

		FOR BHF USE			

LL2

Supportive Living Facility

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

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

<p>I. Facility ID Number: <u>1000076</u></p> <p>Facility Name: <u>Hawthorne Inn of Princeton</u></p> <hr/> <p>Address: <u>136 North 6th St</u> <u>Princeton</u> <u>61356</u></p> <p align="center">Number City Zip Code</p> <p>County: <u>Bureau</u></p> <p>Telephone Number: (<u>815</u>) <u>875-6600</u> Fax # ()</p> <p>Federal Employer ID Number: _____</p> <p>Date Current Owners were Certified: <u>01/29/2007</u></p> <p>Type of Ownership:</p> <table style="width:100%"> <tr> <td><input type="checkbox"/> VOLUNTARY, NON-PROFIT</td> <td><input type="checkbox"/> PROPRIETARY</td> <td><input type="checkbox"/> GOVERNMENTAL</td> </tr> <tr> <td><input checked="" type="checkbox"/> Charitable Corp.</td> <td><input type="checkbox"/> Individual</td> <td><input type="checkbox"/> State</td> </tr> <tr> <td><input type="checkbox"/> Trust</td> <td><input type="checkbox"/> Partnership</td> <td><input type="checkbox"/> County</td> </tr> <tr> <td>IRS Exemption Code <u>501 (C) 3</u></td> <td><input type="checkbox"/> Corporation</td> <td><input type="checkbox"/> Other _____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> "Sub-S" Corp.</td> <td>_____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Limited Liability Co.</td> <td>_____</td> </tr> <tr> <td></td> <td><input type="checkbox"/> Trust</td> <td></td> </tr> <tr> <td></td> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>In the event there are further questions about this report, please contact:</p> <p>Name: <u>Ron Wilson</u> Telephone Number: (<u>309</u>) <u>343-1550</u></p> <p>Email Address: _____</p>	<input type="checkbox"/> VOLUNTARY, NON-PROFIT	<input type="checkbox"/> PROPRIETARY	<input type="checkbox"/> GOVERNMENTAL	<input checked="" type="checkbox"/> Charitable Corp.	<input type="checkbox"/> Individual	<input type="checkbox"/> State	<input type="checkbox"/> Trust	<input type="checkbox"/> Partnership	<input type="checkbox"/> County	IRS Exemption Code <u>501 (C) 3</u>	<input type="checkbox"/> Corporation	<input type="checkbox"/> Other _____		<input type="checkbox"/> "Sub-S" Corp.	_____		<input type="checkbox"/> Limited Liability Co.	_____		<input type="checkbox"/> Trust			<input type="checkbox"/> Other _____		<p>II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER</p> <p>I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>4/1/15</u> to <u>3/31/16</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.</p> <p>Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.</p> <table style="width:100%"> <tr> <td style="width:20%;">Officer or Administrator of Provider</td> <td>(Signed) _____</td> <td>(Date) _____</td> </tr> <tr> <td></td> <td>(Type or Print Name) <u>Darcee Fanning</u></td> <td></td> </tr> <tr> <td></td> <td>(Title) <u>Regional Director</u></td> <td></td> </tr> <tr> <td>Paid Preparer</td> <td>(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u></td> <td>(Date) _____</td> </tr> <tr> <td></td> <td>(Print Name and Title) <u>Larry Templin Partner</u></td> <td></td> </tr> <tr> <td></td> <td>(Firm Name & Address) <u>Templin Healthcare Accounting Services, LLP P.O. Box 9, Dunlap, IL 61525</u></td> <td></td> </tr> <tr> <td></td> <td>(Telephone) (<u>630</u>) <u>361-2868</u> Fax # () _____</td> <td></td> </tr> </table> <p align="right">MAIL TO: BUREAU OF HEALTH FINANCE IL DEPT OF HEALTHCARE AND FAMILY SERVICES 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630</p>	Officer or Administrator of Provider	(Signed) _____	(Date) _____		(Type or Print Name) <u>Darcee Fanning</u>			(Title) <u>Regional Director</u>		Paid Preparer	(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u>	(Date) _____		(Print Name and Title) <u>Larry Templin Partner</u>			(Firm Name & Address) <u>Templin Healthcare Accounting Services, LLP P.O. Box 9, Dunlap, IL 61525</u>			(Telephone) (<u>630</u>) <u>361-2868</u> Fax # () _____	
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Facility Name Hawthorne Inn of Princeton

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

III. STATISTICAL DATA

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

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	15	Single Unit Apartment	15	5,490	1
2	6	Double Unit Apartment	6	2,196	2
3		Other		1,739	3
4	21	TOTALS	21	9,425	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	2,985	1,064		4,049	5
6	Double Unit	981	4,230		5,211	6
7	Other					7
8	TOTALS	3,966	5,294		9,260	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 98.25%

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.)

SEE ACCOUNTANTS' COMPILATION REPORT

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

YES NO

All Non-SLF Expenses have been adjusted out in Column 5

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

YES NO

See Attachment IV

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

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

None

H. ACCOUNTING BASIS

ACCRUAL MODIFIED CASH* CASH*

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

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

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

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

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

If no, explain. N/A

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

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

If no, explain. N/A

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

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

If no, explain. N/A

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning:

4/1/15

Ending:

3/31/16

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

SEE ACCOUNTANTS' COMPILATION REPORT

Operating Expenses		Costs Per General Ledger				Reclassifications and Adjustments	Adjusted Total	
		Salary/Wage 1	Supplies 2	Other 3	Total 4			
A. General Services								
1	Dietary and Food Purchase	359,394	505,831	9,060	874,285	(696,152)	178,133	1
2	Housekeeping, Laundry and Maintenance	297,259	114,499	57,036	468,794	(412,628)	56,166	2
3	Heat and Other Utilities			220,653	220,653	(175,785)	44,868	3
4	Other (specify):							4
5	TOTAL General Services	656,653	620,330	286,749	1,563,732	(1,284,565)	279,167	5
B. Health Care and Programs								
6	Health Care/ Personal Care	2,506,371	435,412	1,183,550	4,125,333	(3,951,291)	174,042	6
7	Activities and Social Services	117,380	3,521		120,901	(120,479)	422	7
8	Other (specify):							8
9	TOTAL Health Care and Programs	2,623,751	438,933	1,183,550	4,246,234	(4,071,770)	174,464	9
C. General Administration								
10	Administrative and Clerical	273,989	20,860	1,127,232	1,422,081	(1,332,887)	89,194	10
11	Marketing Materials, Promotions and Advertising	73,601		122,522	196,123	(196,018)	105	11
12	Employee Benefits and Payroll Taxes			556,609	556,609	(507,844)	48,765	12
13	Insurance-Property, Liability and Malpractice			71,870	71,870	(61,077)	10,793	13
14	Other (specify):							14
15	TOTAL General Administration	347,590	20,860	1,878,233	2,246,683	(2,097,826)	148,857	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	3,627,994	1,080,123	3,348,532	8,056,649	(7,454,161)	602,488	16
Capital Expenses								
D. Ownership								
17	Depreciation			55,102	55,102	41,541	96,643	17
18	Interest			314	314	(314)		18
19	Real Estate Taxes			111,540	111,540	(87,001)	24,539	19
20	Rent -- Facility and Grounds			885,888	885,888	(885,888)		20
21	Rent -- Equipment			1,609	1,609	(1,609)		21
22	Other (specify):							22
23	TOTAL Ownership			1,054,453	1,054,453	(933,271)	121,182	23
24	GRAND TOTAL (Sum of lines 16 and 23)	3,627,994	1,080,123	4,402,985	9,111,102	(8,387,432)	723,670	24

Facility Name: Hawthorne Inn of Princeton

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

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

	Personnel	Number of FTE	Average Hourly Wage	
1	Registered Nurses		\$	1
2	Licensed Practical Nurses			2
3	Certified Nurse Assistants	7.4	11.23	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants	2.6	9.77	7
8	Dishwashers			8
9	Maintenance Workers	0.3	14.01	9
10	Housekeepers	1.1	9.02	10
11	Laundry	0.3	8.89	11
12	Managers	0.3	38.13	12
13	Other Administrative			13
14	Clerical	0.2	14.05	14
15	Marketing	0.4	28.14	15
16	Other			16
17	Total (lines 1 thru 16)	12.6	\$	17

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

	NAME and FUNCTION	Ownership Interest	Average Hours Per Work Week Devoted to this Business	Amount of Compensation for this Reporting Period	
1	See Att Sch IVa for Directors Fees			\$ 319	1
2					2
3					3
4					4
5					5
Total				\$ 319	6

VI. (B) Management fees paid to unrelated parties

		Amount of Fee	
1	RFMS Sch IV Ln 14 C3	\$ 17,276	1
2	LTC Support Services Sch IV Ln C3	24,632	2
Total		\$ 41,908	3

VII. RELATED ORGANIZATIONS

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

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
See Attached Schedule I			

OTHER RELATED BUSINESS ENTITIES

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

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

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

(Please attach a separate schedule itemizing those services.)

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning:

4/1/15

Ending:

3/31/16

VIII. OWNERSHIP COSTS

A. Purchase price of land 14,300 Year land was acquired 2009

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	21		2009	2004	\$ 1,663,532	\$ 72,976	25	\$ 72,976	\$	\$ 452,341	1
2											2
3											3
4											4
5											5
Improvement Type											
6		Site Fence & Landscaping	2009		85,359	5,691	15	5,691		36,042	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)				\$ 1,748,891	\$ 78,667		\$ 78,667	\$	\$ 488,383	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	\$ 179,760	\$ 17,976	\$ 17,976	\$	10	\$ 113,846	18
19	Vehicles	58,025				4	58,025	19
20	TOTAL (lines 18 and 19)	\$ 237,785	\$ 17,976	\$ 17,976	\$		\$ 171,871	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	R/E SNF	\$ 9,889,317	\$ 470,168	\$ 2,354,475	21
22	SNF	669,108	55,102	443,442	22
23					23
24	TOTALS (lines 21, 22 and 23)	\$ 10,558,425	\$ 525,270	\$ 2,797,917	24

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/15

Ending: 3/31/16

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: See Attached Schedule I

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				\$ N/A			3
4	Additions			/ /				4
5				/ /				5
6				/ /				6
7	TOTAL				\$			7

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

9. Rental amount for movable equipment \$ N/A

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

X. INTEREST EXPENSE

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

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

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

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/15

Ending:

3/31/16

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 3/31/16

(last day of reporting year)

		1	2	
		Operating	After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 58,609	\$ 58,609	1
2	Cash-Patient Deposits	15,266	15,266	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance <u>None</u>)	1,306,540	1,306,540	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	47,539	47,539	6
7	Other Prepaid Expenses	2,318	2,318	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Interdivision Receivable</u>	1,078,988		9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,509,260	\$ 1,430,272	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		65,000	13
14	Buildings, at Historical Cost		9,981,735	14
15	Leasehold Improvements, at Historical Cost	284,781	1,071,414	15
16	Equipment, at Historical Cost	442,352	1,441,252	16
17	Accumulated Depreciation (book methods)	(501,467)	(3,458,171)	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)	\$ 225,666	\$ 9,101,230	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,734,926	\$ 10,531,502	25

		1	2	
		Operating	After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 153,439	\$ 153,439	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	15,266	15,266	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	95,203	95,203	30
31	Accrued Taxes Payable	232,506	232,506	31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	<u>Inter-Company</u>		7,114,919	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 496,414	\$ 7,611,333	37
	D. Long-Term Liabilities			
38	Long-Term Notes Payable			38
39	Mortgage Payable			39
40	Bonds Payable			40
41	Deferred Compensation			41
	Other Long-Term Liabilities(specify):			
42	<u>Security Deposit</u>	81,606	81,606	42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$ 81,606	\$ 81,606	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 578,020	\$ 7,692,939	45
46	TOTAL EQUITY	\$ 2,156,906	\$ 2,838,563	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 2,734,926	\$ 10,531,502	47

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/15

Ending:

3/31/16

SEE ACCOUNTANTS' COMPILATION REPORT

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

		1	
I. Revenue		Amount	
A. SLF Resident Care			
1	Gross SLF Resident Revenue	\$ 1,127,721	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,127,721	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
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$	11
C. Non-Operating Revenue			
12	Contributions		12
13	Interest and Other Investment Income		13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$	14
D. Other Revenue (specify):			
15	SNF Revenue	8,210,382	15
16	Processing Fee	225	16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 8,210,607	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 9,338,328	18

		2	
II. Expenses		Amount	
A. Operating Expenses			
19	General Services	1,563,732	19
20	Health Care/ Personal Care	4,246,234	20
21	General Administration	2,246,683	21
B. Capital Expense			
22	Ownership	1,054,453	22
C. Other Expenses			
23	Special Cost Centers		23
24	Non-Operating Expenses		24
25	Other (specify):		25
26			26
27			27
28	TOTAL EXPENSES (sum of lines 19 thru 27)	\$ 9,111,102	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 227,226	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 227,226	31
III. Net Resident Care Revenue detailed by Payer Source			
32	Medicaid - Net Inpatient Revenue	\$ 278,015	32
33	Private Pay - Net Inpatient Revenue	849,706	33
34	Medicare - Net Inpatient Revenue		34
35	Other-(specify)		35
36	Other-(specify)		36
37	TOTAL (This total must agree to Line 3)	\$ 1,127,721	37

ATTACHED SCHEDULE I

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

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

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

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

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

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

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

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 facilities

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

CILA facilities
Gravlin Square Bradley, IL

6 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 SLP portion: 24,632

SEE ACCOUNTANTS' COMPILATION REPORT

ATTACHED SCHEDULE II

IV. Cost Center Expenses

Reclassifications and Adjustments

Reported on Schedule IV on Line	Description	Adj Col 5
Line 11	Non-allowable advertising	(8,830)
See Att Sch IV	Home office allocation	1,198
See Att Sch V	Disallowed SNF Costs	(8,281,548)
See Att Sch VII	Eliminate R/E Entity Rent	(194,895)
See Att Sch VII	Real Estate Entity Costs	96,643
Total Adjustments on Schedule IV		(8,387,432)

ATTACHED SCHEDULE III

Bed Listing & Home Office Allocation

Facility	Weighted beds @ 03/31/2016					Weighted Average Total	All Homes Percentage of Total	SNF Percentage of Total
	Nursing Home Beds 100%	Sheltered Care Beds 50%	SLF Beds 40%	ALC Beds 50%	Estate Units 10%			
Liberty Estates of Danville	-	-	-	-	8	8	0.75%	0.00%
Liberty Estates of Freeport	-	-	-	-	7	7	0.66%	0.00%
Liberty Estates of Peoria	-	-	-	-	8	8	0.75%	0.00%
Windmill Pointe*	-	-	-	22	-	22	2.07%	0.00%
Liberty Estates of Geneseo	-	-	-	7	3	10	0.94%	0.00%
Liberty Estates of Peru	-	-	-	-	7	7	0.66%	0.00%
Liberty Estates of Sreator	-	-	-	10	3	13	1.22%	0.00%
Hawthorne Inn of Danville	80	30	-	-	-	110	10.36%	10.36%
Manor Court of Princeton	125	-	11	-	-	136	12.81%	11.77%
Manor Court of Clinton	134	-	11	-	-	145	13.65%	12.62%
Manor Court of Peoria	50	-	-	-	-	50	4.71%	5.67%
Manor Court of Peru	104	13	-	-	-	117	11.02%	11.02%
Manor Court of Freeport	117	-	-	-	-	117	11.02%	11.02%
Windmill Manor	120	-	-	-	-	120	11.30%	11.30%
Hawthorne Inn of Peoria	-	-	-	34	-	34	3.20%	0.00%
Hawthorne Inn of Peru	-	-	-	34	-	34	3.20%	0.00%
Hawthorne Inn of Freeport	-	-	15	-	-	15	1.41%	0.00%
Freeport Rehab & Healthcare	109	-	-	-	-	109	10.26%	10.26%
839	43	37	107	36	1,062	100.00%	83.05%	100.00%

*-22 units (44 beds) AL but only operated for 9 months in 2016

Healthcare Facilities	Beds	Days in Year	Base Stat	% of total	% of HC		
						Allocation Status	
Hawthorne Inn of Danville	80	30	110	366	40,260	11.39%	13.90%
Manor Court of Princeton	125	-	125	366	45,750	12.94%	15.80%
Manor Court of Clinton	134	-	134	366	49,044	13.88%	16.94%
Manor Court of Peoria	50	-	50	366	18,300	5.18%	6.32%
Manor Court of Peru	104	13	117	366	42,822	12.12%	14.79%
Manor Court of Freeport	117	-	117	366	42,822	12.12%	14.79%
Windmill Manor	120	-	120	366	43,920	12.43%	15.17%
Freeport Rehab & Healthcare	109	-	109	61	6,649	1.88%	2.30%
839	43		882		289,567	81.93%	100.00%

Other Facilities	Beds	Days in Year	Base Stat	% of total	% of HC				
						Allocation Status			
Liberty Estates of Danville	-	-	8	366	2,928	0.83%	4.58%		
Liberty Estates of Freeport	-	-	7	366	2,562	0.72%	4.01%		
Liberty Estates of Peoria	-	-	8	366	2,928	0.83%	4.58%		
Windmill Pointe	-	22	-	22	275	6.050	1.71%	9.47%	
Liberty Estates of Geneseo	-	-	7	3	10	366	3,660	1.04%	5.73%
Liberty Estates of Peru	-	-	-	7	7	366	2,562	0.72%	4.01%
Liberty Estates of Sreator	-	-	10	3	13	366	4,758	1.35%	7.45%
Hawthorne Inn of Danville	-	-	-	-	-	-	-	0.00%	0.00%
Manor Court of Princeton	-	11	-	11	11	366	4,026	1.14%	6.30%
Manor Court of Clinton	-	11	-	11	11	366	4,026	1.14%	6.30%
Manor Court of Peoria	-	-	-	-	-	-	-	0.00%	0.00%
Manor Court of Peru	-	-	-	-	-	-	-	0.00%	0.00%
Manor Court of Freeport	-	-	-	-	-	-	-	0.00%	0.00%
Windmill Manor	-	-	-	-	-	-	-	0.00%	0.00%
Hawthorne Inn of Peoria	-	-	34	-	34	366	12,444	3.52%	19.48%
Hawthorne Inn of Peru	-	-	34	-	34	366	12,444	3.52%	19.48%
Hawthorne Inn of Freeport	-	15	-	15	15	366	5,490	1.55%	8.59%
Freeport Rehab & Healthcare	-	-	-	-	-	-	-	0.00%	0.00%
-	-	37	107	36	180		63,878	18.07%	100.00%

Total 353,445 100.00%

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

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

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

1	Dietary and Food	0	0	-
2	Hskp, Laundry, Main	0	0	-
3	Heat & Other Utilities	0	0	-
4	Other	0	0	-
6	Health Care/persona	0	0	-
7	Activities & Soc Serv	0	0	-
8	Other	0	0	-
10	Admin/Clerical	0	1,036	1,036
11	Mkt, Promo, Adv	0	0	-
12	Emp Ben & PR taxes	0	9	9
13	Insurance	0	153	153
14	Other	0	0	-
17	Depreciation	0	0	-
18	Interest	0	0	-
19	Real Estate Taxes	0	0	-
				-
				-

TOTALS **0** **1,198** **1,198**

Net adjustment required **1,198**

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

**ATTACHED SCHEDULE IVa ALLOCATION OF INDIRECT COSTS
 (Detail Schedule)**

Allocation Factors:

SLF Home Office Factor **0.0114**

Schedule	Description	Total Expenses Incurred	Non-Allowable Costs	Costs To Be Allocated	Allocated Total	Adjustment Grouping
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	0
V-10-1	Labor - Administrative	0		0	0	0
V-10-1	Labor-Clerical	0		0	0	0
V-10-2	Supplies	0		0	0	0
V-10-3	Miscellaneous	0		0	0	
V-10-3	Postage & Shipping	0		0	0	
V-10-3	Equipment	0		0	0	
V-10-3	Equipment Contracts	0		0	0	
V-10-3	Equip Maintenance & Repair	0		0	0	
V-10-3	Telephone	0		0	0	
V-10-3	Board of Directors	28,040		28,040	319	
V-10-3	Legal Fees	23,943		23,943	273	
V-10-3	Professional Services	38,806		38,806	442	
V-10-3	Licenses/Fees/Misc	75		75	1	
V-10-3	Inservice Training	0		0	0	
V-10-3	Travel	47		47	1	
V-10-3	Vehicle Expense			0	0	
V-10-3	Bad Debt Expense			0	0	
V-10-3	Contributions			0	0	1,036
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	773		773	9	
V-12-3	FICA			0	0	
V-12-3	State Unemployment Tax			0	0	
V-12-3	Health Insurance			0	0	9
V-13-3	Vehicle Insurance			0	0	
V-13-3	Liability Insurance	13,455		13,455	153	
V-13-3	Property Insurance			0	0	153
V-17-3	Depreciation Expense			0	0	0
V-18-3	Interest Expense			0	0	
V-18-3	Investment Income	54,268	54,268	0	0	0
	TOTALS	159,407	54,268	105,139	1,198	1,198

Board of Directors Costs:

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

SEE ACCOUNTANTS' COMPILATION REPORT

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

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

Manor Court of Princeton (skilled nursing) and Hawthorne Inn of Princeton (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 V

SUMMARY SCHEDULE

Sch. IV of Allocation of Skilled Nursing Facility Costs

Line #		Salaries	Supplies	Other	Total
1	Dietary and Food	285,402	401,690	9,060	696,152
2	Hskp, Laundry, Main	261,597	100,838	50,193	412,628
3	Heat & Other Utilities			175,785	175,785
4	Other				-
6	Health Care/personal	2,332,329	435,412	1,183,550	3,951,291
7	Activities & Soc Serv	117,380	3,099		120,479
8	Other				-
10	Admin/Clerical	241,119	18,567	1,074,237	1,333,923
11	Mkt, Promo, Adv	64,771		122,417	187,188
12	Emp Ben & PR taxes			507,853	507,853
13	Insurance			61,230	61,230
14	Other				-
17	Depreciation			55,102	55,102
18	Interest			314	314
19	Real Estate Taxes			87,001	87,001
20	Rent			690,993	690,993
21	Rent Equip			1,609	1,609
TOTALS		3,302,598	959,606	4,019,344	8,281,548

Net adjustment required

8,281,548

SEE ACCOUNTANTS' COMPILATION REPORT

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

BEGINNING: 4/1/2015
 ENDING: 3/31/2016

ATTACHED SCHEDULE VI

Depreciation Reconciliation

Schedule	Line	Description	Amount
VIII	17-7	Total buildings and improvements	78,667
VIII	20-3	Total equipment and transportation	17,976
Attached schedule V		Home office allocation adj depreciation	-
		<i>Subtotal</i>	96,643
IV	17-6	Total cost center depreciation	96,643
		<i>Difference</i>	-

ATTACHED SCHEDULE VII

Related Cost to Related Party Lessor:

On November 30, 2009 Frances House Inc. became the sole member of the lessor. Amounts below relate to SLF expenses for the entire year.

Property Insurance	IV-22
Mortgage Insurance	IV-22
Depreciation Total	566,811 IV-17
Depreciation Non-SLF	(470,168) Att Sch VIII
Mortgage Interest	IV-18
Mortgage Interest Non-SLF	IV-18
Loan Fee Amortization	IV-22
Loan Fee Amortization Non-SLF	IV-22
Total Lessor Cost	96,643

Cost Per General Ledger - Facility Rent	885,888 IV-20
Eliminate Related Party Rent	(194,895)
SNF Portion, See Att Sch II Line 20	(690,993)
SLF Rent	0

Net Adjustment 96,643

ATTACHED SCHEDULE VIII

	Cost	Current Book	Accum Depr
R/E Entity Building SNF	8,318,203	332,728	1,643,646
R/E Entity Leasehold Imp SNF	526,495	43,874	244,966
R/E Entity Equip SNF	819,140	81,914	392,068
R/E Entity Land SNF	50,700	-	-
R/E Entity Land Imp SNF	174,779	11,652	73,795
	9,889,317	470,168	2,354,475

ATTACHED SCHEDULE IX

	Cost	Current Book	Accum Depr
Equip SNF	337,408	25,798	210,156
Leasehold Imp SNF	284,781	29,304	186,364
Vehicles SNF	46,919	-	46,922
	669,108	55,102	443,442

SEE ACCOUNTANTS' COMPILATION REPORT

ITEM	Value 1	Cond.	Value 2	Difference	RESULTS
Adjustment De	-8,387,432	equal to	-8,387,432	0	O.K.
Interest Expen	0	equal to	0	0	O.K.
Ownership Co:	96,643	equal to	96,643	0	O.K.
Rental Costs A	0	equal to	0	0	O.K.
Income Stat. G	1,563,732	equal to	1,563,732	0	O.K.
Income Stat. H	4,246,234	equal to	4,246,234	0	O.K.
Income Stat. A	2,246,683	equal to	2,246,683	0	O.K.
Income Stat. C	1,054,453	equal to	1,054,453	0	O.K.
Total loan bala	0	equal to	0	0	O.K.
Land	65,000	equal to	65,000	0	O.K.
Building cost	9,981,735	equal to	9,981,735	0	O.K.
Leasehold Imp	1,071,414	equal to	1,071,414	0	O.K.
Equipment anc	1,441,252	equal to	1,441,252	0	O.K.
Accumulated c	3,458,171	equal to	3,458,171	0	O.K.
Balance Sheet	2,734,926	equal to	2,734,926	0	O.K.
Balance Sheet	10,531,502	equal to	10,531,502	0	O.K.
Census	98.25%	not > than	100.00%	-1.75%	O.K.