

| | | | | | |
|--|--|-------------|--|--|--|
| | | 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: 1000076

Facility Name: Hawthorne Inn of Princeton

Address: 136 North 6th Street Princeton 61356

County: Bureau

Telephone Number: (815) 875-6600 Fax # ()

Federal Employer ID Number:

Date Current Owners were Certified: 1/29/07

Type of Ownership:

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: (309) 343-1550

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 4/1/14 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

HFS 3745C (N-4-05)

IL478-2471

Facility Name Hawthorne Inn of Princeton

Report Period Beginning: 4/1/14 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 | 15 | Single Unit Apartment | 15 | 5,475 | 1 |
| 2 | 6 | Double Unit Apartment | 6 | 2,190 | 2 |
| 3 | | Other | | 1,469 | 3 |
| 4 | 21 | TOTALS | 21 | 9,134 | 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 | 1,264 | 4,086 | | 5,350 | 5 |
| 6 | Double Unit | 2,778 | 881 | | 3,659 | 6 |
| 7 | Other | | | | | 7 |
| 8 | TOTALS | 4,042 | 4,967 | | 9,009 | 8 |

C. Percent Occupancy. (Column 5, line 8 divided by total certified bed days on line 4, column 4.) 98.63%

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)

H. ACCOUNTING BASIS

ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐

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

Tax Year: 3/31/2015 Fiscal Year: 3/31/2015

* 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 Princeton

Report Period Beginning:

4/1/14

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 | 71,718 | 102,722 | | 174,440 | | 174,440 | 1 |
| 2 | Housekeeping, Laundry and Maintenance | 35,717 | 12,345 | 8,814 | 56,876 | | 56,876 | 2 |
| 3 | Heat and Other Utilities | | | 50,830 | 50,830 | | 50,830 | 3 |
| 4 | Other (specify): | | | | | | | 4 |
| 5 | TOTAL General Services | 107,435 | 115,067 | 59,644 | 282,146 | | 282,146 | 5 |
| | B. Health Care and Programs | | | | | | | |
| 6 | Health Care/ Personal Care | 171,260 | | | 171,260 | | 171,260 | 6 |
| 7 | Activities and Social Services | | 242 | | 242 | | 242 | 7 |
| 8 | Other (specify): | | | | | | | 8 |
| 9 | TOTAL Health Care and Programs | 171,260 | 242 | | 171,502 | | 171,502 | 9 |
| | C. General Administration | | | | | | | |
| 10 | Administrative and Clerical | 25,299 | 4,870 | 4,153 | 34,322 | | 34,322 | 10 |
| 11 | Marketing Materials, Promotions and Advertising | 4,446 | | 1,258 | 5,704 | (5,704) | | 11 |
| 12 | Employee Benefits and Payroll Taxes | | | 48,202 | 48,202 | | 48,202 | 12 |
| 13 | Insurance-Property, Liability and Malpractice | | | 10,693 | 10,693 | | 10,693 | 13 |
| 14 | Other (specify): Mangement Fees Unrelated | | | 36,347 | 36,347 | | 36,347 | 14 |
| 15 | TOTAL General Administration | 29,745 | 4,870 | 100,653 | 135,268 | (5,704) | 129,564 | 15 |
| 16 | TOTAL Operating Expense (Sum of lines 5, 9 and 15) | 308,440 | 120,179 | 160,297 | 588,916 | (5,704) | 583,212 | 16 |
| | Capital Expenses | | | | | | | |
| | D. Ownership | | | | | | | |
| 17 | Depreciation | | | 4,075 | 4,075 | | 4,075 | 17 |
| 18 | Interest | | | | | | | 18 |
| 19 | Real Estate Taxes | | | 22,176 | 22,176 | | 22,176 | 19 |
| 20 | Rent -- Facility and Grounds | | | 184,317 | 184,317 | | 184,317 | 20 |
| 21 | Rent -- Equipment | | | | | | | 21 |
| 22 | Other (specify): | | | | | | | 22 |
| 23 | TOTAL Ownership | | | 210,568 | 210,568 | | 210,568 | 23 |
| 24 | GRAND TOTAL (Sum of lines 16 and 23) | 308,440 | 120,179 | 370,865 | 799,484 | (5,704) | 793,780 | 24 |

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning 4/1/14 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 | 7.8 | 10.56 | 3 |
| 4 | Activity Director & Assistants | | | 4 |
| 5 | Social Service Workers | | | 5 |
| 6 | Head Cook | | | 6 |
| 7 | Cook Helpers/Assistants | 3.9 | 8.74 | 7 |
| 8 | Dishwashers | | | 8 |
| 9 | Maintenance Workers | 0.4 | 11.29 | 9 |
| 10 | Housekeepers | 1.1 | 9.14 | 10 |
| 11 | Laundry | 0.3 | 9.32 | 11 |
| 12 | Managers | 0.6 | 13.00 | 12 |
| 13 | Other Administrative | | | 13 |
| 14 | Clerical | 0.5 | 9.53 | 14 |
| 15 | Marketing | 0.1 | 17.41 | 15 |
| 16 | Other | | | 16 |
| 17 | Total (lines 1 thru 16) | 14.7 | \$ | 17 |

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 1 | | | |
| | | | |
| | | | |
| | | | |

OTHER RELATED BUSINESS ENTITIES

| Name | 3 | City | 4 | Type of Business | 5 |
|-------------------------|---|------|---|------------------|---|
| See Attached Schedule 1 | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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).

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 Ln 14 C3 | \$ | 20,930 | 1 |
| 2 | LTC Support Services Sch IV Ln C3 | | 15,417 | 2 |
| Total | | \$ | 36,347 | 3 |

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning:

4/1/14

Ending:

3/31/15

VIII. OWNERSHIP COSTSA. 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 | \$ 72,975 | 25 | \$ 72,975 | \$ | \$ 379,365 | 1 |
| 2 | | | | | | | | | | | 2 |
| 3 | | | | | | | | | | | 3 |
| 4 | | | | | | | | | | | 4 |
| 5 | | | | | | | | | | | 5 |
| | Improvement Type | | | | | | | | | | |
| 6 | Site Fence & Landscaping | | | 2009 | 85,359 | 5,691 | 15 | 5,691 | | 30,351 | 6 |
| 7 | | | | | | | | | | | 7 |
| 8 | Water Softener - 2 | | | 2014 | 12,860 | 429 | 10 | 429 | | 429 | 8 |
| 9 | | | | | | | | | | | 9 |
| 10 | | | | | | | | | | | 10 |
| 11 | | | | | | | | | | | 11 |
| 12 | | | | | | | | | | | 12 |
| 13 | | | | | | | | | | | 13 |
| 14 | | | | | | | | | | | 14 |
| 15 | | | | | | | | | | | 15 |
| 16 | | | | | | | | | | | 16 |
| 17 | TOTAL (lines 1 thru 16) | | | | \$ 1,761,751 | \$ 79,095 | | \$ 79,095 | \$ | \$ 410,145 | 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 | \$ 17,975 | \$ 17,975 | \$ | 10 | \$ 95,870 | 18 |
| 19 | Vehicles | 58,025 | 1,358 | 1,358 | | 4 | 58,025 | 19 |
| 20 | TOTAL (lines 18 and 19) | \$ 237,785 | \$ 19,333 | \$ 19,333 | \$ | | \$ 153,895 | 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 | \$ 9,889,320 | \$ \$ 382,328 | \$ \$ 1,796,235 | 21 |
| 22 | SNF | 628,563 | 58,951 | 422,188 | 22 |
| 23 | | | | | 23 |
| 24 | TOTALS (lines 21, 22 and 23) | \$ 10,517,883 | \$ 441,279 | \$ 2,218,423 | 24 |

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/14

Ending: 3/31/15

IX. RENTAL COSTS

A. Building and Fixed Equipment

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

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 \$

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

Page 7

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/14

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 | \$ 99,787 | \$ 99,787 | 1 |
| 2 | Cash-Patient Deposits | 15,266 | 15,266 | 2 |
| 3 | Accounts & Short-Term Notes Receivable-Patients (less allowance 563,903) | 1,916,609 | 1,932,786 | 3 |
| 4 | Supply Inventory (priced at) | | | 4 |
| 5 | Short-Term Investments | | | 5 |
| 6 | Prepaid Insurance | 47,539 | 47,539 | 6 |
| 7 | Other Prepaid Expenses | 2,320 | 2,320 | 7 |
| 8 | Accounts Receivable (owners or related parties) | | | 8 |
| 9 | Other(specify): <u>Interdivision Receivable</u> | 19,766 | 19,766 | 9 |
| 10 | TOTAL Current Assets (sum of lines 1 thru 9) | \$ 2,101,287 | \$ 2,117,464 | 10 |
| | B. Long-Term Assets | | | |
| 11 | Long-Term Notes Receivable | | | 11 |
| 12 | Long-Term Investments | | | 12 |
| 13 | Land | | 50,700 | 13 |
| 14 | Buildings, at Historical Cost | | 8,318,203 | 14 |
| 15 | Leasehold Improvements, at Historical Cost | 284,781 | 986,053 | 15 |
| 16 | Equipment, at Historical Cost | 438,113 | 1,199,231 | 16 |
| 17 | Accumulated Depreciation (book methods) | (481,246) | (2,144,346) | 17 |
| 18 | Deferred Charges | | | 18 |
| 19 | Organization & Pre-Operating Costs | | | 19 |
| 20 | Accumulated Amortization - Organization & Pre-Operating Costs | | | 20 |
| 21 | Restricted Funds | | | 21 |
| 22 | Other Long-Term Assets (specify): | | | 22 |
| 23 | Other(specify): <u>Inter-Company</u> | 159,285 | 159,285 | 23 |
| 24 | TOTAL Long-Term Assets (sum of lines 11 thru 23) | \$ 400,933 | \$ 8,569,126 | 24 |
| 25 | TOTAL ASSETS (sum of lines 10 and 24) | \$ 2,502,220 | \$ 10,686,590 | 25 |

| | | 1 Operating | 2 After Consolidation* | |
|----|---|----------------|------------------------------|----|
| | C. Current Liabilities | | | |
| 26 | Accounts Payable | \$ 116,870 | \$ 116,870 | 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 | | | 30 |
| 31 | Accrued Taxes Payable | 17,228 | 17,227 | 31 |
| 32 | Accrued Interest Payable | 113,069 | 113,069 | 32 |
| 33 | Deferred Compensation | | | 33 |
| 34 | Federal and State Income Taxes | | | 34 |
| | Other Current Liabilities(specify): | | | |
| 35 | <u>See Sch 7A</u> | 310,107 | 310,107 | 35 |
| 36 | <u>Inter-Company</u> | | 8,193,907 | 36 |
| 37 | TOTAL Current Liabilities (sum of lines 26 thru 36) | \$ 572,539 | \$ 8,766,445 | 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) | \$ 572,539 | \$ 8,766,445 | 45 |
| 46 | TOTAL EQUITY | \$ 1,929,681 | \$ 1,920,145 | 46 |
| 47 | TOTAL LIABILITIES AND EQUITY (sum of lines 45 and 46) | \$ 2,502,220 | \$ 10,686,590 | 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> |
|-----------------------------|------------------|--------------------------------|
| Pass-Thru Blue Cross | 43,980 | 43,980 |
| Accrued Management | 16,178 | 16,178 |
| Utilities Payable | 9,951 | 9,951 |
| Accrued Employee Time | 71,984 | 71,984 |
| Accrued Medicaid Assessment | 6 | 6 |
| Provider Tax Act | 68,457 | 68,457 |
| | <u>310,107</u> | <u>310,107</u> |

Facility Name: Hawthorne Inn of Princeton

Report Period Beginning: 4/1/14

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 | \$ 1,089,830 | 1 |
| 2 | Discounts and Allowances | | 2 |
| 3 | SUBTOTAL Resident Care (line 1 minus line 2) | \$ 1,089,830 | 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 | | | 15 |
| 16 | | | 16 |
| 17 | SUBTOTAL Other Revenue (sum of lines 15 and 16) | \$ | 17 |
| 18 | TOTAL REVENUE (sum of lines 3, 11, 14 and 17) | \$ 1,089,830 | 18 |

| | Expenses | Amount | |
|----|--|------------|----|
| | A. Operating Expenses | | |
| 19 | General Services | 282,146 | 19 |
| 20 | Health Care/ Personal Care | 171,502 | 20 |
| 21 | General Administration | 129,564 | 21 |
| | B. Capital Expense | | |
| 22 | Ownership | 210,568 | 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) | \$ 793,780 | 28 |
| 29 | Income Before Income Taxes (line 18 minus line 28) | \$ 296,050 | 29 |
| 30 | Income Taxes | \$ | 30 |
| 31 | NET INCOME OR LOSS FOR THE YEAR (line 29 minus line 30) | \$ 296,050 | 31 |

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

BEGINNING: 4/1/2014
ENDING: 3/31/2015

ATTACHED SCHEDULE I

VII. Related Organizations

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

Name

City and State

Type of Business

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 |

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

BEGINNING: 4/1/2014
ENDING: 3/31/2015

ATTACHED SCHEDULE I

| | |
|-----------------------|--------------|
| 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 |

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

BEGINNING: 4/1/2014
ENDING: 3/31/2015

ATTACHED SCHEDULE I

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 |
|----------------|-------------|

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

BEGINNING: 4/1/2014
ENDING: 3/31/2015

ATTACHED SCHEDULE I

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.