

		FOR BHF USE			

LL2

Supportive Living Facility

2015

STATE OF ILLINOIS

DEPARTMENT OF HEALTHCARE & FAMILY SERVICES

COST REPORT FOR

SUPPORTIVE LIVING FACILITIES

(FISCAL YEAR 2015)

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 ID Number: 1000093

Facility Name: Hawthorne Inn of Freeport

Address: 2140 West Navajo Dr Freeport 61032

County: Stephenson

Telephone Number: (815) 232-3407 Fax #

Federal Employer ID Number:

Date Current Owners were Certified: 11/19/2007

Type of Ownership:

X

VOLUNTARY, NON-PROFIT

X

Charitable Corp.

Trust

IRS Exemption Code 501(c) 3

PROPRIETARY

Individual

Partnership

Corporation

"Sub-S" Corp.

Limited Liability Co.

Trust

Other

GOVERNMENTAL

State

County

Other

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

Name: Amanda Springborn Telephone Number: (314) 925 - 3838

Email Address: amanda.springborn@mcgladrey.com

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 4/01/14 to 3/31/15 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)

(Type or Print Name)

(Title)

Paid Preparer

(Signed)

(Print Name and Title)

(Firm Name & Address)

(Telephone) () Fax # ()

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 Freeport

Report Period Beginning: 4/01/14 Ending: 3/31/15

III. STATISTICAL DATA

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

Date of change in certified units N/A

	1	2	3	4	
	Units at Beginning of Report Period	Type of Apartment	Units at End of Report Period	Unit Days During Report Period	
1	21	Single Unit Apartment	21	7,665	1
2	8	Double Unit Apartment	8	2,920	2
3		Other		2,606	3
4	29	TOTALS	29	13,191	4

B. Census-For the entire report period.

	1	2	3	4	5	
	Type of Unit	Resident Days by Unit and Primary Source of Payment				
		Medicaid Recipient	Private Pay	Other	Total	
5	Single Unit	949	6,329		7,278	5
6	Double Unit	1,146	4,380		5,526	6
7	Other					7
8	TOTALS	2,095	10,709		12,804	8

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 97.07%

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: 03/31/2015 Fiscal Year: 03/31/2015

* 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

STATE OF ILLINOIS

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning:

4/01/14

Ending:

Page 3

3/31/15

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	62,543	89,401	1,612	153,556	(821)	152,735	1
2	Housekeeping, Laundry and Maintenance	55,574	6,012	15,231	76,817		76,817	2
3	Heat and Other Utilities			29,976	29,976		29,976	3
4	Other (specify):							4
5	TOTAL General Services	118,117	95,413	46,819	260,349	(821)	259,528	5
	B. Health Care and Programs							
6	Health Care/ Personal Care	212,034			212,034		212,034	6
7	Activities and Social Services		696		696		696	7
8	Other (specify):		484		484		484	8
9	TOTAL Health Care and Programs	212,034	1,180		213,214		213,214	9
	C. General Administration							
10	Administrative and Clerical	63,368	1,693	6,154	71,216		71,216	10
11	Marketing Materials, Promotions and Advertising			24,357	24,357	(24,357)	(0)	11
12	Employee Benefits and Payroll Taxes			56,243	56,243		56,243	12
13	Insurance-Property, Liability and Malpractice			15,286	15,286		15,286	13
14	Other (specify): Management Fees Unrelated			52,412	52,412		52,412	14
15	TOTAL General Administration	63,368	1,693	154,451	219,513	(24,357)	195,156	15
16	TOTAL Operating Expense (Sum of lines 5, 9 and 15)	393,519	98,287	201,270	693,076	(25,178)	667,898	16
	Capital Expenses							
	D. Ownership							
17	Depreciation			130,686	130,686		130,686	17
18	Interest							18
19	Real Estate Taxes			52,800	52,800		52,800	19
20	Rent -- Facility and Grounds							20
21	Rent -- Equipment							21
22	Other (specify):							22
23	TOTAL Ownership			183,486	183,486		183,486	23
24	GRAND TOTAL (Sum of lines 16 and 23)	393,519	98,287	384,756	876,562	(25,178)	851,384	24

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning 4/01/14 Ending: 3/31/15

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	9.6	10.41	3
4	Activity Director & Assistants			4
5	Social Service Workers			5
6	Head Cook			6
7	Cook Helpers/Assistants			7
8	Dishwashers			8
9	Maintenance Workers	1.1	9.95	9
10	Housekeepers	1.3	8.57	10
11	Laundry			11
12	Managers	1.0	21.38	12
13	Other Administrative			13
14	Clerical	1.0	11.19	14
15	Marketing			15
16	Other			16
17	Total (lines 1 thru 16)	14.0	\$	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	N/A			\$	1
2					2
3					3
4					4
5					5
Total				\$	6

VI. (B) Management fees paid to unrelated parties

Amount of Fee

1	RFMS Sch IV, L14, C3	\$	42,298	1
2	LTC Support Services Sch IV, L14,C3		10,114	2
Total		\$	52,412	3

VII. RELATED ORGANIZATIONS

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

RELATED SLF's & HEALTH CARE BUSINESSES

Name	1	City	2
See Attached Schedule I			

OTHER RELATED BUSINESS ENTITIES

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

B. Does your facility receive services from a parent organization or home office; the costs for which were not included on page 3?

YES ☐ NO ☒

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

(Please attach a separate schedule itemizing those services.)

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

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

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning:

4/01/14

Ending:

3/31/15

VIII. OWNERSHIP COSTS

A. Purchase price of land 123,180 Year land was acquired 2012

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

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

	1 Units*	FOR BHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
1	29		2012	2002	\$ 4,773,190	\$ 119,330	40	\$ 119,330	\$	\$ 278,437	1
2											2
3											3
4											4
5											5
	Improvement Type										
6	Landscaping			2002	3,672		10			3,672	6
7	Light/Surge Protection			2004	22,900		7			22,900	7
8	Water Heater			2010	9,990	999	10	999		5,162	8
9	Water Softener			2011	5,468	547	10	547		1,868	9
10	Countertops			2013	7,055	588	12	588		1,029	10
11											11
12	Plastering- Dining Rm/Living Rm/Foyer/Nurse Station			2015	5,800	338	10	338		338	12
13	Cabinets - Kitchen			2015	4,395	24	15	24		24	13
14											14
15											15
16											16
17	TOTAL (lines 1 thru 16)				\$ 4,832,470	\$ 121,826		\$ 121,826	\$	\$ 313,430	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	\$ 109,298	\$ 8,860	\$ 8,860	\$	3-10 years	\$ 46,309	18
19	Vehicles							19
20	TOTAL (lines 18 and 19)	\$ 109,298	\$ 8,860	\$ 8,860	\$		\$ 46,309	20

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

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

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/01/14

Ending: 3/31/15

IX. RENTAL COSTS

A. Building and Fixed Equipment

1. Name of Party Holding Lease: N/A

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

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

8. Is movable equipment rental included in building rental?

☐ YES ☒ NO

9. Rental amount for movable equipment \$

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

X. INTEREST EXPENSE

	1	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	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.

STATE OF ILLINOIS

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Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/01/14

Ending:

3/31/15

XI. BALANCE SHEET - Unrestricted Operating Fund.

As of 3/31/15

(last day of reporting year)

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 14,457	\$ 14,457	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable- Patients (less allowance N/A)	39,925	39,925	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	5,812	5,812	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 60,194	\$ 60,194	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	123,810	123,810	13
14	Buildings, at Historical Cost	4,773,190	4,773,190	14
15	Leasehold Improvements, at Historical Cost	59,281	59,281	15
16	Equipment, at Historical Cost	109,297	109,297	16
17	Accumulated Depreciation (book methods)	(359,735)	(359,735)	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)	\$ 4,705,843	\$ 4,705,843	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 4,766,036	\$ 4,766,036	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$	\$	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	4,953	4,953	28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	9,497	9,497	30
31	Accrued Taxes Payable	66,919	66,919	31
32	Accrued Interest Payable			32
33	Deferred Compensation			33
34	Federal and State Income Taxes			34
	Other Current Liabilities(specify):			
35	See Schedule 7A	1,020,355	1,020,355	35
36				36
37	TOTAL Current Liabilities (sum of lines 26 thru 36)	\$ 1,101,724	\$ 1,101,724	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				42
43				43
44	TOTAL Long-Term Liabilities (sum of lines 38 thru 43)	\$	\$	44
45	TOTAL LIABILITIES (sum of lines 37 and 44)	\$ 1,101,724	\$ 1,101,724	45
46	TOTAL EQUITY	\$ 3,664,313	\$ 3,664,313	46
47	TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46)	\$ 4,766,036	\$ 4,766,036	47

*(See instructions.)

Schedule 7A

XI. Balance Sheet

C. Current Liabilities

Line 35: Other current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Utilities Payable	8,375	8,375
Security Deposit	54,000	54,000
InterCompany Loan	957,980	957,980
	<u>1,020,355</u>	<u>1,020,355</u>

Facility Name: Hawthorne Inn of Freeport

Report Period Beginning: 4/01/14

Ending:

3/31/15

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

	Revenue	Amount	
	A. SLF Resident Care		
1	Gross SLF Resident Revenue	\$ 1,543,109	1
2	Discounts and Allowances		2
3	SUBTOTAL Resident Care (line 1 minus line 2)	\$ 1,543,109	3
	B. Other Operating Revenue		
4	Special Services	4,230	4
5	Other Health Care Services		5
6	Special Grants		6
7	Gift and Coffee Shop		7
8	Barber and Beauty Care	2,785	8
9	Non-Resident Meals	821	9
10	Laundry		10
11	SUBTOTAL OTHER OPERATING REVENUE (sum of lines 4 thru 10)	\$ 7,836	11
	C. Non-Operating Revenue		
12	Contributions		12
13	Interest and Other Investment Income	839	13
14	SUBTOTAL Non-Operating Revenue (sum of lines 12 and 13)	\$ 839	14
	D. Other Revenue (specify):		
15	See Schedule 8A	12,544	15
16			16
17	SUBTOTAL Other Revenue (sum of lines 15 and 16)	\$ 12,544	17
18	TOTAL REVENUE (sum of lines 3, 11, 14 and 17)	\$ 1,564,328	18

	Expenses	Amount	
	A. Operating Expenses		
19	General Services	260,349	19
20	Health Care/ Personal Care	213,214	20
21	General Administration	219,513	21
	B. Capital Expense		
22	Ownership	183,486	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)	\$ 876,562	28
29	Income Before Income Taxes (line 18 minus line 28)	\$ 687,766	29
30	Income Taxes	\$	30
31	NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30)	\$ 687,766	31

Schedule 8A

XII. Income Statement
Section D. Other Revenue

<u>Description</u>	<u>Amount</u>
Link Revenue	11,151
Late Fee	184
Processing Fee	1,200
Tray Service	9
	<u>12,544</u>

FACILITY NAME:

Hawthorne Inn of Freeport

BEGINNING: 4/1/2014

ID#: 37-1223846

ENDING: 3/31/2015

ATTACHED SCHEDULE I

VII. Related Organizations

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

City and State

Type of Business

Name

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 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	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

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

CILA facilities

Gravlin Square	Bradley, IL
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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.