	8.21	8
9	Maintenance Workers	1	8.91	9
10	Housekeepers	1	8.86	10
11	Laundry	1	8.67	11
12	Managers	0	38.46	12
13	Other Administrative			13
14	Clerical	0	8.47	14
15	Marketing	0	14.65	15
16	Other			16
17	Total (lines 1 thru 16)	16	\$	17

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

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	See Att Sch Va for Directors fees			\$ 345	1
2					2
3					3
4					4
5					5
Total				\$ 345	6

VII. RELATED ORGANIZATIONS

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

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
See Attached Schedule I			

OTHER RELATED BUSINESS ENTITIES

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

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

Name of related entity: _____ If yes, what is the value of those services? \$ _____

(Please attach a separate schedule itemizing those services.)

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

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

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning:

04/01/2008

Ending:

03/31/2009

VIII. OWNERSHIP COSTS

A. Purchase price of land _____ Year land was acquired _____

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

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

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1					\$	\$		\$	\$	\$	1
2											2
3											3
4											4
5											5
	Improvement Type										
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13											13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$	\$		\$	\$	\$	17

C. Equipment Depreciation -- Including Transportation.

	Type	1 Cost	2 Current Book Depreciation	3 Straight Line Depreciation	4 Adjustments	5 Life in Years	6 Accumulated Depreciation	
18	Movable Equipment	\$	\$	\$	\$		\$	18
19	Vehicles	50,859	12,715	12,715		4	42,407	19
20	TOTAL (lines 18 and 19)	\$ 50,859	\$ 12,715	\$ 12,715	\$		\$ 42,407	20

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

	1 Description and Year Acquired	2 Cost	3 Current Book Depreciation	4 Accumulated Depreciation	
21	SNF Equipment- Various	\$ 268,949	\$ \$ 30,334	\$ \$ 125,821	21
22	SNF Leasehold Impr- Various	41,085	2,941	7,510	22
23	SNF Ford E350 Van - 2005	46,919	9,775	46,919	23
24	TOTALS (lines 21, 22 and 23)	\$ 356,953	\$ 43,050	\$ 180,250	24

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning: 04/01/2008

Ending: 12/31/2009

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: Mid-Illini Healthcare, Inc,

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? YES NO

		1	2	3	4	5	6	
		Year Constructed	Number of Units	Date of Lease	Rental Amount	Total Yrs. of Lease	Total Years Renewal Option*	
3	Original Building	2004	21	4/15/05	\$ 94,628	10	5	3
4	Additions	2006		/ /				4
5	See Att Sch II			/ /				5
6				/ /				6
7	TOTAL		21		\$ 94,628			7

8. Is movable equipment rental included in building rental?

YES NO

9. Rental amount for movable equipment \$ Not Determined

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

X. INTEREST EXPENSE

	1	2	3	4	6	7	8	9		
	Name of Lender	Related**		Purpose of Loan	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Int. Expense
		YES	NO			Original	Balance			
	A. Directly Facility Related									
	Long-Term									
1					/ /	\$	\$	/ /		\$
2					/ /			/ /		
3					/ /			/ /		
	Working Capital									
4					/ /			/ /		
5	Home office allocation	X			/ /			/ /		1,229
6	Less: Interest Income		X		/ /			/ /		
7	TOTAL Facility Related					\$	\$			\$ 1,229
	B. Non-Facility Related									
8					/ /			/ /		
9					/ /			/ /		
10	TOTALS (lines 7, 8 and 9)					\$	\$			\$ 1,229

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

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

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning: 04/01/2008

Ending:

03/31/2009

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 03/31/2009

(last day of reporting year)

		1	2	
		Operating	After	
			Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 356,238	\$	1
2	Cash-Patient Deposits	9,803		2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance)	1,200,014		3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	39,352		6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,605,407	\$	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land			13
14	Buildings, at Historical Cost			14
15	Leasehold Improvements, at Historical Cost	41,085		15
16	Equipment, at Historical Cost	366,727		16
17	Accumulated Depreciation (book methods)	(222,657)		17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify):			23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 185,155	\$	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 1,790,562	\$	25

		1	2	
		Operating	After	
			Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 19,773	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	9,803		28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable			30
31	Accrued Taxes Payable	327,265		31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	Interdivision payable	2,355,506		35
36	Other Accr Exp	41,033		36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 2,753,380	\$	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable			39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	Security deposits	66,000		42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 66,000	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 2,819,380	\$	45
46	TOTAL EQUITY	\$ (1,028,818)	\$	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 1,790,562	\$	47

*(See instructions.)

Facility Name: Hawthorne Inn of Clinton

Report Period Beginning: 04/01/2008

Ending:

03/31/2009

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

		1	
Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 794,164	1
2	Discounts and Allowances		2
SUBTOTAL Resident Care			
3	(line 1 minus line 2)	\$ 794,164	3
B. Other Operating Revenue			
4	Special Services		4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care		8
9	Non-Resident Meals		9
10	Laundry		10
SUBTOTAL OTHER OPERATING REVENUE			
11	(sum of lines 4 thru 10)	\$	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income		13
SUBTOTAL Non-Operating Revenue			
14	(sum of lines 12 and 13)	\$	14
D. Other Revenue (specify):			
15	SNF Related Revenue	6,669,258	15
16			16
SUBTOTAL Other Revenue			
17	(sum of lines 15 and 16)	\$ 6,669,258	17
TOTAL REVENUE			
18	(sum of lines 3, 11, 14 and 17)	\$ 7,463,422	18

		2	
Expenses		Amount	
A. Operating Expenses			
19	General Services	1,326,798	19
20	Health Care/ Personal Care	3,065,411	20
21	General Administration	1,614,916	21
B. Capital Expense			
22	Ownership	1,452,752	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
TOTAL EXPENSES			
28	(sum of lines 19 thru 27)	\$ 7,459,877	28
Income Before Income Taxes			
29	(line 18 minus line 28)	\$ 3,545	29
Income Taxes			
30		\$	30
NET INCOME OR LOSS FOR THE YEAR			
31	(line 29 minus line 30)	\$ 3,545	31

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

BEGINNING: 04/01/2008
ENDING: 03/31/2009

ATTACHED SCHEDULE I

VII. Related Organizations

**A.Related SLF's and Health Care Businesses
and Other Related Business Entities**

<u>Name</u>	<u>City and State</u>	<u>Type of Business</u>
1 SLF's and Health Care divisions of Residential Alternatives of Illinois, Inc.:		
Hawthorne Inn of Danville	Danville, IL	Skilled nursing facility
Manor Court of Clinton	Clinton, IL	Skilled nursing and supportive living facility
Manor Court of Freeport	Freeport, IL	Skilled nursing and assisted living facility
Manor Court of Peoria	Peoria, IL	Skilled nursing facility
Manor Court of Peru	Peru, IL	Skilled nursing facility
Manor Court of Princeton	Princeton, IL	Skilled nursing and supportive living facility
Hawthorne Inn of Freeport	Freeport, IL	Assisted and supportive living facility
Hawthorne Inn of Peoria	Peoria, IL	Assisted living facility
Hawthorne Inn of Peru	Peru, IL	Assisted living facility
Liberty Estates of Geneseo	Geneseo, IL	Assisted living and independent living facility
Liberty Estates of Streator	Streator, IL	Assisted living and independent living facility
Freeport Rehab & Healthcare	Freeport, IL	Skilled nursing facility
Other facilities operated by Residential Alternatives of Illinois, Inc.		
Liberty Estates of Danville	Danville, IL	Independent living facility
Liberty Estates of Freeport	Freeport, IL	Independent living facility
Liberty Estates of Peoria	Peoria, IL	Independent living facility
Liberty Estates of Peru	Peru, IL	Independent living facility
2 Residential Alternatives of Iowa (common Board of Directors)		
Coralville, IA Long-term care facilities		
3 Frances House, Inc.(sole corporate member of Residential Alternatives of Illinois, Inc.) operates the following DD facilities		
Casa Willis	Sterling, IL	
Freeport Terrace	Freeport, IL	
Gordon Jones Terrace	Lanark, IL	
Hallam Terrace	Rockford, IL	
Hammett House	Sterling, IL	
Kanthak House	Ottawa, IL	
Olson Terrace	Rockford, IL	
Ridge Terrace	Freeport, IL	
Rockford Group Homes:		
Cantebury Place	Rockford, IL	
Glenwood Villa	Rockford, IL	
Rockton Court	Rockford, IL	
Rose House	Moline, IL	
Seborg Terrace	Rockford, IL	
Smith Square	Moline, IL	
Stern Square	Sterling, IL	
Stouffer Terrace	Oregon, IL	

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

Broadway Terrace	Chicago Heights, IL
Carole Lane Terrace	Sauk Village, IL

Cook County I Group Homes:

Flossmoor Terrace	Flossmoor, IL
Ravisloe Terrace	Country Club Hills, IL
Spaulding Terrace	Markham, IL

Cook County II Group Homes:

Calumet City Terrace	Calumet City, IL
Dolton Terrace	Dolton, IL
Lynwood Terrace	Lynwood, IL
Holland Terrace	South Holland, IL
Matteson Court	Matteson, IL
Prairie House	Sauk Village, IL
Torrence Place	Sauk Village, IL

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

Chamness Square	Bourbannais, IL
Collins Square	Bradley, IL
Gravlin Square	Bradley, IL
Hunt Terrace	Kankakee, IL

Kankakee I Group Homes:

Dearborn Court	Kankakee, IL
River Court	Kankakee, IL
Station Court	Kankakee, IL

Kankakee II Group Homes:

Eagle Court	Kankakee, IL
Kankakee Court	Kankakee, IL
Roy Court	Bourbannais, IL

6 Concepts Plus, Inc. (Frances House, Inc is the sole corporate member) operated the following DD facilities

Lake County Group Homes:

Lewis Terrace	North Chicago, IL
Seymour Terrace	North Chicago, IL
Waukegan Terrace	Waukegan, IL
Pine Terrace	Waukegan, IL

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

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

Total fees expensed during the current year for SLF portion:	\$	18,548
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FACILITY NAME: Hawthorne Inn of Clinton
 ID#: 37-1223846

BEGINNING: 04/01/2008
 ENDING: 03/31/2009

Manor Court of Clinton (skilled nursing) and Hawthorne Inn of Clinton (supportive living) are both housed in the same bldg and reported as a single division of Residential Alternatives of Illinois, Inc. Therefore, the divisional income statement and balance sheet report both operations. The SNF related costs have been adjusted out of this cost report

Attached Schedule II

SUMMARY SCHEDULE

Sch. IV of Allocation of Skilled Nursing Facility Costs

Line #		Salaries	Supplies	Other	Total
1	Dietary and Food	251,493	309,862	9,314	570,669
2	Hskp, Laundry, Main	202,872	99,213	34,173	336,258
3	Heat & Other Utilities			185,777	185,777
4	Other				-
6	Health Care/personal	1,847,826	375,699	536,999	2,760,524
7	Activities & Soc Serv	92,370	4,080	180	96,630
8	Other				-
10	Admin/Clerical	170,549	47,530	367,648	585,727
11	Mkt, Promo, Adv	51,857		81,755	133,612
12	Emp Ben & PR taxes			471,702	471,702
13	Insurance			92,518	92,518
14	Other			190,862	190,862
17	Depreciation			43,050	43,050
18	Interest				-
19	Real Estate Taxes			201,856	201,856
20	Rent			942,495	942,495
21	Rent Equip			18,251	18,251
TOTALS		2,616,967	836,384	3,176,580	6,629,931

Net adjustment required

6,629,931

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

BEGINNING: 04/01/2008
 ENDING: 03/31/2009

ATTACHED SCHEDULE III

IV. Cost Center Expenses

Reclassifications and Adjustments

Reported on Schedule IV on Line

	Description	Adjustments Col 5
See Att Sch II	Allocation to SNF cost report	(6,629,931)
See Att Sch V	Home office allocation	1,864
Line 11	allocated Marketing wages to SLF	(6,175)
<i>Total Adjustments on Schedule IV</i>		(6,634,242)

ATTACHED SCHEDULE IV

Bed Listing & Home Office Allocation

Facility	Weighted beds @ 03/31/09					Estate Units 10%	Weighted Average Total	All Homes Percentage of Total	SLF Percentage of Total
	Nursing	Home	Sheltered	SLF	ALC				
	Beds 100%	Care 50%	Beds 50%	Beds 50%	Beds 50%				
Liberty Estates of Danville	0	0	0	0	0	8	8	1.00%	0.00%
Liberty Estates of Freeport	0	0	0	0	0	7	7	0.88%	0.00%
Liberty Estates of Peoria	0	0	0	0	0	8	8	1.00%	0.00%
Geneseo Estates	0	0	0	7	7	3	10	1.25%	0.00%
Liberty Estates of Peru	0	0	0	0	0	7	7	0.88%	0.00%
Liberty Estates of Streator	0	0	0	8	8	3	11	1.38%	0.00%
Hawthorne Inn of Danville	64	38	0	0	0	0	102	12.77%	0.00%
Manor Court of Princeton	69	14	13	0	0	0	96	12.02%	1.63%
Manor Court of Clinton	134	0	14	0	0	0	148	18.52%	1.75%
Manor Court of Peoria	50	0	0	0	0	0	50	6.26%	0.00%
Manor Court of Peru	75	14	0	0	0	0	89	11.14%	0.00%
Manor Court of Freeport	45	17	0	12	0	0	74	9.26%	0.00%
Hawthorne Inn of Peoria	0	0	0	34	0	0	34	4.26%	0.00%
Hawthorne Inn of Peru	0	0	0	34	0	0	34	4.26%	0.00%
Hawthorne Inn of Freeport	0	0	19	0	0	0	19	2.38%	2.38%
Freeport Rehab & Healthcare	102						102	12.77%	0.00%
							799	100%	5.76%

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

BEGINNING:
ENDING:

ATTACHED SCHEDULE V

ALLOCATION OF HOME OFFICE INDIRECT COSTS

SUMMARY SCHEDULE

(See attached detail schedule)

Sch. V

Line #

Salaries

Other

Total

Sch. V Line #		Salaries	Other	Total
1	Dietary and Food	0	0	-
2	Hskp, Laundry, Main			-
3	Heat & Other Utilities		0	-
4	Other		0	-
6	Health Care/personal		0	-
7	Activities & Soc Serv		0	-
8	Other		0	-
10	Admin/Clerical	0	354	354
11	Mkt, Promo, Adv		0	-
12	Emp Ben & PR taxes		0	-
13	Insurance		281	281
14	Other		0	-
17	Depreciation		0	-
18	Interest		1,229	1,229
19	Real Estate Taxes		0	-
			0	-
			0	-

TOTALS

0

1,864

1,864

Net adjustment required

1,864

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

BEGINNING: 04/01/2008
 ENDING: 03/31/2009

ATTACHED SCHEDULE Va

**ALLOCATION OF INDIRECT COSTS
 (Detail Schedule)**

Allocation Factors:

SLF Home Office Factor **0.0175**

Schedule	Description	Total	Non-	Costs	Allocated	Adjustment
		Expenses Incurred	Allowable Costs	To Be Allocated		
V-1-1	Labor-Dietary	0		0	0	0
V-1-2	Supplies-Dietary	0		0	0	0
V-2-1	Labor-Purchasing	0		0	0	0
V-3-3	Utilities			0	0	0
V-10-1	Labor - Administrative			0	0	
V-10-1	Labor-Clerical			0	0	0
V-10-2	Supplies			0	0	0
V-10-3	Miscellaneous			0	0	
V-10-3	Postage & Shipping			0	0	
V-10-3	Equipment			0	0	
V-10-3	Equipment Contracts			0	0	
V-10-3	Equip Maintenance & Repair			0	0	
V-10-3	Telephone			0	0	
V-10-3	Board of Directors	21,386	1,663	19,723	345	
V-10-3	Legal Fees	7,929	7,929	0	0	
V-10-3	Professional Services	126,161	126,161	0	0	
V-10-3	Licenses/Fees/Misc	511		511	9	
V-10-3	Inservice Training			0	0	
V-10-3	Travel			0	0	
V-10-3	Vehicle Expense			0	0	354
V-11-3	Advertising - Employment			0	0	
V-11-3	Subscriptions & Fees			0	0	0
V-12-3	Worker's Compensation			0	0	
V-12-3	Other Employee Expense			0	0	
V-12-3	FICA			0	0	
V-12-3	State Unemployment Tax			0	0	
V-12-3	Health Insurance			0	0	0
V-13-3	Vehicle Insurance			0	0	
V-13-3	Property Insurance			0	0	0
V-17-3	Depreciation Expense			0	0	0
V-18-3	Interest Expense	117,503	0	117,503	2,056	
V-18-3	Investment Income	-47,262		-47,262	-827	1,229
V-27-1	Bad Debt	375,100	375,100	0	0	
V-26-3	Liability Ins	16,060		16,060	281	281
	TOTALS	617,388	510,853	106,535	1,864	1,864

BOARD OF DIRECTORS:

Irwin Jann	4,250.00
Jack Biddison	4,333.00
Jeff Shaw	4,250.00
Robert Wallenfelz	1,000.00
Doug Biederstedt	4,550.00
William Kempiners	1,000.00
Meeting expenses	340.00
Travel costs	1,663.00
Total	21,386.00
LESS:	
Out of State Travel	<u>1,663.00</u>
	19,723.00

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

BEGINNING: 04/01/2008
ENDING: 03/31/2009

ATTACHED SCHEDULE VI

Depreciation Reconciliation

<u>Schedule</u>	<u>Line</u>	<u>Description</u>	<u>Amount</u>
VIII	17-7	Total buildings and improvements	-
VIII	20-3	Total equipment and transportation	12,715
Attached schedule V		Home office allocation adj depreciation	-
		<i>Subtotal</i>	<u>12,715</u>
IV	17-6	Total cost center depreciation	<u>12,715</u>
		<i>Difference</i>	<u><u>-</u></u>