

14-008

LONG-TERM CARE
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

RECEIVED

DESCRIPTION OF PROJECT

FEB 14 2014

Project Type

[Check one]

[check one]

HEALTH FACILITIES &
SERVICES REVIEW BOARD

| | |
|--|---|
| <input type="checkbox"/> General Long-term Care <input type="checkbox"/> Specialized Long-term Care | <input type="checkbox"/> Establishment of a new LTC facility <input type="checkbox"/> Establishment of new LTC services <input checked="" type="checkbox"/> Expansion of an existing LTC facility or service <input checked="" type="checkbox"/> Modernization of an existing facility |
|--|---|

Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive. Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.

The Applicant, Neighbors Property, LLC (Owner) and Neighbors Rehabilitation Center, LLC (Operator/Licensee) together are proposing the renovation of the existing 101 licensed nursing beds and the addition of 30 additional nursing care beds to the existing facility known as Neighbors Rehabilitation Center located at 811 West 2nd Street, Byron, Ogle County, Planning Area 141, Illinois. Upon project completion, the total licensed nursing beds will equal 131-beds in a total of 59,765 gross square feet comprised in a single story structure with a partial basement. There is 32,622 gsf of existing space (23,013 gsf renovated and 9,609 gsf as is) and 27,143 gsf of newly constructed space. The total project cost is estimated to be \$9,018,858 of which \$1,218,858 will be cash and securities and the balance of \$7,800,000 will be financed through a mortgage.

This project is classified as substantive in accordance with 77Illinois Administrative Code, Chapter II of Subchapter b, Section 1125.140 as the project proposes the modernization along with the addition of beds over and above the 10 percent/20-beds allowance [20 ILCS 3960/12].

Facility/Project Identification

| | | |
|---|---------------------------------|--|
| Facility Name: Neighbors Rehabilitation Center | | |
| Street Address: 811 West 2nd Street | | |
| City and Zip Code: Byron, Illinois 61010 | | |
| County: Ogle | Health Service Area: 001 | Health Planning Area: 141 Ogle County |

Applicant /Co-Applicant Identification

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

| |
|--|
| Exact Legal Name: Neighbors Property, LLC |
| Address: 6840 North Lincoln Avenue |
| Name of Registered Agent: Thomas Winter, CFO |
| Name of Chief Executive Officer: Michael Giannini, Manager |
| CEO Address: 6840 North Lincoln Avenue, Lincolnwood, Illinois 60712 |
| Telephone Number: (847) 675-7979 |

Type of Ownership (Applicant/Co-Applicants)

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

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

APPEND DOCUMENTATION AS ATTACHMENT-1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact

[Person to receive ALL correspondence or inquiries]

| |
|--|
| Name: John P. Kniery |
| Title: Health Care Consultant |
| Company Name: Foley & Associates, Inc. |
| Address: 133 South 4th Street, Springfield, Illinois 62701 |
| Telephone Number: (217) 544-1551 |
| E-mail Address: jkniery@foleyandassociates.com |
| Fax Number: (217) 544-3615 |

Additional Contact

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

| |
|--|
| Name: Charles H. Foley, MHSA |
| Title: Health Care Consultant |
| Company Name: Foley & Associates, Inc. |
| Address: 133 South 4th Street, Springfield, Illinois 62701 |
| Telephone Number: (217) 544-1551 |
| E-mail Address: cfoley@foleyandassociates.com |
| Fax Number: (217) 544-3615 |

Facility/Project Identification

| | | |
|---|---------------------------------|--|
| Facility Name: Neighbors Rehabilitation Center | | |
| Street Address: 811 West 2nd Street | | |
| City and Zip Code: Byron, Illinois 61010 | | |
| County: Ogle | Health Service Area: 001 | Health Planning Area: 141 Ogle County |

Applicant /Co-Applicant Identification

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

| | | |
|--|--|--|
| Exact Legal Name: Neighbors Rehabilitation Center, LLC | | |
| Address: 822 West 2nd Street | | |
| Name of Registered Agent: Thomas Winter, CFO | | |
| Name of Chief Executive Officer: Michael Giannini, Manager | | |
| CEO Address: 6840 North Lincoln Avenue, Lincolnwood, Illinois 60712 | | |
| Telephone Number: (847) 675-7979 | | |

Type of Ownership (Applicant/Co-Applicants)

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

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

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[Person to receive ALL correspondence or inquiries]

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| Name: John P. Kniery |
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| Company Name: Foley & Associates, Inc. |
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| Telephone Number: (217) 544-1551 |
| E-mail Address: cfoley@foleyandassociates.com |
| Fax Number: (217) 544-3615 |

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance. **This person must be an employee of the applicant.**]

| |
|--|
| Name: Kirsten Barrish |
| Title: VP of Physical Plant and Dietary Services |
| Company Name: S.I.R. Management, Inc. |
| Address: 6840 North Lincoln Avenue, Lincolnwood, Illinois 60712 |
| Telephone Number: (847) 675-7979 |
| E-mail Address: kbarrish@sirmanagement.com |
| Fax Number: (847) 675-0555 |

Site Ownership

[Provide this information for each applicable site]

| |
|--|
| Exact Legal Name of Site Owner: Neighbors Property, LLC |
| Address of Site Owner: 6840 North Lincoln Avenue, Lincolnwood, Illinois 60712 |
| Street Address or Legal Description of Site: 6840 North Lincoln Avenue |
| Proof of ownership or control of the site is to be provided as . Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease. |
| APPEND DOCUMENTATION AS ATTACHMENT-2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. |

Operating Identity/Licensee

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

| | | | |
|--|---------------------------|--------------------------|---------------------|
| Exact Legal Name: Neighbors Rehabilitation Center, LLC | | | |
| Address: P.O. Box 585, 811 West 2nd Street, Byron, Illinois 61010 | | | |
| <input type="checkbox"/> | Non-profit Corporation | <input type="checkbox"/> | Partnership |
| <input type="checkbox"/> | For-profit Corporation | <input type="checkbox"/> | Governmental |
| <input checked="" type="checkbox"/> | Limited Liability Company | <input type="checkbox"/> | Sole Proprietorship |
| <input type="checkbox"/> | | <input type="checkbox"/> | Other |
| <ul style="list-style-type: none">o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. | | | |
| APPEND DOCUMENTATION AS ATTACHMENT-3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | | | |

Organizational Relationships

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

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

Flood Plain Requirements

[Refer to application instructions.]

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

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

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

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

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

State Agency Submittals

The following submittals are up-to-date, as applicable:

- ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
- ☐ All reports regarding outstanding permits

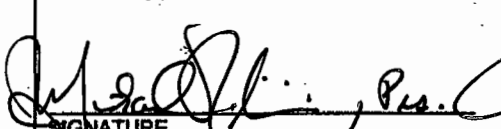

If the applicant fails to submit updated information for the requirements listed above, the application for permit will be deemed incomplete.

CERTIFICATION

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

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

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


| | |
|--|---|
|  SIGNATURE |  SIGNATURE |
| <u>Michael R. Granvin</u> PRINTED NAME | <u>Eugene G. Ewald</u> PRINTED NAME |
| <u>President, BRADDER Health</u> PRINTED TITLE | <u>PRESIDENT, EGYSSON CARE, LLC</u> PRINTED TITLE |


Notarization:

Subscribed and sworn to before me
this 4th day of November 2013

Notarization:

Subscribed and sworn to before me
this 4th day of November 2013


Signature of Notary OFFICIAL SEAL
Seal KIMBERLY A WALSH
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 07/15/14


Signature of Notary OFFICIAL SEAL
Seal KIMBERLY A WALSH
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 07/15/14

*Insert EXACT legal name of the applicant

CERTIFICATION

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

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

Michael R. Giarini, Pres.
SIGNATURE

Michael R. Giarini
PRINTED NAME

President, BRADDER HEALTH, INC.
PRINTED TITLE

Theresa G. Burkett
SIGNATURE

Theresa G. Burkett
PRINTED NAME

President, BRADDER HEALTH, INC.
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 4th day of November, 2013

Notarization:

Subscribed and sworn to before me
this 4th day of November, 2013

Kimberly A. Walsh
Signature of Notary
Seal OFFICIAL SEAL
KIMBERLY A WALSH
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 07/15/14

*Insert EXACT legal name of the applicant

Kimberly A. Walsh
Signature of Notary
Seal OFFICIAL SEAL
KIMBERLY A WALSH
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 07/15/14

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES –
INFORMATION REQUIREMENTS**

This Section is applicable to ALL projects.

Criterion 1125.320 – Purpose of the Project

READ THE REVIEW CRITERION and provide the following required information:

PURPOSE OF PROJECT

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

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

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Report. APPEND DOCUMENTATION AS ATTACHMENT-10. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. Each Item (1-6) must be identified in Attachment 10.

Criterion 1125.330 – Alternatives

READ THE REVIEW CRITERION and provide the following required information:

ALTERNATIVES

1. Identify ALL of the alternatives to the proposed project:

Alternative options must include:
 - a. Proposing a project of greater or lesser scope and cost;
 - b. Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - c. Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - d. Provide the reasons why the chosen alternative was selected.
2. Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short term (within one to three years after project completion) and long

term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT-11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III – BED CAPACITY, UTILIZATION AND APPLICABLE REVIEW CRITERIA

This Section is applicable to all projects proposing establishment, expansion or modernization of LTC categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each LTC category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information, AS APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

Criterion 1125.510 – Introduction**Bed Capacity**

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

Indicate bed capacity changes by Service:

| Category of Service | Total # Existing Beds* | Total # Beds After Project Completion |
|--|------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> General Long-Term Care | 101 | 131 |
| <input type="checkbox"/> Specialized Long-Term Care | | |
| <input type="checkbox"/> | | |

*Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hfsrb.illinois.gov). PLEASE NOTE: ANY bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

Utilization

Utilization for the most current CALENDAR YEAR:

| Category of Service | Year | Admissions | Patient Days |
|--|---------------|------------|--------------|
| <input checked="" type="checkbox"/> General Long Term Care | 2012 2013* | 83 | 33,857 |
| <input type="checkbox"/> Specialized Long-Term Care | | | |

*2013 data not final. IDPH Facility Profile not due until April 4, 2014.

Applicable Review Criteria - Guide

The review criteria listed below must be addressed, per the LTC rules contained in 77 Ill. Adm. Code 1125. See HFSRB's website to view the subject criteria for each project type - (<http://hfsrb.illinois.gov>). To view LTC rules, click on "Board Administrative Rules" and then click on "77 Ill. Adm. Code 1125".

READ THE APPLICABLE REVIEW CRITERIA OUTLINED BELOW and submit the required documentation for the criteria, as described in SECTIONS IV and V:

GENERAL LONG-TERM CARE

| PROJECT TYPE | REQUIRED REVIEW CRITERIA | |
|---------------------------------------|-----------------------------------|--|
| | Section | Subject |
| Establishment of Services or Facility | .520 | Background of the Applicant |
| | .530(a) | Bed Need Determination |
| | .530(b) | Service to Planning Area Residents |
| | .540(a) or (b) + (c) + (d) or (e) | Service Demand – Establishment of General Long Term Care |
| | .570(a) & (b) | Service Accessibility |
| | .580(a) & (b) | Unnecessary Duplication & Maldistribution |
| | .580(c) | Impact of Project on Other Area Providers |
| | .590 | Staffing Availability |
| | .600 | Bed Capacity |
| | .610 | Community Related Functions |
| | .620 | Project Size |
| | .630 | Zoning |
| | .640 | Assurances |
| | .800 | Estimated Total Project Cost |
| | Appendix A | Project Costs and Sources of Funds |
| | Appendix B | Related Project Costs |
| | Appendix C | Project Status and Completion Schedule |
| | Appendix D | Project Status and Completion Schedule |

| | | |
|--------------------------------|------------------------|--|
| Expansion of Existing Services | .520 | Background of the Applicant |
| | .530(b) | Service to Planning Area Residents |
| | .550(a) + (b) or (c) | Service Demand – Expansion of General Long-Term Care |
| | .590 | Staffing Availability |
| | .600 | Bed Capacity |
| | .620 | Project Size |
| | .640 | Assurances |
| | .560(a)(1) through (3) | Continuum of Care Components |
| | .590 | Staffing Availability |
| | .600 | Bed Capacity |
| | .610 | Community Related Functions |

| | | |
|--|------------|--|
| | .630 | Zoning |
| | .640 | Assurances |
| | .800 | Estimated Total Project Cost |
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| | | |
|---|------------------------|--|
| Continuum of Care - Establishment or Expansion | .520 | Background of the Applicant |
| | .560(a)(1) through (3) | Continuum of Care Components |
| | .590 | Staffing Availability |
| | .600 | Bed Capacity |
| | .610 | Community Related Functions |
| | .630 | Zoning |
| | .640 | Assurances |
| | .800 | Estimated Total Project Cost |
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| | Appendix D | Project Status and Completion Schedule |

| | | |
|--|------------------|--|
| Defined Population - Establishment or Expansion | .520 | Background of the Applicant |
| | .560(b)(1) & (2) | Defined Population to be Served |
| | .590 | Staffing Availability |
| | .600 | Bed Capacity |
| | .610 | Community Related Functions |
| | .630 | Zoning |
| | .640 | Assurances |
| | .800 | Estimated Total Project Cost |
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| | Appendix C | Project Status and Completion Schedule |
| | Appendix D | Project Status and Completion Schedule |

| | | |
|----------------------|---------------|--|
| Modernization | .650(a) | Deteriorated Facilities |
| | .650(b) & (c) | Documentation |
| | .650(d) | Utilization |
| | .600 | Bed Capacity |
| | .610 | Community Related Functions |
| | .620 | Project Size |
| | .630 | Zoning |
| | .800 | Estimated Total Project Cost |
| | Appendix A | Project Costs and Sources of Funds |
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| | Appendix C | Project Status and Completion Schedule |
| | Appendix D | Project Status and Completion Schedule |

SECTION IV - SERVICE SPECIFIC REVIEW CRITERIA**GENERAL LONG-TERM CARE****Criterion 1125.520 – Background of the Applicant****BACKGROUND OF APPLICANT**

The applicant shall provide:

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

APPEND DOCUMENTATION AS ATTACHMENT-12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".
2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.
3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

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

Criterion 1125.540 - Service Demand – Establishment of General Long Term Care

- If the applicant is an existing facility wishing to establish this category of service or a new facility, #1 – 4 must be addressed. Requirements under #5 must also be addressed if applicable.

- If the applicant is not an existing facility and proposes to establish a new general LTC facility, the applicant shall submit the number of annual projected referrals.

1. Document the number of referrals to other facilities, for each proposed category of service, for each of the latest two years. Documentation of the referrals shall include: resident/patient origin by zip code; name and specialty of referring physician or identification of another referral source; and name and location of the recipient LTC facility.
2. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used.
3. Estimate the number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion. Please note:
 - The anticipated number of referrals cannot exceed the referral sources' documented historical LTC caseload.
 - The percentage of project referrals used to justify the proposed expansion cannot exceed the historical percentage of applicant market share, within a 24-month period after project completion
 - Each referral letter shall contain the referral source's Chief Executive Officer's notarized signature, the typed or printed name of the referral source, and the referral source's address
4. Provide verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.
5. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as follows:
 - a. The applicant shall define the facility's market area based upon historical resident/patient origin data by zip code or census tract;
 - b. Population projections shall be produced, using, as a base, the population census or estimate for the most recent year, for county, incorporated place, township or community area, by the U.S. Bureau of the Census or IDPH;
 - c. Projections shall be for a maximum period of 10 years from the date the application is submitted;
 - d. Historical data used to calculate projections shall be for a number of years no less

than the number of years projected;

- e. Projections shall contain documentation of population changes in terms of births, deaths and net migration for a period of time equal to or in excess of the projection horizon;
- f. Projections shall be for total population and specified age groups for the applicant's market area, as defined by HFSRB, for each category of service in the application (see the HFSRB Inventory); and
- g. Documentation on projection methodology, data sources, assumptions and special adjustments shall be submitted to HFSRB.

APPEND DOCUMENTATION AS ATTACHMENT-14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 and either #2 or #3:

- 1. **Historical Service Demand**
 - a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.
 - b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.
- 2. **Projected Referrals**
The applicant shall provide documentation as described in Section 1125.540(d).
- 3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area** (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).

APPEND DOCUMENTATION AS ATTACHMENT-15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.560 - Variances to Computed Bed Need –THIS ITEM IS NOT GERMANE

Continuum of Care:

The applicant proposing a continuum of care project shall demonstrate the following:

- 1. The project will provide a continuum of care for a geriatric population that includes independent living and/or congregate housing (such as unlicensed apartments, high rises for the elderly and retirement villages) and related health and social services. The housing complex shall be on the same site as the health facility component of the project.
- 2. The proposal shall be for the purposes of and serve only the residents of the housing complex

and shall be developed either after the housing complex has been established or as a part of a total housing construction program, provided that the entire complex is one inseparable project, that there is a documented demand for the housing, and that the licensed beds will not be built first, but will be built concurrently with or after the residential units.

3. The applicant shall demonstrate that:

- a. The proposed number of beds is needed. Documentation shall consist of a list of available patients/residents needing the proposed project. The proposed number of beds shall not exceed one licensed LTC bed for every five apartments or independent living units;
- b. There is a provision in the facility's written operational policies assuring that a resident of the retirement community who is transferred to the LTC facility will not lose his/her apartment unit or be transferred to another LTC facility solely because of the resident's altered financial status or medical indigency; and
- c. Admissions to the LTC unit will be limited to current residents of the independent living units and/or congregate housing.

Defined Population:

The applicant proposing a project for a defined population shall provide the following:

1. The applicant shall document that the proposed project will serve a defined population group of a religious, fraternal or ethnic nature from throughout the entire health service area or from a larger geographic service area (GSA) proposed to be served and that includes, at a minimum, the entire health service area in which the facility is or will be physically located.
2. The applicant shall document each of the following:
 - a. A description of the proposed religious, fraternal or ethnic group proposed to be served;
 - b. The boundaries of the GSA;
 - c. The number of individuals in the defined population who live within the proposed GSA, including the source of the figures;
 - d. That the proposed services do not exist in the GSA where the facility is or will be located;
 - e. That the services cannot be instituted at existing facilities within the GSA in sufficient numbers to accommodate the group's needs. The applicant shall specify each proposed service that is not available in the GSA's existing facilities and the basis for determining why that service could not be provided.
 - f. That at least 85% of the residents of the facility will be members of the defined population group. Documentation shall consist of a written admission policy insuring that the requirements of this subsection (b)(2)(F) will be met.
 - g. That the proposed project is either directly owned or sponsored by, or affiliated with, the religious, fraternal or ethnic group that has been defined as the population to be served by the project. The applicant shall provide legally binding documents that prove ownership, sponsorship or affiliation.

APPEND DOCUMENTATION AS ATTACHMENT- 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.570 - Service Accessibility –THIS ITEM IS NOT GERMANE**1. Service Restrictions**

The applicant shall document that **at least one** of the following factors exists in the planning area, as applicable:

- The absence of the proposed service within the planning area;
- Access limitations due to payor status of patients/residents, including, but not limited to, individuals with LTC coverage through Medicare, Medicaid, managed care or charity care;
- Restrictive admission policies of existing providers; or
- The area population and existing care system exhibit indicators of medical care problems, such as an average family income level below the State average poverty level, or designation by the Secretary of Health and Human Services as a Health Professional Shortage Area, a Medically Underserved Area, or a Medically Underserved Population.

2. Additional documentation required:

The applicant shall provide the following documentation, as applicable, concerning existing restrictions to service access:

- a. The location and utilization of other planning area service providers;
- b. Patient/resident location information by zip code;
- c. Independent time-travel studies;
- d. Certification of a waiting list;
- e. Admission restrictions that exist in area providers;
- f. An assessment of area population characteristics that document that access problems exist;
- g. Most recently published IDPH Long Term Care Facilities Inventory and Data (see www.hfsrb.illinois.gov).

APPEND DOCUMENTATION AS ATTACHMENT- 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.580 - Unnecessary Duplication/Maldistribution –THIS ITEM IS NOT GERMANE

1. The applicant shall provide the following information:
 - a. A list of all zip code areas that are located, in total or in part, within 30 minutes normal travel time of the project's site;
 - b. The total population of the identified zip code areas (based upon the most recent population numbers available for the State of Illinois); and
 - c. The names and locations of all existing or approved LTC facilities located within 30 minutes normal travel time from the project site that provide the categories of bed service that are proposed by the project.
2. The applicant shall document that the project will not result in maldistribution of services.
3. The applicant shall document that, within 24 months after project completion, the proposed project:
 - a. Will not lower the utilization of other area providers below the occupancy standards specified in Section 1125.210(c); and
 - b. Will not lower, to a further extent, the utilization of other area facilities that are currently (during the latest 12-month period) operating below the occupancy standards.

APPEND DOCUMENTATION AS ATTACHMENT- 18, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.
2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

APPEND DOCUMENTATION AS ATTACHMENT- 19, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

APPEND DOCUMENTATION AS ATTACHMENT- 20, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

APPEND DOCUMENTATION AS ATTACHMENT- 21, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

1. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;
2. The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;
3. The project involves the conversion of existing bed space that results in excess square footage.

APPEND DOCUMENTATION AS ATTACHMENT- 22, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.630 - Zoning

The applicant shall document **one** of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

APPEND DOCUMENTATION AS ATTACHMENT- 23, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.640 - Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

APPEND DOCUMENTATION AS ATTACHMENT- 24, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.
2. Documentation shall include the most recent:
 - a. IDPH and CMMS inspection reports; and
 - b. Accrediting agency reports.
3. Other documentation shall include the following, as applicable to the factors cited in the application:
 - a. Copies of maintenance reports;
 - b. Copies of citations for life safety code violations; and
 - c. Other pertinent reports and data.
4. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

APPEND DOCUMENTATION AS ATTACHMENT- 25, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SPECIALIZED LONG-TERM CARE**Criterion 1125.720 - Specialized Long-Term Care – Review Criteria**

This section is applicable to all projects proposing specialized long-term care services or beds.

1. Community Related Functions

Read the criterion and submit the following information:

- a. a description of the process used to inform and receive input from the public including those residents living in close proximity to the proposed facility's location;
- b. letters of support from social, social service and economic groups in the community;
- c. letters of support from municipal/elected officials who represent the area where the project is located.

2. Availability of Ancillary and Support Services

Read the criterion, which applies only to ICF/DD 16 beds and fewer facilities, and submit the following:

- a. a copy of the letter, sent by certified mail return receipt requested, to each of the day programs in the area requesting their comments regarding the impact of the project upon their programs and any response letters;
- b. a description of the public transportation services available to the proposed residents;
- c. a description of the specialized services (other than day programming) available to the residents;
- d. a description of the availability of community activities available to the facility's residents.
- e. documentation of the availability of community workshops.

3. Recommendation from State Departments

Read the criterion and submit a copy of the letters sent, including the date when the letters were sent, to the Departments of Human Services and Healthcare and Family Services requesting these departments to indicate if the proposed project meets the department's planning objectives regarding the size, type, and number of beds proposed, whether the project conforms or does not conform to the department's plan, and how the project assists or hinders the department in achieving its planning objectives.

4. Long-term Medical Care for Children Category of Service

Read the criterion and submit the following information:

- a. a map outlining the target area proposed to be served;
- b. the number of individuals age 0-18 in the target area and the number of individuals in the target area that require the type of care proposed, include the source documents for this estimate;
- c. any reports/studies that show the points of origin of past patients/residents admissions to the facility;

- d. describe the special programs or services proposed and explain the relationship of these programs to the needs of the specialized population proposed to be served.
- e. indicate why the services in the area are insufficient to meet the needs of the area population;
- f. documentation that the 90% occupancy target will be achieved within the first full year of

5. Zoning

Read the criterion and provide a letter from an authorized zoning official that verifies appropriate zoning.

6. Establishment of Chronic Mental Illness

Read the criterion and provide the following:

- a. documentation of how the resident population has changed making the proposed project necessary.
- b. indicate which beds will be closed to accommodate these additional beds.
- c. the number of admissions for this type of care for each of the last two years.

7. Variance to Computed Bed Need for Establishment of Beds for Developmentally Disabled Placement of Residents from DHS State Operated Beds

Read this criterion and submit the following information:

- a. documentation that all of the residents proposed to be served are now residents of a DHS facility;
- b. documentation that each of the proposed residents has at least one interested family member who resides in the planning area or at least one interested family member that lives out of state but within 15 miles of the planning area boundary where the facility is or will be located;
- c. if the above is not the case then you must document that the proposed resident has lived in a DHS operated facility within the planning area in which the proposed facility is to be located for more than 2 years and that the consent of the legal guardian has been obtained;
- d. a letter from DHS indicating which facilities in the planning area have refused to accept referrals from the department and the dates of any refusals and the reasons cited for each refusal;
- e. a copy of the letter (sent certified—return receipt requested) to each of the underutilized facilities in the planning area asking if they accept referrals from DHS-operated facilities, listing the dates of each past refusal of a referral, and requesting an explanation of the basis for each refusal;
- f. documentation that each of the proposed relocations will save the State money;
- g. a statement that the facility will only accept future referrals from an area DHS facility if a bed is available;
- h. an explanation of how the proposed facility conforms with or deviates from the DHS comprehensive long range development plan for developmental disabilities services.

APPEND DOCUMENTATION AS ATTACHMENT-26, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW**Criterion 1125.800 Estimated Total Project Cost**

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

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

Availability of Funds

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

| | |
|--------------------|---|
| <u>\$1,218,858</u> | <p>a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; |
| _____ | b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience. |
| _____ | c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts; |
| <u>\$7,800,000</u> | <p>d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5. For any option to lease, a copy of the option, including all terms and conditions. |

| | | |
|-------------|------------------------------|--|
| _____ | e. | Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; |
| _____ | f. | Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; |
| _____ | g. | All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. |
| \$9,018,858 | TOTAL FUNDS AVAILABLE | |

APPEND DOCUMENTATION AS ATTACHMENT-27, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

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

Financial Viability Waiver- THIS ITEM IS NOT GERMANE

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

COMBINED (NEIGHBORS PROPERTY, LLC & NEIGHBORS REHABILITATION, LLC)

| Provide Data for Projects Classified as: | Category A or Category B (last three years) | | | Category B (Projected) |
|--|---|------|------|------------------------|
| Enter Historical and/or Projected Years: | 2011 | 2012 | 2013 | 2018 |
| Current Ratio | 1.0 | 1.0 | 1.0 | 2.0 |
| Net Margin Percentage | 41.5 | 43.8 | 30.0 | 17.3 |
| Percent Debt to Total Capitalization | 71.0 | 68.2 | 70.6 | 79.9 |
| Projected Debt Service Coverage | 3.1 | 3.6 | 2.6 | 4.0 |
| Days Cash on Hand | 5.8 | 10.4 | 3.4 | 79.5 |
| Cushion Ratio | 0.3 | 0.6 | 0.2 | 3.0 |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

| | |
|--------------------|---|
| _____ | e. Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; |
| _____ | f. Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; |
| _____ | g. All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. |
| \$9,018,858 | TOTAL FUNDS AVAILABLE |

APPEND DOCUMENTATION AS ATTACHMENT-27. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

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

Financial Viability Waiver- THIS ITEM IS NOT GERMANE

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

NEIGHBORS PROPERTY, LLC

| Provide Data for Projects Classified as: | Category A or Category B (last three years) | | | Category B (Projected) |
|--|---|-------|-------|------------------------|
| Enter Historical and/or Projected Years: | 2011 | 2012 | 2013 | 2018 |
| Current Ratio | 0.5 | 0.6 | 1.0 | 2.2 |
| Net Margin Percentage | -27.1 | -28.5 | -26.2 | -58.6 |
| Percent Debt to Total Capitalization | 87.9 | 85.5 | 88.6 | 110.2 |
| Projected Debt Service Coverage | 0.4 | 1.1 | 1.1 | 1.0 |
| Days Cash on Hand | 5.2 | 31.4 | 17.7 | 57.4 |
| Cushion Ratio | 0.0 | .01 | .01 | .02 |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

| | |
|--------------------|---|
| _____ | e. Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent; |
| _____ | f. Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt; |
| _____ | g. All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project. |
| \$9,018,858 | TOTAL FUNDS AVAILABLE |

APPEND DOCUMENTATION AS ATTACHMENT-27. IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Financial Viability

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

Financial Viability Waiver- THIS ITEM IS NOT GERMANE

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

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

See Section 1120.130 Financial Waiver for information to be provided

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

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

NEIGHBORS REHABILITATION, LLC

| Provide Data for Projects Classified as: | Category A or Category B (last three years) | | | Category B (Projected) |
|--|---|------|------|------------------------|
| Enter Historical and/or Projected Years: | 2011 | 2012 | 2013 | 2018 |
| Current Ratio | 1.1 | 1.1 | 1.0 | 2.0 |
| Net Margin Percentage | 63.9 | 68.4 | 76.8 | 24.7 |
| Percent Debt to Total Capitalization | N/A | N/A | N/A | N/A |
| Projected Debt Service Coverage | 44.7 | 24.5 | 26.7 | 54.4 |
| Days Cash on Hand | 5.9 | 9.5 | 2.7 | 81.4 |
| Cushion Ratio | 1.7 | 4.3 | 1.3 | 42.6 |

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and

applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

2. Variance

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

APPEND DOCUMENTATION AS ATTACHMENT 29, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

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

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

B. Conditions of Debt Financing

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

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

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

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

| COST AND GROSS SQUARE FEET BY SERVICE | | | | | | | | | |
|---------------------------------------|-------------------------|----------------|----------------------|--------|-----------------------|--------|----------------------|--------------------|-----------------------|
| Area (list below) | A | B | C | D | E | F | G | H | Total Cost (G + H) |
| | Cost/Square Foot New | Mod. | Gross Sq. Ft. New | Circ.* | Gross Sq. Ft. Mod. | Circ.* | Const. \$ (A x C) | Mod. \$ (B x E) | |
| Nursing-New | \$190.06 | \$69.07 | 30,021** | | 23,013 | | \$5,705,767 | \$1,589,415 | \$7,295,182 |
| Contingency | \$13.22 | \$4.86 | 30,021** | | 23,013 | | \$396,864* | \$111,936* | \$508,800 |
| TOTALS | \$203.28 | \$73.93 | 30,021** | | 23,013 | | \$6,102,631 | \$1,701,351 | \$7,803,982 |

* Include the percentage (%) of space for circulation

*Contingency Cost breakdown based on Total Contract Costs (New Construction is 78%, Modernization is 22%)

**New Construction of 27,143gsf + vacated (demolition) space of 2,878gsf as demolition costs are in the construction contract line item.

D. Projected Operating Costs

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

E. Total Effect of the Project on Capital Costs

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

APPEND DOCUMENTATION AS ATTACHMENT - 30, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Project Costs and Sources of Funds**APPENDIX A**

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

| Project Costs and Sources of Funds | | | |
|--|-----------------------|-----------------------|--------------------|
| USE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Preplanning Costs | \$65,151.84 | \$34,848 | \$100,000 |
| Site Survey and Soil Investigation | \$11,401.57 | \$6,098.43 | \$17,500 |
| Site Preparation | \$65,151.84 | \$34,848.16 | \$100,000 |
| Off Site Work | \$15,534.81 | \$8,309.19 | \$23,844 |
| New Construction Contracts | \$3,717,412.46 | \$1,988,354.54 | \$5,705,767 |
| Modernization Contracts | \$1,035,533.19 | \$553,881.81 | \$1,589,415 |
| Contingencies | \$331,492.59 | \$177,307.41 | \$508,800 |
| Architectural/Engineering Fees | \$415,347.57 | \$222,159.43 | \$637,507 |
| Consulting and Other Fees | \$39,091.11 | \$20,908.89 | \$60,000 |
| Movable or Other Equipment (not in construction contracts) | \$179,835.38 | \$96,189.62 | \$276,025 |
| Bond Issuance Expense (project related) | | | |
| Net Interest Expense During Construction (project related) | | | |
| Fair Market Value of Leased Space or Equipment | | | |
| Other Costs To Be Capitalized | | | |
| Acquisition of Building or Other Property (excluding land) | | | |
| TOTAL USES OF FUNDS | \$5,875,952.36 | \$3,142,906 | \$9,018,858 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | \$794,108.47 | \$424,749.53 | \$1,218,858 |
| Pledges | | | |
| Gifts and Bequests | | | |
| Bond Issues (project related) | | | |
| Mortgages | \$5,081,843.89 | \$2,718,156.11 | \$7,800,000 |
| Leases (fair market value) | | | |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| TOTAL SOURCES OF FUNDS | \$5,875,952.36 | \$3,142,905.64 | \$9,018,858 |

*Clinical Cost equates to Appendix D's Total Clinical space as a percentage of the whole (78%);
Conversely, Nonclinical Cost equates to Appendix D's Total Nonclinical space as a percentage of the whole (22%).

APPENDIX B**Related Project Costs**

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

Land acquisition is related to project ☒ Yes ☐ No
Purchase Price: \$ 100,000
Fair Market Value: \$ _____

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

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

Estimated start-up costs and operating deficit cost is \$ Not Germane.

APPENDIX C**Project Status and Completion Schedules**

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input checked="" type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): **February 2017***

* Construction completion is May of 2016. The additional time towards project completion is to allow for licensure.

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

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

APPENDIX D**Cost/Space Requirements**

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

| Department/Area | Cost | Gross Square Feet | | Amount of Proposed Total Gross Square Feet That Is: | | | |
|--|---------------------|-------------------|---------------|---|---------------|--------------|---------------|
| | | Existing | Proposed | New Const. | Modernized | As Is | Vacated Space |
| CLINICAL | | | | | | | |
| New Resident Rooms & Bath Rooms | \$ 1,241,347 | 468 | 8,226 | 7,758 | 468 | | |
| Existing Resident Rooms and Toilet Rooms | \$ 1,790,190 | 11,863 | 11,863 | | 11,863 | | |
| Nursing Support | \$ 244,618 | 513 | 1,621 | 1,108 | 288 | 225 | |
| Utility Rooms | \$ 159,960 | 731 | 1,060 | 329 | 115 | 616 | |
| Living/Dining/Activity | \$ 1,511,619 | 5,076 | 10,017 | 4,941 | 1,937 | 3,139 | |
| PT / OT | \$ 411,519 | 0 | 2,727 | 2,727 | | | |
| Alzheimers Dayroom and Toilet | | 1,393 | | | | | 1,393 |
| Food Service | \$ 286,117 | 1,598 | 1,896 | 298 | 500 | 1,098 | |
| Shower Rooms/Toilets-existing | \$ 230,583 | 1,528 | 1,528 | | | 1,528 | |
| TOTAL CLINICAL | \$ 5,875,952 | 23,170 | 38,938 | 17,161 | 15,171 | 6,606 | 1,393 |
| NON-CLINICAL | | | | | | | |
| Chapel and Support | \$ 253,370 | 1,679 | 1,679 | | | 1,679 | |
| Office / Administration | \$ 332,444 | 198 | 2,203 | 2,005 | | 198 | |
| Maintenance Storage | | 534 | | | | | 534 |
| Commons | \$ 689,939 | 702 | 4,572 | 3,870 | 702 | | |
| Dietary Office | | 124 | | | | | 124 |
| Staff Lounge | | 351 | | | | | 351 |
| Plaza | \$ 298,340 | 1,977 | 1,977 | | 1,977 | | |
| Support Departments | \$ 247,032 | 0 | 1,637 | 1,637 | | | |
| Building Storage | \$ 44,970 | 0 | 298 | 298 | | | |
| Mechanical Room | \$ 99,748 | 566 | 661 | 95 | | 566 | |
| Lobby | | 476 | | | | | 476 |
| Building Support | \$ 516,700 | 1,347 | 3,424 | 2,077 | 787 | 560 | |
| Existing Corridor Renovations | \$ 660,362 | 4,376 | 4,376 | | 4,376 | | |
| Total Non-Clinical | \$ 3,142,906 | 12,330 | 20,827 | 9,982 | 7,842 | 3,003 | 1,485 |
| TOTAL | \$9,018,858 | 35,500 | 59,765 | 27,143 | 23,013 | 9,609 | 2,878 |

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

| INDEX OF ATTACHMENTS | | |
|----------------------|--|---------|
| ATTACHMENT NO. | | PAGES |
| | Applicant/Co-applicant Identification including Certificate of Good Standing | 34-36 |
| 1 | | |
| 2 | Site Ownership | 37-42 |
| 3 | Operating Identity/Licensee | 43-44 |
| 4 | Organizational Relationships | 45 |
| 5 | Flood Plain Requirements | 46-47 |
| 6 | Historic Preservation Act Requirements | 48-49 |
| | | |
| | General Information Requirements | |
| 10 | Purpose of the Project | 50-88 |
| 11 | Alternatives to the Project | 89-109 |
| | | |
| | Service Specific - General Long-Term Care | |
| 12 | Background of the Applicant | 110-141 |
| 13 | Planning Area Need | 142-161 |
| 14 | Establishment of General LTC Service or Facility | |
| 15 | Expansion of General LTC Service or Facility | 162-195 |
| 16 | Variances | |
| 17 | Accessibility | |
| 18 | Unnecessary Duplication/Maldistribution | |
| 19 | Staffing Availability | 196-198 |
| 20 | Bed Capacity | 199 |
| 21 | Community Relations | 200-210 |
| 22 | Project Size | 211 |
| 23 | Zoning | 212 |
| 24 | Assurances | 213-214 |
| 25 | Modernization | 215-225 |
| | | |
| | Service Specific - Specialized Long-Term Care | |
| 26 | Specialized Long-Term Care – Review Criteria | |
| | | |
| | Financial and Economic Feasibility: | |
| 27 | Availability of Funds | 226-322 |
| 28 | Financial Waiver | |
| 29 | Financial Viability | 323-326 |
| 30 | Economic Feasibility | 327-330 |
| | | |
| | APPENDICES | |
| A | Project Costs and Sources of Funds | 29 |
| B | Related Project Costs | 30 |
| C | Project Status and Completion Schedule | 31 |
| D | Cost/Space Requirements | 32 |

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued i

Applicant /Co-Applicant Identification

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

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.

The owner of the proposed project is **Neighbors Property, LLC**. The operator/Licensee will be **Neighbors Rehabilitation Center, LLC**. Collectively these entities are the Applicant.

The entities' Illinois Certificates of Good Standing are appended as **ATTACHMENT-1A**.

ATTACHMENT-1



To all to whom these Presents Shall Come, Greeting:

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

NEIGHBORS PROPERTY, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 21, 2008, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1332402436

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 20TH day of NOVEMBER A.D. 2013 .

Jesse White

SECRETARY OF STATE



To all to whom these Presents Shall Come, Greeting:

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

NEIGHBORS REHABILITATION CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 21, 2008, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1332402402

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 20TH day of NOVEMBER A.D. 2013 .

Jesse White

SECRETARY OF STATE

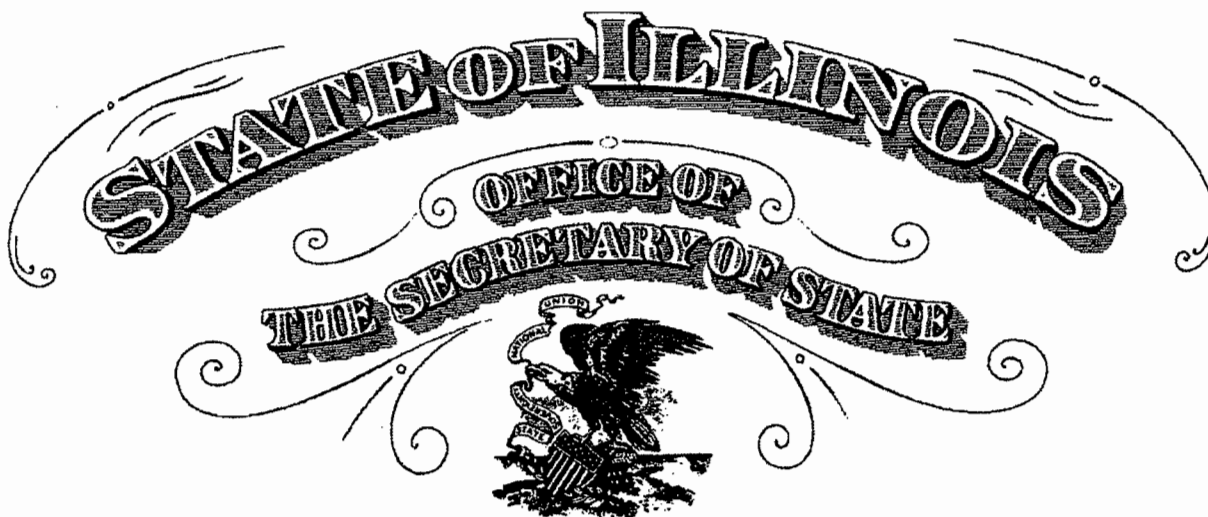
SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued ii

Site Ownership

Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statement, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease or a lease.

The owner of the existing building and site is **Neighbors Property, LLC**. The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT-2A**. As an existing ongoing business, the legal description of the project's site is appended within the 2012 Real Estate Tax Bill, appended as **ATTACHMENT-2B**. Additionally, as part of this project, adjacent land is being acquired and being made part of this project. Appended as **ATTACHMENT-2C**, is a signed Letter of Intent to Purchase Vacant Land. Together these attachments serve as proof of site control.

ATTACHMENT-2



To all to whom these Presents Shall Come, Greeting:

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

NEIGHBORS PROPERTY, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 21, 2008, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1332402436

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

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 20TH day of NOVEMBER A.D. 2013 .

Jesse White

SECRETARY OF STATE

OGLE COUNTY
JOHN H. COFFMAN, COUNTY COLLECTOR
 OGLE COUNTY COURTHOUSE
 P.O. BOX 40
 OREGON, IL 61061-0040

2012 REAL ESTATE TAX BILL

PLEASE READ the instructions on the back of this bill regarding when and where to pay your taxes. Additional information is provided for changing your mailing address and tax exemptions in which you might be entitled.

The County Treasurer only collects your taxes and is not responsible for the amount of your assessment or the amount of your tax bill. We will be happy to assist you or direct you to the proper authority regarding questions about your tax bill.

ASSESSED TO: NEIGHBORS PROPERTY LLC

NEIGHBORS PROPERTY LLC
 6840 N LINCOLN AVE
 LINCOLNWOOD IL 60712-

RECEIPT PORTION - KEEP FOR YOUR RECORDS
 2012 OGLE COUNTY REAL ESTATE TAX
 PAY TO: OGLE COUNTY COLLECTOR

FORMULA FOR TAX CALCULATION - 2012

| | |
|--|-------------|
| LAND | 58,653 |
| STRUCTURES/BLOGS. | 676,641 |
| FARM BLDG. | 0 |
| FARM LAND | 0 |
| BD OF REVIEW EQUALIZED VALUE | 735,194 |
| HOME IMPROVEMENT EXEMPTION | 0 |
| VETERANS' EXEMPTION | 0 |
| VALUE PRIOR TO STATE EQUALIZE | 735,194 |
| STATE EQUALIZATION FACTOR*** | 1.0000 |
| STATE EQUALIZED VALUE | 735,194 |
| OWNER OCCUPIED EXEMPTION | 0 |
| SENIOR HOMESTEAD EXEMPTION | 0 |
| SENIOR ASSESSMENT FREEZE | 0 |
| DISABLED PERSONS' EXEMPTION | 0 |
| RETURNING VETERANS' EXEMPTION | 0 |
| DISABLED VETERANS' EXEMPTION | 0 |
| MRSD. EXEMPTION | 0 |
| TAXABLE VALUE | 735,194 |
| TAX RATE | 7.95468 |
| TOTAL TAX | \$58,482.34 |
| ***NOT TO BE USED FOR FARM LAND AND FARM BUILDINGS | |

| | |
|---------------------------|-------------------|
| INTEREST 1 1/2% PER MONTH | TOTAL TAX DUE |
| | \$58,482.34 |
| 1977 EQUALIZED VALUE | FAIR MARKET VALUE |
| 186,234 | 2,205,582 |

| PROPERTY DESCRIPTION | | PARCEL NUMBER (PIN) | | |
|---|------------|---------------------|--------------|----------------|
| RNG/BLK:11 TWP:25 SECT/LOT:31 W 481.02FT E 987FT W 1/2 NE4 LYING N OF 2ND ST EX N1189FT | | 05-31-201-004 | | |
| ACRES | | TAXABLE VALUE | | |
| 3.91 | | 735.194 | | |
| CLASS CODE | | TAX CODE | | |
| 0080 | | 00340 | | |
| TOWNSHIP | | Byron | | |
| LOCATION OF PROPERTY | | | | |
| 811 W 2ND ST BYRON, IL 61010 | | | | |
| TAXING BODY | PRIOR RATE | PRIOR AMOUNT | CURRENT RATE | CURRENT AMOUNT |
| OGLE COUNTY | 0.54958 | \$4,010.84 | 0.55958 | \$4,069.80 |
| OGLE CO. MENTAL HEALTH | 0.05301 | \$389.73 | 0.05321 | \$391.20 |
| OGLE CO. EXTENSION | 0.00882 | \$72.20 | 0.00885 | \$72.42 |
| OGLE CO. VETERANS ASSISTANCE | 0.00628 | \$46.17 | 0.00631 | \$46.39 |
| OGLE CO. SENIOR SERVICES | 0.01473 | \$108.29 | 0.01478 | \$108.66 |
| OGLE COUNTY PENSION | 0.08588 | \$704.80 | 0.08920 | \$729.32 |
| BYRON FIRE DISTRICT | 0.41583 | \$3,057.16 | 0.40886 | \$2,991.21 |
| BYRON FIRE DISTRICT PENSION | 0.02803 | \$209.08 | 0.02743 | \$201.66 |
| ROCK VALLEY COM COL 511 | 0.45320 | \$3,331.80 | 0.44707 | \$3,288.83 |
| BYRON UNIT 228 | 3.61111 | \$28,548.67 | 3.74033 | \$27,468.67 |
| BYRON UNIT 228 PENSION | 0.05381 | \$385.60 | 0.05532 | \$408.72 |
| BYRON LIBRARY DIST | 0.18034 | \$1,178.81 | 0.16013 | \$1,177.26 |
| BYRON LIBRARY DIST PENSION | 0.00355 | \$26.10 | 0.00350 | \$24.41 |
| BYRON MUSEUM DISTRICT | 0.01886 | \$122.48 | 0.01831 | \$119.91 |
| BYRON PARK DIST | 0.30300 | \$2,227.84 | 0.30985 | \$2,276.00 |
| BYRON PARK DIST PENSION | 0.01793 | \$131.82 | 0.02222 | \$163.36 |
| BYRON TOWNSHIP ROAD | 0.44273 | \$3,254.82 | 0.45188 | \$3,318.98 |
| BYRON FOREST PRES | 0.33282 | \$2,447.50 | 0.39912 | \$2,928.95 |
| BYRON FOREST PRES PENSION | 0.01235 | \$90.80 | 0.01360 | \$99.89 |
| BYRON TOWNSHIP | 0.14982 | \$1,102.20 | 0.15978 | \$1,174.69 |
| CITY OF BYRON | 0.85350 | \$6,274.88 | 0.82880 | \$6,093.28 |
| CITY OF BYRON PENSION | 0.11841 | \$870.54 | 0.17431 | \$1,281.52 |

STAMP PAID
 HERE

2ND INSTALLMENT

LAW OFFICE OF
STEPHEN N. SHER PC

5750 OLD ORCHARD ROAD, SUITE 420
SKOKIE, ILLINOIS 60077

TELEPHONE (847) 324-7990

December 20, 2013

BY EMAIL

Mr. Ron Glisan
The United Church of Byron
701 W. 2nd Street,
Byron, Illinois 61010

ron.g@unitedchurchofbyron.org

Re: Letter of Intent for Purchase of Vacant Land

Dear Mr. Glisan:

This letter of intent ("Letter of Intent") sets forth the basic terms and conditions upon which Neighbors Property, LLC, an Illinois limited liability company ("Purchaser"), is interested in purchasing the Property set forth below from The United Church of Byron ("Seller"), which is the owner of the Property set forth below.

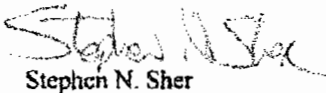
- | | |
|---------------------------|--|
| Property | Real property on the west side of the Church and 100 feet wide by 349 feet long with at least 34,961 square feet (approximately .80 acre), as indicated on the attached drawing. |
| Purchase Price | \$100,000.00, with standard prorations for real property, including, without limitation, real estate taxes, if any, all payable in cash or by wire transfer at the Closing of the transaction as described below. At Closing, the Purchaser will covenant to construct the parking lot on Seller's property adjacent to the west per the attached drawing. The Closing will not be subject to Purchaser obtaining financing. |
| Closing Date | The closing of the transaction shall occur on the 30 th day following execution of a purchase agreement. |
| Earnest Money | Within three (3) business days of the full execution of an asset purchase agreement (the "Purchase Agreement"), Purchaser shall deposit Twenty Five Thousand Dollars (\$25,000.00) as earnest money into a Strict Joint Order Escrow with a nationally recognized title company determined by Purchaser (the "Title Company"). All earnest money shall be credited to Purchaser against the Purchase Price at Closing. |
| Purchase Agreement | Within five (5) business days of acceptance of this Letter of Intent, Purchaser shall deliver to Seller's counsel a first draft of the Purchase Agreement, which shall contain provisions, representations and warranties related to the real property as customarily provided in a purchase involving vacant land. Thereafter, |

Seller and Purchaser shall proceed to use their best efforts to negotiate and execute a definitive Purchase Agreement satisfactory to all parties prior to the end of the Exclusivity Period.

- Title/Survey** The Owner's Title Policy shall be obtained through the Title Company. Buyer shall arrange at its cost for a current ALTA survey on the Property. Seller shall additionally pay the cost of any fees for the title search, title commitment and title policy, but Purchaser shall pay the cost of any endorsements. At Closing, Seller shall convey to Purchaser good and marketable fee simple title to the real property by warranty deed. Purchaser need not accept title to the real property encumbered by liens, claims or encumbrances of any kind or nature.
- Exclusive Negotiations** In consideration of Purchaser entering into this Letter of Intent, Seller agrees to deal in good faith while negotiating these transactions and agrees to negotiate exclusively with Purchaser with respect to these transactions for thirty (30) days after Purchaser's receipt of a fully executed Letter of Intent.
- Non-Binding** Except for the obligations and liabilities set forth under the heading "Exclusive Negotiations", this Letter of Intent does not constitute a binding agreement on either party hereto, but is intended to specify the primary terms and conditions of the proposed transaction herein outlined, and, except with respect to exclusivity, neither party may claim any legal rights against the other by reason of signing of this Letter of Intent or by taking any action in reliance thereon.

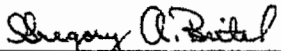
By execution of this Letter of Intent each party acknowledges the transaction terms described generally herein are acceptable. Seller shall have until 5:00 pm (Central) on the fifth (5th) business day after the date of this Letter of Intent, to accept in writing this Letter of Intent at which point, if we have not received your acceptance to the same, we may withdraw and terminate this Letter of Intent. This Letter of Intent supersedes and cancels all prior understandings between the parties, if any, and may be executed in counterparts.

Very truly yours,

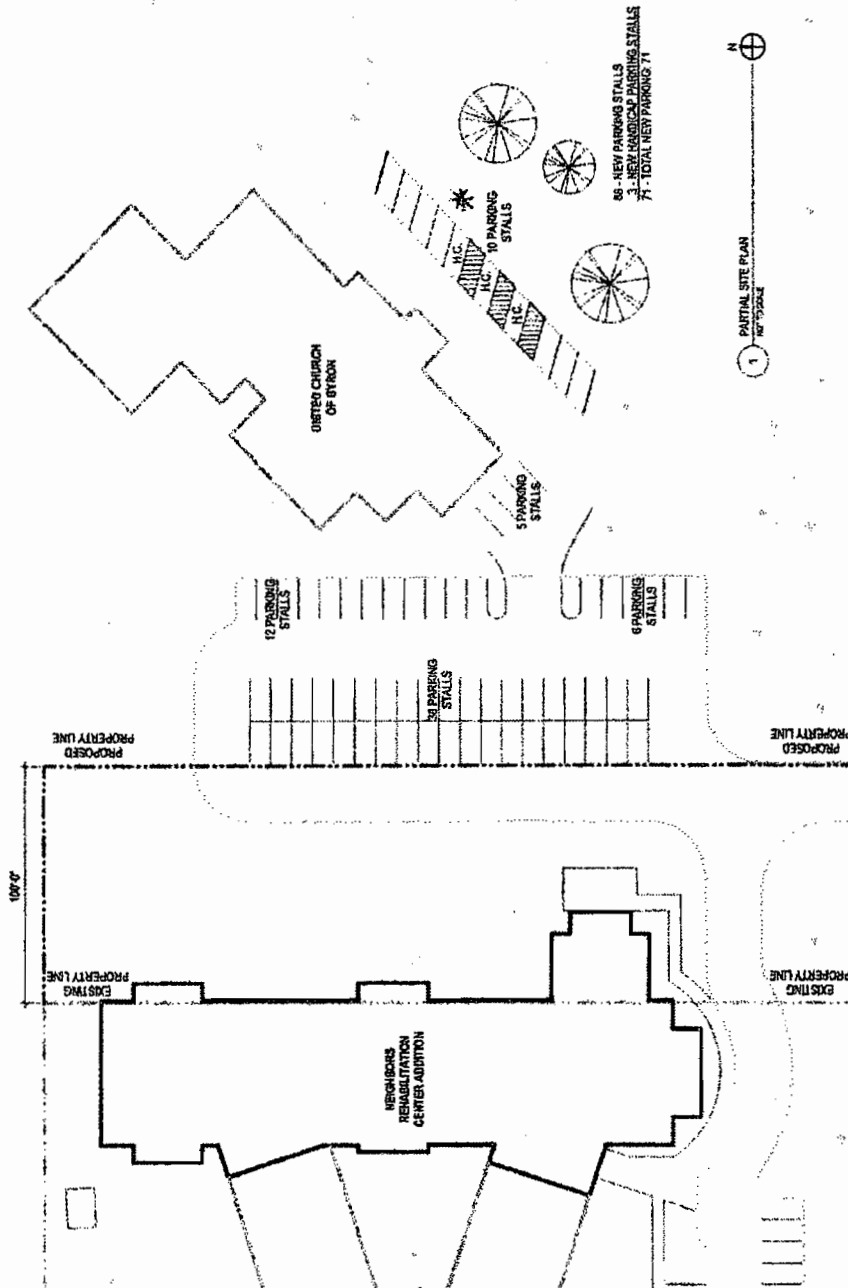

Stephen N. Sher

ACCEPTED AND AGREED

SELLER:

By: 
Name: Gregory A. Bentel, Senior Steward, U.C. Byron
Its: _____
Date: Dec 23, 2013

NEIGHBORS REHABILITATION CENTER



LEGATARCHITECTS

sustainability performance design

* 5 H.C. parking instead of 3

AD 12-23-2013

NOVEMBER 19, 2013

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued III

Operating Identity/Licensee

- Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.
- Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.
- Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.

The operator/Licensee of the existing **Neighbors Rehabilitation Center** is **Neighbors Rehabilitation Center, LLC**. The entity's Illinois Certificate of Good Standing is appended as **ATTACHMENT-3A**. Please refer to the listing below for an identification of all persons with 5 percent or greater interest in this entity, the licensee.

| | |
|--|-----------------|
| Atied Associates, LLC | 36.2816% |
| Barrish, Bryan Trust dtd 9/1/02 | 12.7476% |
| Barrish Group Limited Partnership | 12.7476% |
| Gesualdo, Ralph | 12.7476% |
| Ralph Gesualdo Children's Trust | 12.7476% |
| <u>Giannini, Michael Trust dtd 3/13/00</u> | <u>10.7864%</u> |
| Total | 98.0700% |

ATTACHMENT-3



To all to whom these Presents Shall Come, Greeting:

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

NEIGHBORS REHABILITATION CENTER, LLC, HAVING ORGANIZED IN THE STATE OF ILLINOIS ON FEBRUARY 21, 2008, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A DOMESTIC LIMITED LIABILITY COMPANY IN THE STATE OF ILLINOIS.



Authentication #: 1332402402

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

*In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 20TH
day of NOVEMBER A.D. 2013 .*

Jesse White

SECRETARY OF STATE

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued iv

Organizational Relationships

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

The organizational relationship for Neighbors Rehabilitation Center is simply **Neighbors Property, LLC** as the owner and **Neighbors Rehabilitation Center, LLC** as the operator/Licensee. There are no other direct entities or facilities. However, according to the definitions of related entities, there are twelve long-term nursing care facilities that are considered "related": It should be noted that none of the "related" entities will be participating in the development or funding of the project other than the owner and operator of the Subject facility.

| Facility Name | Barrish | Gesualdo | Giannini |
|--|----------------|-----------------|-----------------|
| Albany Care, Inc. | 7.314% | | 7.314% |
| Applewood Rehabilitation Center, LLC | 11.171% | 11.171% | |
| Bryn Mawr Care, Inc. | 13.506% | | |
| Columbas Park Nursing & Rehab Center, Inc. | 7.193% | | 6.604% |
| Decatur Manor Healthcare, LLC | 8.799% | 8.799% | |
| Elmwood Care, Inc | 14.250% | | 11.574% |
| Fairview Nursing Plaza, Inc. | 14.200% | | 14.200% |
| Greenwood Care, Inc. | 15.517% | | |
| Maplewood Care, Inc. | 13.000% | | 17.973% |
| Regency Rehabilitation Center, LLC | 12.153% | 12.153% | 10.417% |
| Rock Island Nursing & Rehab Center, LLC | 9.479% | 9.479% | |
| Wilson Care, Inc. | 11.111% | | |

ATTACHMENT-4

SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued v

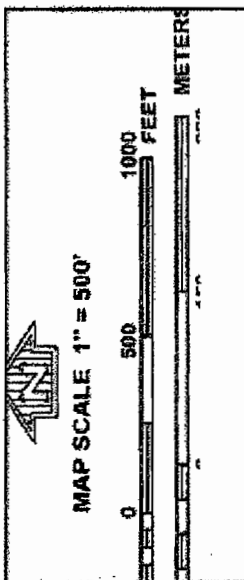
Flood Plain Requirements

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

A map identifying that the area is not within a special flood zone is appended as

ATTACHMENT-5A.

ATTACHMENT-5



PANEL 0094D

FIRM

FLOOD INSURANCE RATE MAP

OGLE COUNTY,

ILLINOIS

AND INCORPORATED AREAS

PANEL 94 OF 525

ISLE MAP INDEX FOR FIRM PANEL LAYOUT

| | | |
|-------------|------|--------|
| COMMUNITY | DATE | REASON |
| OGLE COUNTY | 1994 | 1 |
| OGLE COUNTY | 1994 | 2 |

MAP NUMBER

17141C0094D

EFFECTIVE DATE

DECEMBER 17, 2010

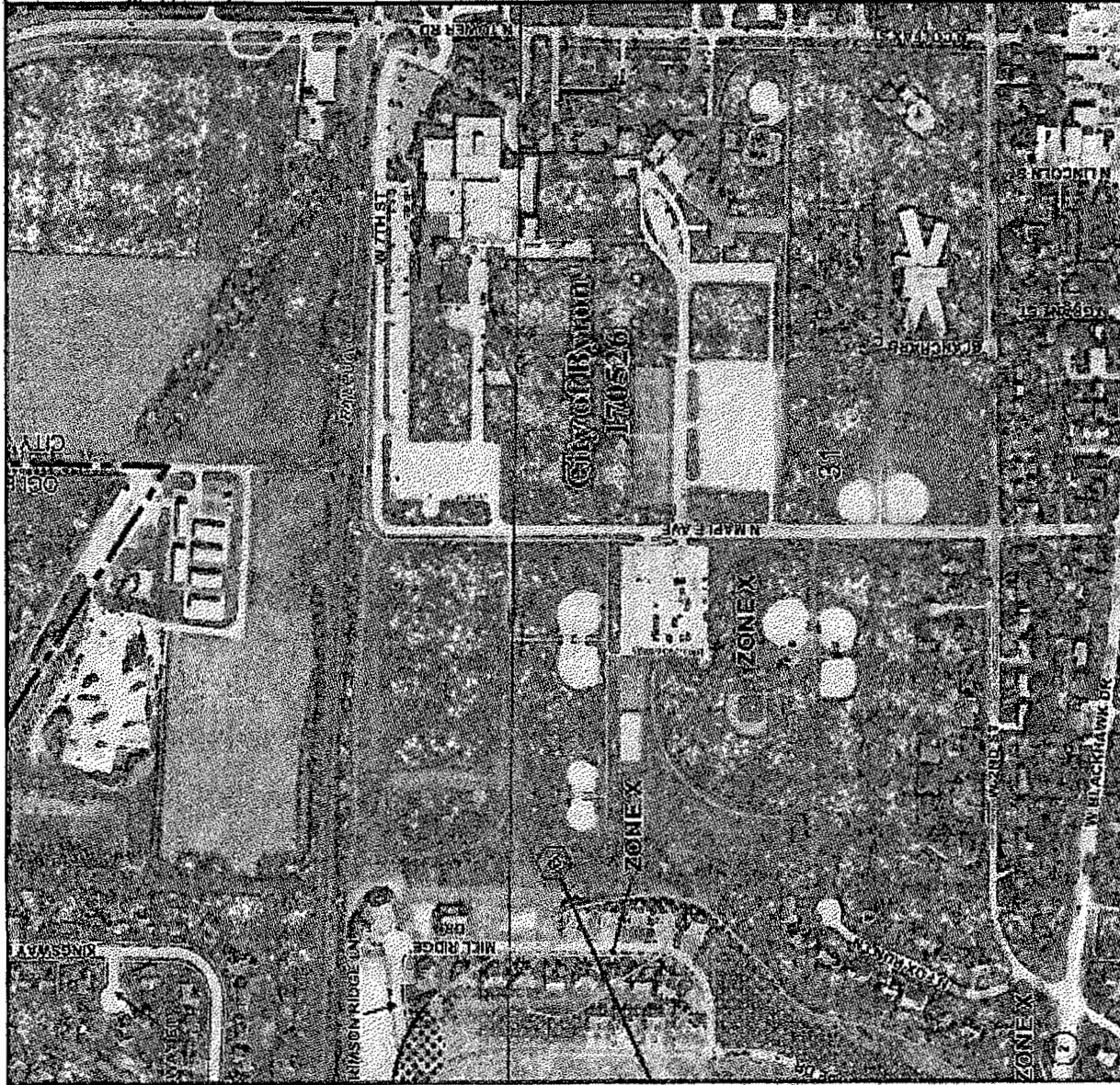
Federal Emergency Management Agency

NATIONAL FLOOD INSURANCE PROGRAM
 NFIP

Notes to Users: The Map Number shown herein should be used when ordering maps or data. The Community Number shown herein should be used when ordering maps or data. The Flood Insurance Rate Map (FIRM) is a map of the United States showing the areas of flood hazard. The FIRM is a map of the United States showing the areas of flood hazard. The FIRM is a map of the United States showing the areas of flood hazard.



This is an official copy of a portion of the above referenced flood map. It was extracted using FIRM On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the map. For the latest information, please contact the National Flood Insurance Program. For more information, please visit the FEMA website at www.fema.gov.



SECTION I – IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
Continued vi

Historic Resources Preservation Act Requirements

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

Appended as **ATTACHMENT-6A** is a letter from the Illinois Historic Preservation Agency's Ms. Anne E. Haacker, Deputy State Historic Preservation Officer dated February 5, 2014, stating that "no historic, architectural or archaeological sites exist within the project area".

ATTACHMENT-6



**Illinois Historic
Preservation Agency**

1 Old State Capitol Plaza, Springfield, IL 62701-1512

FAX (217) 524-7525

www.illinoishistory.gov

Ogle County
Byron

CON - New Addition for Long-Term Care Facility, Neighbors Rehabilitation Center
811 W. 2nd St.
IHPA Log #007012314

February 5, 2014

Kathy Harris
Foley and Associates, Inc.
133 S. 4th St., Suite 200
Springfield, IL 62701

Dear Ms. Harris:

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

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

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

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

Sincerely,

Anne E. Haaker

Anne E. Haaker
Deputy State Historic
Preservation Officer

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued I

Criterion 1125.320 – Purpose of the Project

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

The proposed project is for the renovation of the existing 101-bed nursing care facility plus the facility's expansion. The need for the project is to improve the accessibility of the existing health care resource as the facility has had to turn away residents seeking services from Neighbors Rehabilitation Center. Specifically, the facility turned away 267 potential residents of which 65 were due to the facility's inability to accept the admission for reasons of male or female incompatibility, existing residents needing isolation thereby tying up the potentially available bed, end stage of life issues as well as the fact that residents are now seeking more private rooms for their short term rehab. This project seeks to address all of those accessibility issues by renovating the existing structure and adding 30 beds which will be in accordance with resident preference.

2. Define the planning area or market area, or other, per the applicant's definition.

The primary market area is a 30 minute drive time from the Applicant's facility. In a recent zip code analysis for all admissions during the most recent 24-month period, over 82% were from within the 30-minute market area.

3. Identify the existing problems or issues that need to be addressed, as applicable and appropriate for the project.

There may be no industry that is changing as fast and dramatically as health care and more specifically, long-term nursing care in the United States. The Applicant has experienced this first hand and is the only provider of long-term nursing care in Byron and the immediate 15-minute travel time (no adjustment) from the facility, Neighbors Rehabilitation Center. This facility in each of the last three years for which IDPH has published facility profiles (2010, 2011

ATTACHMENT-10

**SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** Continued ii

and 2012), document that the facility has exceeded the Board's target utilization rate of 90%, respectively the facility averaged 91.6%, 92.6% and 91.8%. In CY 2013, the facility has actually had to turn away potential residents seeking admission due to issues of gender incompatibility, medical isolation and end of life issues. To address these issues of inaccessibility for area residents seeking admission, the Applicant is proposing the addition of 30 additional nursing beds.

4. Cite the sources of the information provided as documentation.

Appended as **ATTACHMENT-10A**, is the Applicant's listing of residents turned away and the rationale for the action.

Appended as **ATTACHMENT-10B**, is the Zip Code analysis for the admissions to Neighbors Rehabilitation Center supporting the identification of the primary service area.

Appended as **ATTACHMENT-10C**, is the map of the primary service area, a/k/a the 30-minute travel time contour.

Appended as **ATTACHMENT-10D**, is the travel time study of area nursing home facilities as performed using the online mapping/directional software, MapQuest.com.

Appended as **ATTACHMENT-10E**, are the 2010, 2011, and 2012 IDPH facility profiles for the Subject facility, Neighbors Rehabilitation Center.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

In addition, and more important than the proposed additional capacity, is the renovation of the existing 101-bed nursing care facility. As the Subject facility is existing and its utilization has remained in excess of the State's target rate of 90%, it is imperative to utilize the addition of

ATTACHMENT-10

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** Continued iii

nursing beds to phase in the renovation of the existing space (Please refer to **ATTACHMENT-10E** for the most recent three years of historical facility data). Then both the existing space and the addition can be utilized to address the inaccessibility issue with the facility turning potential residents away.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

The Applicant's goal is to again reach and maintain as it has in the past the State's target utilization rate of 90 percent by the second full year of operation after project completeness.

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

The modernization of the existing facility, Neighbors Rehabilitation Center, is one that addresses curb appeal and resident comfort, i.e., desirability and marketability. There are those issues of physical plant which are also being addressed, such as the replacement of resident room windows throughout, as it only makes sense to perform many major maintenance items at the same time thereby allowing for efficiencies in time and personnel.

ATTACHMENT-10

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

February 11, 2014

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761


RE: Historical Service Demand

Dear Ms. Avery:

Neighbors Rehabilitation Center (NRC) has utilized a waiting list at different times over the past 24 months. Also during that time frame, 65 referrals were referred to other care facilities due to lack of bed availability at NRC. Attached you will find a complete list of these referrals.

Please contact me if you have any questions or concerns regarding this information.

Sincerely,



Pawn Thammarath
Administrator

PT:pk

enc

NRC - HISTORICAL SERVICE DEMAND

1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|----------|----------------------------|---------------------------------------|
| Jan. 3, 2012 | J.T. | Swedish American Hosp. | No female bed available |
| Feb. 1, 2012 | C.G. | Univ. of Wisconsin Hosp. | private room d/t age |
| Feb. 20, 2012 | M.K. | Swedish American Hosp. | private room |
| Feb. 20, 2012 | J.S. | family | no bed available on Special Care Unit |
| Feb. 23, 2012 | B.A. | KSB Hosp. | isolation |
| Mar. 12, 2012 | I.S. | family | no beds available |
| Mar. 23, 2012 | Male | family | wanted a more updated room |
| Mar. 23, 2012 | Female | family | wanted a nicer looking facility |
| Mar. 24, 2012 | Male | Freeport Memorial Hosp. | no bed available on Special Care Unit |
| Apr. 6, 2012 | Male | Freeport Memorial Hosp. | no beds available |
| Apr. 11, 2012 | K.J. | OSF St. Francis Hosp. | private room d/t age |
| Apr. 11, 2012 | J.C. | Swedish American Hosp. | isolation |
| Apr. 19, 2012 | K.C. | Swedish American Hosp. | different facility with private room |
| Apr. 28, 2012 | D.C. | Rockford Memorial Hosp. | no beds available |
| May. 24, 2012 | S.D. | OSF St. Anthony Hosp. | isolation |
| Jul. 13, 2012 | E.S. | family | private room |
| Aug. 1, 2012 | H.S. | Rockford Memorial Hosp. | no bed available on Special Care Unit |
| Aug. 7, 2012 | J.S. | OSF St. Anthony Hosp. | isolation |
| Aug. 27, 2012 | A.P. | Swedish American Hosp. | isolation |
| Aug. 27, 2012 | J.B. | Kindred Hosp. | isolation |
| Aug. 29, 2012 | S.C. | OSF St. Anthony Hosp. | private room d/t medical needs |
| Nov. 8, 2012 | D.E. | Heartland Hospice | no beds available |
| Nov. 15, 2012 | R.M. | Univ. of Wisconsin Hosp. | no beds available |
| Nov. 15, 2012 | D.L. | Kindred Hosp. | private room d/t age |
| Nov. 20, 2012 | J.B. | Select Specialty Hosp. | no bed available |
| Nov. 23, 2012 | M.V. | Kishwaukee Hosp. | isolation |
| Nov. 26, 2012 | R.P. | Heritage Health | no bed available |
| Nov. 27, 2012 | M.F. | Illinois Masonic Hosp. | no bed available |
| Nov. 27, 2012 | W.B. | | no bed on Special Care Unit |
| Nov. 27, 2012 | C.S. | Swedish American Hosp | no beds available |
| Dec. 4, 2012 | W.H. | St. Anthony Hospital | different facility w/ private room |
| Dec. 18, 2012 | B.C. | Rockford Memorial Hospital | different facility w/ private room |
| Dec. 21, 2012 | P.E. | MacNeal Hosp. | private room d/t medical needs |
| Dec. 21, 2012 | P.T. | OSF St. Francis Hosp. | private room d/t medical needs |
| Jan. 22, 2013 | R.S. | Kindred Hosp. | private room d/t medical needs |

NRC - HISTORICAL SERVICE DEMAND

1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|----------|----------------------------|--------------------------------|
| Feb. 5, 2013 | D.G. | Univ. of Wisconsin Hosp. | isolation |
| Feb. 5, 2013 | K.T. | Kindred Hosp. | private room d/t medical needs |
| Feb. 6, 2013 | E.F. | Kindred Hosp. | isolation |
| Feb. 21, 2013 | D.S. | Rockford Memorial Hosp. | isolation |
| Mar. 8, 2013 | M.I. | family | private room |
| Mar. 11, 2013 | W.M. | Kindred Hosp. | private room d/t medical needs |
| Mar. 20, 2013 | R.O. | Swedish American Hosp. | private room |
| Mar. 22, 2013 | C.S. | Fairview Nursing Plaza | private room d/t age |
| Mar. 22, 2013 | M.R. | Rush Medical Center | private room d/t medical needs |
| Mar. 22, 2013 | D.R. | Edwards Hosp. | private room d/t medical needs |
| Mar. 28, 2013 | S.S. | Kindred Hosp. | private room d/t age |
| Apr. 24, 2013 | W.T. | Swedish American Hosp. | private room d/t medical needs |
| Apr. 30, 2013 | R.B. | Kindred Hosp. | isolation |
| May. 2, 2013 | E.L. | Kindred Hosp. | isolation |
| May. 9, 2013 | C.H. | Kindred Hosp. | isolation |
| May. 15, 2013 | L.D. | Vitas Hospice | isolation |
| Jun. 3, 2013 | K.N. | Rockford Memorial Hospital | private room |
| Jul. 8, 2013 | L.M. | Kindred Hosp. | private room d/t medical needs |
| Jul. 30, 2013 | D.S. | Kindred Hosp. | isolation |
| Aug. 6, 2013 | G.W. | Rockford Memorial Hosp. | private room |
| Aug. 8, 2013 | W.B. | Kindred Hosp | private room d/t medical needs |
| Aug. 9, 2013 | J.V. | Kindred Hosp. | private room d/t medical needs |
| Aug. 9, 2013 | M.T. | St. Anthony's Hospital | private room |
| Aug. 12, 2013 | L.K. | St. Anthony's Hospital | private room |
| Sept. 3, 2013 | W.B. | Kindred Hosp. | private room d/t medical needs |
| Nov. 1, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 6, 2013 | H.Y. | Kindred Hosp. | private room |
| Nov. 6, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 15, 2013 | H.Y. | Swedish American Hospital | private room |
| Dec. 11, 2013 | P.S. | Kindred Hosp | private room |
| Dec. 17, 2013 | M.M. | Kindred Hosp | private room |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Jan. 2012 | | |
| J.T. | 61010 | Rosewood, zip-61108 |
| L.P. | | unknown |
| R.G. | | waiting list, was placed elsewhere |
| D.B. | 61020 | Discharged Home |
| I.S. | 61077 | unknown |
| A.W. | | Van Matre acute rehab hosp |
| O.W. | 61024 | unknown |
| Feb. 2012 | | |
| J.T. | | unknown |
| C.G. | | unknown |
| Female | | waiting list, placed elsewhere |
| Male | | waiting list, was placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| M.K. | | waiting list, placed elsewhere |
| B.A. | | waiting list, placed elsewhere |
| R.S. | | waiting list, placed elsewhere |
| R.L. | | waiting list, was placed elsewhere |
| M.M. | | unknown |
| Mar. 2012 | 61010 | waiting list. Eventually admitted to Neighbors |
| S.V. | | Went home from hospital |
| K.R. | 61010 | unknown |
| I.S. | 61077 | waiting list, placed elsewhere |
| Male | | waiting list, placed elsewhere |
| Male | | Stayed home |
| Female | | St, Annes, zip code - 61107, not impressed with our building |
| Apr. 2012 | | |
| Male | | waiting list, placed elsewhere |
| K.J. | | unknown |
| J.C. | | waiting list, placed elsewhere |
| K.C. | 61010 | Hospice House, zip - 61061 |
| D.C. | | waiting list, placed elsewhere |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| May. 2012 | | |
| C.H. | | died in hosp |
| C.A. | | waiting list, placed elsewhere |
| Male | | unknown |
| S.D. | | waiting list, placed elsewhere |
| Jun. 2012 | | |
| R.W. | | waiting list, placed elsewhere |
| M.K. | | unknown |
| M.M. | | waiting list, placed elsewhere |
| L.S. | | waiting list, placed elsewhere |
| B.K. | | waiting list, placed elsewhere |
| Female | | unknown |
| D.K. | 61047 | Crimson Pointe assisted living, zip code - 61107 |
| M.K. | | died in hosp |
| Jul. 2012 | | |
| Z.F. | | Pinecrest (61054) |
| D.R. | | unknown |
| R.W. | | unknown |
| E.H. | | unknown |
| K.F. | | waiting list, placed elsewhere |
| H.S. | | waiting list, placed elsewhere |
| E.S. | | Pinecrest (61054) |
| Aug. 2012 | | |
| H.S. | | waiting list, placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| V.L. | | unknown |
| H.H. | | waiting list, placed elsewhere |
| M.S. | | unknown |
| S.R. | | unknown |
| Male | | waiting list, placed elsewhere |
| J.D. | | unknown |
| D.H. | | unknown |
| A.P. | 61047 | Park Strathmoor, zip code - 61107 |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| J.B. | | waiting list, was placed elsewhere |
| S.C. | | unknown |
| D.D. | | Going to different facility |
| Sept. 2012 | | |
| B.C. | | unknown |
| R.C. | | Went to different facility |
| K.W. | | unknown |
| G.J. | | unknown |
| L.W. | | Nelson Debes, zip code - 61108 |
| J.B. | | unknown |
| G.S. | | unknown |
| B.L. | 61024 | staying at current facility, zip code - 61024 |
| Oct. 2012 | | |
| J.M. | | unknown |
| R.M. | | unknown |
| N.W. | | unknown |
| D.G. | | unknown |
| P.D. | | Went to another facility |
| L.V. | | waiting list, placed elsewhere |
| D.S. | | unknown |
| Nov. 2012 | | |
| A.P. | | waiting list, placed elsewhere |
| O.H. | | unknown |
| B.G. | | waiting list, placed elsewhere |
| D.E. | | waiting list, placed elsewhere |
| A.D. | | unknown |
| D.M. | | waiting list, placed elsewhere |
| M.C. | | waiting list, placed elsewhere |
| R.M. | | waiting list, placed elsewhere |
| D.L. | | unknown |
| M.T. | | unknown |
| J.B. | | waiting list, placed elsewhere |
| M.V. | | waiting list, placed elsewhere |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| R.M. | | Went home with family & home health |
| R.P. | | waiting list, placed elsewhere |
| W.B. | | waiting list, placed elsewhere |
| C.S. | | waiting list, placed elsewhere |
| M.F. | | waiting list, placed elsewhere |
| Dec. 2012 | | |
| W.H. | 61102 | hospice house, zip code - 61061 |
| M.B. | | Different facility - 61031 |
| H.F. | | Different facility - 61061 |
| R.N. | | waiting list, placed elsewhere |
| M.O. | | waiting list, placed elsewhere |
| J.E. | 61061 | St Annes, zip-61107 |
| D.M. | | Went home from hospital |
| B.C. | 61010 | Hospice House, zip code - 61061 |
| Male | | unknown |
| D.W. | | waiting list, placed elsewhere |
| P.E. | | unknown |
| P.T. | | unknown |
| E.G. | | unknown |
| Jan. 2013 | | |
| D.H. | | unknown |
| K.L. | | unknown |
| M.T. | | unknown |
| R.S. | | unknown |
| R.S. | | unknown |
| T.J. | | unknown |
| A.T. | | unknown |
| J.F. | | Died at hospital |
| B.G. | | unknown |
| P.J. | | unknown |
| B.P. | | waiting list, placed at assisted living |
| | | |
| | | |

Franklin Grove
Returned to Oregon

Disposition of referrals not admitted to Neighbors

1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Feb. 2013 | | |
| D.S. | | Amberwood, zip code - 61103 |
| N.O. | | Went to different facility |
| Male | | Died at hospital |
| W.B. | | unknown |
| C.R. | | unknown |
| K.K. | | unknown |
| J.C. | 61021 | Dixon, IL facility, zip code - 61021 |
| E.F. | | Amberwood, zip code - 61103 |
| A.B. | | Fairview Nsg Plaza, zip code -61108 |
| K.T. | | unknown |
| D.G. | | waiting list, placed elsewhere |
| T.C. | 61115 | unknown |
| Mar. 2013 | | |
| W.R. | | unknown |
| H.K. | | Discharged home from hosp |
| C.T. | | unknown |
| R.O. | | Pinecrest zip code-61054 |
| L.E. | 61010 | Went home; later went to Pinecrest (61054) |
| J.A. | | facility in Elgin |
| M.I. | | Highview in the Woodlands zip code-61072 |
| C.S. | 61108 | Stayed at current facility |
| M.R. | | unknown |
| D.R. | | unknown |
| R.G. | | unknown |
| J.W. | | unknown |
| J.P. | | unknown |
| T.C. | | unknown |
| W.M. | | unknown |
| C.K. | | unknown |
| S.S. | | unknown |
| | | |
| | | |

S.O.R. - Select Spec. Hosp

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Apr. 2013 | | |
| H.S. | | unknown |
| S.G. | | unknown |
| R.N. | | waiting list, placed elsewhere |
| W.T. | | unknown |
| F.D. | | Discharged home from hosp |
| C.A. | | Discharged home from hosp |
| E.B. | 61061 | Oregon Healthcare, zip code - 61061 |
| R.B. | | waiting list, placed elsewhere |
| J.A. | | unknown |
| P.B. | | unknown |
| K.K. | | unknown |
| J.L. | | unknown |
| R.M. | | waiting list, placed elsewhere |
| H.M. | | unknown |
| May. 2013 | | |
| O.A. | | Oregon Healthcare, zip code - 61061 |
| G.G. | | Died at hospital |
| E.Q. | | Van Matre acute rehab hospital |
| S.B. | 61102 | Returning to assisted living facility, zip code - 61102 |
| D.C. | | unknown |
| L.H. | 61074 | Staying at current facility, zip code - 61074 |
| D.S. | | waiting list, placed elsewhere |
| E.S. | | unknown |
| N.O. | | unknown |
| D.P. | | unknown |
| V.N. | | unknown |
| E.L. | | waiting list, placed elsewhere |
| C.H. | | waiting list, placed elsewhere |
| L.D. | | waiting list, placed elsewhere |
| | | |
| | | |
| | | |
| | | |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Jun. 2013 | | |
| S.M. | | unknown |
| C.R. | | discharged home from hospital |
| V.M. | | P.A. Peterson, zip code - 61107 |
| G.J. | | Discharged home from hospital |
| K.N. | 61047 | Pinecrest, zip code - 61054 |
| G.H. | | Went to Van Matre, acute rehab hospital |
| J.K. | | Discharged home from hospital |
| A.P. | | Sherman Westcourt in Elgin |
| M.M. | | Prairieview assisted living, zip code - 61088 |
| R.M. | | Prairieview assisted living, zip code - 61088 |
| B.M. | | Polo Rehab, zip code - 61064 |
| E.L. | | Staying at current facility, zip code - 61024 |
| Female | | unknown |
| G.J. | | Went to stay with family |
| Female | | unknown |
| A.C. | | unknown |
| L.D. | | unknown |
| E.L. | | unknown |
| B.S. | | unknown |
| E.W. | | waiting list, placed elsewhere |
| Jul. 2013 | | |
| A.P. | | Amberwood, zip code - 61103 |
| D.P. | | Died in hospital |
| D.V. | | Van Matre Acute Rehab Hospital |
| J.C. | | Discharged home |
| D.W. | | Bethany, zip code - 60115 |
| E.R. | | Alpine Fireside, zip code - 61114 |
| V.E. | | Staying at current facility, zip code - 61108 |
| C.V. | | unknown |
| W.L. | | unknown |
| D.S. | | waiting list, placed elsewhere |
| H.D. | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Female | | waiting list, placed elsewhere |
| L.M. | | unknown |
| Aug. 2013 | | |
| F.K. | | Green Acres, zip code - 61310 |
| R.S. | | Freeport facility, zip code - 61032, closer to home |
| M.T. | | St. Annes, zip code - 61107 |
| L.K. | | Pinecrest, zip code - 61054 |
| D.M. | | Rockford facility, husb is moving there |
| G.P. | 61115 | unknown |
| S.B. | | Homebridge, zip code - 61008 |
| M.J. | | unknown |
| R.N. | | unknown |
| J.M. | | unknown |
| M.C. | 61102 | unknown |
| W.B. | | unknown |
| J.V. | | unknown |
| V.C. | | Staying at current facility, zip code - 61068 |
| D.L. | | unknown |
| G.W. | | Rosewood, zip code - 61108 |
| Sept. 2013 | | |
| W.B. | | unknown |
| K.F. | | unknown |
| K.W. | 61054 | Oregon Healthcare, zip code - 61061 |
| R.P. | 61084 | Oregon Healthcare, zip code - 61061, wife is there |
| J.K. | | unknown |
| Oct. 2013 | | |
| A.B. | 61061 | unknown |
| B.W. | 61107 | unknown |
| S.M. | | unknown |
| T.M. | 60178 | unknown |
| B.B. | 45459 | unknown |
| B.W. | 72450 | unknown |
| R.N. | 61010 | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/ Res. | | Home Zip Code | Disposition |
|-------------|--|---------------|---|
| Nov. 2013 | | | |
| S.S. | | 61008 | Rochelle Rehab, zip code - 61068 |
| S.N. | | 61021 | unknown |
| L.M. | | 61102 | unknown |
| J.C. | | | unknown |
| M.J. | | | unknown |
| S.S. | | 61008 | unknown |
| D.S. | | | unknown |
| M.P. | | | unknown |
| A.V. | | 61084 | Cor Mariae, zip code - 61114 |
| H.Y. | | | St. Anne's, zip code - 61107 |
| R.E. | | 61061 | unknown |
| Dec. 2013 | | | |
| Y.V. | | | Discharge home from hospital |
| J.J. | | 61018 | Willowcrest, zip code - 60548 |
| M.M. | | | St. Anne's, zip code - 61107 |
| E.B. | | | unknown, closer to family |
| J.G. | | | unknown |
| R.C. | | 61103 | Glen Lakes, zip code - 60085 |
| E.R. | | | unknown |
| B.K. | | | unknown |
| M.C. | | | unknown |
| D.L. | | | Stayed at current facility, zip code - 61108 |
| S.D. | | 61020 | Prairieview assisted living, zip code - 61088 |
| R.S. | | | unknown |
| V.P. | | | unknown |
| S.W. | | | unknown |
| Female | | | unknown |
| P.S. | | 61054 | Pinecrest, zip code - 61054 |
| W.M. | | | unknown |
| Female | | | unknown |
| Female | | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/ Res. | Home Zip Code | Disposition |
|-------------|---------------|-------------|
| Male | | unknown |
| J.V. | | unknown |
| Male | | unknown |

Neighbors Rehabilitation
2012 Admissions by Zip Code Analysis

| 2012 | RESIDENT | ZIP CODE |
|------|------------------|----------|
| LC | 60033 McHenry | |
| LT | 60177 Kane | |
| DR | 61008 Boone | |
| DR | 61008 Boone | |
| DR | 61008 Boone | |
| JG | 61010 Ogle | |
| BW | 61010 Ogle | |
| RD | 61010 Ogle | |
| MM | 61010 Ogle | |
| SG | 61010 Ogle | |
| _M | 61010 Ogle | |
| _S | 61010 Ogle | |
| EL | 61010 Ogle | |
| DV | 61010 Ogle | |
| MM | 61010 Ogle | |
| RB | 61010 Ogle | |
| SJ | 61010 Ogle | |
| MB | 61010 Ogle | |
| DG | 61010 Ogle | |
| BW | 61010 Ogle | |
| MO | 61010 Ogle | |
| CG | 61010 Ogle | |
| DH | 61010 Ogle | |
| MO | 61010 Ogle | |
| JK | 61010 Ogle | |
| M/S | 61010 Ogle | |
| HS | 61010 Ogle | |
| GS | 61010 Ogle | |
| DW | 61010 Ogle | |
| PW | 61010 Ogle | |
| JR | 61010 Ogle | |
| DB | 61020 Ogle | |
| WM | 61020 Ogle | |
| AM | 61021 Lee | |
| RA | 61021 Lee | |
| PS | 61032 Stephenson | |
| CB | 61032 Stephenson | |
| HB | 61046 Carroll | |
| SB | 61046 Carroll | |
| GR | 61047 Ogle | |
| WK | 61047 Ogle | |
| VF | 61047 Ogle | |
| LK | 61047 Ogle | |

| | |
|---------------------|-----------------|
| JB | 61047 Ogle |
| JC | 61047 Ogle |
| KN | 61047 Ogle |
| RB | 61049 Ogle |
| FS | 61054 Ogle |
| JS | 61061 Ogle |
| WR | 61061 Ogle |
| DE | 61061 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| IS | 61077 Winnebago |
| JH | 61084 Ogle |
| WH | 61084 Ogle |
| NV | 61084 Ogle |
| DC | 61088 Winnebago |
| EC | 61088 Winnebago |
| AK | 61088 Winnebago |
| RS | 61088 Winnebago |
| LZ | 61102 Winnebago |
| WP | 61102 Winnebago |
| JV | 61102 Winnebago |
| LG | 61102 Winnebago |
| WD | 61103 Winnebago |
| AS | 61104 Winnebago |
| VC | 61104 Winnebago |
| TH | 61107 Winnebago |
| TH | 61107 Winnebago |
| AP | 61108 Winnebago |
| VM | 61108 Winnebago |
| JR | 61109 Winnebago |
| AM | 61109 Winnebago |
| PW | 61111 Winnebago |
| GS | 61114 Winnebago |
| LB | 61114 Winnebago |
| BC | 61114 Winnebago |
| TK | 61115 Winnebago |
| VP | 61115 Winnebago |
| 2012 TOTAL | 83 |
| in Ogle County | 48 58% |
| In Winnebago County | 24 29% |

| | |
|-------------------------------------|----|
| 30 min zip codes | |
| 60129 | 26 |
| 60146 | |
| 61007 | |
| 61010 | |
| 61015 | |
| 61016 | |
| 61020 | 2 |
| 61030 | |
| 61039 | |
| 61047 | 7 |
| 61049 | 1 |
| 61052 | |
| 61054 | 1 |
| 61061 | 3 |
| 61063 | |
| 61067 | |
| 61084 | 3 |
| 61088 | 4 |
| 61101 | |
| 61102 | 4 |
| 61104 | 2 |
| 61108 | 2 |
| 61109 | 2 |
| 61112 | |
| Total admissions within 30 min | |
| 57 | |
| % of total admissions within 30 min | |
| 69% | |

Neighbors Rehabilitation

| 2013 | RESIDENT | ZIP CODE |
|------|---------------------|----------|
| DB | 52807 Davenport, IA | |
| PF | 60018 Cook | |
| JD | 60150 Dekalb | |
| DB | 61008 Boone | |
| LL | 61008 Boone | |
| VG | 61008 Boone | |
| LS | 61008 Boone | |
| NM | 61008 Boone | |
| EM | 61010 Ogle | |
| SB | 61010 Ogle | |
| DM | 61010 Ogle | |
| MS | 61010 Ogle | |
| BF | 61010 Ogle | |
| EW | 61010 Ogle | |
| MS | 61010 Ogle | |
| GF | 61010 Ogle | |
| CR | 61010 Ogle | |
| CF | 61010 Ogle | |
| JC | 61010 Ogle | |
| JE | 61010 Ogle | |
| DR | 61010 Ogle | |
| JE | 61010 Ogle | |
| RM | 61010 Ogle | |
| JF | 61010 Ogle | |
| MS | 61010 Ogle | |
| DS | 61010 Ogle | |
| JR | 61010 Ogle | |
| JF | 61010 Ogle | |
| NC | 61010 Ogle | |
| HM | 61015 Ogle | |
| DM | 61015 Ogle | |
| PM | 61015 Ogle | |
| KH | 61020 Ogle | |
| BZ | 61020 Ogle | |
| FS | 61020 Ogle | |
| RS | 61020 Ogle | |
| WM | 61020 Ogle | |
| MH | 61020 Ogle | |
| MS | 61021 Lee | |
| RM | 61021 Lee | |
| PS | 61021 Lee | |
| JC | 61021 Lee | |

| | | |
|-----|-------|------------|
| RL | 61032 | Stephenson |
| VC | 61047 | Ogle |
| AP | 61047 | Ogle |
| DS | 61047 | Ogle |
| HS | 61047 | Ogle |
| VC | 61047 | Ogle |
| JL | 61054 | Ogle |
| SN | 61054 | Ogle |
| GC | 61054 | Ogle |
| JL | 61054 | Ogle |
| PM | 61054 | Ogle |
| GC | 61054 | Ogle |
| RE | 61061 | Ogle |
| MH | 61061 | Ogle |
| JH | 61061 | Ogle |
| CW | 61061 | Ogle |
| NL | 61061 | Ogle |
| JG | 61061 | Ogle |
| RR | 61061 | Ogle |
| CW | 61061 | Ogle |
| MG | 61063 | Winnebago |
| CW | 61063 | Winnebago |
| MB | 61068 | Ogle |
| MV | 61068 | Ogle |
| WA | 61068 | Ogle |
| DH | 61071 | Whiteside |
| MB | 61072 | Winnebago |
| LS | 61084 | Ogle |
| RH | 61084 | Ogle |
| FH | 61084 | Ogle |
| HH | 61084 | Ogle |
| MS | 61088 | Winnebago |
| CL | 61088 | Winnebago |
| JK | 61088 | Winnebago |
| AA | 61088 | Winnebago |
| CJ | 61088 | Winnebago |
| RM | 61088 | Winnebago |
| JIL | 61088 | Winnebago |
| DO | 61088 | Winnebago |
| BH | 61088 | Winnebago |
| DC | 61102 | Winnebago |
| RP | 61102 | Winnebago |
| MS | 61102 | Winnebago |
| DE | 61102 | Winnebago |

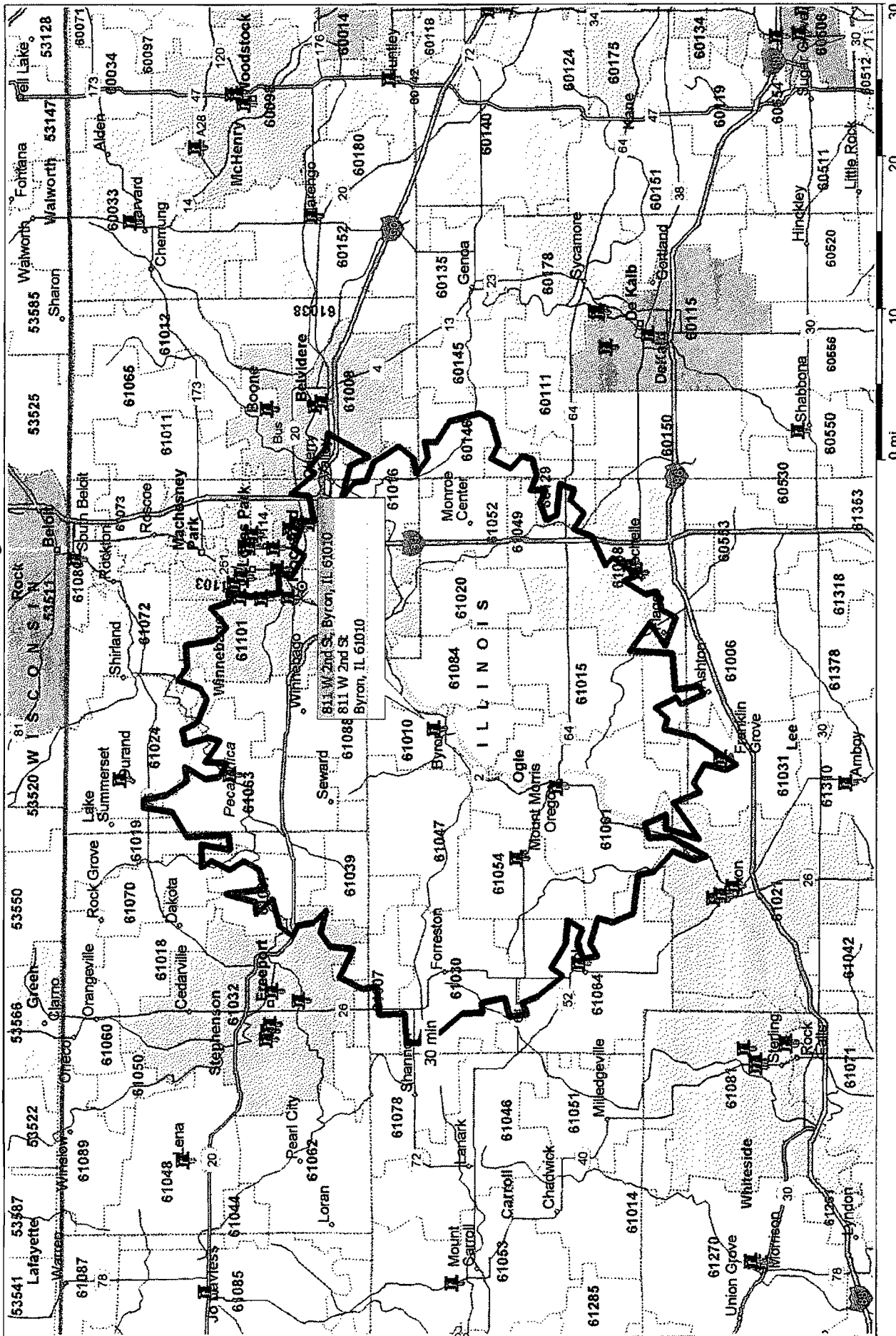
| | | |
|---------------------|-------|------------|
| RM | 61102 | Winnebago |
| PB | 61103 | Winnebago |
| LW | 61103 | Winnebago |
| SM | 61104 | Winnebago |
| LS | 61104 | Winnebago |
| LT | 61104 | Winnebago |
| TD | 61107 | Winnebago |
| GL | 61107 | Winnebago |
| CM | 61107 | Winnebago |
| EC | 61107 | Winnebago |
| RR | 61107 | Winnebago |
| EC | 61108 | Winnebago |
| DR | 61108 | Winnebago |
| DJ | 61108 | Winnebago |
| TR | 61108 | Winnebago |
| IT | 61108 | Winnebago |
| JG | 61108 | Winnebago |
| HL | 61108 | Winnebago |
| CF | 61108 | Winnebago |
| HL | 61108 | Winnebago |
| LP | 61109 | Winnebago |
| DM | 61109 | Winnebago |
| EH | 61109 | Winnebago |
| JM | 61109 | Winnebago |
| CB | 61115 | Winnebago |
| 2013 TOTAL | | 111 |
| in Ogle County | | 56 |
| in Winnebago County | | 41 |
| | | 50% |
| | | 37% |

| | |
|------------------------|-----|
| most recent 24 months | |
| 2012 & 2013 | |
| TOTAL ADMISSIONS | 194 |
| in Ogle County | 104 |
| in Winnebago County | 65 |
| | 54% |
| | 34% |

| 30 min zip codes | |
|-------------------------------------|----|
| 60129 | 21 |
| 60146 | 3 |
| 61007 | 3 |
| 61010 | 6 |
| 61015 | 5 |
| 61016 | 6 |
| 61020 | 6 |
| 61030 | 6 |
| 61039 | 8 |
| 61047 | 2 |
| 61049 | 4 |
| 61052 | 9 |
| 61054 | 5 |
| 61061 | 6 |
| 61063 | 8 |
| 61067 | 2 |
| 61084 | 4 |
| 61088 | 9 |
| 61101 | 9 |
| 61102 | 5 |
| 61104 | 3 |
| 61108 | 9 |
| 61109 | 4 |
| 61112 | 4 |
| Total admissions within 30 min | |
| 85 | |
| % of total admissions within 30 min | |
| 77% | |

| | |
|-------------------------------------|-----|
| most recent 24 months | 159 |
| <u>2012 & 2013</u> | 82% |
| Total admissions within 30 min | |
| % of total admissions within 30 min | |

MapPoint map 30 min - Neighbors



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Neighbors Rehabilitation Center
Utilization Data

| FACID | FACNAME | CITY | Gen Beds | # of Licensed Nursing Beds | Peak Beds Set-up | Nursing Patient Days | Nursing Occupancy | Set-Up NRSO Occupancy | Admissions | ALOS | Drive Distance | Drive Time |
|---------|----------------------------------|--------------|----------|----------------------------|------------------|----------------------|-------------------|-----------------------|------------|-------|----------------|------------|
| 6006514 | Neighbors Rehab Ctr | Byron | 101 | 101 | 101 | 33858 | 91.8% | 91.8% | 83 | | | |
| 6009989 | Oregon Living & Rehab Center (1) | Oregon | 104 | 104 | 104 | 25716 | 67.7% | 67.7% | 82 | 313.6 | 11.13 | 17 |
| 6007447 | Pinecrest Manor | Mount Morris | 125 | 125 | 125 | 39297 | 86.1% | 86.1% | 182 | 215.9 | 12.09 | 17 |
| 10-072 | Warrior's Gateway | Rockford | 120 | | | | | | | | 15.75 | 24 |
| 10-031 | Pecatonica Pavilion | Pecatonica | 24 | | | | | | | | 17.78 | 25 |
| 6014658 | Rosewood Care Center of Rockford | Rockford | 120 | 120 | 120 | 26500 | 60.5% | 60.5% | 363 | 73.0 | 19.71 | 26 |
| 6000103 | Alden-Alma Nelson Manor (2) | Rockford | 268 | 268 | 239 | 68118 | 69.6% | 78.1% | 656 | 103.8 | 20.56 | 27 |
| 6001135 | Fairview Nursing Plaza | Rockford | 213 | 213 | 213 | 72705 | 93.5% | 93.5% | 76 | 956.6 | 20.38 | 28 |
| 6001267 | Amberwood Nursing & Rehab Ctr. | Rockford | 143 | 143 | 137 | 40811 | 78.2% | 81.6% | 306 | 133.4 | 19.47 | 29 |

(1) 09/01/2011 Name change / CHOW, formerly Oregon Healthcare Center

(2) Inventory & export Alden-Alma Nelson Manor; Profile & Website Alden-Debes - John checking on this

Source: Long-Term Care Facility Questionnaire for 2012, Illinois Department of Public Health, Health Systems Development
www.mapquest.com

Inventory of Health Care Facilities and Services and Need Determinations - 2013 - Long-Term Care Services



mapquest

Trip to:

811 S 10th St

Oregon, IL 61061-2129

11.13 miles / 17 minutes

Notes

Oregon Healthcare Center



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **west** on **W 2nd St** toward **Grant St**. [Map](#)

0.02 Mi

0.02 Mi Total



2. Take the 1st **left** onto **Grant St**. [Map](#)

0.09 Mi

If you reach Blanchard Ct you've gone a little too far

0.1 Mi Total



2

3. Turn **right** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

10.6 Mi

10.7 Mi Total



4. Turn **right** onto **Webster St**. [Map](#)

0.4 Mi

Webster St is just past Clay St

11.1 Mi Total

If you are on Gale St and reach S 5th St you've gone about 0.1 miles too far



5. Turn **left** onto **S 10th St**. [Map](#)

0.01 Mi

11.1 Mi Total



6. **811 S 10TH ST** is on the **left**. [Map](#)

If you reach Rhoads Pl you've gone about 0.1 miles too far

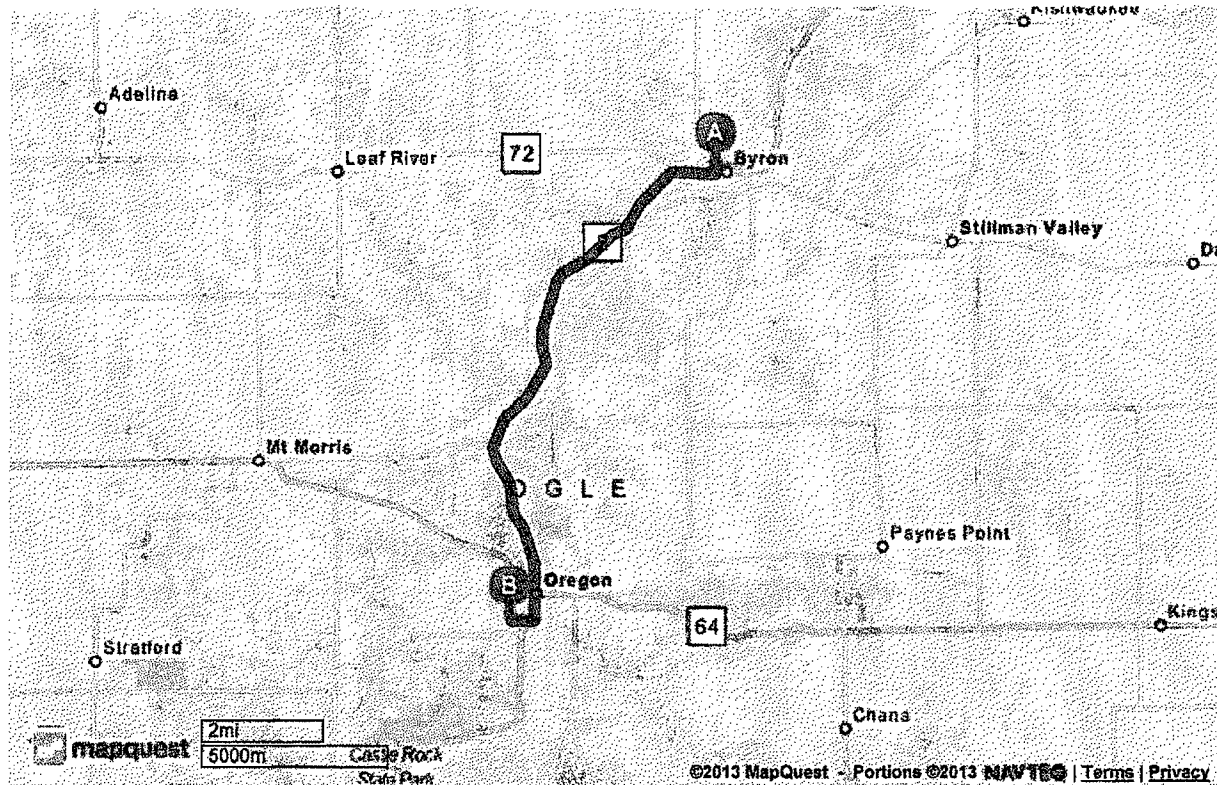


811 S 10th St, Oregon, IL 61061-2129

Total Travel Estimate: **11.13 miles - about 17 minutes**

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Trip to:

414 S Wesley Ave

Mount Morris, IL 61054-1428

12.09 miles / 17 minutes

Notes

Pinecrest Manor



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **west** on **W 2nd St** toward **Grant St.** [Map](#)

0.02 Mi

0.02 Mi Total



2. Take the 1st **left** onto **Grant St.** [Map](#)

0.09 Mi

If you reach Blanchard Ct you've gone a little too far

0.1 Mi Total



2

3. Turn **right** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

7.2 Mi

7.3 Mi Total



4. Turn **right** onto **W Mud Creek Rd.** [Map](#)

3.9 Mi

W Mud Creek Rd is 0.5 miles past E Indian Cove Dr

If you reach Cultra Dr you've gone about 1.1 miles too far

11.2 Mi Total



5. **W Mud Creek Rd** becomes **E Hitt St.** [Map](#)

0.3 Mi

11.5 Mi Total



64

6. Turn **right** onto **IL-64**. [Map](#)

0.3 Mi

Garden View Family Restaurant is on the corner

11.8 Mi Total



7. Turn **left** onto **N Wesley Ave.** [Map](#)

0.3 Mi

Pepper Mill is on the corner

If you are on W Hitt St and reach N Seminary Ave you've gone about 0.1 miles too far

12.1 Mi Total



8. **414 S WESLEY AVE** is on the right. [Map](#)

Your destination is just past W Brayton Rd

If you reach the end of S Wesley Ave you've gone a little too far

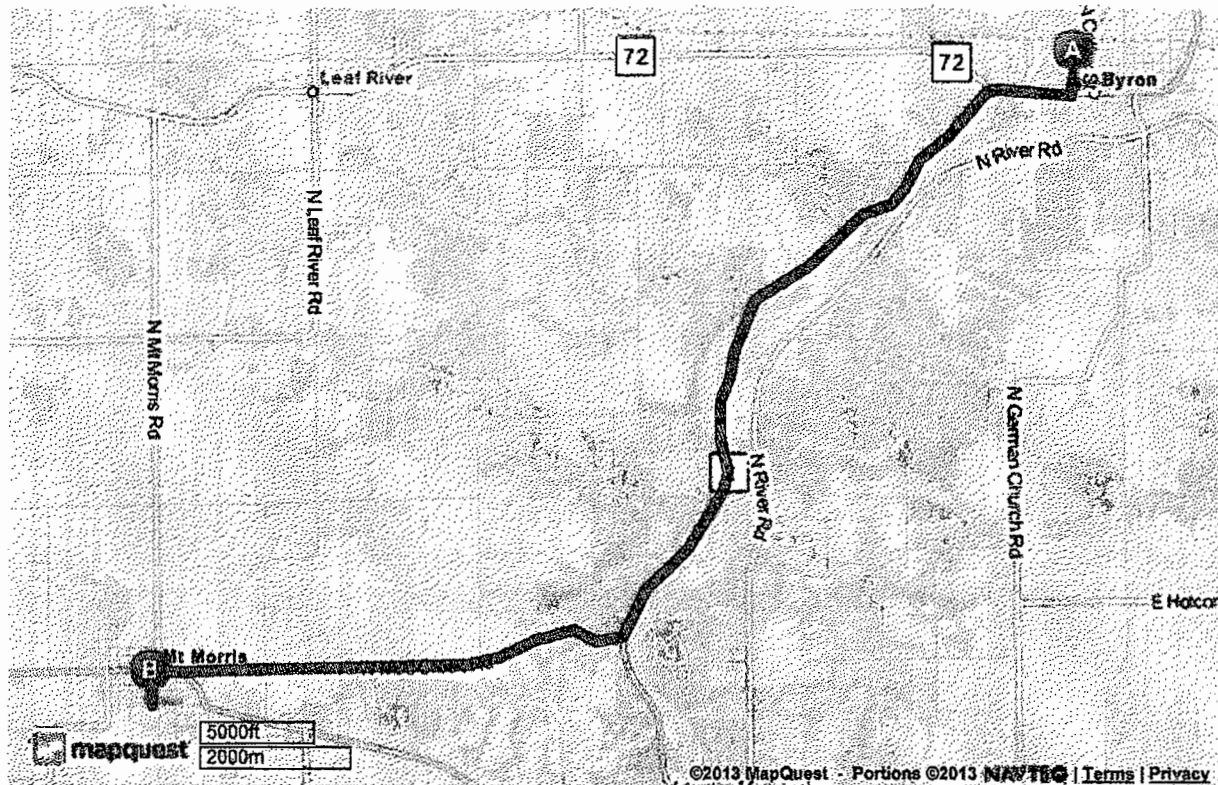


414 S Wesley Ave, Mount Morris, IL 61054-1428

Total Travel Estimate: **12.09 miles - about 17 minutes**

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Trip to:

254 Elm St

Rockford, IL 61101-1264

15.75 miles / 24 minutes

Notes

Warrior's Gateway



811 W 2nd St, Byron, IL 61010-1464

**Download
Free App**



1. Start out going east on W 2nd St toward N Lincoln St. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the 2nd right onto N Colfax St / N Tower Rd. [Map](#)

0.09 Mi

0.2 Mi Total

N Colfax St is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



3. Turn left onto IL-2 / IL-72. Continue to follow IL-2. [Map](#)

11.0 Mi

11.2 Mi Total

Casey's Carry-Out Pizza is on the corner



4. Turn left onto S Main St / IL-2. Continue to follow S Main St. [Map](#)

4.3 Mi

15.5 Mi Total

Road Ranger is on the corner

If you reach the end of Hanger Dr you've gone a little too far



5. Turn slight right onto Wyman Crossover / IL-2 N. Continue to follow IL-2 N. [Map](#)

0.2 Mi

15.7 Mi Total

IL-2 N is just past Cedar St



6. Turn left onto Elm St. [Map](#)

0.02 Mi

15.8 Mi Total

Elm St is just past Chestnut St

Happy Wok is on the corner

If you reach W State St you've gone a little too far



7. **254 ELM ST** is on the left. [Map](#)

If you reach S Main St you've gone a little too far

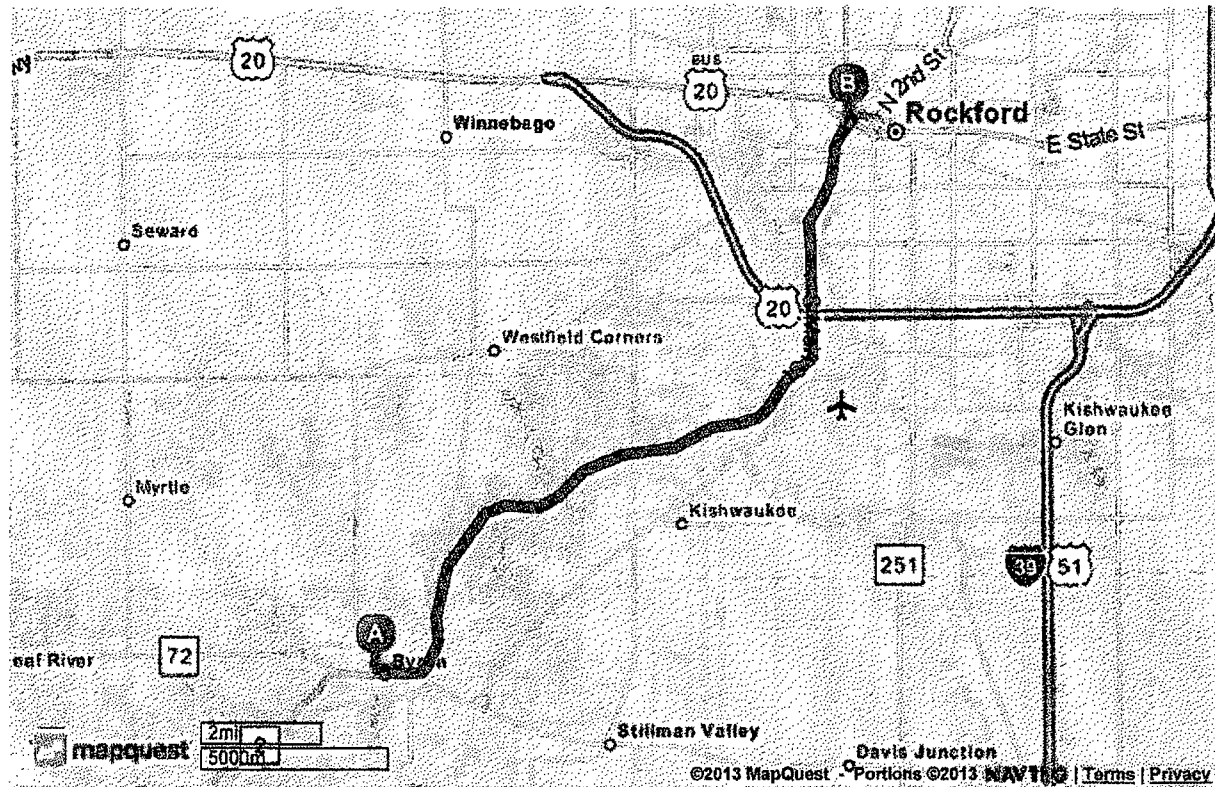


254 Elm St, Rockford, IL 61101-1264

Total Travel Estimate: **15.75 miles - about 24 minutes**

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Trip to:

599 W 7th St

Pecatonica, IL 61063-9741

17.78 miles / 25 minutes

Notes

Pecatonica Pavilion



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **east** on **W 2nd St** toward **N Lincoln St**. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the 1st left onto **N Colfax St / N Tower Rd**. Continue to follow **N Tower Rd**. [Map](#)

5.7 Mi

5.8 Mi Total

N Tower Rd is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



3. Turn **left** onto **Montague Rd**. [Map](#)

1.2 Mi

7.1 Mi Total



4. Turn **right** onto **S Hoisington Rd**. [Map](#)

5.7 Mi

12.8 Mi Total

S Hoisington Rd is 0.9 miles past Kendall Rd

If you reach N Conger Rd you've gone about 0.9 miles too far



5. Turn **left** onto **US-20 W / Ulysses S Grant Memorial Hwy**. [Map](#)

3.0 Mi

15.8 Mi Total

US-20 W is 0.6 miles past Comly Rd

If you are on N Hoisington Rd and reach Berglund Rd you've gone about 0.8 miles too far



6. Turn **right** onto **N Pecatonica Rd**. [Map](#)

1.5 Mi

17.3 Mi Total

N Pecatonica Rd is 0.2 miles past N Jackson Rd

If you reach Grove Rd you've gone about 0.4 miles too far



7. Turn **left** onto **W 7th St**. [Map](#)

0.5 Mi

17.8 Mi Total

W 7th St is just past E 8th St

If you reach E 6th St you've gone a little too far



8. 599 W 7TH ST. [Map](#)

Your destination is 0.1 miles past John St

If you reach Grove St you've gone a little too far



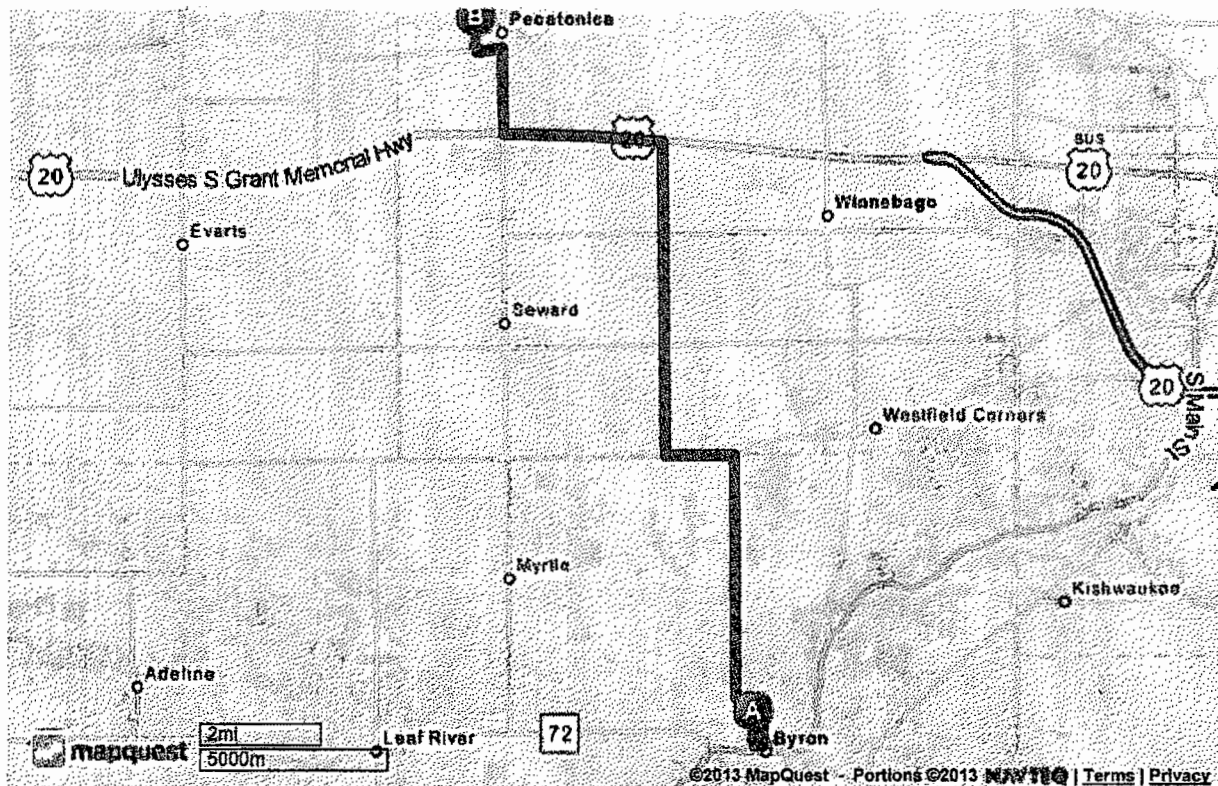
599 W 7th St, Pecatonica, IL 61063-974142.308881, -89.368723

(Address is approximate)

Total Travel Estimate: **17.78 miles - about 25 minutes**

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Trip to:

1660 S Mulford Rd

Rockford, IL 61108-6760

19.71 miles / 26 minutes

Notes

Rosewood Care Center of Rockford



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **east** on **W 2nd St** toward **N Lincoln St**. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the **2nd right** onto **N Colfax St / N Tower Rd**. [Map](#)

0.09 Mi

0.2 Mi Total

N Colfax St is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



2

3. Turn **left** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

11.0 Mi

11.2 Mi Total

Casey's Carry-Out Pizza is on the corner



2

4. Turn **left** onto **S Main St / IL-2**. [Map](#)

0.5 Mi

11.7 Mi Total

Road Ranger is on the corner

If you reach the end of Hanger Dr you've gone a little too far



EAST
20

5. Merge onto **US-20 E / Ulysses S Grant Memorial Hwy** toward **I-90 / Belvidere**. [Map](#)

4.0 Mi

15.7 Mi Total



6. Take the **Alpine Rd exit**. [Map](#)

0.3 Mi

16.0 Mi Total



7. Turn **left** onto **S Alpine Rd**. [Map](#)

1.4 Mi

17.4 Mi Total

If you reach US-20 E you've gone about 0.2 miles too far



8. Turn **right** onto **Harrison Ave**. [Map](#)

1.5 Mi

18.9 Mi Total

Harrison Ave is 0.1 miles past Manchester Dr

Walgreens is on the corner

If you reach Beach St you've gone a little too far



9. Turn **left** onto **S Mulford Rd**. [Map](#)

0.8 Mi

19.7 Mi Total

S Mulford Rd is 0.1 miles past Wendy Ln

Angelo's Restaurant & Pizzeria is on the left

If you reach Dudley Dr you've gone about 0.2 miles too far



10. **1660 S MULFORD RD** is on the **right**. [Map](#)

Your destination is just past Carriage Green Way

If you reach Phaeton Dr you've gone a little too far

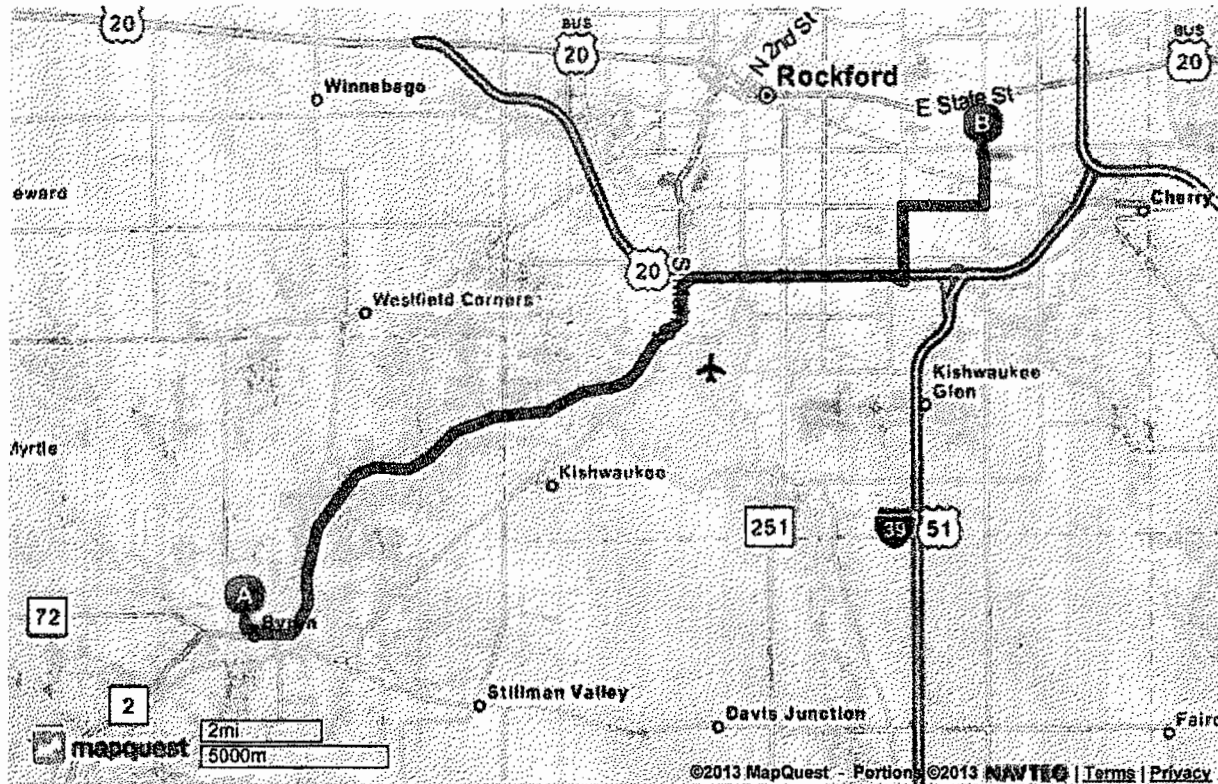


1660 S Mulford Rd, Rockford, IL 61108-6760

Total Travel Estimate: **19.71 miles - about 26 minutes**

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Trip to:

550 S Mulford Rd

Rockford, IL 61108-2511

20.56 miles / 27 minutes

Notes

Alden-Alma Nelson Manor



811 W 2nd St, Byron, IL 61010-1464

**Download
Free App**



1. Start out going **east** on **W 2nd St** toward **N Lincoln St**. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the 2nd **right** onto **N Colfax St / N Tower Rd**. [Map](#)

0.09 Mi

0.2 Mi Total

N Colfax St is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



2

3. Turn **left** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

11.0 Mi

11.2 Mi Total

Casey's Carry-Out Pizza is on the corner



2

4. Turn **left** onto **S Main St / IL-2**. [Map](#)

0.5 Mi

11.7 Mi Total

Road Ranger is on the corner

If you reach the end of Hanger Dr you've gone a little too far



5. Merge onto **US-20 E / Ulysses S Grant Memorial Hwy** toward **I-90 / Belvidere**. [Map](#)

4.0 Mi

15.7 Mi Total



6. Take the **Alpine Rd** exit. [Map](#)

0.3 Mi

16.0 Mi Total



7. Turn **left** onto **S Alpine Rd**. [Map](#)

1.4 Mi

17.4 Mi Total

If you reach US-20 E you've gone about 0.2 miles too far



8. Turn **right** onto **Harrison Ave**. [Map](#)

1.5 Mi

18.9 Mi Total

Harrison Ave is 0.1 miles past Manchester Dr

Walgreens is on the corner

If you reach Beach St you've gone a little too far



9. Turn **left** onto **S Mulford Rd**. [Map](#)

1.7 Mi

20.6 Mi Total

S Mulford Rd is 0.1 miles past Wendy Ln

Angelo's Restaurant & Pizzeria is on the left

If you reach Dudley Dr you've gone about 0.2 miles too far



10. **550 S MULFORD RD** is on the **right**. [Map](#)

Your destination is just past Alma Dr

If you reach Elaine Dr you've gone a little too far

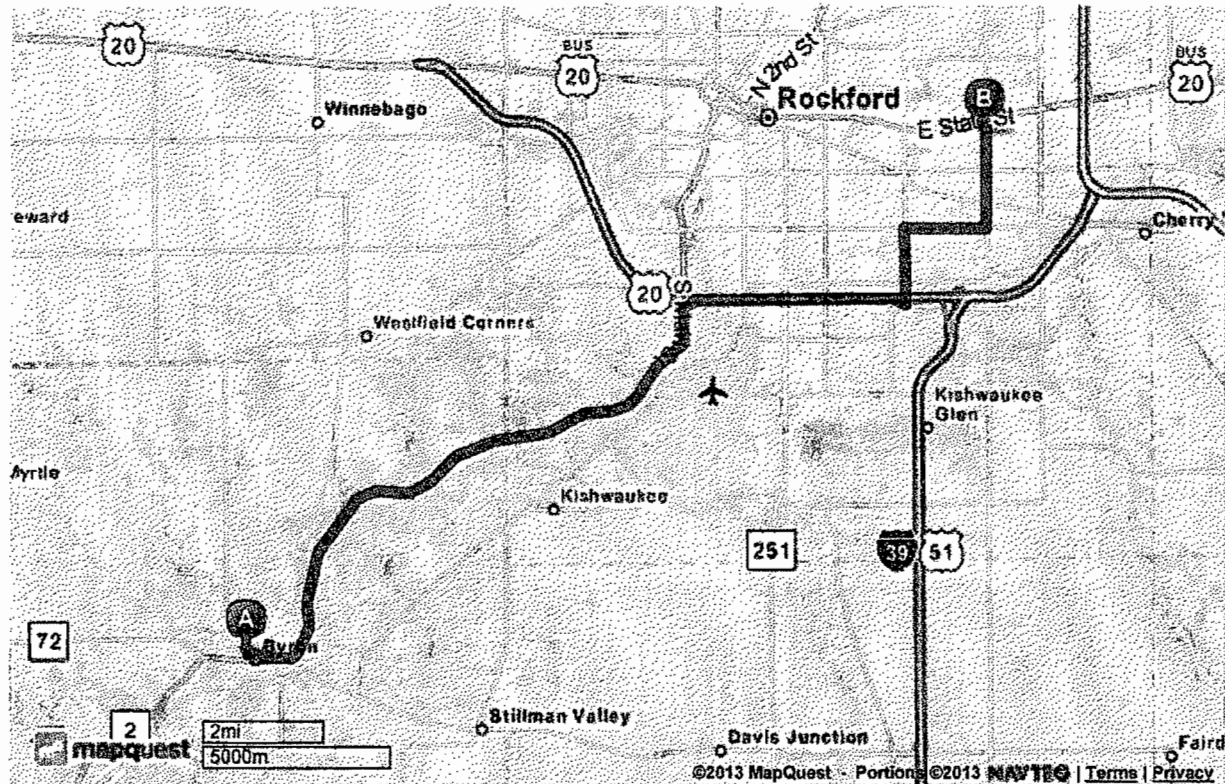


550 S Mulford Rd, Rockford, IL 61108-2511

Total Travel Estimate: **20.56 miles - about 27 minutes**

FREE NAVIGATION APP
SELECT: ☐ IPHONE ☐ ANDROID

Enter your mobile number



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Trip to:

321 Arnold Ave

Rockford, IL 61108-2315

20.38 miles / 28 minutes

Notes

Fairview Nursing Plaza



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **east** on **W 2nd St** toward **N Lincoln St**. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the 2nd **right** onto **N Colfax St / N Tower Rd**. [Map](#)

0.09 Mi

0.2 Mi Total

N Colfax St is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



3. Turn **left** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

11.0 Mi

11.2 Mi Total

Casey's Carry-Out Pizza is on the corner



4. Turn **left** onto **S Main St / IL-2**. [Map](#)

0.5 Mi

11.7 Mi Total

Road Ranger is on the corner

If you reach the end of Hanger Dr you've gone a little too far



5. Merge onto **US-20 E / Ulysses S Grant Memorial Hwy** toward **I-90 / Belvidere**. [Map](#)

4.0 Mi

15.7 Mi Total



6. Take the **Alpine Rd** exit. [Map](#)

0.3 Mi

16.0 Mi Total



7. Turn **left** onto **S Alpine Rd**. [Map](#)

3.2 Mi

19.2 Mi Total

If you reach US-20 E you've gone about 0.2 miles too far



8. Turn **right** onto **E State St / US-20-BR**. [Map](#)

1.1 Mi

20.3 Mi Total

E State St is just past Manheim Rd

Illinois State Of, Secretary of State Police Department is on the right

If you are on N Alpine Rd and reach Raven St you've gone about 0.1 miles too far



9. Turn **right** onto **Arnold Ave**. [Map](#)

0.1 Mi

20.4 Mi Total

Arnold Ave is 0.3 miles past S New Towne Dr

Lino's is on the corner

If you are on E State St and reach Justin Ct you've gone a little too far



10. **321 ARNOLD AVE** is on the **right**. [Map](#)

Your destination is just past Justin Ct

If you reach Elaine Dr you've gone a little too far

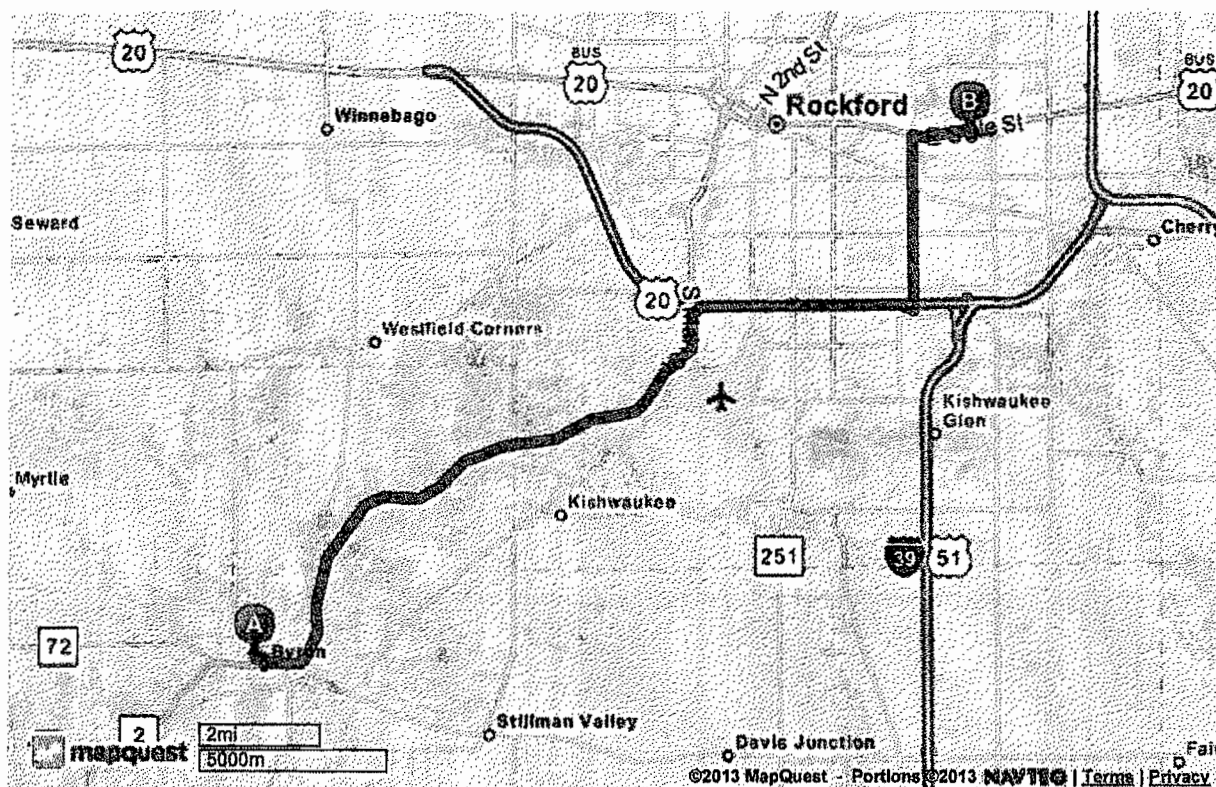


321 Arnold Ave, Rockford, IL 61108-2315

Total Travel Estimate: **20.38 miles - about 28 minutes**

FREE NAVIGATION APP
SELECT: ☐ IPHONE ☐ ANDROID

Enter your mobile number



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mapquest

Trip to:

2313 N Rockton Ave

Rockford, IL 61103-3618

19.47 miles / 29 minutes

Notes

Amberwood Nursing & Rehab Ctr.



811 W 2nd St, Byron, IL 61010-1464

Download
Free App



1. Start out going **east** on **W 2nd St** toward **N Lincoln St**. [Map](#)

0.1 Mi

0.1 Mi Total



2. Take the 2nd **right** onto **N Colfax St / N Tower Rd**. [Map](#)

0.09 Mi

0.2 Mi Total

N Colfax St is just past N Lincoln St

If you reach N Lafayette St you've gone about 0.1 miles too far



2

3. Turn **left** onto **IL-2 / IL-72**. Continue to follow **IL-2**. [Map](#)

7.1 Mi

7.3 Mi Total

Casey's Carry-Out Pizza is on the corner



4. Turn **left** onto **S Meridian Rd**. [Map](#)

7.6 Mi

14.9 Mi Total

If you are on S Main St and reach Gold River Ave you've gone about 0.4 miles too far



5. Turn **right** onto **Auburn St**. [Map](#)

4.0 Mi

18.9 Mi Total

Auburn St is just past Havaview Dr



6. Turn **left** onto **N Rockton Ave**. [Map](#)

0.6 Mi

19.5 Mi Total

N Rockton Ave is just past Auburn Ct

Pizza Hut is on the corner

If you reach Tacoma Ave you've gone a little too far



7. **2313 N ROCKTON AVE** is on the **right**. [Map](#)

Your destination is just past Van Wie Ave

If you reach Fulton Ave you've gone a little too far

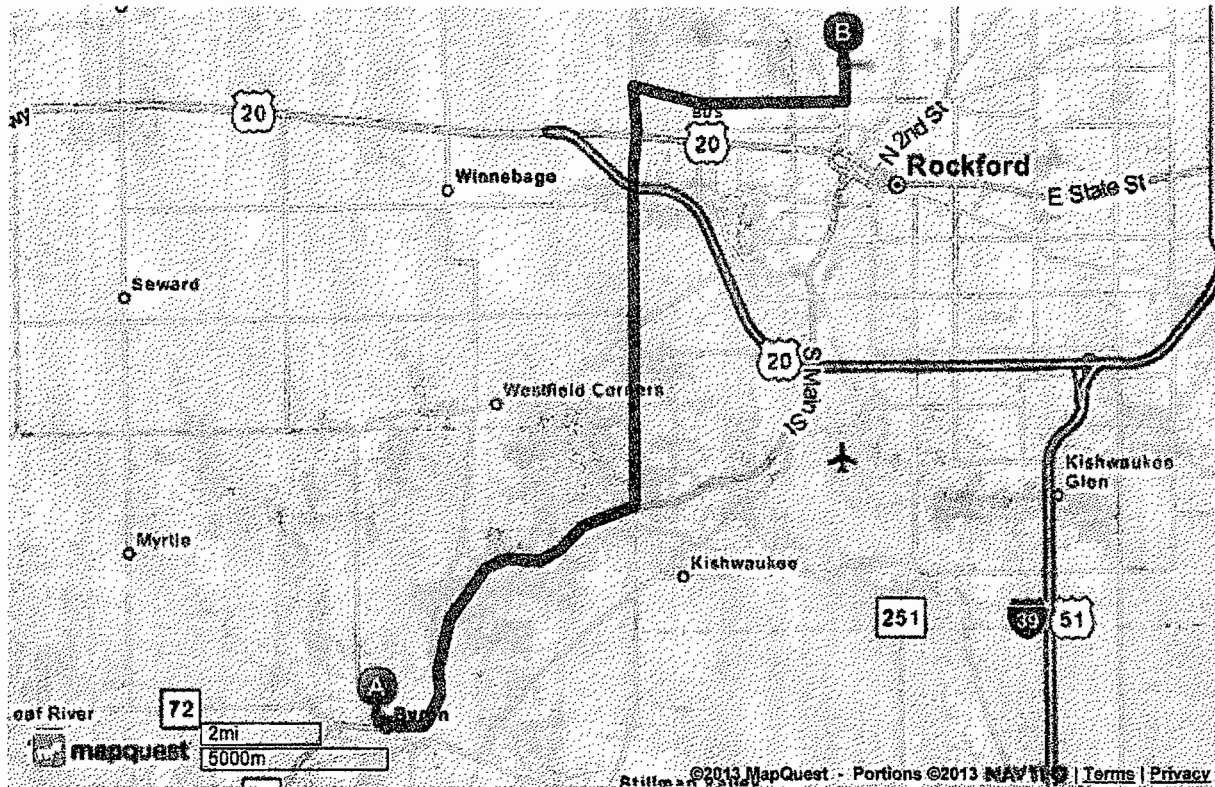


2313 N Rockton Ave, Rockford, IL 61103-3618

Total Travel Estimate: **19.47 miles - about 29 minutes**

FREE NAVIGATION APP
SELECT: ☐ IPHONE ☐ ANDROID

Enter your mobile number



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ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER BYRON

NEIGHBORS REHABILITATION CENTER

P.O. BOX 585
BYRON, IL 61010

Reference Numbers Facility ID 6006514

Health Services Area 001 Planning Services Area 141

Administrator PAWN THAMMARATH

Contact Person and Telephone

PAWN THAMMARATH

815-234-2511 Date Completed 3/1/2012

Registered Agent Information

Thomas Weller

6940 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

UNITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER BYRON

NEIGHBORS REHABILITATION CENTER

P.O. BOX 585

BYRON, IL 61010

Reference Numbers Facility ID 6006514

Health Services Area 001 Planning Services Area 141

Administrator PAWN THAMMARATH

Contact Person and Telephone

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815-234-2511 Date Completed 3/1/2012

Registered Agent Information

Thomas Weller

6940 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

UNITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

RESIDENTS BY PRIMARY DIAGNOSIS

Aggressive/And-Social

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

Medicare Recipient

Mental Illness

Non-Abusive

Non-Mobile

Public Aid Recipient

Under 65 Years Old

Unable to Self-Medicate

Verbalizer Dependent

Infectious Disease w/ Isolation

Other Restrictions

No Restrictions

TOTALS

0

1

15

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ADMISSIONS AND DISCHARGES - 2011

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

Under 18

18 to 44

45 to 59

60 to 64

65 to 74

75 to 84

85+

TOTALS

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ADMISSIONS AND DISCHARGES - 2011

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2011

Under 18

18 to 44

45 to 59

60 to 64

65 to 74

75 to 84

85+

TOTALS

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NEIGHBORS REHABILITATION CENTER

| Reference Numbers | Facility ID | Health Services Area | Planning Service Area |
|----------------------------------|-------------|----------------------|-----------------------|
| P.O. BOX 585 WYRON, IL. 61010 | | 001 | 1d1 |

| LEVEL OF CARE | RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE | | | | | | AVERAGE DAILY PAYMENT RATES | | |
|------------------|---|--------------|----------------|-----------------|-----------------|------------------|-----------------------------|--------|--------|
| | Nursing Care | Mentally Ill | Intermediate P | Intermediate DD | Skilled Nursing | Subsistence Care | Level of Care | Single | Double |
| Nursing Care | 9 | 65 | 0 | 1 | 10 | 0 | 85 | | 185 |
| Mentally Ill | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 0 |
| Intermediate P | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intermediate DD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Nursing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 200 | 185 |
| Subsistence Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 9 | 65 | 0 | 1 | 10 | 0 | 85 | | |

| RESIDENTS BY RACIA/ETHNICITY GROUPING | | | | | FACILITY STAFFING | | |
|---------------------------------------|--------------|------------------|-----------------|----------------|-------------------|---------------------|----------------------|
| RACE | Nursing Care | Skilled Under 22 | Intermediate DD | Sheltered Care | Totals | Employment Category | Full-Time Equivalent |
| Asian | 1 | 0 | 0 | 0 | 1 | Administrators | 1.00 |
| American Indian | 0 | 0 | 0 | 0 | 0 | Physicians | 0.00 |
| Black | 1 | 0 | 0 | 0 | 1 | Director of Nursing | 1.00 |
| Hispanic/Pacific Isl. | 0 | 0 | 0 | 0 | 0 | Registered Nurses | 11.00 |
| White | 83 | 0 | 0 | 0 | 83 | LPNs | 12.00 |
| Race Unknown | 0 | 0 | 0 | 0 | 0 | Certified Aides | 42.00 |
| | | | | | | Other Health Staff | 3.00 |
| | | | | | | Non-Health Staff | 41.00 |
| Total | 85 | 0 | 0 | 0 | 85 | Totals | 111.00 |

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

| Medicare | Medicaid | Other Public | Private Insurance | Private Pay | TOTALS | Charity Care Expense* as % of Total Net Revenue |
|-----------|-----------|--------------|-------------------|-------------|-----------|---|
| 27.1% | 35.9% | 7.0% | 1.4% | 27.6% | 100.0% | 0.0% |
| 1,613,665 | 2,125,998 | 463,280 | 84,240 | 1,639,189 | 5,945,280 | 0 |

*Charity Care Expense does not include expenses which may be considered a community benefit.

Charity Care Expense does not include expenses which may be considered a community benefit.

NEIGHBORS REHABILITATION CENTER

P.O. BOX 585
MYRON, IL. 61010
E-mail: myron@myron.com 6096514

[illegible]

| | LICENSED BEDS | PEAK BEDS SET-UP | BEDS USED | PEAK BEDS SET-UP | BEDS IN USE | BEDS AVAILABLE | MEDICARE CERTIFIED | MEDICAID CERTIFIED | ADMISSIONS AND DISCHARGES - 2012 |
|------------------|---------------|---------------------|--------------|---------------------|----------------|-------------------|-----------------------|-----------------------|-------------------------------------|
| LEVEL OF CARE | | | | | | | | | |
| Nursing Care | 101 | 101 | 96 | 101 | 85 | 18 | 101 | 101 | Residents on 1/7/2011 96 |
| Skilled Under Z2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Total Admissions 2011 83 |
| Intermediate DD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Total Discharges 2011 94 |
| Spontaneous Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Residents on 12/31/2011 85 |
| TOTAL BEDS | 101 | 101 | 96 | 101 | 85 | 18 | 101 | 101 | Identified Offenders 0 |

[illegible]

| FACILITY UTILIZATION - CARE - 2012 | | | | | | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|--------------|-----------|-------------------|-----------|-------------|-----------|--------------|-----------|-----------|-----------|
| PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE AND PATIENT PAYMENT SOURCE | | | | | | | | | | | | | | |
| LEVEL OF CARE | Medicare | | Medicaid | | Other Public | | Private Insurance | | Private Pay | | Charity Care | | TOTAL | |
| | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. |
| Nursing Care | 3109 | 8.4% | 22785 | 61.3% | 3540 | 189 | 4225 | 0 | 0 | 0 | 0 | 0 | 33858 | 91.8% |
| Skilled Under 22 | | | | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Intermediate Care | | | | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| Skilled Care | | | | 0.0% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| TOTALS | 3109 | 8.4% | 22785 | 61.3% | 3540 | 189 | 4225 | 0 | 0 | 0 | 0 | 0 | 33858 | 91.9% |

| RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2012 | | | | | | | | | | | |
|---|--------------|--------|--------------|--------|-------------|--------|-----------|--------|-------|--------|-------------|
| AGE GROUPS | NURSING CARE | | SKL UNDER 22 | | INTERMED DO | | SHELTERED | | TOTAL | | GRAND TOTAL |
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | |
| Under 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 to 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 to 84 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| 65 to 74 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4 | 6 |
| 75 to 84 | 10 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 17 | 27 |
| 85+ | 14 | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 37 | 51 |
| TOTALS | 26 | 58 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 58 | 85 |

**SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** *Continued iv*

Criterion 1125.330 – Alternatives

1. Identify ALL of the alternatives to the proposed project:

Alternative options must include:

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

ALTERNATIVE #1 Lesser Scope: Only the modernization of Neighbors Rehabilitation Center.

Cost

The proposed modernization contracts line item for this project is estimated to be \$1,589,415 not including contingencies.

Patient Access

The issue facing this facility is that there is an increased demand for additional private occupancy resident rooms. The proposed renovation does not take this into account as no semi-private rooms are to be converted to private. The physical plant layout with 36 of the semi-private rooms sharing a toilet with adjacent semi-private room does not lend itself to efficiently and cost effectively convert rooms into private accommodations. On the other hand, for the

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued v

Applicant to reduce the total number of beds available would further only exacerbate the issue that the facility has been turning potential admissions away due to the lack of beds that are available because of gender incompatibility and isolation needs for infection issues. The remedy would only be a trade off as the facility has historically been operating in excess of the State's target of 90%. Therefore, there appears to be no available nursing beds. According the Applicant's listing of potential residents turned away in the last two Calendar Year (2012 & 2013) there were 65 residents turned away (refer to **ATTACHMENT-11A**). Therefore, to reduce the total number of beds licensed beds would only make the issue of patient access more restrictive.

Quality

The historically high utilization of Neighbors Rehabilitation Center speaks to the high quality and passion that this facility provides and shows to its residents. In CY 2010, 2011 and 2012, the facility maintained an average use rate in excess of 90%, 91.6%, 92.6% and 91.8% respectively. According to the Facility's administrator, the falling utilization comes from the evolving long-term care marketplace where hospitals are diagnosing more infection issues and today's rehab patients are demanding private rooms. The fall off in utilization is not a result of quality as the facility had to turn away so many inquiries (65 potential residents as illustrated in **ATTACHMENT-11A**). In addition, with the hospital knowing that the facility does not have the availability of private rooms, they limit their referrals to the Subject facility. Likewise, community residents also know that the facility lacks private room accommodations and inquire at facilities outside the community and often the county. Moreover, the issue as presented here is about accessibility and not quality. The Applicant states and continues to offer its commitment to the highest quality in care but this alternative restricts the accessibility of those in need of

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECT, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued vi

long-term care. This alternative does not allow for greater quality of care for existing residents as they have and will continue to have to seek services at other facilities as their medical needs outweigh their programmatic needs.

Financial Benefits

While the capital costs of this alternative are less expensive than that of the proposed project, there are no financial benefits to this alternative. Potential residents are being turned away at an increasing rate (CY2012 105 and CY2013 with 162). Refer to **ATTACHMENT-11B** for the total referrals deferred by the Applicant. Should this trend continue, the facility could suffer irreparable damage to its reputation and desirability, thereby, making the facility less marketable.

For these reasons listed under this alternative, this option was considered not viable.

ALTERNATIVE #2 Greater Scope: The total replacement of Neighbors Rehabilitation Center.

Cost

To estimate the raw construction cost of a bed-for-bed replacement, regardless if it is on-site or off-site, it would be presumed that all 101 beds were to be replaced in approximately 500 gross square feet per bed (50,500 gsf) at a construction contract cost of \$220 per gsf. This would equate to a construction contract line item of well over \$11 million. This does not include any of the soft costs or new equipment that would most assuredly be part of the project.

Patient Access

The presumptions included above would not be large enough for an all private room facility. However, even if half of the rooms could be the more desirable, private rooms with private baths, the applicant had an average use rate in excess of 90% for the most recent 3 years for which historical data is available. It would appear that no potential availability exists under

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued vii

the State's target use rate. Thus, no potential accessibility plus the 65 residents who were turned away, falls short on improving patient accessibility.

Quality

The issue as presented here is about accessibility and not quality. The Applicant states and continues to offer its commitment to the highest quality in care but this alternative restricts the accessibility of those in need of long-term care. This alternative does not allow for greater quality of care for existing residents as they have and will continue to have to seek services at other facilities as their medical needs outweigh their programmatic needs.

Financial Benefits

There does not appear to be any financial benefits to the proposed project. The capital costs to this alternative are higher than that of the project as being proposed. To not remedy the inaccessibility to the care and services being sought could also do irreparable harm to the facility's reputation and thus its desirability.

For the reasons stated under this alternative, this option was considered not viable.

ALTERNATIVE #3 Pursuing a Joint Venture or Utilizing Other Health Care Resources:

Cost

There is no cost to this alternative. Neighbors Rehabilitation Center is the only long-term nursing care facility in more than 10-miles and nearly 17 minutes travel time from the existing facility. There is not a hospital in Byron (with the closet being Swedish American in Rockford which is approximately 26-miles in distance) to subsidize or fill in the care gaps left by this facility (refer to **ATTACHMENT-11C**). Thus, to pursue a joint venture and the utilization of other health care resources are truly not viable alternatives.

ATTACHMENT-11

SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES- INFORMATION REQUIREMENTS Continued viii

Patient Access

As this alternative is not viable to implement, patient access would also not be improved by this alternative.

Quality

The Applicant states and continues to offer its commitment to the highest quality in care but this alternative restricts the accessibility of those in need of long-term care. This alternative does not allow for greater quality of care for existing residents as they have and will continue to have to seek services other facilities as their medical needs outweigh their programmatic needs.

Financial Benefits

As this alternative is not viable to implement, then there would not be any financial benefits to this alternative.

ALTERNATIVE #4 the Proposed Project:

Cost

The comparable basis for cost is to look at the construction and modernization line items of this project resulting in a capital cost of \$7,295,182.

Patient Access

This alternative addresses the access issue for the potential residents who were turned away and the desirability of the existing nursing care facility. It should be known that the addition will allow the facility to phase in the renovations of the existing population with the least disruption to the existing residents. Thus, both the renovated existing space and the proposed 30 nursing bed addition are essential to, at least in part, address the inaccessibility in finding general long-term care services in Byron and in the more than 15 minute travel time in which no other long-term care services exist with the exception of that of the Applicant.

ATTACHMENT-11

**SECTION II – PURPOSE OF THE PROJECTD, AND ALTERNATIVES-
INFORMATION REQUIREMENTS** Continued ix

Quality

The issue as presented here is about accessibility and not quality. The Applicant states and continues to offer its commitment to the highest quality in care but this alternative restricts the accessibility of those in need of long-term care. This alternative will allow for greater quality of care for existing residents as they have again have the ability to seek and find services near their home.

Financial Benefits

The financial benefit of this alternative is ultimately the continued and ongoing viability of providing nursing care and services in Byron through Neighbors Rehabilitation Center.

3. The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

The issue as presented here is about accessibility and not quality. The Applicant states and continues to offer its commitment to the highest quality in care and in physical plant environment; therefore, this issue is not germane.

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

February 11, 2014

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

RE: Historical Service Demand

Dear Ms. Avery:

Neighbors Rehabilitation Center (NRC) has utilized a waiting list at different times over the past 24 months. Also during that time frame, 65 referrals were referred to other care facilities due to lack of bed availability at NRC. Attached you will find a complete list of these referrals.

Please contact me if you have any questions or concerns regarding this information.

Sincerely,



Pawn Thammarath
Administrator

PT:pk

enc

NRC - HISTORICAL SERVICE DEMAND
1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|-----------------|----------------------------|---------------------------------------|
| Jan. 3, 2012 | J.T. | Swedish American Hosp. | No female bed available |
| Feb. 1, 2012 | C.G. | Univ. of Wisconsin Hosp. | private room d/t age |
| Feb. 20, 2012 | M.K. | Swedish American Hosp. | private room |
| Feb. 20, 2012 | J.S. | family | no bed available on Special Care Unit |
| Feb. 23, 2012 | B.A. | KSB Hosp. | isolation |
| Mar. 12, 2012 | I.S. | family | no beds available |
| Mar. 23, 2012 | Male | family | wanted a more updated room |
| Mar. 23, 2012 | Female | family | wanted a nicer looking facility |
| Mar. 24, 2012 | Male | Freeport Memorial Hosp. | no bed available on Special Care Unit |
| Apr. 6, 2012 | Male | Freeport Memorial Hosp. | no beds available |
| Apr. 11, 2012 | K.J. | OSF St. Francis Hosp. | private room d/t age |
| Apr. 11, 2012 | J.C. | Swedish American Hosp. | isolation |
| Apr. 19, 2012 | K.C. | Swedish American Hosp. | different facility with private room |
| Apr. 28, 2012 | D.C. | Rockford Memorial Hosp. | no beds available |
| May. 24, 2012 | S.D. | OSF St. Anthony Hosp. | isolation |
| Jul. 13, 2012 | E.S. | family | private room |
| Aug. 1, 2012 | H.S. | Rockford Memorial Hosp. | no bed available on Special Care Unit |
| Aug. 7, 2012 | J.S. | OSF St. Anthony Hosp. | isolation |
| Aug. 27, 2012 | A.P. | Swedish American Hosp. | isolation |
| Aug. 27, 2012 | J.B. | Kindred Hosp. | isolation |
| Aug. 29, 2012 | S.C. | OSF St. Anthony Hosp. | private room d/t medical needs |
| Nov. 8, 2012 | D.E. | Heartland Hospice | no beds available |
| Nov. 15, 2012 | R.M. | Univ. of Wisconsin Hosp. | no beds available |
| Nov. 15, 2012 | D.L. | Kindred Hosp. | private room d/t age |
| Nov. 20, 2012 | J.B. | Select Specialty Hosp. | no bed available |
| Nov. 23, 2012 | M.V. | Kishwaukee Hosp. | isolation |
| Nov. 26, 2012 | R.P. | Heritage Health | no bed available |
| Nov. 27, 2012 | M.F. | Illinois Masonic Hosp. | no bed available |
| Nov. 27, 2012 | W.B. | | no bed on Special Care Unit |
| Nov. 27, 2012 | C.S. | Swedish American Hosp | no beds available |
| Dec. 4, 2012 | W.H. | St. Anthony Hospital | different facility w/ private room |
| Dec. 18, 2012 | B.C. | Rockford Memorial Hospital | different facility w/ private room |
| Dec. 21, 2012 | P.E. | MacNeal Hosp. | private room d/t medical needs |
| Dec. 21, 2012 | P.T. | OSF St. Francis Hosp. | private room d/t medical needs |
| Jan. 22, 2013 | R.S. | Kindred Hosp. | private room d/t medical needs |

NRC - HISTORICAL SERVICE DEMAND

1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|----------|----------------------------|--------------------------------|
| Feb. 5, 2013 | D.G. | Univ. of Wisconsin Hosp. | isolation |
| Feb. 5, 2013 | K.T. | Kindred Hosp. | private room d/t medical needs |
| Feb. 6, 2013 | E.F. | Kindred Hosp. | isolation |
| Feb. 21, 2013 | D.S. | Rockford Memorial Hosp. | isolation |
| Mar. 8, 2013 | M.I. | family | private room |
| Mar. 11, 2013 | W.M. | Kindred Hosp. | private room d/t medical needs |
| Mar. 20, 2013 | R.O. | Swedish American Hosp. | private room |
| Mar. 22, 2013 | C.S. | Fairview Nursing Plaza | private room d/t age |
| Mar. 22, 2013 | M.R. | Rush Medical Center | private room d/t medical needs |
| Mar. 22, 2013 | D.R. | Edwards Hosp. | private room d/t medical needs |
| Mar. 28, 2013 | S.S. | Kindred Hosp. | private room d/t age |
| Apr. 24, 2013 | W.T. | Swedish American Hosp. | private room d/t medical needs |
| Apr. 30, 2013 | R.B. | Kindred Hosp. | isolation |
| May. 2, 2013 | E.L. | Kindred Hosp. | isolation |
| May. 9, 2013 | C.H. | Kindred Hosp. | isolation |
| May. 15, 2013 | L.D. | Vitas Hospice | isolation |
| Jun. 3, 2013 | K.N. | Rockford Memorial Hospital | private room |
| Jul. 8, 2013 | L.M. | Kindred Hosp. | private room d/t medical needs |
| Jul. 30, 2013 | D.S. | Kindred Hosp. | isolation |
| Aug. 6, 2013 | G.W. | Rockford Memorial Hosp. | private room |
| Aug. 8, 2013 | W.B. | Kindred Hosp. | private room d/t medical needs |
| Aug. 9, 2013 | J.V. | Kindred Hosp. | private room d/t medical needs |
| Aug. 9, 2013 | M.T. | St. Anthony's Hospital | private room |
| Aug. 12, 2013 | L.K. | St. Anthony's Hospital | private room |
| Sept. 3, 2013 | W.B. | Kindred Hosp. | private room d/t medical needs |
| Nov. 1, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 6, 2013 | H.Y. | Kindred Hosp. | private room |
| Nov. 6, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 15, 2013 | H.Y. | Swedish American Hospital | private room |
| Dec. 11, 2013 | P.S. | Kindred Hosp. | private room |
| Dec. 17, 2013 | M.M. | Kindred Hosp. | private room |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Jan. 2012 | | |
| J.T. | 61010 | Rosewood, zip-61108 |
| L.P. | | unknown |
| R.G. | | waiting list, was placed elsewhere |
| D.B. | 61020 | Discharged Home |
| I.S. | 61077 | unknown |
| A.W. | | Van Matre acute rehab hosp |
| O.W. | 61024 | unknown |
| Feb. 2012 | | |
| J.T. | | unknown |
| C.G. | | unknown |
| Female | | waiting list, placed elsewhere |
| Male | | waiting list, was placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| M.K. | | waiting list, placed elsewhere |
| B.A. | | waiting list, placed elsewhere |
| R.S. | | waiting list, was placed elsewhere |
| R.L. | | unknown |
| M.M. | 61010 | waiting list. Eventually admitted to Neighbors |
| Mar. 2012 | | |
| S.V. | | Went home from hospital |
| K.R. | 61010 | unknown |
| I.S. | 61077 | waiting list, placed elsewhere |
| Male | | waiting list, placed elsewhere |
| Male | | Stayed home |
| Female | | St, Annes, zip code - 61107, not impressed with our building |
| Apr. 2012 | | |
| Male | | waiting list, placed elsewhere |
| K.J. | | unknown |
| J.C. | | waiting list, placed elsewhere |
| K.C. | 61010 | Hospice House, zip - 61061 |
| D.C. | | waiting list, placed elsewhere |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| May. 2012 | | |
| C.H. | | died in hosp |
| C.A. | | waiting list, placed elsewhere |
| Male | | unknown |
| S.D. | | waiting list, placed elsewhere |
| Jun. 2012 | | |
| R.W. | | waiting list, placed elsewhere |
| M.K. | | unknown |
| M.M. | | waiting list, placed elsewhere |
| L.S. | | waiting list, placed elsewhere |
| B.K. | | waiting list, placed elsewhere |
| Female | | unknown |
| D.K. | 61047 | Crimson Pointe assisted living, zip code - 61107 |
| M.K. | | died in hosp |
| Jul. 2012 | | |
| Z.F. | | Pinecrest (61054) |
| D.R. | | unknown |
| R.W. | | unknown |
| E.H. | | unknown |
| K.F. | | waiting list, placed elsewhere |
| H.S. | | waiting list, placed elsewhere |
| E.S. | | Pinecrest (61054) |
| Aug. 2012 | | |
| H.S. | | waiting list, placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| V.L. | | unknown |
| H.H. | | waiting list, placed elsewhere |
| M.S. | | unknown |
| S.R. | | unknown |
| Male | | waiting list, placed elsewhere |
| J.D. | | unknown |
| D.H. | | unknown |
| A.P. | 61047 | Park Strathmoor, zip code - 61107 |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| J.B. | | waiting list, was placed elsewhere |
| S.C. | | unknown |
| D.D. | | Going to different facility |
| Sept. 2012 | | |
| B.C. | | unknown |
| R.C. | | Went to different facility |
| K.W. | | unknown |
| G.J. | | unknown |
| L.W. | | Nelson Debes, zip code -61108 |
| J.B. | | unknown |
| G.S. | | unknown |
| B.L. | 61024 | staying at current facility, zip code - 61024 |
| Oct. 2012 | | |
| J.M. | | unknown |
| R.M. | | unknown |
| N.W. | | unknown |
| D.G. | | unknown |
| P.D. | | Went to another facility |
| L.V. | | waiting list, placed elsewhere |
| D.S. | | unknown |
| Nov. 2012 | | |
| A.P. | | waiting list, placed elsewhere |
| O.H. | | unknown |
| B.G. | | waiting list, placed elsewhere |
| D.E. | | waiting list, placed elsewhere |
| A.D. | | unknown |
| D.M. | | waiting list, placed elsewhere |
| M.C. | | waiting list, placed elsewhere |
| R.M. | | waiting list, placed elsewhere |
| D.L. | | unknown |
| M.T. | | unknown |
| J.B. | | waiting list, placed elsewhere |
| M.V. | | waiting list, placed elsewhere |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| R.M. | | Went home with family & home health |
| R.P. | | waiting list, placed elsewhere |
| W.B. | | waiting list, placed elsewhere |
| C.S. | | waiting list, placed elsewhere |
| M.F. | | waiting list, placed elsewhere |
| Dec. 2012 | | |
| W.H. | 61102 | hospice house , zip code - 61061 |
| M.B. | | Different facility - 61031 Franklin Grove |
| H.F. | | Different facility - 61061 Returned to Duggan |
| R.N. | | waiting list, placed elsewhere |
| M.O. | | waiting list, placed elsewhere |
| J.E. | 61061 | St Annes, zip-61107 |
| D.M. | | Went home from hospital |
| B.C. | 61010 | Hospice House, zip code - 61061 |
| Male | | unknown |
| D.W. | | waiting list, placed elsewhere |
| P.E. | | unknown |
| P.T. | | unknown |
| E.G. | | unknown |
| Jan. 2013 | | |
| D.H. | | unknown |
| K.L. | | unknown |
| M.T. | | unknown |
| R.S. | 61061 | unknown |
| R.S. | | unknown |
| T.J. | | unknown |
| A.T. | | unknown |
| J.F. | | Died at hospital |
| B.G. | | unknown |
| P.J. | | unknown |
| B.P. | | waiting list, placed at assisted living |
| | | |
| | | |

Disposition of referrals not admitted to Neighbors

1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Feb. 2013 | | |
| D.S. | | Amberwood, zip code - 61103 |
| N.O. | | Went to different facility |
| Male | | Died at hospital |
| W.B. | | unknown |
| C.R. | | unknown |
| K.K. | | unknown |
| J.C. | 61021 | Dixon, IL facility, zip code - 61021 |
| E.F. | | Amberwood, zip code - 61103 |
| A.B. | | Fairview Nsg Plaza, zip code - 61108 |
| K.T. | | unknown |
| D.G. | | waiting list, placed elsewhere |
| T.C. | 61115 | unknown |
| Mar. 2013 | | |
| W.R. | | unknown |
| H.K. | | Discharged home from hosp |
| C.T. | | unknown |
| R.O. | | Pinecrest zip code-61054 |
| L.E. | 61010 | Went home; later went to Pinecrest (61054) |
| J.A. | | facility in Elgin |
| M.I. | | Highview in the Woodlands zip code-61072 |
| C.S. | 61108 | Stayed at current facility |
| M.R. | | unknown |
| D.R. | | unknown |
| R.G. | | unknown |
| J.W. | | unknown |
| J.P. | | unknown |
| T.C. | | unknown |
| W.M. | | unknown |
| C.K. | | unknown |
| S.S. | | unknown |
| | | |

S.O.R. - Select Spec. hosp

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Apr. 2013 | | |
| H.S. | | unknown |
| S.G. | | unknown |
| R.N. | | waiting list, placed elsewhere |
| W.T. | | unknown |
| F.D. | | Discharged home from hosp |
| C.A. | | Discharged home from hosp |
| E.B. | 61061 | Oregon Healthcare, zip code - 61061 |
| R.B. | | waiting list, placed elsewhere |
| J.A. | | unknown |
| P.B. | | unknown |
| K.K. | | unknown |
| J.L. | | unknown |
| R.M. | | waiting list, placed elsewhere |
| H.M. | | unknown |
| May. 2013 | | |
| O.A. | | Oregon Healthcare, zip code - 61061 |
| G.G. | | Died at hospital |
| E.Q. | | Van Matre acute rehab hospital |
| S.B. | 61102 | Returning to assisted living facility, zip code - 61102 |
| D.C. | | unknown |
| L.H. | 61074 | Staying at current facility, zip code - 61074 |
| D.S. | | waiting list, placed elsewhere |
| E.S. | | unknown |
| N.O. | | unknown |
| D.P. | | unknown |
| V.N. | | unknown |
| E.L. | | waiting list, placed elsewhere |
| C.H. | | waiting list, placed elsewhere |
| L.D. | | waiting list, placed elsewhere |
| | | |
| | | |
| | | |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Jun. 2013 | | |
| S.M. | | unknown |
| C.R. | | discharged home from hospital |
| V.M. | | P.A. Peterson, zip code - 61107 |
| G.J. | | Discharged home from hospital |
| K.N. | 61047 | Pincrest, zip code - 61054 |
| G.H. | | Went to Van Matre, acute rehab hospital |
| J.K. | | Discharged home from hospital |
| A.P. | | Sherman Westcourt in Elgin |
| M.M. | | Prairieview assisted living, zip code - 61088 |
| R.M. | | Prairieview assisted living, zip code - 61088 |
| B.M. | | Polo Rehab, zip code - 61064 |
| E.L. | | Staying at current facility, zip code - 61024 |
| Female | | unknown |
| G.J. | | Went to stay with family |
| Female | | unknown |
| A.C. | | unknown |
| L.D. | | unknown |
| E.L. | | unknown |
| B.S. | | unknown |
| E.W. | | waiting list, placed elsewhere |
| Jul. 2013 | | |
| A.P. | | Amberwood, zip code - 61103 |
| D.P. | | Died in hospital |
| D.V. | | Van Matre Acute Rehab Hospital |
| J.C. | | Discharged home |
| D.W. | | Bethany, zip code - 60115 |
| E.R. | | Alpine Fireside, zip code - 61114 |
| V.E. | | Staying at current facility, zip code - 61108 |
| C.V. | | unknown |
| W.L. | | unknown |
| D.S. | | waiting list, placed elsewhere |
| H.D. | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Female | | waiting list, placed elsewhere |
| L.M. | | unknown |
| Aug. 2013 | | |
| F.K. | | Green Acres, zip code - 61310 |
| R.S. | | Freeport facility, zip code - 61032, closer to home |
| M.T. | | St. Annes, zip code - 61107 |
| L.K. | | Pinecrest, zip code - 61054 |
| D.M. | 61115 | Rockford facility, husb is moving there |
| G.P. | | unknown |
| S.B. | | Homebridge, zip code - 61008 |
| M.J. | | unknown |
| R.N. | | unknown |
| J.M. | | unknown |
| M.C. | 61102 | unknown |
| W.B. | | unknown |
| J.V. | | unknown |
| V.C. | | Staying at current facility, zip code - 61068 |
| D.L. | | unknown |
| G.W. | | Rosewood, zip code - 61108 |
| Sept. 2013 | | |
| W.B. | | unknown |
| K.F. | | unknown |
| K.W. | 61054 | Oregon Healthcare, zip code - 61061 |
| R.P. | 61084 | Oregon Healthcare, zip code - 61061, wife is there |
| J.K. | | unknown |
| Oct. 2013 | | |
| A.B. | 61061 | unknown |
| B.W. | 61107 | unknown |
| S.M. | | unknown |
| T.M. | 60178 | unknown |
| B.B. | 45459 | unknown |
| B.W. | 72450 | unknown |
| R.N. | 61010 | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/ Res. | Home Zip Code | Disposition |
|-------------|---------------|---|
| Nov. 2013 | | |
| S.S. | 61008 | Rochelle Rehab, zip code - 61068 |
| S.N. | 61021 | unknown |
| L.M. | 61102 | unknown |
| J.C. | | unknown |
| M.J. | | unknown |
| S.S. | 61008 | unknown |
| D.S. | | unknown |
| M.P. | | unknown |
| A.V. | 61084 | Cor Marlae, zip code - 61114 |
| H.Y. | | St. Anne's, zip code - 61107 |
| R.E. | 61061 | unknown |
| Dec. 2013 | | |
| Y.V. | | Discharge home from hospital |
| J.J. | 61018 | Willowcrest, zip code - 60548 |
| M.M. | | St. Anne's, zip code - 61107 |
| E.B. | | unknown, closer to family |
| J.G. | | unknown |
| R.C. | 61103 | Glen Lakes, zip code - 60085 |
| E.R. | | unknown |
| B.K. | | unknown |
| M.C. | | unknown |
| D.L. | | Stayed at current facility, zip code - 61108 |
| S.D. | 61020 | Prairieview assisted living, zip code - 61088 |
| R.S. | | unknown |
| V.P. | | unknown |
| S.W. | | unknown |
| Female | | unknown |
| P.S. | 61054 | Pinecrest, zip code - 61054 |
| W.M. | | unknown |
| Female | | unknown |
| Female | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

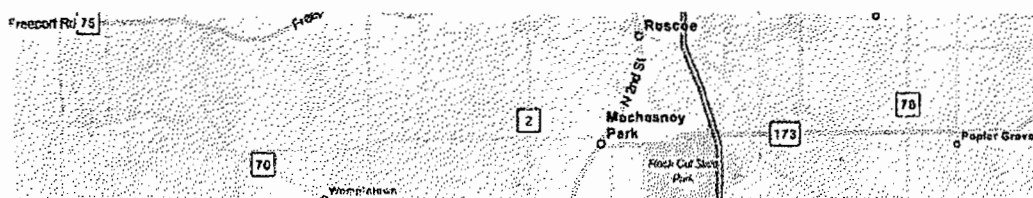
| Month/ Res. | Home Zip Code | Disposition |
|-------------|---------------|-------------|
| Male | | unknown |
| J.V. | | unknown |
| Male | | unknown |

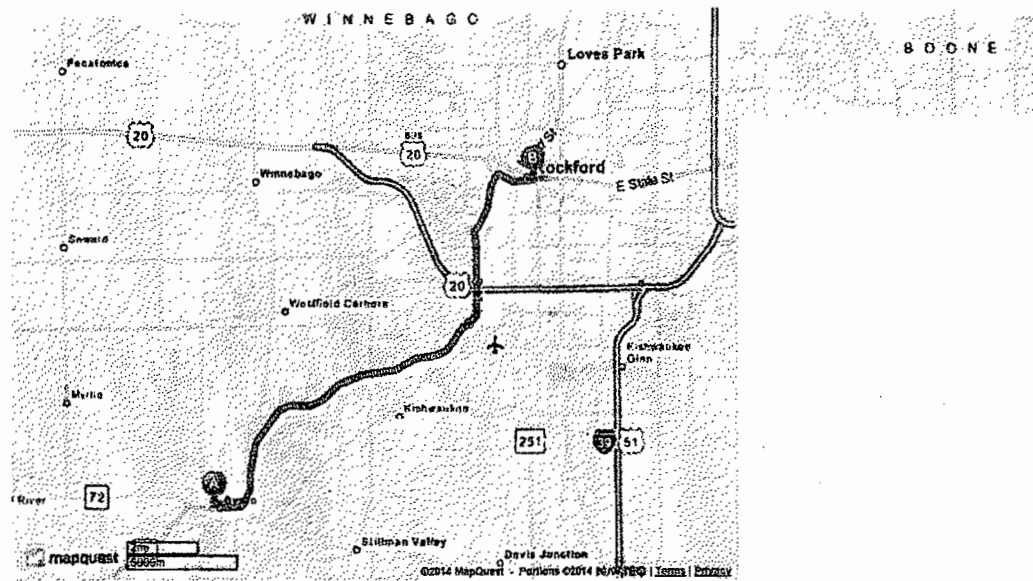


Notes
Swedish American Health System

Trip to:
1401 E State St
Rockford, IL 61104-2315
16.88 miles / 27 minutes

- | | Download
Free App |
|--|--------------------------|
| 811 W 2nd St, Byron, IL 61010-1464 | |
| 1. Start out going east on W 2nd St toward N Lincoln St. Map | 0.1 Mi 0.1 Mi Total |
| 2. Take the 2nd right onto N Colfax St / N Tower Rd. Map <i>N Colfax St is just past N Lincoln St If you reach N Lafayette St you've gone about 0.1 miles too far</i> | 0.09 Mi 0.2 Mi Total |
| 3. Turn left onto IL-2 / IL-72. Continue to follow IL-2. Map <i>Casey's Carry-Out Pizza is on the corner</i> | 11.0 Mi 11.2 Mi Total |
| 4. Turn left onto S Main St / IL-2. Continue to follow S Main St. Map <i>Road Ranger is on the corner If you reach the end of Hanger Dr you've gone a little too far</i> | 4.3 Mi 15.5 Mi Total |
| 5. Turn slight right onto Wyman Crossover / IL-2 N. Continue to follow IL-2 N. Map <i>IL-2 N is just past Cedar St</i> | 0.1 Mi 15.7 Mi Total |
| 6. Turn right onto Chestnut St / US-20-BR E. Continue to follow US-20-BR E. Map <i>US-20-BR E is just past S Wyman St If you reach Elm St you've gone a little too far</i> | 0.9 Mi 16.5 Mi Total |
| 7. Turn left onto S Longwood St / US-20-BR E. Map <i>S Longwood St is just past 7th St If you are on Charles St and reach 2nd Ave you've gone about 0.1 miles too far</i> | 0.06 Mi 16.6 Mi Total |
| 8. Take the 1st right onto E State St / US-20-BR. Map <i>U.S. Bank - East State Office is on the right If you are on N Longwood St and reach Spafford Ave you've gone about 0.1 miles too far</i> | 0.3 Mi 16.9 Mi Total |
| 9. 1401 E STATE ST is on the right. Map <i>Your destination is 0.1 miles past 9th St If you reach Regan St you've gone a little too far</i> | |
| 1401 E State St, Rockford, IL 61104-2315 | |





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SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued

GENERAL LONG-TERM CARE

Criterion 1125.520 – Background of the Applicant

The applicant shall provide:

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

ATTACHMENT-12A identifies all nursing facilities owned and operated by the Applicant or its related entities. A copy of all the aforementioned facilities' licenses and certifications as applicable are appended under **ATTACHMENT-12B**.

2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.

The required documentation with regards to adverse action, as required under 1125.520,

c) 2, is appended as **ATTACHMENT-12C**. It should be noted that the ownership and operating entities of the proposed Neighbors Rehabilitation Center do not have any adverse action taken against them.

3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to: official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.

The above requested authorization for the HFSRB and the DPH access to information is appended as **ATTACHMENT-12D**.

4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

This item is not germane.

ATTACHMENT-12



Nursing Homes in Illinois

Who Regulates
Nursing Homes?

A Listing of Illinois
Nursing Homes

How to Select a
Nursing Home

Centers for
Medicare and
Medicaid Services
Nursing Home
Database

Quarterly Reports
of Nursing Home
Violation

Illinois Law on
Advance Directives

Nursing Homes
with No
Certification
Deficiencies

Nursing Home
Care Act

Illinois Health Care
Worker Registry

Centers for
Medicare and
Medicaid Services
Nursing Home
Quality Initiative

Ownership Information

NEIGHBORS REHABILITATION CTR

811 WEST 2ND STREET
BYRON IL 61010

ADMINISTRATOR PAWN THAMMARATH
TELEPHONE 815-234-2511

BRYAN G BARRISH

has ownership interest in the following long term care entities

| Facility | Percentage Owned |
|---|------------------|
| <u>APPLEWOOD REHABILITATION CTR</u> | 12.07 |
| <u>FAIRVIEW NURSING PLAZA</u> | 14.20 |
| <u>BRYN MAWR CARE</u> | 13.60 |
| <u>COLUMBUS PARK N & REHAB CENTER</u> | 7.20 |
| <u>MAPLEWOOD CARE</u> | 13.00 |
| <u>NEIGHBORS REHABILITATION CTR</u> | 11.83 |
| <u>DECATUR MANOR HEALTHCARE</u> | 8.90 |
| <u>REGENCY REHABILITATION CENTER</u> | 12.15 |
| <u>ALBANY CARE</u> | 7.31 |
| <u>ROCK ISLAND NSG & REHAB CTR</u> | 9.48 |
| <u>ELMWOOD CARE</u> | 14.25 |
| <u>WILSON CARE</u> | 11.11 |

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Admissions & Discharges

Licensed Beds / Beds in use

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Primary Diagnosis

Age Gender & Level of Care

Racial / Ethnic Groups

Patient Days

Level of Care

Payment Source

Private Payment Rates

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nursing homes in Illinois



Nursing Homes in Illinois

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[Centers for
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Medicaid Services
Nursing Home
Quality Initiative](#)

Ownership Information

NEIGHBORS REHABILITATION CTR

811 WEST 2ND STREET
BYRON IL 61010

ADMINISTRATOR PAWN THAMMARATH
TELEPHONE 815-234-2511

RALPH J. GESUALDO

has ownership interest in the following long term care entities

| Facility | Percentage Owned |
|--|------------------|
| <u>NEIGHBORS REHABILITATION CTR</u> | 11.83 |
| <u>DECATUR MANOR HEALTHCARE</u> | 8.90 |
| <u>REGENCY REHABILITATION CENTER</u> | 12.15 |
| <u>ROCK ISLAND NSG & REHAB CTR</u> | 9.48 |

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nursing homes in Illinois



Nursing Homes in Illinois

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Nursing Home

Centers for
Medicare and
Medicaid Services
Nursing Home
Database

Quarterly Reports
of Nursing Home
Violation

Illinois Law on
Advance Directives

Nursing Homes
with No
Certification
Deficiencies

Nursing Home
Care Act

Illinois Health Care
Worker Registry

Centers for
Medicare and
Medicaid Services
Nursing Home
Quality Initiative

Ownership Information

NEIGHBORS REHABILITATION CTR

811 WEST 2ND STREET
BYRON IL 61010

ADMINISTRATOR PAWN THAMMARATH
TELEPHONE 815-234-2511

MICHAEL R GIANNINI

has ownership interest in the following long term care entities

| Facility | Percentage Owned |
|---|------------------|
| <u>COLUMBUS PARK N & REHAB CENTER</u> | 6.60 |
| <u>MAPLEWOOD CARE</u> | 18.00 |
| <u>NEIGHBORS REHABILITATION CTR</u> | 10.01 |
| <u>REGENCY REHABILITATION CENTER</u> | 10.42 |
| <u>ALBANY CARE</u> | 7.31 |
| <u>ELMWOOD CARE</u> | 11.57 |

Index

General

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[Ownership information](#)

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Administration

[Staffing](#)

[Admission Restrictions](#)

[Admissions & Discharges](#)

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Residents

[Primary Diagnosis](#)

[Age Gender & Level of Care](#)

[Racial / Ethnic Groups](#)

Patient Days

[Level of Care](#)

[Payment Source](#)

[Private Payment Rates](#)

idph online home

nursing homes in Illinois




Be it known that this facility is licensed to engage in the activities specified in the annual license certificate displayed below for the period designated in that certificate.

This Document is valid only so long as a current license certificate is displayed at right.



ILLINOIS DEPARTMENT OF PUBLIC HEALTH
DIVISION OF HEALTH FACILITIES

| | |
|---|--|
|  State of Illinois 2115337 Department of Public Health | |
| LICENSE, PERMIT, CERTIFICATION, REGISTRATION | |
| <small>The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.</small> | |
| LA MAR HASBROUCK, MD, MPH DIRECTOR <small>Issued under the authority of The State of Illinois Department of Public Health</small> | |
| <small>EXPIRATION DATE</small> 01/19/2014 | <small>CONCESSION</small> 868E |
| <small>LS NUMBER</small> 0049973 | |
| LONG TERM CARE LICENSE 101 | |
| UNRESTRICTED - 101 TOTAL BEDS | |
| BUSINESS ADDRESS LICENSEE NEIGHBORS REHABILITATION CENTER, LLC NEIGHBORS REHABILITATION CTR 811 WEST 2ND STREET RYRON IL 61010 EFFECTIVE DATE: 01/20/13 <small>The State of Illinois is a member of the National Board of Public Health Statistics.</small> | |

ROA

State of Illinois 2119492
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH issued under the authority of
DIRECTOR The State of Illinois
 Department of Public Health

| EXPIRATION DATE | CATEGORY | LS NUMBER |
|-----------------------------|----------|-----------|
| 02/12/2015 | 8G5E | 0037762 |
| LONG TERM CARE LICENSE | | |
| INTERMEDIATE 417 | | |
| UNRESTRICTED 417 TOTAL BEDS | | |

BUSINESS ADDRESS
LICENSEE
ALBANY CARE, INC.

ALBANY CARE
901 MAPLE AVENUE
EVANSTON IL 60202
EFFECTIVE DATE: 02/13/13

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

To: Kevin for
copy for
book too
[Signature]

State of Illinois 2141900
Department of Public Health

LICENSE PERMIT CERTIFICATION REGISTRATION

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

AR HASBROCK, MD, MPH Issued under the authority of
SECRETARY The State of Illinois
Department of Public Health

| EXPIRATION DATE | CATEGORY | IDENTIFICATION NUMBER |
|-----------------|----------|-----------------------|
| 07/31/2014 | B6BE | 0051359 |

LONG TERM CARE LICENSE
SKILLED 115

UNRESTRICTED 115 TOTAL BEDS

BUSINESS ADDRESS
LICENSEE
APPLEWOOD REHABILITATION CENTER, LLC
APPLEWOOD REHABILITATION CTR
1020 KOSTNER AVENUE
MATTESON IL 60443
EFFECTIVE DATE: 08/01/13

As of this license has a criminal background. Printed by Authority of the State of Illinois • 4/97 •

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

State of Illinois 2141900
Department of Public Health

LICENSE PERMIT CERTIFICATION REGISTRATION

| EXPIRATION DATE | CATEGORY | IDENTIFICATION NUMBER |
|-----------------|----------|-----------------------|
| 07/31/2014 | B6BE | 0051359 |

LONG TERM CARE LICENSE
SKILLED 115

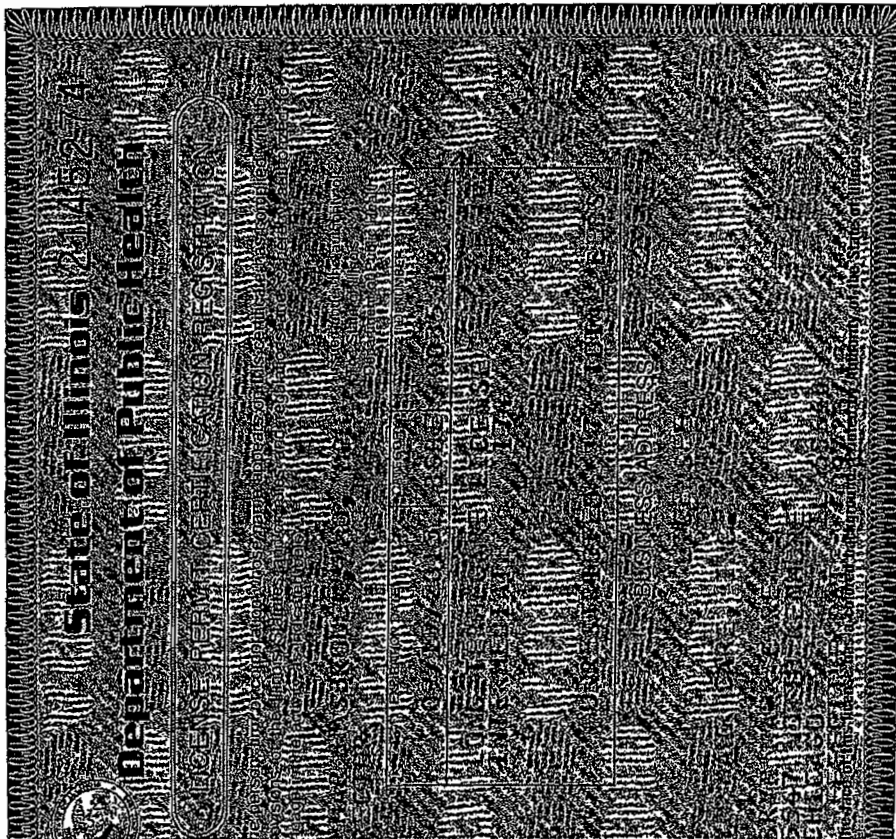
UNRESTRICTED 115 TOTAL BEDS

REGION 9

07/23/13

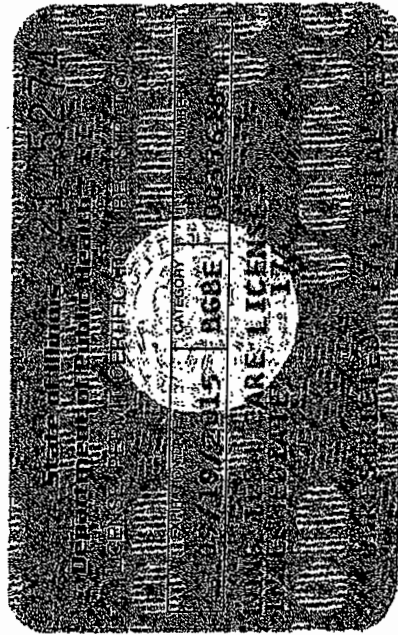
APPLEWOOD REHABILITATION CTR
21020 KOSTNER AVENUE
MATTESON IL 60443

ATTACHMENT-12B
FEE RECEIPT NO.



← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION →



REGION 8

08/27/13

BRYN MAWR CARE
5547 NORTH KENMORE
CHICAGO IL 60640

FEE RECEIPT NO.

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

State of Illinois 2132154
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| EXPIRATION DATE | CATEGORY | TX. NUMBER |
|-----------------|----------|------------|
| 05/30/2014 | BGBE | 0037960 |

LONG TERM CARE LICENSE
SKILLED
INTERMEDIATE

UNRESTRICTED 216 TOTAL BEDS

REGION 8

04/30/13

COLUMBUS PARK N & REHAB CENTER
901 SOUTH AUSTIN IL 60644

FEE RECEIPT NO.

State of Illinois 2132154
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR

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

| EXPIRATION DATE | CATEGORY | TX. NUMBER |
|---|----------|------------|
| 05/30/2014 | BGBE | 0037960 |
| LONG TERM CARE LICENSE SKILLED INTERMEDIATE | | |
| UNRESTRICTED 216 TOTAL BEDS | | |

BUSINESS ADDRESS

LICENSEE

COLUMBUS PARK NURSING & REHABILITATION CENT

COLUMBUS PARK N & REHAB CENTER
901 SOUTH AUSTIN IL 60644
CHICAGO

THE ISSUANCE OF THIS LICENSE IS A CONDITION OF THE STATE OF ILLINOIS • 4/97 •

← DISPLAY THIS PART IN A CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN IDENTIFICATION



State of Illinois 2109863
Department of Public Health
 LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| EXPIRATION DATE | CATEGORY | LD NUMBER |
|-----------------|----------|-----------|
| 11/30/2014 | 862E | 0049262 |

LONG TERM CARE LICENSE
 INTERMEDIATE 147

UNRESTRICTED 147 TOTAL BEDS

REGION 5

11/26/12

DECATUR MANOR HEALTHCARE
 1016 W. PERSHING RD.
 DECATUR IL 62526

FEE RECEIPT NO.

State of Illinois 2109863
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
 Director
 Issued under the authority of
 The State of Illinois
 Department of Public Health

| EXPIRATION DATE | CATEGORY | LD NUMBER |
|-----------------|----------|-----------|
| 11/30/2014 | 862E | 0049262 |

LONG TERM CARE LICENSE
 INTERMEDIATE 147

UNRESTRICTED 147 TOTAL BEDS

BUSINESS ADDRESS
 LICENSEE

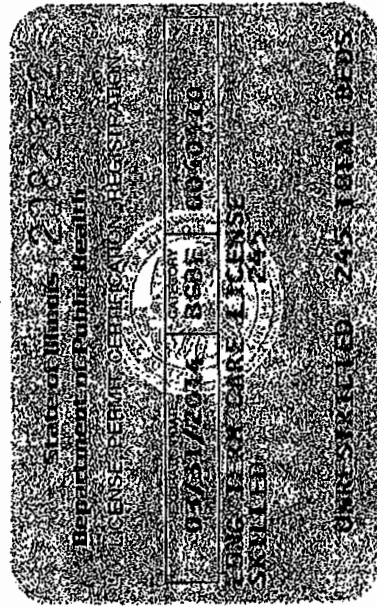
DECATUR MANOR HEALTHCARE, LLC

DECATUR MANOR HEALTHCARE
 1016 W. PERSHING RD.
 DECATUR IL 62526

EXPIRATION DATE: 11/26/12
 This face of this license has a colored background. Printed by Authority of the State of Illinois • 4/87 •

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

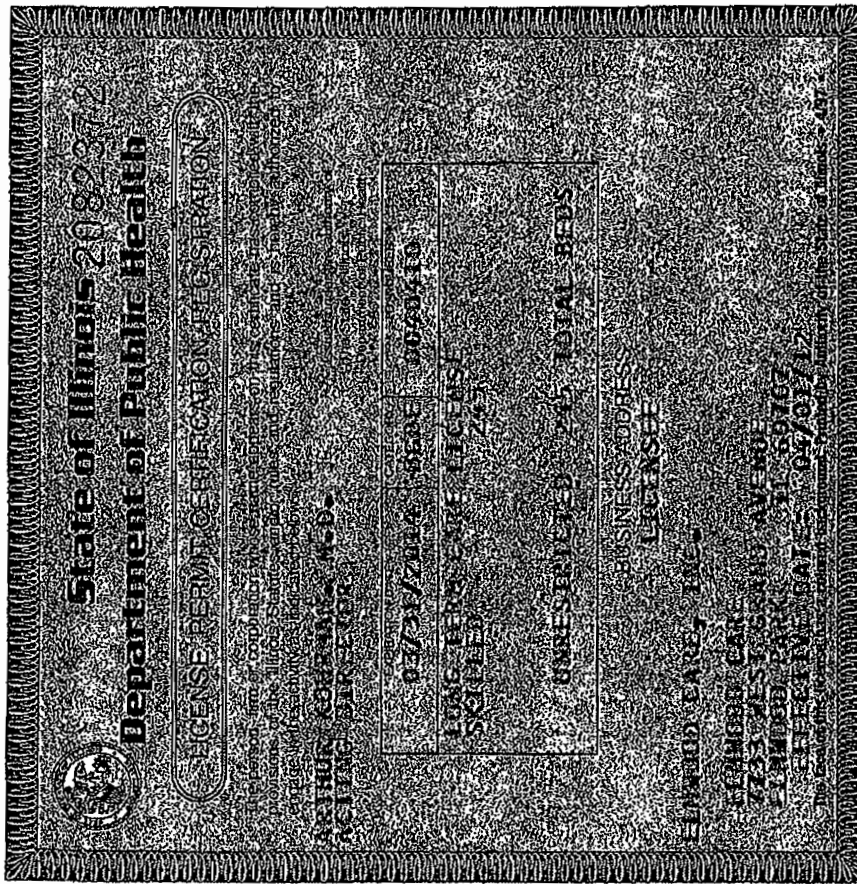



REGION 9

03/27/12

ELMHOOD CARE
7733 WEST GRAND AVENUE
ELMHOOD PARK IL 60107

FEE RECEIPT NO.



| | | |
|---|----------|---|
|  State of Illinois 2119489 Department of Public Health | | |
| LICENSE, PERMIT, CERTIFICATION, REGISTRATION | | |
| <p>The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois Statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.</p> | | |
| LA MAR HASBROUCK, MD, MPH DIRECTOR | | Issued under the authority of The State of Illinois Department of Public Health |
| EXPIRATION DATE | CATEGORY | I.D. NUMBER |
| 02/21/2015 | BGBE | 0037655 |
| LONG TERM CARE LICENSE SKILLED 099 INTERMEDIATE 114 | | |
| UNRESTRICTED 213 TOTAL BEDS | | |
| BUSINESS ADDRESS LICENSEE FAIRVIEW NURSING PLAZA, INC. FAIRVIEW NURSING PLAZA 321 ARNOLD AVENUE ROCKFORD IL 61108 EFFECTIVE DATE: 02/22/13 <small>The face of this license has a colored background. Printed by Authority of the State of Illinois - 4/97 -</small> | | |

State of Illinois 2075507
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

KENNETH SOYEM, M.D., M.P.H.
ACTING DIRECTOR

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

| EXPIRATION DATE | CATEGORY | IS. NUMBER |
|--|----------|------------|
| 02/15/2014 | BGBE | 0031971 |
| LONG TERM CARE LICENSE INTERMEDIATE 145 | | |
| UNRESTRICTED 145 TOTAL BEDS | | |

BUSINESS ADDRESS

LICENSEE

GREENWOOD CARE, INC.

GREENWOOD CARE
1406 CHICAGO AVENUE
EVANSTON, ILL 60201

The fees for this license are \$246.00/yr. The fee for the State of Illinois is \$407.

DISPLAY THIS PART IN A
CONSPICUOUS PLACE

REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION

State of Illinois 2075507
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| EXPIRATION DATE | CATEGORY | IS. NUMBER |
|-----------------|----------|------------|
| 02/15/2014 | BGBE | 0031971 |

LONG TERM CARE LICENSE
INTERMEDIATE 145

UNRESTRICTED 145 TOTAL BEDS

REGION 9

01/31/12

GREENWOOD CARE
1406 CHICAGO AVENUE
EVANSTON, IL 60201

FEE RECEIPT NO.

State of Illinois 2109826
Department of Public Health



LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA HAN HASBRUNICK, MD, MPH
DIRECTOR

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

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|-----------------------------------|----------|-----------|
| 11/30/2014 | 868E | 0040428 |
| LONG TERM CARE LICENSE SKILLED | | |
| UNRESTRICTED 203 TOTAL BEDS | | |

BUSINESS ADDRESS

LICENSEE

MAPLEWOOD CARE, INC.

MAPLEWOOD CARE
50 NORTH JANE
ELGIN

IL 60123

You take on this license for a defined background. Printed by authority of the State of Illinois - 10/2011

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

**REMOVE THIS CARD TO CARRY AS AN
IDENTIFICATION**



State of Illinois 2109826
Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|-----------------------------------|----------|-----------|
| 11/30/2014 | 868E | 0040428 |
| LONG TERM CARE LICENSE SKILLED | | |

UNRESTRICTED 203 TOTAL BEDS

REGION 7

11/28/12

MAPLEWOOD CARE
50 NORTH JANE
ELGIN

IL 60123

FEE RECEIPT NO.



The undersigned, a Corporal on whose name appears on this certificate has complied with the provisions of the Illinois Statute and/or rules and regulations and is hereby authorized to engage in the activity as stated below.

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

BUSINESS ADDRESS
LICENSEE

REGENCY REHABILITATION CENTER
6631 MILWAUKEE AVENUE
MILWAUKEE WI 53214

RECEIVED DATE: 05/21/12

Printed on and issued by a colored bookbinder, printed by authority of the State of Illinois. - 2/97 -



State of Illinois 2104837

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA HAR HASBROUCK, MD, MPH
DIRECTOR

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

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|---------------------------------------|----------|-----------|
| 09/30/2014 | BG8E | 0049866 |
| LONG TERM CARE LICENSE SKILLED 177 | | |
| UNRESTRICTED 177 TOTAL BEDS | | |

BUSINESS ADDRESS

LICENSEE

ROCK ISLAND NURSING & REHAB CENTER, LLC

ROCK ISLAND NSG & REHAB CTR
2545 24TH STREET
ROCK ISLAND IL 61201

EFFECTIVE DATE: 10/01/12

The law of this license has a limited background check by authority of the State of Illinois • 4/97 •

State of Illinois 2104887

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

| EXPIRATION DATE | CATEGORY | ID NUMBER |
|-----------------|----------|-----------|
| 09/30/2014 | BG8E | 0049866 |

LONG TERM CARE LICENSE
SKILLED 177

UNRESTRICTED 177 TOTAL BEDS



State of Illinois 2109820

Department of Public Health

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

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

LA MAR HASBROUCK, MD, MPH
DIRECTOR

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

| EXPIRATION DATE | CATEGORY | LS NUMBER |
|--|----------|-----------|
| 11/30/2014 | 86BE | 0029975 |
| LONG TERM CARE LICENSE INTERMEDIATE 198 | | |
| UNRESTRICTED 198 TOTAL BEDS | | |

BUSINESS ADDRESS
LICENSEE

WILSON CARE, INC.

WILSON CARE
4544 NORTH HAZEL STREET
CHICAGO IL 60640

EFFECTIVE DATE: 12/01/12

The face of this license has a colored background. Printed by Authority of the State of Illinois • 4/97 •

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

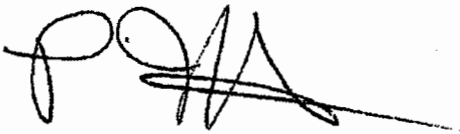
November 1, 2013

Ms. Courtney
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

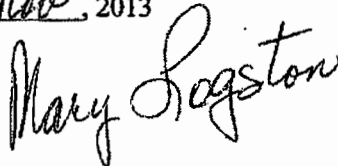
Sincerely,



Pawn Thammarath
Administrator

Subscribed and sworn to before me
this 1 day of Nov, 2013

Notary Public



www.neighborsbyron.com

ph: 815.234.2511

fax: 815.234.3114



901 Maple Avenue
Evanston, Illinois 60202
phone: 847.475.4000
fax: 847.475.8316

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

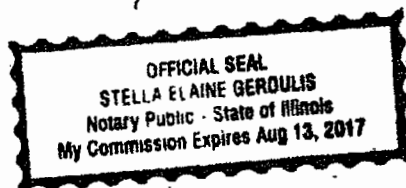
A handwritten signature in black ink, appearing to read "Dennis Tossi".

Dennis Tossi
Administrator

Subscribed and sworn to before me
This 18th day of November 2013

Notary Public

A handwritten signature in black ink, appearing to read "Stella Elaine Geroulis".





21020 Kostner Avenue
Matteson, IL 60443
Phone: 708-747-1300
Fax: 708-747-6282

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

Dianne C. O'Connor
Administrator

Subscribed and sworn to before me
This 18 day of November 2013

Janet E. Harper
Notary Public





5547 N. Kenmore
Chicago, IL 60640
Phone: (773) 561-7040
Fax: (773) 561-7543

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

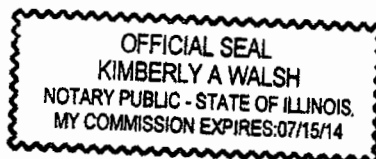
A handwritten signature in black ink, appearing to read "C Schofield".

Cynthia Schofield
Administrator

Subscribed and sworn to before me
This 18th day of November, 2013

Notary Public

A handwritten signature in black ink, appearing to read "Kimberly A. Walsh".





November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

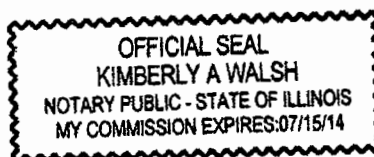
Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

Patrick Baalke
Administrator

Subscribed and sworn to before me
This 8th day of November 2013

Notary Public



DECATUR MANOR HEALTHCARE

Specialists In Rehabilitation, Experts In Caring

1016 W. Pershing Road
Decatur, Illinois 62526
Telephone: 217-875-0833
Fax: 217-875-6851

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

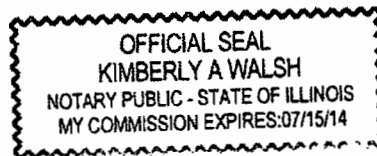
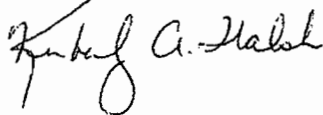
Sincerely,



Ruth Huber
Administrator

Subscribed and sworn to before me
This 8 day of November, 2013

Notary Public





7733 W. Grand Avenue
Elmwood Park, Illinois 60707
phone: 708.452.9200
fax: 708.452.7913

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

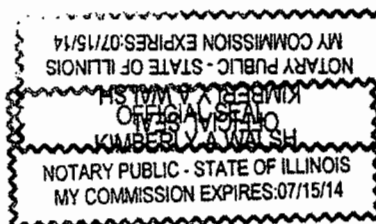
Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

Colleen R. Swanson
Administrator

Subscribed and sworn to before me
This 18th day of November, 2013

Notary Public



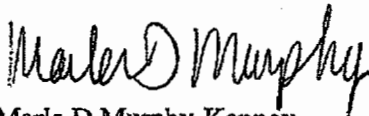
November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

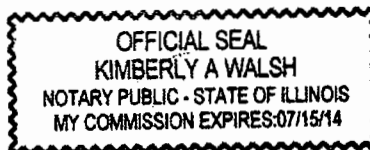
Sincerely,



Marla D Murphy-Kenney
Administrator

Subscribed and sworn to before me
This 18th day of April, 2013

Notary Public



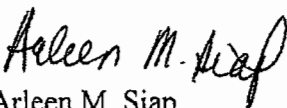
November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

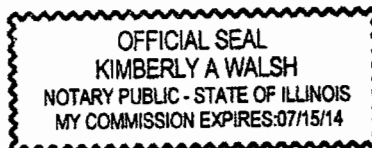
Sincerely,


Arleen M. Siap
Administrator

Subscribed and sworn to before me
This 18th day of June, 2013

Notary Public







50 N. Jane Drive
Elgin, Illinois 60123
phone: 847.697.3750
fax: 847.697.5385

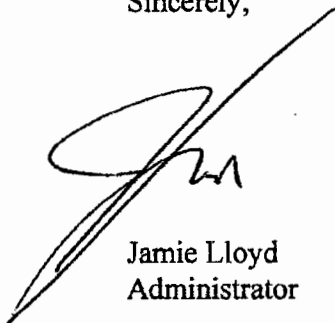
November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

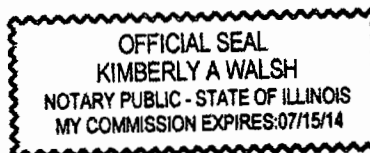
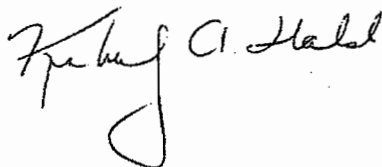
Sincerely,



Jamie Lloyd
Administrator

Subscribed and sworn to before me
This 18th day of November, 2013

Notary Public



November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

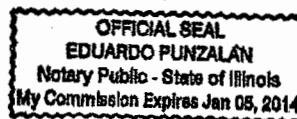
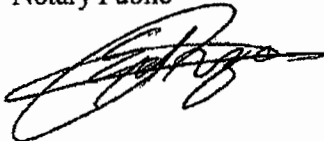
Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

Sincerely,

Lori Barrish
Administrator

Subscribed and sworn to before me
This 18 day of Nov, 2013

Notary Public



Rock Island Nursing & Rehabilitation Center

2545 24th Street Rock Island, IL 61201
Phone (309) 788-0458 Fax (309) 788-5234

November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

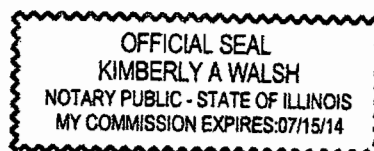
Sincerely,

Shaila Hart
Administrator

Subscribed and sworn to before me
This 8 day of March 2013

Notary Public

Kimberly A. Walsh





4544 North Hazel Street
Chicago, IL 60640
Phone: 773-561-7241
Fax: 773-561-0327

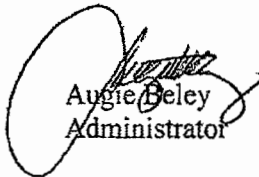
November 18, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

Please be advised that no "adverse action" as defined under 1125.140 has been taken against the Applicant or against any health care facility owned or operated by the Applicant, directly or indirectly, within three years preceding the filing of the Certificate of Need Application.

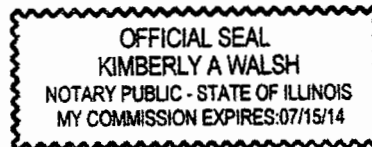
Sincerely,


Augie Beley
Administrator

Subscribed and sworn to before me
This 18th day of November 2013

Notary Public





Neighbors Property, LLC

6840 N. Lincoln Ave.
Lincolnwood, Illinois 60712
Ph: 847.675.5959

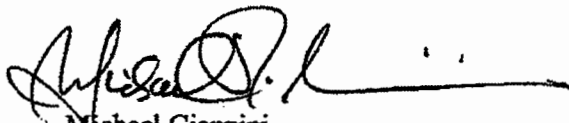
December 10, 2013

Ms. Courtney Avery
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Ms. Avery:

I hereby authorize the Health Facilities Planning Board and the Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted, including but not limited to: official records of IDPH or other State agencies; the licensing or certification records of the states, when applicable; and the records of nationally recognized accreditation organizations. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of the Application as it pertains to 1125.520.(3)

Sincerely,



Michael Giannini
President, Bradlor Management
Manager of Neighbors Property, LLC

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

October 14, 2013

Ms. Courtney
Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Dear Avery:

I hereby authorize the Health Facilities Planning Board and the Illinois Department of Public Health (IDPH) access to any documents necessary to verify the information submitted, including, but not limited to: official records of IDPH or other State agencies; the licensing or certification records of the states, when applicable; and the records of nationally recognized accreditation organizations. I further authorize the Illinois Department of Public Health to obtain any additional documentation or information that said agency deems necessary for the review of the Application as it pertains to 1125.520.(3)

Sincerely,



Pawn Thammarath
Administrator

www.neighborsbyron.com

ph: 815.234.2511

fax: 815.234.3114

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA *Continued* ii

Criterion 1125.530 - Planning Area Need

1. Identify the calculated number of beds needed (excess) in the planning area. See HFSRB website (<http://hfsrb.illinois.gov>) and click on "Health Facilities Inventories & Data".

According to the "Applicable Review Criteria Outlined" chart on pages 9 and 10 of this application referring to "77 Ill Admin Code 1125", this item is not germane.

2. Attest that the primary purpose of the project is to serve residents of the planning area and that at least 50% of the patients will come from within the planning area.

The Applicant's patient origin data for admissions to Neighbors Rehabilitation Center is appended as **ATTACHMENT-13A**. This data illustrates that 82% of the known residents' zip code of origin are derived from the primary market area of the 30-minute travel time contour. Moreover, 54% of the resident's admissions are from within HSA 001, Health Planning Area 141 (Ogle County). The zip code areas are provided from the Microsoft MapPoint North America 2009 software utilizing the HFSRB's mapped PSA's. Please refer to the map appended as **ATTACHMENT-13B**.

3. Provide letters from referral sources (hospitals, physicians, social services and others) that attest to total number of prospective residents (by zip code of residence) who have received care at existing LTC facilities located in the area during the 12-month period prior to submission of the application. Referral sources shall verify their projections and the methodology used, as described in Section 1125.540.

Appended as **ATTACHMENT-13C** are 2 hospital's referral letters providing 53-60 of the proposed and historical referrals. Moreover, appended as **ATTACHMENT-13D** are three referral letters identifying 88 historical and projected referrals. Collectively, these referral sources have identified 141-148 historical and potential annual referrals to Neighbors Rehabilitation Center for the next two years.

ATTACHMENT-13

Neighbors Rehabilitation
2012 Admissions by Zip Code Analysis

| 2012 | RESIDENT | ZIP CODE |
|------|------------------|----------|
| LC | 60033 McHenry | |
| LT | 60177 Kane | |
| DR | 61008 Boone | |
| DR | 61008 Boone | |
| DR | 61008 Boone | |
| JG | 61010 Ogle | |
| BW | 61010 Ogle | |
| RD | 61010 Ogle | |
| MM | 61010 Ogle | |
| SG | 61010 Ogle | |
| _M | 61010 Ogle | |
| _S | 61010 Ogle | |
| EL | 61010 Ogle | |
| DV | 61010 Ogle | |
| MM | 61010 Ogle | |
| RB | 61010 Ogle | |
| SJ | 61010 Ogle | |
| MB | 61010 Ogle | |
| DG | 61010 Ogle | |
| BW | 61010 Ogle | |
| MO | 61010 Ogle | |
| CG | 61010 Ogle | |
| DH | 61010 Ogle | |
| MO | 61010 Ogle | |
| JK | 61010 Ogle | |
| MS | 61010 Ogle | |
| HS | 61010 Ogle | |
| GS | 61010 Ogle | |
| DW | 61010 Ogle | |
| PW | 61010 Ogle | |
| JR | 61010 Ogle | |
| DB | 61020 Ogle | |
| WM | 61020 Ogle | |
| AM | 61021 Lee | |
| RA | 61021 Lee | |
| PS | 61032 Stephenson | |
| CB | 61032 Stephenson | |
| HB | 61046 Carroll | |
| SB | 61046 Carroll | |
| GR | 61047 Ogle | |
| WK | 61047 Ogle | |
| VF | 61047 Ogle | |
| LK | 61047 Ogle | |

| | |
|---------------------|-----------------|
| JB | 61047 Ogle |
| JC | 61047 Ogle |
| KN | 61047 Ogle |
| RB | 61049 Ogle |
| FS | 61054 Ogle |
| JS | 61061 Ogle |
| WR | 61061 Ogle |
| DE | 61061 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| MR | 61068 Ogle |
| IS | 61077 Winnebago |
| JH | 61084 Ogle |
| WH | 61084 Ogle |
| NV | 61084 Ogle |
| DC | 61088 Winnebago |
| EC | 61088 Winnebago |
| AK | 61088 Winnebago |
| RS | 61088 Winnebago |
| LZ | 61102 Winnebago |
| WP | 61102 Winnebago |
| JV | 61102 Winnebago |
| LG | 61102 Winnebago |
| WD | 61103 Winnebago |
| AS | 61104 Winnebago |
| VC | 61104 Winnebago |
| TH | 61107 Winnebago |
| TH | 61107 Winnebago |
| AP | 61108 Winnebago |
| VM | 61108 Winnebago |
| JR | 61109 Winnebago |
| AM | 61109 Winnebago |
| PW | 61111 Winnebago |
| GS | 61114 Winnebago |
| LB | 61114 Winnebago |
| BC | 61114 Winnebago |
| TK | 61115 Winnebago |
| VP | 61115 Winnebago |
| 2012 TOTAL | |
| 83 | |
| in Ogle County | |
| 48 | |
| 58% | |
| in Winnebago County | |
| 24 | |
| 29% | |

| | |
|-------------------------------------|----|
| 30 min zip codes | |
| 60129 | |
| 60146 | |
| 61007 | |
| 61010 | 26 |
| 61015 | |
| 61016 | |
| 61020 | 2 |
| 61030 | |
| 61039 | |
| 61047 | 7 |
| 61049 | 1 |
| 61052 | |
| 61054 | 1 |
| 61061 | 3 |
| 61063 | |
| 61067 | |
| 61084 | 3 |
| 61088 | 4 |
| 61101 | |
| 61102 | 4 |
| 61104 | 2 |
| 61108 | 2 |
| 61109 | 2 |
| 61112 | |
| Total admissions within 30 min | |
| 57 | |
| % of total admissions within 30 min | |
| 69% | |

Neighbors Rehabilitation
2013 Admissions by Zip Code Analysis

| 2013 RESIDENT | ZIP CODE |
|------------------|---------------------|
| DB | 52807 Davenport, IA |
| PF | 60018 Cook |
| JD | 60150 Dekalb |
| DB | 61008 Boone |
| LL | 61008 Boone |
| VG | 61008 Boone |
| LS | 61008 Boone |
| NM | 61008 Boone |
| EM | 61010 Ogle |
| SB | 61010 Ogle |
| DM | 61010 Ogle |
| MS | 61010 Ogle |
| BF | 61010 Ogle |
| EW | 61010 Ogle |
| MS | 61010 Ogle |
| GF | 61010 Ogle |
| CR | 61010 Ogle |
| CF | 61010 Ogle |
| JC | 61010 Ogle |
| JE | 61010 Ogle |
| DR | 61010 Ogle |
| JE | 61010 Ogle |
| RM | 61010 Ogle |
| JF | 61010 Ogle |
| MS | 61010 Ogle |
| DS | 61010 Ogle |
| JR | 61010 Ogle |
| JF | 61010 Ogle |
| NC | 61010 Ogle |
| HM | 61015 Ogle |
| DM | 61015 Ogle |
| PM | 61015 Ogle |
| KH | 61020 Ogle |
| BZ | 61020 Ogle |
| FS | 61020 Ogle |
| RS | 61020 Ogle |
| WM | 61020 Ogle |
| NH | 61020 Ogle |
| MS | 61021 Lee |
| RM | 61021 Lee |
| PS | 61021 Lee |
| JC | 61021 Lee |

| | |
|----|------------------|
| RL | 61032 Stephenson |
| VC | 61047 Ogle |
| AP | 61047 Ogle |
| DS | 61047 Ogle |
| HS | 61047 Ogle |
| VC | 61047 Ogle |
| JL | 61054 Ogle |
| SN | 61054 Ogle |
| GC | 61054 Ogle |
| JL | 61054 Ogle |
| PM | 61054 Ogle |
| GC | 61054 Ogle |
| RE | 61061 Ogle |
| MH | 61061 Ogle |
| JH | 61061 Ogle |
| CW | 61061 Ogle |
| NL | 61061 Ogle |
| JG | 61061 Ogle |
| RR | 61061 Ogle |
| CW | 61061 Ogle |
| MG | 61063 Winnebago |
| CW | 61063 Winnebago |
| MB | 61068 Ogle |
| MV | 61068 Ogle |
| WA | 61068 Ogle |
| DH | 61071 Whiteside |
| MB | 61072 Winnebago |
| LS | 61084 Ogle |
| RH | 61084 Ogle |
| FH | 61084 Ogle |
| HH | 61084 Ogle |
| MS | 61088 Winnebago |
| CL | 61088 Winnebago |
| JK | 61088 Winnebago |
| AA | 61088 Winnebago |
| CJ | 61088 Winnebago |
| RM | 61088 Winnebago |
| JL | 61088 Winnebago |
| DO | 61088 Winnebago |
| BH | 61088 Winnebago |
| DC | 61102 Winnebago |
| RP | 61102 Winnebago |
| MS | 61102 Winnebago |
| DE | 61102 Winnebago |

| | |
|---------------------|-----------------|
| RM | 61102 Winnebago |
| PB | 61103 Winnebago |
| LW | 61103 Winnebago |
| SM | 61104 Winnebago |
| LS | 61104 Winnebago |
| LT | 61104 Winnebago |
| TD | 61107 Winnebago |
| GL | 61107 Winnebago |
| CM | 61107 Winnebago |
| EC | 61107 Winnebago |
| RR | 61107 Winnebago |
| EC | 61108 Winnebago |
| DR | 61108 Winnebago |
| DJ | 61108 Winnebago |
| TR | 61108 Winnebago |
| IT | 61108 Winnebago |
| JG | 61108 Winnebago |
| HL | 61108 Winnebago |
| CF | 61108 Winnebago |
| HL | 61108 Winnebago |
| LP | 61109 Winnebago |
| DM | 61109 Winnebago |
| EH | 61109 Winnebago |
| JM | 61109 Winnebago |
| CB | 61115 Winnebago |
| 2013 TOTAL | 111 |
| In Ogle County | 56 |
| In Winnebago County | 41 |
| | 50% |
| | 37% |

| | | |
|--------------------------------------|-----|-----|
| most recent 24 months 2012 & 2013 | | |
| TOTAL ADMISSIONS | 194 | |
| In Ogle County | 104 | 54% |
| In Winnebago County | 65 | 34% |

| | |
|-------------------------------------|-----|
| 30 min zip codes | |
| 60129 | |
| 60146 | |
| 61007 | 21 |
| 61010 | 3 |
| 61015 | 6 |
| 61016 | |
| 61020 | |
| 61030 | |
| 61039 | 5 |
| 61047 | |
| 61049 | |
| 61052 | |
| 61054 | 6 |
| 61061 | 8 |
| 61063 | 2 |
| 61067 | |
| 61084 | 4 |
| 61088 | 9 |
| 61101 | |
| 61102 | 5 |
| 61104 | 3 |
| 61108 | 9 |
| 61109 | 4 |
| 61112 | |
| Total admissions within 30 min | 85 |
| % of total admissions within 30 min | 77% |

| | | |
|--------------------------------------|-----|--|
| most recent 24 months 2012 & 2013 | | |
| Total admissions within 30 min | 159 | |
| % of total admissions within 30 min | 82% | |

SWEDISHAMERICAN HEALTH SYSTEM

Winner Of The Lincoln Award For Excellence

WILLIAM R. GORSKI, M.D.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

SwedishAmerican Hospital
SwedishAmerican
Medical Group/Belvidere
SwedishAmerican
Medical Group/Brookside
SwedishAmerican
Medical Group/Byron
SwedishAmerican
Medical Group/Davis Junction
SwedishAmerican
Medical Group/Five Points
SwedishAmerican
Medical Group/Midtown
SwedishAmerican
Medical Group/Northwest
SwedishAmerican
Medical Group/Roscoe
SwedishAmerican
Medical Group/Valley
SwedishAmerican
Medical Group/Woodside
SwedishAmerican
Cancer Center
SwedishAmerican
Cancer Center
SwedishAmerican
Breast Health Center
SwedishAmerican
Health Alliance
SwedishAmerican Health
Management Corporation
SwedishAmerican
Home Health Care
SwedishAmerican
Immediate Care
SwedishAmerican
Infusion Services/DME
SwedishAmerican
Medical Foundation
SwedishAmerican MSO
SwedishAmerican Realty
Greater Rockford
Hematology/Oncology
Center
Midwest Center For Health
And Healing
Medical Arts Center
Medworks
Northern Illinois
Health Care Network
Northern Illinois
Surgery Center

November 27, 2013

Ms. Pawn Thammarath
Neighbors Rehabilitation Center
P.O. Box 585
Byron, Illinois 61010

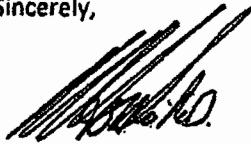
Dear Pawn:

Swedish American Hospital has had a long-standing working relationship with Neighbors in Byron, Illinois. I understand that you will be seeking permission from the Illinois Health and Service Review Board through its certificate of need program to add 15 to 20 "Medicare Suites" to your current complement of beds. I understand you also hope to be adding a new gymnasium and other kinds of space which will allow you to take on more medically complex patients.

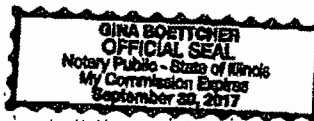
Swedish American Hospital has had a long-standing positive working relationship with Neighbors. We do send patients to you who need post acute nursing care in a structured setting. Our current rate of referrals to your facility is 4 cases per month. We have no reason to conclude that these numbers will drop as we move forward over the next two years. Therefore, Neighbors could expect to see approximately forty-eight patient referrals from Swedish American to your facility on an annual basis. These referrals have not been used to support another pending or approved CON application.

If you should have any questions or concerns, please feel free to reach our Director of Case Management, Nancy Halford, at 779-696-6545.

Sincerely,



Bill Gorski, MD



Gina Boettcher
12/5/13

attachment

SWEDISH AMERICAN HOSPITAL

ZIP CODES

61108
61107
61114
61103
61111
61080
61072
61024
61008
61074
61053
60115
60548
60550
61021
61031
61310
61081
61071
60050
60098
60014
60033
60012
61010
61061
61054
61064
61068
61032
61048
53511
53546
53525
53545
53547
61087
60631
60611
60608



ROCKFORD HEALTH
system

Respectful Care

Office of the President and CEO

Gary E. Kaatz

Rockford Medical Building
2850 North Rockton Avenue, Suite 402
Rockford, Illinois 61103
Phone (815) 971-7250
Fax (815) 988-4808

January 20, 2014

Ms. Pawn Thammarath
Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

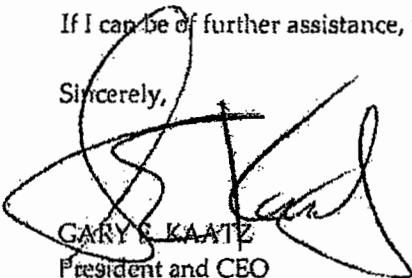
Thank you for asking me to provide a letter of support of the proposed Neighbors Rehabilitation Center (NRC) addition and renovation. This project will be of great benefit to Byron and surrounding communities.

Rockford Health System has enjoyed a long standing working relationship with NRC and believe this will continue into the foreseeable future. Over the past 12 months (1/1-13 - 12/31/13) Rockford Memorial Hospital has transferred a total of 1313 patients to Post Acute Care Skilled Nursing Facilities in the Northern Illinois region (see attached list of number of patients per zip code). In that time frame, Rockford Memorial Hospital transferred 13 of those patients to NRC.

I anticipate that Rockford Memorial Hospital will continue to refer patients to NRC and that the hospital would transfer 13 to 20 patients to NRC each year for the 24 month period after NRC completes their renovation and expansion project. These referrals have not been used to support another pending or approved CON application.

If I can be of further assistance, please contact me.

Sincerely,



GARY E. KAATZ
President and CEO

**Rockford Memorial
Hospital**
2400 North Rockton Avenue
Rockford, IL 61103

**Rockford Health
Physicians**
2300 North Rockton Avenue
Rockford, IL 61103

**Van Matre HealthSouth
Rehabilitation Hospital**
950 South Mulford Road
Rockford, IL 61108

**Visiting Nurses
Association**
4223 East State Street
Rockford, IL 61108

**Rockford Memorial
Development Foundation**
2400 North Rockton Avenue
Rockford, IL 61103

RMH

2013 Discharges to a Skilled Nursing
Facility by Patient Zip Code

| Patient Zip Code | Discharges |
|------------------|------------|
| 32950 | 3 |
| 33982 | 1 |
| 34748 | 1 |
| 38482 | 1 |
| 53511 | 4 |
| 535113474 | 1 |
| 53520 | 1 |
| 53563 | 1 |
| 53587 | 1 |
| 55106 | 1 |
| 55987 | 1 |
| 60014 | 1 |
| 60033 | 4 |
| 600331836 | 1 |
| 60050 | 1 |
| 600743725 | 1 |
| 60098 | 1 |
| 60108 | 1 |
| 60115 | 3 |
| 60133 | 1 |
| 60142 | 1 |
| 60152 | 1 |
| 60404 | 1 |
| 60518 | 5 |
| 60548 | 1 |
| 60559 | 1 |
| 60622 | 1 |
| 60634 | 1 |
| 61006 | 1 |
| 61008 | 19 |
| 610084459 | 1 |
| 61010 | 18 |
| 610101464 | 1 |
| 61011 | 9 |
| 61013 | 2 |
| 61014 | 2 |
| 61016 | 3 |
| 61019 | 13 |
| 61020 | 1 |
| 61021 | 8 |
| 61024 | 21 |

| | |
|-----------|-----|
| 610240398 | 1 |
| 610249590 | 1 |
| 61025 | 1 |
| 61028 | 1 |
| 61030 | 3 |
| 61031 | 1 |
| 61032 | 23 |
| 61036 | 1 |
| 61039 | 4 |
| 61046 | 2 |
| 61047 | 5 |
| 61048 | 2 |
| 61054 | 12 |
| 61060 | 1 |
| 61061 | 14 |
| 610611815 | 1 |
| 610612222 | 1 |
| 61063 | 11 |
| 61064 | 2 |
| 61065 | 7 |
| 610677704 | 1 |
| 61068 | 3 |
| 61071 | 5 |
| 61072 | 30 |
| 610722115 | 1 |
| 61073 | 38 |
| 610735653 | 1 |
| 61074 | 2 |
| 61077 | 1 |
| 61078 | 1 |
| 61079 | 2 |
| 61080 | 29 |
| 610802001 | 2 |
| 61081 | 3 |
| 61084 | 3 |
| 61085 | 6 |
| 61088 | 27 |
| 610880699 | 1 |
| 61089 | 1 |
| 61101 | 114 |
| 611015530 | 2 |
| 611016066 | 1 |
| 61102 | 54 |
| 611021231 | 1 |
| 61103 | 301 |

| | |
|-----------|-----|
| 611031573 | 1 |
| 611031922 | 1 |
| 611032026 | 2 |
| 611032869 | 1 |
| 611033618 | 2 |
| 611034372 | 1 |
| 611034617 | 2 |
| 61104 | 35 |
| 611041234 | 1 |
| 611045360 | 1 |
| 611045547 | 1 |
| 61105 | 4 |
| 61107 | 59 |
| 611071818 | 1 |
| 611071823 | 1 |
| 611074144 | 3 |
| 611075238 | 2 |
| 61108 | 62 |
| 61109 | 16 |
| 611092806 | 1 |
| 611094972 | 1 |
| 61111 | 100 |
| 611115049 | 1 |
| 61112 | 3 |
| 61114 | 58 |
| 611147091 | 1 |
| 61115 | 50 |
| 611151810 | 2 |
| 611152069 | 1 |
| 611152575 | 1 |
| 61132 | 1 |
| 611325281 | 1 |
| 61277 | 2 |
| 61301 | 2 |
| 61310 | 2 |
| 61317 | 1 |
| 61326 | 1 |
| 61342 | 10 |
| 61354 | 4 |
| 61367 | 1 |
| 61373 | 2 |
| 61378 | 1 |
| 62418 | 1 |
| 63146 | 1 |
| 65203 | 1 |

| | |
|-----------|------|
| 66503 | 1 |
| 802092590 | 1 |
| Total | 1313 |

November 5, 2013

LTC Medical, Inc
7117 Crimson Ridge
Rockford, IL 61107

This letter is written on behalf of Neighbor's nursing facility in Byron, IL.

Dr. Eckburg, Dr. Aguero and I strongly recommend the addition and renovation of expanded Medicare beds. We support, without hesitation the application for CON and subsequent board approval.

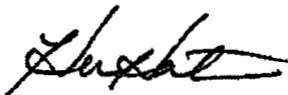
Our MD/NP group specifically and exclusively provides care to resident's of LTC/SNF facilities and feels there is a palpable growing need for Neighbor's to be able to care for a larger number of residents in this community. We have a positive and active relationship with all three major health systems in Rockford who will be able to support their growth.

During the previous 12 months, we have provided care to 44 patients in the Byron area. Following the completion of the building addition and renovation I would anticipate referring 15 patients to Neighbors Rehab each year over the ensuing 24 months. These referrals have not been used to support another pending or approved CON application.

Neighbor's nursing facility delivers a high standard of patient-centered care in the Byron community and warrants their ability to provide this excellent care to more patients.

If there is anything we can do to be of assistance, please do not hesitate to contact me.

Heather Hartman, CNP, A/GNP



815-608-0867



Mary Lobston
12-13-13

| Heather Hartman/Carlos Aguero/Joseph Eckburg patients | |
|---|--|
| Zip Code | |
| 61020 | |
| 61054 | |
| 61115 | |
| 61010 | |
| 61107 | |
| 61108 | |
| 61061 | |
| 61088 | |
| 61104 | |
| 61032 | |
| 61047 | |
| 61008 | |
| 52807 | |
| 61068 | |
| 61109 | |
| 60018 | |
| 60150 | |
| 61021 | |
| 61063 | |
| 61072 | |
| 61102 | |
| 61071 | |

NEIGHBORS Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

November 12, 2013

Chester Durnas, MD
P.O. Box 7732
Rockford, IL 61126

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath:

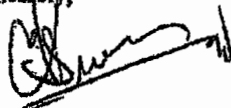
Thank you for asking me to provide a letter of support of the proposed Neighbors Rehabilitation Center (NRC) addition and renovation. This project will be of great benefit to Byron and surrounding communities.

As a physician who works primarily with skilled nursing facility patients, I can attest to the changing needs and demands placed on skilled nursing facilities. One of the service gaps in the Byron community is the lack of private resident rooms to accommodate individuals who require medical isolation and/or specialized medical equipment. Due to the lack of private rooms, residents of Byron and the surrounding communities are forced to go outside of the area to receive the necessary services.

During the previous 12 months, I have provided care to 48 patients in the Byron area. Following the completion of the building addition and renovation, I would anticipate referring 25 patients to NRC each year over the ensuing 24 months. These referrals have not been used to support another pending or approved CON application.

I look forward to working with you and applaud your efforts to improve the services offered in our community. If there is anything I can do to be assistance, please do not hesitate to contact me.

Sincerely,



Chester Durnas, MD



Mary Logston
11-21-13

www.neighborsbyron.com

ph: 815.234.2511

fax: 815.234.3114

| Dr. Durnas patients | | |
|---------------------|--|--|
| Zip Codes | | |
| 61047 | | |
| 61102 | | |
| 61010 | | |
| 61109 | | |
| 61107 | | |
| 61015 | | |
| 60194 | | |
| 61103 | | |
| 61068 | | |
| 61008 | | |
| 61072 | | |
| 60950 | | |
| 61061 | | |
| 61088 | | |
| 61063 | | |
| 61054 | | |
| 61115 | | |
| 61084 | | |
| 61021 | | |
| 61020 | | |
| 61023 | | |
| 61104 | | |
| 61046 | | |

**OSF****SAINT ANTHONY MEDICAL CENTER**

January 13, 2014

Pawn Thammarath
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

OSF Saint Anthony Medical Center recommends the addition and renovation project which is proposed for Neighbors Rehabilitation Center. We support your application for CON Board Approval.

Within the past 12 months, OSF Saint Anthony Medical Center transferred 2,078 patients to existing skilled care facilities. Please see the attached table for the home zip codes of these patients.

We estimate the number of patients that OSF Saint Anthony will refer annually within a 24 – month period after the project completion to Neighbors Rehabilitation Center will be an average of 40 per year, this is a reasonable expectation based on our historical referrals. These referrals have not been used to support another pending or approved CON application for the subject services.

As OSF has a new primary care office in Byron, we anticipate a potentially increased relationship, and look forward to working with you. We commend your efforts to improve the quality of care and quality of life for those served in our community.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

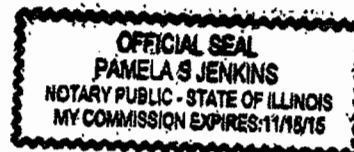
Paula Carynski, MS, RN, NEA-BC, FACHE
President

Date:

1-13-2014

Notary:

Pamela S. Jenkins



OSF Saint Anthony Medical Center

Transfer to Skilled Care

DISCHARGE DATE RANGE: 10/01/2012 - 09/30/2013

SOURCE: HPM; REPORT RUN DATE: 11/20/2013

| <u>Zip Code</u> | <u>City</u> | <u>Encounters</u> |
|-----------------|----------------|-------------------|
| 61108 | ROCKFORD | 299 |
| 61107 | ROCKFORD | 246 |
| 61008 | BELVIDERE | 233 |
| 61114 | ROCKFORD | 138 |
| 61111 | LOVES PARK | 133 |
| 61115 | MACHESNEY PARK | 96 |
| 61109 | ROCKFORD | 85 |
| 61068 | ROCHELLE | 69 |
| 61073 | ROSCOE | 54 |
| 61103 | ROCKFORD | 54 |
| 61102 | ROCKFORD | 48 |
| 61065 | POPLAR GROVE | 47 |
| 61104 | ROCKFORD | 47 |
| 61021 | DIXON | 39 |
| 61101 | ROCKFORD | 39 |
| 61016 | CHERRY VALLEY | 28 |
| 60152 | MARENGO | 27 |
| 61061 | OREGON | 18 |
| 60115 | DEKALB | 15 |
| 60178 | SYCAMORE | 15 |
| 61010 | BYRON | 15 |
| 61081 | STERLING | 15 |
| 61011 | CALEDONIA | 14 |
| 61072 | ROCKTON | 14 |
| 61088 | WINNEBAGO | 14 |
| 60145 | KINGSTON | 13 |
| 61080 | SOUTH BELOIT | 11 |
| 60135 | GENOA | 10 |
| 61112 | ROCKFORD | 10 |
| 60146 | KIRKLAND | 9 |
| 61024 | DURAND | 9 |
| 61054 | MOUNT MORRIS | 9 |
| 61012 | CAPRON | 8 |

| | | |
|-------|-----------------|---|
| 61032 | FREEPORT | 8 |
| 61063 | PECATONICA | 8 |
| 60033 | HARVARD | 7 |
| 53511 | BELOIT | 6 |
| 61019 | DAVIS | 6 |
| 61071 | ROCK FALLS | 6 |
| 61038 | GARDEN PRAIRIE | 5 |
| 61064 | POLO | 5 |
| 61084 | STILLMAN VALLEY | 5 |
| 61310 | AMBOY | 5 |
| 60180 | UNION | 4 |
| 61006 | ASHTON | 4 |
| 61020 | DAVIS JUNCTION | 4 |
| 61342 | MENDOTA | 4 |
| 61376 | WALNUT | 4 |
| 49684 | TRAVERSE CITY | 3 |
| 60013 | CARY | 3 |
| 60098 | WOODSTOCK | 3 |
| 60113 | CRESTON | 3 |
| 60150 | MALTA | 3 |
| 60520 | HINCKLEY | 3 |
| 61270 | MORRISON | 3 |
| 61277 | PROPHETSTOWN | 3 |
| 61378 | WEST BROOKLYN | 3 |
| 80403 | GOLDEN | 3 |
| 53545 | JANESVILLE | 2 |
| 60062 | NORTHBROOK | 2 |
| 60102 | ALGONQUIN | 2 |
| 60112 | CORTLAND | 2 |
| 60151 | MAPLE PARK | 2 |
| 60603 | CHICAGO | 2 |
| 60914 | BOURBONNAIS | 2 |
| 61015 | CHANA | 2 |
| 61041 | HANOVER | 2 |
| 61126 | ROCKFORD | 2 |
| 61132 | LOVES PARK | 2 |
| 61354 | PERU | 2 |
| 61802 | URBANA | 2 |
| 62959 | MARION | 2 |
| 33990 | CAPE CORAL | 1 |
| 34287 | NORTH PORT | 1 |
| 37187 | WHITE BLUFF | 1 |
| 46113 | CAMBY | 1 |

| | | |
|-------|----------------|---|
| 46307 | CROWN POINT | 1 |
| 48092 | WARREN | 1 |
| 49519 | WYOMING | 1 |
| 52403 | CEDAR RAPIDS | 1 |
| 52722 | BETTENDORF | 1 |
| 53548 | JANESVILLE | 1 |
| 53570 | MONTICELLO | 1 |
| 53803 | BENTON | 1 |
| 54401 | WAUSAU | 1 |
| 55305 | MINNETONKA | 1 |
| 60014 | CRYSTAL LAKE | 1 |
| 60020 | FOX LAKE | 1 |
| 60050 | MCHENRY | 1 |
| 60093 | WINNETKA | 1 |
| 60123 | ELGIN | 1 |
| 60134 | GENEVA | 1 |
| 60142 | HUNTLEY | 1 |
| 60183 | WASCO | 1 |
| 60518 | EARLVILLE | 1 |
| 60530 | LEE | 1 |
| 60542 | NORTH AURORA | 1 |
| 60548 | SANDWICH | 1 |
| 60550 | SHABBONA | 1 |
| 60553 | STEWART | 1 |
| 60556 | WATERMAN | 1 |
| 60560 | YORKVILLE | 1 |
| 60620 | CHICAGO | 1 |
| 61001 | APPLE RIVER | 1 |
| 61018 | DAKOTA | 1 |
| 61030 | FORRESTON | 1 |
| 61031 | FRANKLIN GROVE | 1 |
| 61039 | GERMAN VALLEY | 1 |
| 61046 | LANARK | 1 |
| 61048 | LENA | 1 |
| 61052 | MONROE CENTER | 1 |
| 61053 | MOUNT CARROLL | 1 |
| 61062 | PEARL CITY | 1 |
| 61074 | SAVANNA | 1 |
| 61105 | ROCKFORD | 1 |
| 61261 | LYNDON | 1 |
| 61265 | MOLINE | 1 |
| 61348 | OGLESBY | 1 |
| 61350 | OTTAWA | 1 |

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| | | |
|-------|-------------|---|
| 61356 | PRINCETON | 1 |
| 61364 | STREATOR | 1 |
| 61367 | SUBLETTE | 1 |
| 61443 | KEWANEE | 1 |
| 61447 | KIRKWOOD | 1 |
| 61517 | BRIMFIELD | 1 |
| 62401 | EFFINGHAM | 1 |
| 62480 | WILLOW HILL | 1 |
| 69039 | MOOREFIELD | 1 |
| 92105 | SAN DIEGO | 1 |
| 98387 | BETHEL | 1 |

ATTACHMENT-13D

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued iii

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care

The applicant shall document #1 and either #2 or #3:

1. Historical Service Demand

- a. An average annual occupancy rate that has equaled or exceeded occupancy standards for general LTC, as specified in Section 1125.210(c), for each of the latest two years.

In CY2012, CY2011 and CY2010, the facility reported utilization rates of 91.8%, 92.6% and 91.6% respectively. Refer to **ATTACHMENT-15A** for the cited facilities most recent 3-year IDPH Profile.

- b. If prospective residents have been referred to other facilities in order to receive the subject services, the applicant shall provide documentation of the referrals, including completed applications that could not be accepted due to lack of the subject service and documentation from referral sources, with identification of those patients by initials and date.

Appended as **ATTACHMENT-15B**, is a listing of all (267) residents turned away by the facility in the past 24-months (105 in CY2012 and 162 in CY2013). Of that number (267), 65 of those were turned away due to the existing rooms having gender, isolation or end of life issues that eliminated a bed or a rooms from being used or because the proposed residents demand for private rooms for their rehabilitation (refer to **ATTACHMENT-15C**).

2. Projected Referrals

The applicant shall provide documentation as described in Section 1125.540(d).

Appended as **ATTACHMENT-15D** are 2 hospital referrals letters providing 53-60 of the proposed and historical referrals. Moreover, appended as **ATTACHMENT-15E** are three referral letters identifying 88 historical and projected referrals. Collectively, these referral

ATTACHMENT-15

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued iv

sources have identified 141-148 historical and potential annual referrals to Neighbors Rehabilitation Center for the next two years.

3. **If a projected demand for service is based upon rapid population growth in the applicant facility's existing market area (as experienced annually within the latest 24-month period), the projected service demand shall be determined as described in Section 1125.540 (e).**

The need for this project is based upon the historical lack of accessibility of the existing population. Moreover, this geographic service area has not been experiencing a rapid population growth; therefore, this item is not germane.

| ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2010 NEIGHBORS REHABILITATION CENTER BYRON | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|
| NEIGHBORS REHABILITATION CENTER | | | | | | | | | |
| P. O. BOX 585 BYRON, IL 61010 Reference Numbers Facility ID 6008514 Health Service Area 001 Planning Service Area 141 | | | | | | | | | |
| ADMISSION RESTRICTIONS | | | | | | | | | |
| Aggressive/Abuse-Social 0 | | | | | | | | | |
| Chronic Alcoholism 1 | | | | | | | | | |
| Developmental Disability 1 | | | | | | | | | |
| Drug Addiction 1 | | | | | | | | | |
| Medicaid Recipient 0 | | | | | | | | | |
| Medicaid Recipient 0 | | | | | | | | | |
| Mental Illness 1 | | | | | | | | | |
| Non-Ambulatory 0 | | | | | | | | | |
| Non-Mobile 0 | | | | | | | | | |
| Public Aid Recipient 0 | | | | | | | | | |
| Under 65 Years Old 0 | | | | | | | | | |
| Unable to Self-Medicate 0 | | | | | | | | | |
| Ventilator Dependent 1 | | | | | | | | | |
| Infectious Disease w/ Isolation 0 | | | | | | | | | |
| Other Restrictions 0 | | | | | | | | | |
| No Restrictions 0 | | | | | | | | | |
| TOTALS 93 | | | | | | | | | |
| No | | | | | | | | | |
| No | | | | | | | | | |
| TOTALS 93 | | | | | | | | | |
| Total Residents Diagnosed as Mentally Ill 0 | | | | | | | | | |

| LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS | | | | | | | | | |
|--|------|-------------|----------------------------------|----------------------------------|-----|-----|-----|-----|-----|
| PEAK | | | | | | | | | |
| LICENSED BEDS | BEDS | BEDS IN USE | MEDICARE/MEDICAID CERTIFIED BEDS | ADMISSIONS AND DISCHARGES - 2010 | | | | | |
| LEVEL OF CARE | PEAK | PEAK | PEAK | Residents on 1/1/2010 | | | | | |
| Nursing Care | 101 | 101 | 99 | 101 | 101 | 101 | 101 | 101 | 97 |
| Skilled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| Intermediate DD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 89 |
| Skilled Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 93 |
| Sheltered Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BEDS | 101 | 101 | 99 | 101 | 101 | 101 | 101 | 101 | 288 |

| FACILITY UTILIZATION - 2010 | | | | | | | | | |
|--|----------|----------|--------------|-------------------|---------|-------------------|---------|-------------------|---------|
| BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE | | | | | | | | | |
| LEVEL OF CARE | Medicare | Medicaid | Other Public | Private Insurance | Charity | Private Insurance | Charity | Private Insurance | Charity |
| Nursing Care | 2988 | 8.0% | 23735 | 84.4% | 1645 | 464 | 464 | 464 | 464 |
| Skilled Under 22 | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| Intermediate DD | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| Skilled Care | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| Sheltered Care | 0 | 0.0% | 0 | 0.0% | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 2988 | 8.0% | 23735 | 84.4% | 1645 | 464 | 464 | 464 | 464 |

| RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2010 | | | | | | | | | |
|---|------|--------|------|--------|------|--------|------|--------|-------|
| NURSING CARE | | | | | | | | | |
| AGE GROUPS | Male | Female | Male | Female | Male | Female | Male | Female | TOTAL |
| Under 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 to 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 to 74 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 75 to 84 | 4 | 8 | 0 | 0 | 0 | 0 | 0 | 0 | 12 |
| 85+ | 11 | 23 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| TOTALS | 22 | 71 | 0 | 0 | 0 | 0 | 0 | 0 | 93 |

| ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2010 NEIGHBORS REHABILITATION CENTER BYRON | | | | | | | | | |
|---|----------|----------|--------------|-------------------|---------|-------------------|---------|-------------------|---------|
| NEIGHBORS REHABILITATION CENTER | | | | | | | | | |
| P.O. BOX 585 BYRON, IL 61010 Reference Numbers Facility ID 6008514 Health Service Area 001 Planning Service Area 141 | | | | | | | | | |
| RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE | | | | | | | | | |
| LEVEL OF CARE | Medicare | Medicaid | Other Public | Private Insurance | Charity | Private Insurance | Charity | Private Insurance | Charity |
| Nursing Care | 11 | 63 | 8 | 2 | 9 | 0 | 93 | 0 | 195 |
| Skilled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intermediate DD | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheltered Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 11 | 63 | 8 | 2 | 9 | 0 | 93 | 0 | 195 |

| RESIDENTS BY RACIAL/ETHNICITY GROUPING | | | | | | | | | |
|--|---------|------------------|-----------------|--------------|-----------|-------------------|---------|-------------------|---------|
| RACE | Nursing | Skilled Under 22 | Intermediate DD | Skilled Care | Sheltered | Private Insurance | Charity | Private Insurance | Charity |
| Asian | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Amer. Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Black | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hispanic/Latino | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| White | 92 | 0 | 0 | 0 | 0 | 0 | 92 | 0 | 0 |
| Race Unknown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 93 | 0 | 0 | 0 | 0 | 0 | 93 | 0 | 0 |
| ETHNICITY | Nursing | Skilled Under 22 | Intermediate DD | Skilled Care | Sheltered | Private Insurance | Charity | Private Insurance | Charity |
| Hispanic | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| Non-Hispanic | 92 | 0 | 0 | 0 | 0 | 0 | 92 | 0 | 0 |
| Ethnicity Unknown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 93 | 0 | 0 | 0 | 0 | 0 | 93 | 0 | 0 |

| NET REVENUE BY PAYOR SOURCE (Fiscal Year Data) | | | | | | | | | |
|--|-----------|--------------|-------------------|---------|-------------------|---------|-------------------|---------|---------|
| Medicare | Medicaid | Other Public | Private Insurance | Charity | Private Insurance | Charity | Private Insurance | Charity | Charity |
| 23.8% | 41.1% | 3.7% | 28.0% | 0.0% | 28.0% | 0.0% | 28.0% | 0.0% | 0.0% |
| 1,230,753 | 2,128,544 | 191,053 | 1,448,308 | 0 | 1,448,308 | 0 | 1,448,308 | 0 | 0 |

*Charity Expense does not include expenses which may be considered a community benefit.

NEIGHBORS' REHABILITATION CENTER

| Reference Numbers | Facility ID | Health Service Area | Planning Service Area |
|-------------------|-------------|---------------------|-----------------------|
| WYRON, IL. 61010 | 001 | | 141 |

| LEVEL OF CARE | RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE | | | | | | | AVERAGE DAILY PAYMENT RATES | | |
|------------------|---|----------|-------|-------------------|-------------|--------------|--------|-----------------------------|--------|--------|
| | Medicare | Medicaid | Other | Private Insurance | Private Pay | Charity Care | TOTALS | LEVEL OF CARE | SINGLE | DOUBLE |
| Long-term Care | 9 | 65 | 0 | 1 | 10 | 0 | 85 | Nursing Care | 200 | 185 |
| Skilled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Skilled Under 22 | 0 | 0 |
| Intermediate D | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Intermediate DD | 0 | 0 |
| Sheltered Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Sheltered Care | 200 | 185 |
| TOTALS | 9 | 65 | 0 | 1 | 10 | 0 | 85 | | | |

| RESIDENTS BY RACIAL/ETHNICITY GROUPING | | | | | | | FACILITY STAFFING | | |
|--|--------------|------------------|--------------|----|----------------|--------|---------------------|----------------------|--|
| RACE | Nursing Care | Skilled Under 22 | Intermediate | DD | Sheltered Care | Totals | Employment Category | Full-Time Equivalent | |
| Hispanic | 1 | 0 | 0 | 0 | 0 | 1 | Administrators | 1.00 | |
| American Indian | 0 | 0 | 0 | 0 | 0 | 0 | Physicians | 0.00 | |
| Black | 1 | 0 | 0 | 0 | 0 | 1 | Director of Nursing | 1.00 | |
| Asian/Pacific Isl. | 0 | 0 | 0 | 0 | 0 | 0 | Registered Nurses | 11.00 | |
| White | 83 | 0 | 0 | 0 | 0 | 83 | LPNs | 12.00 | |
| Race Unknown | 0 | 0 | 0 | 0 | 0 | 0 | Certified Aides | 42.00 | |
| Total | 85 | 0 | 0 | 0 | 0 | 85 | Other Health Staff | 3.00 | |
| | | | | | | | Non-Health Staff | 41.00 | |
| | | | | | | | Totals | 111.00 | |

| NET REVENUE BY PAYOR SOURCE (Fiscal Year Data) | | | | | | |
|--|---|-----------|--------------|-------------------|-------------|-----------|
| | Medicare | Medicaid | Other Public | Private Insurance | Private Pay | TOTALS |
| | 27.1% | 35.6% | 7.8% | 1.4% | 27.8% | 100.0% |
| | 1,613,555 | 2,125,998 | 483,269 | 64,240 | 1,659,189 | 5,945,250 |
| | Charity Care Expense does not include expenses which may be considered a community benefit. | | | | | 0 |
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Charity Care Expense does not include expenses which may be considered a community benefit.

NEIGHBORS REHABILITATION CENTER

| P.O. BOX 555 PYRON, IL. 61010 | Aggressive/Ani-Social Chronic Alcoholism Developmentally Disabled | 0 1 1 | DIAGNOSIS Neoplasms Endocrine/Metabolic | 0 13 |
|----------------------------------|---|-------------|---|---------|
| Facility ID: 609514 | | | | |

| Health Services Area | 001 | Planting Services Area | 141 | Drug Production | 0 |
|-----------------------|-----|------------------------|-----|---|----|
| Medical Services Area | 0 | 0 | 0 | Medicaid Recipient | 0 |
| Administrative | 0 | 0 | 0 | Medicare Recipient | 40 |
| Personnel | 0 | 0 | 0 | Mental Illness | 0 |
| Personnel | 0 | 0 | 0 | Mental Illness | 0 |
| Personnel | 0 | 0 | 0 | Non-Ambulatory | 0 |
| Personnel | 0 | 0 | 0 | Non-Mobile | 0 |
| Personnel | 0 | 0 | 0 | Public Aid Recipient | 0 |
| Personnel | 0 | 0 | 0 | Under 65 Years Old | 0 |
| Personnel | 0 | 0 | 0 | Unable to Self-Medicate | 0 |
| Personnel | 0 | 0 | 0 | Ventilator Dependent | 0 |
| Personnel | 0 | 0 | 0 | Infectious Disease w/ Isolation | 3 |
| Personnel | 0 | 0 | 0 | Other Restrictions | 0 |
| Personnel | 0 | 0 | 0 | No Restrictions | 17 |
| Personnel | 0 | 0 | 0 | None: Reports rectified/ removed by 11" | 0 |
| Personnel | 0 | 0 | 0 | TOTALS | 85 |

| LEVEL OF CARE | LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS | | | | ADMISSIONS AND DISCHARGES - 2012 | | | |
|-------------------|--|------------------|----------------|-------------|----------------------------------|--------------------|--------------------|--|
| | LICENSED BEDS | PEAK BEDS SET-UP | PEAK BEDS USED | BEDS IN USE | BEDS AVAILABLE | MEDICARE CERTIFIED | MEDICAID CERTIFIED | Residents on 1/1/2011 Total Admissions 2011 Total Discharges 2011 Residents on 12/31/2011 |
| Mental Care | 101 | 101 | 99 | 101 | 85 | 16 | 101 | 96 |
| Skilled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 93 |
| Intermediate DID | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 94 |
| Skilled Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 85 |
| Skilled Offenders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BEDS | 101 | 101 | 99 | 101 | 85 | 16 | 101 | 101 |

| FACILITY UTILIZATION - 2012 | | | | | | | | | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-------------------|-----------|-------------|-----------|--------------|-----------|-----------|-----------|---------------|-----------|-----------|-----------|
| PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE | | | | | | | | | | | | | | | | | | | |
| LEVEL OF CARE | | Medicare | | Medicaid | | Other Public | | Private Insurance | | Private Pay | | Charity Care | | TOTAL | | Licensed Beds | | Peak Beds | |
| Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Pai. days | Occ. Pct. | Set Up | Occ. Pct. |
| Nursing Care | 3109 | 8.4% | 22795 | 61.8% | 0 | 0.0% | 3540 | 189 | 4225 | 0 | 0 | 0 | 0 | 0 | 0.0% | 33658 | 91.8% | 91.8% | 91.8% |
| Student Under 22 | | | | | | | | | | | | | | | | | | | |
| Intermediate DD | | | | | | | | | | | | | | | | | | | |
| Skilled Care | | | | | | | | | | | | | | | | | | | |
| TOTALS | 3109 | 8.4% | 22795 | 61.8% | 3540 | 189 | 4225 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 33658 | 91.8% | 91.8% | 91.8% |

| AGE GROUPS | RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2012 | | | | | | | | | | GRAND TOTAL | |
|------------|---|--------|--------------|--------|--------------|--------|-----------|--------|-------|--------|----------------|----|
| | NURSING CARE | | SKL UNDER 22 | | INTERMED. DD | | SHELTERED | | TOTAL | | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | | |
| Under 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18 to 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 45 to 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 60 to 64 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| 65 to 74 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 4 | 8 |
| 75 to 84 | 10 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 17 | 27 |
| 85+ | 14 | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 37 | 51 |
| TOTALS | 26 | 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26 | 59 | 85 |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Jan. 2012 | | |
| J.T. | 61010 | Rosewood, zip-61108 |
| L.P. | | unknown |
| R.G. | | waiting list, was placed elsewhere |
| D.B. | 61020 | Discharged Home |
| I. S. | 61077 | unknown |
| A.W. | | Van Matre acute rehab hosp |
| O.W. | 61024 | unknown |
| Feb. 2012 | | |
| J.T. | | unknown |
| C.G. | | unknown |
| Female | | waiting list, placed elsewhere |
| Male | | waiting list, was placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| M.K. | | waiting list, placed elsewhere |
| B.A. | | waiting list, placed elsewhere |
| R.S. | | waiting list, placed elsewhere |
| R.L. | | waiting list, was placed elsewhere |
| M.M. | | unknown |
| Mar. 2012 | 61010 | waiting list. Eventually admitted to Neighbors |
| S.V. | | Went home from hospital |
| K.R. | 61010 | unknown |
| I.S. | 61077 | waiting list, placed elsewhere |
| Male | | waiting list, placed elsewhere |
| Male | | Stayed home |
| Female | | St, Annes, zip code - 61107, not impressed with our building |
| Apr. 2012 | | |
| Male | | waiting list, placed elsewhere |
| K.J. | | unknown |
| J.C. | | waiting list, placed elsewhere |
| K.C. | 61010 | Hospice House, zip - 61061 |
| D.C. | | waiting list, placed elsewhere |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| May. 2012 | | |
| C.H. | | died in hosp |
| C.A. | | waiting list, placed elsewhere |
| Male | | unknown |
| S.D. | | waiting list, placed elsewhere |
| Jun. 2012 | | |
| R.W. | | waiting list, placed elsewhere |
| M.K. | | unknown |
| M.M. | | waiting list, placed elsewhere |
| L.S. | | waiting list, placed elsewhere |
| B.K. | | waiting list, placed elsewhere |
| Female | | unknown |
| D.K. | 61047 | Crimson Pointe assisted living, zip code - 61107 |
| M.K. | | died in hosp |
| Jul. 2012 | | |
| Z.F. | | Pinecrest (61054) |
| D.R. | | unknown |
| R.W. | | unknown |
| E.H. | | unknown |
| K.F. | | waiting list, placed elsewhere |
| H.S. | | waiting list, placed elsewhere |
| E.S. | | Pinecrest (61054) |
| Aug. 2012 | | |
| H.S. | | waiting list, placed elsewhere |
| J.S. | | waiting list, placed elsewhere |
| V.L. | | unknown |
| H.H. | | waiting list, placed elsewhere |
| M.S. | | unknown |
| S.R. | | unknown |
| Male | | waiting list, placed elsewhere |
| J.D. | | unknown |
| D.H. | | unknown |
| A.P. | 61047 | Park Strathmoor, zip code - 61107 |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| J.B. | | waiting list, was placed elsewhere |
| S.C. | | unknown |
| D.D. | | Going to different facility |
| Sept. 2012 | | |
| B.C. | | unknown |
| R.C. | | Went to different facility |
| K.W. | | unknown |
| G.J. | | unknown |
| L.W. | | Nelson Debes, zip code -61108 |
| J.B. | | unknown |
| G.S. | | unknown |
| B.L. | 61024 | staying at current facility, zip code - 61024 |
| Oct. 2012 | | |
| J.M. | | unknown |
| R.M. | | unknown |
| N.W. | | unknown |
| D.G. | | unknown |
| P.D. | | Went to another facility |
| L.V. | | waiting list, placed elsewhere |
| D.S. | | unknown |
| Nov. 2012 | | |
| A.P. | | waiting list, placed elsewhere |
| O.H. | | unknown |
| B.G. | | waiting list, placed elsewhere |
| D.E. | | waiting list, placed elsewhere |
| A.D. | | unknown |
| D.M. | | waiting list, placed elsewhere |
| M.C. | | waiting list, placed elsewhere |
| R.M. | | waiting list, placed elsewhere |
| D.L. | | unknown |
| M.T. | | unknown |
| J.B. | | waiting list, placed elsewhere |
| M.V. | | waiting list, placed elsewhere |

S.O.R. Glen Oaks

S.O.R. ABBATH

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| R.M. | | Went home with family & home health |
| R.P. | | waiting list, placed elsewhere |
| W.B. | | waiting list, placed elsewhere |
| C.S. | | waiting list, placed elsewhere |
| M.F. | | waiting list, placed elsewhere |
| Dec. 2012 | | |
| W.H. | 61102 | hospice house, zip code - 61061 |
| M.B. | | Different facility - 61031 |
| H.F. | | Different facility - 61061 |
| R.N. | | waiting list, placed elsewhere |
| M.O. | | waiting list, placed elsewhere |
| J.E. | 61061 | St Annes, zip-61107 |
| D.M. | | Went home from hospital |
| B.C. | 61010 | Hospice House, zip code - 61061 |
| Male | | unknown |
| D.W. | | waiting list, placed elsewhere |
| P.E. | | unknown |
| P.T. | | unknown |
| E.G. | | unknown |
| Jan. 2013 | | |
| D.H. | | unknown |
| K.L. | | unknown |
| M.T. | | unknown |
| R.S. | | unknown |
| R.S. | | unknown |
| T.J. | | unknown |
| A.T. | | unknown |
| J.F. | | Died at hospital |
| B.G. | | unknown |
| P.J. | | unknown |
| B.P. | | waiting list, placed at assisted living |
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Franklin Grove
Returned to Oregon

1/1/12 - 12/31/2013

S.O.R. - Select Spec. Host

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Apr. 2013 | | |
| H.S. | | unknown |
| S.G. | | unknown |
| R.N. | | waiting list, placed elsewhere |
| W.T. | | unknown |
| F.D. | | Discharged home from hosp |
| C.A. | | Discharged home from hosp |
| E.B. | 61061 | Oregon Healthcare, zip code - 61061 |
| R.B. | | waiting list, placed elsewhere |
| J.A. | | unknown |
| P.B. | | unknown |
| K.K. | | unknown |
| J.L. | | unknown |
| R.M. | | waiting list, placed elsewhere |
| H.M. | | unknown |
| May. 2013 | | |
| O.A. | | Oregon Healthcare, zip code - 61061 |
| G.G. | | Died at hospital |
| E.Q. | | Van Matre acute rehab hospital |
| S.B. | 61102 | Returning to assisted living facility, zip code - 61102 |
| D.C. | | unknown |
| L.H. | 61074 | Staying at current facility, zip code - 61074 |
| D.S. | | waiting list, placed elsewhere |
| E.S. | | unknown |
| N.O. | | unknown |
| D.P. | | unknown |
| V.N. | | unknown |
| E.L. | | waiting list, placed elsewhere |
| C.H. | | waiting list, placed elsewhere |
| L.D. | | waiting list, placed elsewhere |
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Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|---|
| Jun. 2013 | | |
| S.M. | | unknown |
| C.R. | | dishcharged home from hospital |
| V.M. | | P.A. Peterson, zip code - 61107 |
| G.J. | | Discharged home from hospital |
| K.N. | 61047 | Pinecrest, zip code - 61054 |
| G.H. | | Went to Van Matre, acute rehab hospital |
| J.K. | | Discharged home from hospital |
| A.P. | | Sherman Westcourt in Elgin |
| M.M. | | Prairieview assisted living, zip code - 61088 |
| R.M. | | Prairieview assisted living, zip code - 61088 |
| B.M. | | Polo Rehab, zip code - 61064 |
| E.L. | | Staying at current facility, zip code - 61024 |
| Female | | unknown |
| G.J. | | Went to stay with family |
| Female | | unknown |
| A.C. | | unknown |
| L.D. | | unknown |
| E.L. | | unknown |
| B.S. | | unknown |
| E.W. | | waiting list, placed elsewhere |
| Jul. 2013 | | |
| A.P. | | Amberwood, zip code - 61103 |
| D.P. | | Died in hospital |
| D.V. | | Van Matre Acute Rehab Hospital |
| J.C. | | Discharged home |
| D.W. | | Bethany, zip code - 60115 |
| E.R. | | Alpine Fireside, zip code - 61114 |
| V.E. | | Staying at current facility, zip code - 61108 |
| C.V. | | unknown |
| W.L. | | unknown |
| D.S. | | waiting list, placed elsewhere |
| H.D. | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/Res. | Home Zip Code | Disposition |
|------------|---------------|--|
| Female | | waiting list, placed elsewhere |
| L.M. | | unknown |
| Aug. 2013 | | |
| F.K. | | Green Acres, zip code - 61310 |
| R.S. | | Freepoint facility, zip code - 61032, closer to home |
| M.T. | | St. Annes, zip code - 61107 |
| L.K. | | Pinecrest, zip code - 61054 |
| D.M. | 61115 | Rockford facility, husb is moving there |
| G.P. | | unknown |
| S.B. | | Homebridge, zip code - 61008 |
| M.J. | | unknown |
| R.N. | | unknown |
| J.M. | | unknown |
| M.C. | 61102 | unknown |
| W.B. | | unknown |
| J.V. | | unknown |
| V.C. | | Staying at current facility, zip code - 61068 |
| D.L. | | unknown |
| G.W. | | Rosewood, zip code - 61108 |
| Sept. 2013 | | |
| W.B. | | unknown |
| K.F. | | unknown |
| K.W. | 61054 | Oregon Healthcare, zip code - 61061 |
| R.P. | 61084 | Oregon Healthcare, zip code - 61061, wife is there |
| J.K. | | unknown |
| Oct. 2013 | | |
| A.B. | 61061 | unknown |
| B.W. | 61107 | unknown |
| S.M. | | unknown |
| T.M. | 60178 | unknown |
| B.B. | 45459 | unknown |
| B.W. | 72450 | unknown |
| R.N. | 61010 | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/ Res. | Home Zip Code | Disposition |
|-------------|---------------|---|
| Nov. 2013 | | |
| S.S. | 61008 | Rochelle Rehab, zip code - 61068 |
| S.N. | 61021 | unknown |
| L.M. | 61102 | unknown |
| J.C. | | unknown |
| M.J. | | unknown |
| S.S. | 61008 | unknown |
| D.S. | | unknown |
| M.P. | | unknown |
| A.V. | 61084 | Cor Mariae, zip code - 61114 |
| H.Y. | | St. Anne's, zip code - 61107 |
| R.E. | 61061 | unknown |
| Dec. 2013 | | |
| Y.V. | | Discharge home from hospital |
| J.J. | 61018 | Willowcrest, zip code - 60548 |
| M.M. | | St. Anne's, zip code - 61107 |
| E.B. | | unknown, closer to family |
| J.G. | | unknown |
| R.C. | 61103 | Glen Lakes, zip code - 60085 |
| E.R. | | unknown |
| B.K. | | unknown |
| M.C. | | unknown |
| D.L. | | Stayed at current facility, zip code - 61108 |
| S.D. | 61020 | Prairieview assisted living, zip code - 61088 |
| R.S. | | unknown |
| V.P. | | unknown |
| S.W. | | unknown |
| Female | | unknown |
| P.S. | 61054 | Pinecrest, zip code - 61054 |
| W.M. | | unknown |
| Female | | unknown |
| Female | | unknown |

Disposition of referrals not admitted to Neighbors
1/1/12 - 12/31/2013

| Month/ Res. | Home Zip Code | Disposition |
|-------------|---------------|-------------|
| Male | | unknown |
| J.V. | | unknown |
| Male | | unknown |

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

February 11, 2014

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
525 W. Jefferson St., 2nd Floor
Springfield, IL 62761

RE: Historical Service Demand

Dear Ms. Avery:

Neighbors Rehabilitation Center (NRC) has utilized a waiting list at different times over the past 24 months. Also during that time frame, 65 referrals were referred to other care facilities due to lack of bed availability at NRC. Attached you will find a complete list of these referrals.

Please contact me if you have any questions or concerns regarding this information.

Sincerely,



Pawn Thammarath
Administrator

PT:pk

enc

NRC - HISTORICAL SERVICE DEMAND
1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|-----------------|----------------------------|---------------------------------------|
| Jan. 3, 2012 | J.T. | Swedish American Hosp. | No female bed available |
| Feb. 1, 2012 | C.G. | Univ. of Wisconsin Hosp. | private room d/t age |
| Feb. 20, 2012 | M.K. | Swedish American Hosp. | private room |
| Feb. 20, 2012 | J.S. | family | no bed available on Special Care Unit |
| Feb. 23, 2012 | B.A. | KSB Hosp. | isolation |
| Mar. 12, 2012 | I.S. | family | no beds available |
| Mar. 23, 2012 | Male | family | wanted a more updated room |
| Mar. 23, 2012 | Female | family | wanted a nicer looking facility |
| Mar. 24, 2012 | Male | Freeport Memorial Hosp. | no bed available on Special Care Unit |
| Apr. 6, 2012 | Male | Freeport Memorial Hosp. | no beds available |
| Apr. 11, 2012 | K.J. | OSF St. Francis Hosp. | private room d/t age |
| Apr. 11, 2012 | J.C. | Swedish American Hosp. | isolation |
| Apr. 19, 2012 | K.C. | Swedish American Hosp. | different facility with private room |
| Apr. 28, 2012 | D.C. | Rockford Memorial Hosp. | no beds available |
| May. 24, 2012 | S.D. | OSF St. Anthony Hosp. | isolation |
| Jul. 13, 2012 | E.S. | family | private room |
| Aug. 1, 2012 | H.S. | Rockford Memorial Hosp. | no bed available on Special Care Unit |
| Aug. 7, 2012 | J.S. | OSF St. Anthony Hosp. | isolation |
| Aug. 27, 2012 | A.P. | Swedish American Hosp. | isolation |
| Aug. 27, 2012 | J.B. | Kindred Hosp. | isolation |
| Aug. 29, 2012 | S.C. | OSF St. Anthony Hosp. | private room d/t medical needs |
| Nov. 8, 2012 | D.E. | Heartland Hospice | no beds available |
| Nov. 15, 2012 | R.M. | Univ. of Wisconsin Hosp. | no beds available |
| Nov. 15, 2012 | D.L. | Kindred Hosp. | private room d/t age |
| Nov. 20, 2012 | J.B. | Select Specialty Hosp. | no bed available |
| Nov. 23, 2012 | M.V. | Kishwaukee Hosp. | isolation |
| Nov. 26, 2012 | R.P. | Heritage Health | no bed available |
| Nov. 27, 2012 | M.F. | Illinois Masonic Hosp. | no bed available |
| Nov. 27, 2012 | W.B. | | no bed on Special Care Unit |
| Nov. 27, 2012 | C.S. | Swedish American Hosp | no beds available |
| Dec. 4, 2012 | W.H. | St. Anthony Hospital | different facility w/ private room |
| Dec. 18, 2012 | B.C. | Rockford Memorial Hospital | different facility w/ private room |
| Dec. 21, 2012 | P.E. | MacNeal Hosp. | private room d/t medical needs |
| Dec. 21, 2012 | P.T. | OSF St. Francis Hosp. | private room d/t medical needs |
| Jan. 22, 2013 | R.S. | Kindred Hosp. | private room d/t medical needs |

NRC - HISTORICAL SERVICE DEMAND

1/1/12 - 12/31/13

| Date | Referral | SOR | Reason for referral |
|---------------|----------|----------------------------|--------------------------------|
| Feb. 5, 2013 | D.G. | Univ. of Wisconsin Hosp. | isolation |
| Feb. 5, 2013 | K.T. | Kindred Hosp. | private room d/t medical needs |
| Feb. 6, 2013 | E.F. | Kindred Hosp. | isolation |
| Feb. 21, 2013 | D.S. | Rockford Memorial Hosp. | isolation |
| Mar. 8, 2013 | M.I. | family | private room |
| Mar. 11, 2013 | W.M. | Kindred Hosp. | private room d/t medical needs |
| Mar. 20, 2013 | R.O. | Swedish American Hosp. | private room |
| Mar. 22, 2013 | C.S. | Fairview Nursing Plaza | private room d/t age |
| Mar. 22, 2013 | M.R. | Rush Medical Center | private room d/t medical needs |
| Mar. 22, 2013 | D.R. | Edwards Hosp. | private room d/t medical needs |
| Mar. 28, 2013 | S.S. | Kindred Hosp. | private room d/t age |
| Apr. 24, 2013 | W.T. | Swedish American Hosp. | private room d/t medical needs |
| Apr. 30, 2013 | R.B. | Kindred Hosp. | isolation |
| May. 2, 2013 | E.L. | Kindred Hosp. | isolation |
| May. 9, 2013 | C.H. | Kindred Hosp. | isolation |
| May. 15, 2013 | L.D. | Vitas Hospice | isolation |
| Jun. 3, 2013 | K.N. | Rockford Memorial Hospital | private room |
| Jul. 8, 2013 | L.M. | Kindred Hosp. | private room d/t medical needs |
| Jul. 30, 2013 | D.S. | Kindred Hosp. | isolation |
| Aug. 6, 2013 | G.W. | Rockford Memorial Hosp. | private room |
| Aug. 8, 2013 | W.B. | Kindred Hosp | private room d/t medical needs |
| Aug. 9, 2013 | J.V. | Kindred Hosp. | private room d/t medical needs |
| Aug. 9, 2013 | M.T. | St. Anthony's Hospital | private room |
| Aug. 12, 2013 | L.K. | St. Anthony's Hospital | private room |
| Sept. 3, 2013 | W.B. | Kindred Hosp. | private room d/t medical needs |
| Nov. 1, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 6, 2013 | H.Y. | Kindred Hosp. | private room |
| Nov. 6, 2013 | A.V. | St. Anthony Hospital | private room |
| Nov. 15, 2013 | H.Y. | Swedish American Hospital | private room |
| Dec. 11, 2013 | P.S. | Kindred Hosp | private room |
| Dec. 17, 2013 | M.M. | Kindred Hosp | private room |

SWEDISHAMERICAN HEALTH SYSTEM

Winner Of The Lincoln Award For Excellence

WILLIAM R. GORSKI, M.D.

PRESIDENT AND CHIEF EXECUTIVE OFFICER

SwedishAmerican Hospital
SwedishAmerican
Medical Group/Belvidere
SwedishAmerican
Medical Group/Brookside
SwedishAmerican
Medical Group/Byron
SwedishAmerican
Medical Group/Davis Junction
SwedishAmerican
Medical Group/Five Pains
SwedishAmerican
Medical Group/Midtown
SwedishAmerican
Medical Group/Northwest
SwedishAmerican
Medical Group/Roscoe
SwedishAmerican
Medical Group/Valley
SwedishAmerican
Medical Group/Woodside
SwedishAmerican
Camelot OB/GYN
SwedishAmerican
Camelot Pediatrics
SwedishAmerican
Breast Health Center
SwedishAmerican
Health Alliance
SwedishAmerican Health
Management Corporation
SwedishAmerican
Home Health Care
SwedishAmerican
Immediate Care
SwedishAmerican
Infusion Services/DME
SwedishAmerican
Medical Foundation
SwedishAmerican MSO
SwedishAmerican Realty
Greater Rockford
Hematology/Oncology
Center
Midwest Center For Health
And Healing
Medical Arts Center
Medworks
Northern Illinois
Health Care Network
Northern Illinois
Surgery Center

November 27, 2013

Ms. Pawn Thammarath
Neighbors Rehabilitation Center
P.O. Box 585
Byron, Illinois 61010

Dear Pawn:

Swedish American Hospital has had a long-standing working relationship with Neighbors in Byron, Illinois. I understand that you will be seeking permission from the Illinois Health and Service Review Board through its certificate of need program to add 15 to 20 "Medicare Suites" to your current complement of beds. I understand you also hope to be adding a new gymnasium and other kinds of space which will allow you to take on more medically complex patients.

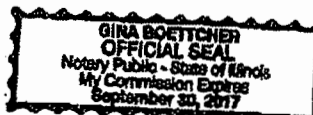
Swedish American Hospital has had a long-standing positive working relationship with Neighbors. We do send patients to you who need post acute nursing care in a structured setting. Our current rate of referrals to your facility is 4 cases per month. We have no reason to conclude that these numbers will drop as we move forward over the next two years. Therefore, Neighbors could expect to see approximately forty-eight patient referrals from Swedish American to your facility on an annual basis. These referrals have not been used to support another pending or approved CON application.

If you should have any questions or concerns, please feel free to reach our Director of Case Management, Nancy Halford, at 779-696-6545.

Sincerely,



Bill Gorski, MD



Gina Boettcher
12/5/13

attachment

SWEDISH AMERICAN HOSPITAL

ZIP CODES

61108
61107
61114
61103
61111
61080
61072
61024
61008
61074
61053
60115
60548
60550
61021
61031
61310
61081
61071
60050
60098
60014
60033
60012
61010
61061
61054
61064
61068
61032
61048
53511
53546
53525
53545
53547
61087
60631
60611
60608



ROCKFORD HEALTH
system

Respectful Care

Office of the President and CEO

Gary E. Kaatz

Rockford Medical Building
2850 North Rockton Avenue, Suite 402
Rockford, Illinois 61103
Phone (815) 971-7250
Fax (815) 988-4908

January 20, 2014

Ms. Pawn Thammarath
Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

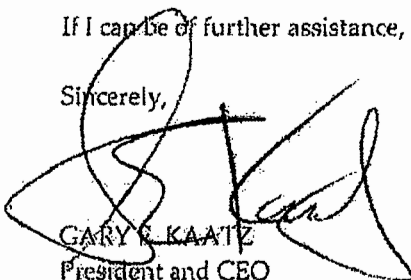
Thank you for asking me to provide a letter of support of the proposed Neighbors Rehabilitation Center (NRC) addition and renovation. This project will be of great benefit to Byron and surrounding communities.

Rockford Health System has enjoyed a long standing working relationship with NRC and believe this will continue into the foreseeable future. Over the past 12 months (1/1-13 - 12/31/13) Rockford Memorial Hospital has transferred a total of 1313 patients to Post Acute Care Skilled Nursing Facilities in the Northern Illinois region (see attached list of number of patients per zip code). In that time frame, Rockford Memorial Hospital transferred 13 of those patients to NRC.

I anticipate that Rockford Memorial Hospital will continue to refer patients to NRC and that the hospital would transfer 13 to 20 patients to NRC each year for the 24 month period after NRC completes their renovation and expansion project. These referrals have not been used to support another pending or approved CON application.

If I can be of further assistance, please contact me.

Sincerely,



GARY E. KAATZ
President and CEO

**Rockford Memorial
Hospital**
2400 North Rockton Avenue
Rockford, IL 61103

**Rockford Health
Physicians**
2300 North Rockton Avenue
Rockford, IL 61103

**Van Matre HealthSouth
Rehabilitation Hospital**
850 South Mulford Road
Rockford, IL 61108

**Visiting Nurses
Association**
4223 East State Street
Rockford, IL 61108

**Rockford Memorial
Development Foundation**
2400 North Rockton Avenue
Rockford, IL 61103

RMH

2013 Discharges to a Skilled Nursing

Facility by Patient Zip Code

| Patient Zip Code | Discharges |
|------------------|------------|
| 32950 | 3 |
| 33982 | 1 |
| 34748 | 1 |
| 38482 | 1 |
| 53511 | 4 |
| 535113474 | 1 |
| 53520 | 1 |
| 53563 | 1 |
| 53587 | 1 |
| 55106 | 1 |
| 55987 | 1 |
| 60014 | 1 |
| 60033 | 4 |
| 600331836 | 1 |
| 60050 | 1 |
| 600743725 | 1 |
| 60098 | 1 |
| 60108 | 1 |
| 60115 | 3 |
| 60133 | 1 |
| 60142 | 1 |
| 60152 | 1 |
| 60404 | 1 |
| 60518 | 5 |
| 60548 | 1 |
| 60559 | 1 |
| 60622 | 1 |
| 60634 | 1 |
| 61006 | 1 |
| 61008 | 19 |
| 610084459 | 1 |
| 61010 | 18 |
| 610101464 | 1 |
| 61011 | 9 |
| 61013 | 2 |
| 61014 | 2 |
| 61016 | 3 |
| 61019 | 13 |
| 61020 | 1 |
| 61021 | 8 |
| 61024 | 21 |

| | |
|-----------|-----|
| 610240398 | 1 |
| 610249590 | 1 |
| 61025 | 1 |
| 61028 | 1 |
| 61030 | 3 |
| 61031 | 1 |
| 61032 | 23 |
| 61036 | 1 |
| 61039 | 4 |
| 61046 | 2 |
| 61047 | 5 |
| 61048 | 2 |
| 61054 | 12 |
| 61060 | 1 |
| 61061 | 14 |
| 610611815 | 1 |
| 610612222 | 1 |
| 61063 | 11 |
| 61064 | 2 |
| 61065 | 7 |
| 610677704 | 1 |
| 61068 | 3 |
| 61071 | 5 |
| 61072 | 30 |
| 610722115 | 1 |
| 61073 | 38 |
| 610735653 | 1 |
| 61074 | 2 |
| 61077 | 1 |
| 61078 | 1 |
| 61079 | 2 |
| 61080 | 29 |
| 610802001 | 2 |
| 61081 | 3 |
| 61084 | 3 |
| 61085 | 6 |
| 61088 | 27 |
| 610880699 | 1 |
| 61089 | 1 |
| 61101 | 114 |
| 611015530 | 2 |
| 611016066 | 1 |
| 61102 | 54 |
| 611021231 | 1 |
| 61103 | 301 |

| | |
|-----------|-----|
| 611031573 | 1 |
| 611031922 | 1 |
| 611032026 | 2 |
| 611032869 | 1 |
| 611033618 | 2 |
| 611034372 | 1 |
| 611034617 | 2 |
| 61104 | 35 |
| 611041234 | 1 |
| 611045360 | 1 |
| 611045547 | 1 |
| 61105 | 4 |
| 61107 | 59 |
| 611071818 | 1 |
| 611071823 | 1 |
| 611074144 | 3 |
| 611075238 | 2 |
| 61108 | 62 |
| 61109 | 16 |
| 611092806 | 1 |
| 611094972 | 1 |
| 61111 | 100 |
| 611115049 | 1 |
| 61112 | 3 |
| 61114 | 58 |
| 611147091 | 1 |
| 61115 | 50 |
| 611151810 | 2 |
| 611152069 | 1 |
| 611152575 | 1 |
| 61132 | 1 |
| 611325281 | 1 |
| 61277 | 2 |
| 61301 | 2 |
| 61310 | 2 |
| 61317 | 1 |
| 61326 | 1 |
| 61342 | 10 |
| 61354 | 4 |
| 61367 | 1 |
| 61373 | 2 |
| 61378 | 1 |
| 62418 | 1 |
| 63146 | 1 |
| 65203 | 1 |

| | |
|-----------|------|
| 66503 | 1 |
| 802092590 | 1 |
| Total | 1313 |

November 5, 2013

LTC Medical, Inc
7117 Crimson Ridge
Rockford, IL 61107

This letter is written on behalf of Neighbor's nursing facility in Byron, IL.

Dr. Eckburg, Dr. Aguero and I strongly recommend the addition and renovation of expanded Medicare beds. We support, without hesitation the application for CON and subsequent board approval.


Our MD/NP group specifically and exclusively provides care to resident's of LTC/SNF facilities and feels there is a palpable growing need for Neighbor's to be able to care for a larger number of residents in this community. We have a positive and active relationship with all three major health systems in Rockford who will be able to support their growth.

During the previous 12 months, we have provided care to 44 patients in the Byron area. Following the completion of the building addition and renovation I would anticipate referring 15 patients to Neighbors Rehab each year over the ensuing 24 months. These referrals have not been used to support another pending or approved CON application.

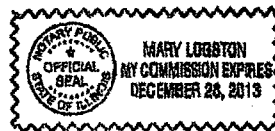
Neighbor's nursing facility delivers a high standard of patient-centered care in the Byron community and warrants their ability to provide this excellent care to more patients.

If there is anything we can do to be of assistance, please do not hesitate to contact me.

Heather Hartman, CNP, A/GNP



815-608-0867



Mary Logston
12-13-13

| Heather Hartman/Carlos Agüero/Joseph Eckburg patients | |
|---|--|
| Zip Code | |
| 61020 | |
| 61054 | |
| 61115 | |
| 61010 | |
| 61107 | |
| 61108 | |
| 61061 | |
| 61088 | |
| 61104 | |
| 61032 | |
| 61047 | |
| 61008 | |
| 52807 | |
| 61068 | |
| 61109 | |
| 60018 | |
| 60150 | |
| 61021 | |
| 61063 | |
| 61072 | |
| 61102 | |
| 61071 | |

NEIGHBORS Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

November 12, 2013

Chester Durnas, MD
P.O. Box 7732
Rockford, IL 61126

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath:

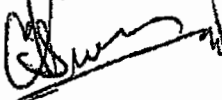
Thank you for asking me to provide a letter of support of the proposed Neighbors Rehabilitation Center (NRC) addition and renovation. This project will be of great benefit to Byron and surrounding communities.

As a physician who works primarily with skilled nursing facility patients, I can attest to the changing needs and demands placed on skilled nursing facilities. One of the service gaps in the Byron community is the lack of private resident rooms to accommodate individuals who require medical isolation and/or specialized medical equipment. Due to the lack of private rooms, residents of Byron and the surrounding communities are forced to go outside of the area to receive the necessary services.

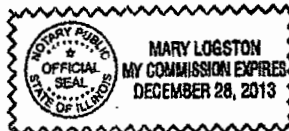
During the previous 12 months, I have provided care to 48 patients in the Byron area. Following the completion of the building addition and renovation, I would anticipate referring 25 patients to NRC each year over the ensuing 24 months. These referrals have not been used to support another pending or approved CON application.

I look forward to working with you and applaud your efforts to improve the services offered in our community. If there is anything I can do to be assistance, please do not hesitate to contact me.

Sincerely,



Chester Durnas, MD



Mary Logston
11-21-13

www.neighborsbyron.com

ph: 815.234.2511

fax: 815.234.3114

| Dr. Durnas patients | | |
|---------------------|--|--|
| Zip Codes | | |
| 61047 | | |
| 61102 | | |
| 61010 | | |
| 61109 | | |
| 61107 | | |
| 61015 | | |
| 60194 | | |
| 61103 | | |
| 61068 | | |
| 61008 | | |
| 61072 | | |
| 60950 | | |
| 61061 | | |
| 61088 | | |
| 61063 | | |
| 61054 | | |
| 61115 | | |
| 61084 | | |
| 61021 | | |
| 61020 | | |
| 61023 | | |
| 61104 | | |
| 61046 | | |

**OSF****SAINT ANTHONY MEDICAL CENTER**

January 13, 2014

Pawn Thammarath
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

OSF Saint Anthony Medical Center recommends the addition and renovation project which is proposed for Neighbors Rehabilitation Center. We support your application for CON Board Approval.

Within the past 12 months, OSF Saint Anthony Medical Center transferred 2,078 patients to existing skilled care facilities. Please see the attached table for the home zip codes of these patients.

We estimate the number of patients that OSF Saint Anthony will refer annually within a 24 – month period after the project completion to Neighbors Rehabilitation Center will be an average of 40 per year, this is a reasonable expectation based on our historical referrals. These referrals have not been used to support another pending or approved CON application for the subject services.

As OSF has a new primary care office in Byron, we anticipate a potentially increased relationship, and look forward to working with you. We commend your efforts to improve the quality of care and quality of life for those served in our community.

If I can be of further assistance, please do not hesitate to contact me.

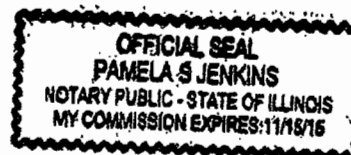
Sincerely,

Paula Carynski, MS, RN, NEA-BC, FACHE
President

Date: 1-13-2014

Notary:

Pamela S. Jenkins



OSF Saint Anthony Medical Center

Transfer to Skilled Care

DISCHARGE DATE RANGE: 10/01/2012 - 09/30/2013

SOURCE: HPM; REPORT RUN DATE: 11/20/2013

| <u>Zip Code</u> | <u>City</u> | <u>Encounters</u> |
|-----------------|----------------|-------------------|
| 61108 | ROCKFORD | 299 |
| 61107 | ROCKFORD | 246 |
| 61008 | BELVIDERE | 233 |
| 61114 | ROCKFORD | 138 |
| 61111 | LOVES PARK | 133 |
| 61115 | MACHESNEY PARK | 96 |
| 61109 | ROCKFORD | 85 |
| 61068 | ROCHELLE | 69 |
| 61073 | ROSCOE | 54 |
| 61103 | ROCKFORD | 54 |
| 61102 | ROCKFORD | 48 |
| 61065 | POPLAR GROVE | 47 |
| 61104 | ROCKFORD | 47 |
| 61021 | DIXON | 39 |
| 61101 | ROCKFORD | 39 |
| 61016 | CHERRY VALLEY | 28 |
| 60152 | MARENGO | 27 |
| 61061 | OREGON | 18 |
| 60115 | DEKALB | 15 |
| 60178 | SYCAMORE | 15 |
| 61010 | BYRON | 15 |
| 61081 | STERLING | 15 |
| 61011 | CALEDONIA | 14 |
| 61072 | ROCKTON | 14 |
| 61088 | WINNEBAGO | 14 |
| 60145 | KINGSTON | 13 |
| 61080 | SOUTH BELOIT | 11 |
| 60135 | GENOA | 10 |
| 61112 | ROCKFORD | 10 |
| 60146 | KIRKLAND | 9 |
| 61024 | DURAND | 9 |
| 61054 | MOUNT MORRIS | 9 |
| 61012 | CAPRON | 8 |

| | | |
|-------|-----------------|---|
| 61032 | FREEPORT | 8 |
| 61063 | PECATONICA | 8 |
| 60033 | HARVARD | 7 |
| 53511 | BELOIT | 6 |
| 61019 | DAVIS | 6 |
| 61071 | ROCK FALLS | 6 |
| 61038 | GARDEN PRAIRIE | 5 |
| 61064 | POLO | 5 |
| 61084 | STILLMAN VALLEY | 5 |
| 61310 | AMBOY | 5 |
| 60180 | UNION | 4 |
| 61006 | ASHTON | 4 |
| 61020 | DAVIS JUNCTION | 4 |
| 61342 | MENDOTA | 4 |
| 61376 | WALNUT | 4 |
| 49684 | TRAVERSE CITY | 3 |
| 60013 | CARY | 3 |
| 60098 | WOODSTOCK | 3 |
| 60113 | CRESTON | 3 |
| 60150 | MALTA | 3 |
| 60520 | HINCKLEY | 3 |
| 61270 | MORRISON | 3 |
| 61277 | PROPHETSTOWN | 3 |
| 61378 | WEST BROOKLYN | 3 |
| 80403 | GOLDEN | 3 |
| 53545 | JANESVILLE | 2 |
| 60062 | NORTHBROOK | 2 |
| 60102 | ALGONQUIN | 2 |
| 60112 | CORTLAND | 2 |
| 60151 | MAPLE PARK | 2 |
| 60603 | CHICAGO | 2 |
| 60914 | BOURBONNAIS | 2 |
| 61015 | CHANA | 2 |
| 61041 | HANOVER | 2 |
| 61126 | ROCKFORD | 2 |
| 61132 | LOVES PARK | 2 |
| 61354 | PERU | 2 |
| 61802 | URBANA | 2 |
| 62959 | MARION | 2 |
| 33990 | CAPE CORAL | 1 |
| 34287 | NORTH PORT | 1 |
| 37187 | WHITE BLUFF | 1 |
| 46113 | CAMBY | 1 |

| | | |
|-------|----------------|---|
| 46307 | CROWN POINT | 1 |
| 48092 | WARREN | 1 |
| 49519 | WYOMING | 1 |
| 52403 | CEDAR RAPIDS | 1 |
| 52722 | BETTENDORF | 1 |
| 53548 | JANESVILLE | 1 |
| 53570 | MONTICELLO | 1 |
| 53803 | BENTON | 1 |
| 54401 | WAUSAU | 1 |
| 55305 | MINNETONKA | 1 |
| 60014 | CRYSTAL LAKE | 1 |
| 60020 | FOX LAKE | 1 |
| 60050 | MCHENRY | 1 |
| 60093 | WINNETKA | 1 |
| 60123 | ELGIN | 1 |
| 60134 | GENEVA | 1 |
| 60142 | HUNTLEY | 1 |
| 60183 | WASCO | 1 |
| 60518 | EARLVILLE | 1 |
| 60530 | LEE | 1 |
| 60542 | NORTH AURORA | 1 |
| 60548 | SANDWICH | 1 |
| 60550 | SHABBONA | 1 |
| 60553 | STEWART | 1 |
| 60556 | WATERMAN | 1 |
| 60560 | YORKVILLE | 1 |
| 60620 | CHICAGO | 1 |
| 61001 | APPLE RIVER | 1 |
| 61018 | DAKOTA | 1 |
| 61030 | FORRESTON | 1 |
| 61031 | FRANKLIN GROVE | 1 |
| 61039 | GERMAN VALLEY | 1 |
| 61046 | LANARK | 1 |
| 61048 | LENA | 1 |
| 61052 | MONROE CENTER | 1 |
| 61053 | MOUNT CARROLL | 1 |
| 61062 | PEARL CITY | 1 |
| 61074 | SAVANNA | 1 |
| 61105 | ROCKFORD | 1 |
| 61261 | LYNDON | 1 |
| 61265 | MOLINE | 1 |
| 61348 | OGLESBY | 1 |
| 61350 | OTTAWA | 1 |

01-17-'14 12:02 FROM-

| | | |
|-------|-------------|---|
| 61356 | PRINCETON | 1 |
| 61364 | STREATOR | 1 |
| 61367 | SUBLETTE | 1 |
| 61443 | KEWANEE | 1 |
| 61447 | KIRKWOOD | 1 |
| 61517 | BRIMFIELD | 1 |
| 62401 | EFFINGHAM | 1 |
| 62480 | WILLOW HILL | 1 |
| 69039 | MOOREFIELD | 1 |
| 92105 | SAN DIEGO | 1 |
| 98387 | BETHEL | 1 |

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued vi

Criterion 1125.590 - Staffing Availability

1. For each category of service, document that relevant clinical and professional staffing needs for the proposed project were considered and that licensure and JCAHO staffing requirements can be met.

Nursing care is the only category of service applicable. It should be known that this project includes the existing operations in good standing with IDPH and CMMS that meet all licensing requirements to include staffing. Moreover, upon project completion, the facility will maintain its good standing with IDPH and CMMS. The facility is not currently JCAHO accredited; however it has been applied for and is awaiting JCAHO survey.

2. Provide the following documentation:
 - a. The name and qualification of the person currently filling the position, if applicable; and
 - b. Letters of interest from potential employees; and
 - c. Applications filed for each position; and
 - d. Signed contracts with the required staff; or
 - e. A narrative explanation of how the proposed staffing will be achieved.

Appended as ATTACHMENT-19A, is the existing staffing pattern for the 101 bed facility and the proposed staffing pattern for the proposed 131 nursing care beds, by position title. This project will result in an increase of full time equivalents, from 83.13 full time equivalents to 107.97 full time equivalents, a net increase of 24.84 full time equivalents. The proposed staffing will be achieved in the following manner:

1. Neighbors Rehabilitation Center will maintain a copy of applications for all candidates who apply for positions at the facility going forward. Applicants will be contacted 90 days prior to opening to the opening of the unit to arrange for interviews,

ATTACHMENT-19

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued vii

hiring and training.

2. The facility will be utilizing the consultant recruiting service at SIR Management in Lincolnwood, Illinois to identify potential candidates to fill all available positions and assist with recruitment.

3. Internet sources for posting and recruitment of candidates such as Career Builders, LinkedIn, Health Callings, and Indeed will be utilized.

4. Advertising for positions will be placed in the local newspaper.

5. A plan has been developed to determine the direct care staffing needs of the facility based on census and level of care. Staff will be hired as census increases to ensure the needs of the residents will be met and staffing regulations are complied with.

Neighbors Rehabilitation Center
 811 West 2nd Street
 Byron, Illinois 61010

| Staff | Current Staffing | Proposed Staffing |
|----------------------|------------------|-------------------|
| DON | 1 FTE | 1 FTE |
| ADON | 1FTE | 1 FTE |
| Staff Nurse | 11.4 FTE | 16.8 FTE |
| Certified Nurses Aid | 32.2 FTE | 41.1 FTE |
| Medical Records | 1 FTE | 1FTE |
| Activity Department | 4 FTE | 5.4 FTE |
| MDS/ Care Plan | 1FTE | 2FTE |
| Social Services | 2.8 FTE | 3 FTE |
| Restorative Nurse | 1 FTE | 1 FTE |
| Restorative Aids | 1.8 FTE | 4.2 FTE |
| Housekeeping | 6.3 FTE | 9.3 FTE |
| Laundry | 3.4 FTE | 3.4 FTE |
| Maintenance | 1.75 FTE | 2 FTE |
| Dietary | 10.48 FTE | 11.97 FTE |
| Administrators | 1 FTE | 1 FTE |
| Office | 3 FTE | 3.8 FTE |

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued viii

Criterion 1125.600 Bed Capacity

The maximum bed capacity of a general LTC facility is 250 beds, unless the applicant documents that a larger facility would provide personalization of patient/resident care and documents provision of quality care based on the experience of the applicant and compliance with IDPH's licensure standards (77 Ill. Adm. Code: Chapter I, Subchapter c (Long-Term Care Facilities)) over a two-year period.

This project is only for the addition of 30 nursing beds to an existing 101-bed long term care nursing facility. Upon project completion the licensed be capacity will be 131 nursing beds. Therefore, as the proposed project is complaint with this criterion.

ATTACHMENT- 20

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued ix

Criterion 1125.610 - Community Related Functions

The applicant shall document cooperation with and the receipt of the endorsement of community groups in the town or municipality where the facility is or is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

Appended as **ATTACHMENT-21A** are nine (9) letters of support for the proposed addition to Neighbors Rehabilitation Center. These letters are from Chris Millard, Mayor of Byron; Deanna Mershon, Executive Director of Byron Area Chamber of Commerce; John Rickard, City of Byron Alderman, Chairman of Community Services Committee; Todd R. Murray, Chief of Police of Byron Police Department; Galen Bennett, Fire Chief of Byron Fire Protection District; Reverend Randy L Snider, Senior Pastor of First Baptist Church; Jerry Bueche, President of Byron Kiwanis; Dr. Eckburg, Dr. Aguero and Heather Hartman, CNA, A/GNP of LTC Medical, Inc.; and Diann Frison, President of Byron Women's Club.

ATTACHMENT- 21



Christopher R. Millard - Mayor

October 18, 2013

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath:

I am happy to write a letter of endorsement on behalf of Neighbors Rehabilitation Center (NRC). As a lifetime Byron resident, I have worked with NRC in multiple ways over the years first as a Byron firefighter and now as Mayor.

I'm very happy that our community has a facility that can provide rehabilitation as well as long term care for residents who are in need of those services. In addition to the excellent care you provide, I think it's important to mention the home town nature of NRC. People from the Byron area want to be able to receive their healthcare services in the Byron area. By completing your expansion and renovation, more of our local residents will be able to stay in their home community to receive the necessary services. As a firefighter, I saw many families' lives disrupted by illness and injuries. Following a hospitalization, people just want to get home. Your proposed expansion and renovation will allow more of our residents to get one step closer to home.

In addition to the benefit for residents and families, your proposed project will also benefit businesses in Byron. For each of the residents you serve, his/her family will be patronizing our restaurants, grocery stores, etc.

I appreciate the work you're doing and look forward to many more years working with NRC. Please feel free to contact me if I can be of further assistance.

Sincerely,

Chris Millard
Mayor of Byron



Christopher R. Millard - Mayor

November 5, 2013

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 55
Byron, IL 61010

Dear Ms. Thammarath,

Thank you for asking me to write a letter of endorsement for Neighbors Rehabilitation Center. As a City Council member, I am always interested in projects that will improve the city of Byron. I anticipate the addition of private rooms and renovation of your existing building will increase the amount and types of healthcare services that could be provided in Byron. This would add value to the city and be of great benefit to its citizens. As you are aware Byron's population has grown tremendously over the past 30 years. Our local businesses need to grow and continue to adapt in order to remain responsive to the needs of the population. I support your proposed project and look forward to the changes in store for Neighbors Rehabilitation Center. Please let me know if I can be of further assistance in the future.

Sincerely,

John Rickard
City of Byron Alderman
Chairman of Community Services Committee

(815) 234-2762 FAX (815) 234-2646 • P.O. Box 916 • 232 WEST SECOND STREET • BYRON, ILLINOIS 61010

WWW.CITYOFBYRON.COM

BYRON POLICE DEPARTMENT

232 WEST SECOND STREET
P.O. Box 923
BYRON, ILLINOIS 61010



TODD R. MURRAY
Chief of Police

Phone: 815-234-5000
Fax: 815-234-2523
email: byronpolice@byronil.net

October 21, 2013

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

I am pleased to write a letter of endorsement for Neighbors Rehabilitation Center (NRC). As the Byron Chief of Police, I have enjoyed a positive working relationship with NRC over the years.

As you know, the Police Department is especially interested in public safety. I appreciate the efforts made to protect the safety of your residents from internal and external events; e.g., fire, severe weather, nuclear disaster, and elopement drills.

I am pleased to hear about your plans to expand and renovate your facility. I think it is important that the Byron community be able to offer the very best services to our residents. Updating and modernizing NRC will be a real benefit to Byron. People who need rehabilitation will be able to return to their home community and continue receiving the support of their family, friends, and neighbors. Being closer to home will ensure a feeling of safety and security, not just for your residents, but their families as well.

I greatly appreciate NRC's presence and participation in the Byron community. Please feel free to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd R. Murray".

Todd R. Murray
Chief of Police
Byron Police Department



BYRON FIRE PROTECTION DISTRICT

Galen Bennett, Fire Chief

123 N. Franklin Street
P.O. Box 904
BYRON IL 61010-0904
PH (815)234-4911
FAX (815)234-2580

BOARD OF TRUSTEES

PRESIDENT
Ralph E. Larson

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Ron Boyer

SECRETARY
Jay Hoover

TREASURER
Gene Smith

ASST. TREASURER
Randy Leek

October 23, 2013

Pawn Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010-0585

Dear Ms. Thammarath:

On behalf of the Byron Fire Protection District and Board of Trustees, I am please to endorse Neighbors Rehabilitation Center (NRC). Neighbors has been a part of the Byron community providing inpatient skilled nursing and therapy services since 1971. During this time, the Byron Fire District has provided ambulance service to their patients. Moreover, the Fire District has worked directly with NCR employees by way of Fire Extinguisher Training and promoting Fire Prevention. Part of the Fire District's mission statement is to provide "quality care" to the Residents of Byron, when we transport patients from NCR we are assured that the patients we are transporting have been receiving quality care. It is nice to see the personal relationships that are built between the patients and workers, this bond is visible, and duly noted.

Over the years, the Fire District has participated in many community activities including the homecoming parade and Memorial Day parade, both of these parade include visiting NCR. NCR has made "community" a priority. NCR is aware that their patients are members of the Byron Community and that is evident in their involvement with the community. It is my opinion that their patients are not treated as numbers, but as people and respected members of the Byron Community.

It is our hope that NCR is allowed to expand and/or remodel it's current facility in order to continue to provide the quality care to members of the Byron Community. It has been our pleasure to work with NCR over the years, and we look forward to working with NCR for many more years to come.

Sincerely,

Galen Bennett
Fire Chief



FIRST BAPTIST CHURCH

205 North Peru Street
Byron, Illinois 61010
815-234-8737

October 23, 2013

**Randy Snider, Senior Pastor
First Baptist Church
205 N. Peru St.
Byron, Il. 61010**

Dear Ms. Thammarath,

I would like to give a letter of endorsement for the Neighbors Rehabilitation Center of Byron, Illinois. Neighbors has been in our community for the past 42 years. As Youth Pastor and now Senior Pastor I have been involved in the Neighbors for the past 34 years. I also worked part time as night custodian. I have done volunteer work there in preaching on Sunday afternoons and often visited members from our church at the facility.

Neighbors has always impressed me for their cleanliness and their staff is always personal and caring. We are a small town community and people tend to be friendly and caring. Much of their staff comes from our community and carry on that attitude. I think it is of great value to have Neighbors in our community so that our residents can stay here locally and have the personal touch. I have seen how difficult it is for families to care for older loved ones and what a relief it is to have a local facility for their care. It has also been a blessing for those who just need rehab after a surgery or illness.

Neighbors have also been very involved in the community hosting events like Gospelfest and Memorial Day. Every parade begins or passes through the Neighbors. They host Salad luncheons and community picnics and support local churches when we host an event.

I have been glad to see some recent renovations to modernize the facility. As the leader of our church I know the importance of keeping a facility kept up and updated. I think it's important for the Neighbors to modernize and expand so we can keep our people close to home for their care. Our community has grown, our schools have built new, so should our skilled care and rehab needs grow.

I hope this is helped you. Please feel free to contact me if I can be of further help. I look forward to working with the Neighbors Rehab for the coming years.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rev. Randy L. Snider".

Rev. Randy L. Snider

November 6, 2013

Pam Thammarath, Administrator
Neighbors Rehabilitation Center
P.O. Box 585
Byron, IL 61010

Dear Ms. Thammarath,

On behalf of the Byron Kiwanis Club, I am pleased to write this letter of endorsement for Neighbors Rehabilitation Center (NRC). NRC has been a highly valued part of the Byron community since 1971, and as such it is well known to the members of our community service organization. I recognize that NRC is the only provider of inpatient skilled nursing and therapy services in Byron, and the availability of a quality provider of these services within our community enables citizens of the Byron area to receive vital care while remaining in the community they have long been a part of. NRC also allows members of the Byron community to receive this care while remaining close to their friends and family, which can greatly contribute to their quality of life.

Many of our Kiwanis club members have participated in activities with NRC through various Byron school, community and local church organizations. We have witnessed the value of having NRC located in the heart of our community. It's close proximity to the Byron schools enables our young people to interact with the senior members of our community through various activities including the Halloween parade (where young school children march to NRC to share their costumes with the residents) and the Homecoming parade, which goes right in front of NRC and where student athletes come up to and individually greet the NRC residents. Furthermore the Byron Key Club, a Kiwanis organization for high school students, is one of the groups which supports Bingo activities at NRC.

I recently had an opportunity to tour the NRC facility and to learn of the desire to renovate and make additions to the existing facility. I wholeheartedly agree that the proposed improvements and additions will significantly improve NRC's contribution to the Byron community and improve the quality of life for their residents. If one of my family members were to require the type of care offered by NRC, I would not want to have to choose between the amenities of a modernized facility and remaining within the community where they can enjoy ready access to family, friends, church, and neighbors. I also think both being in a home community and high quality care and living facilities can strongly affect the health and recovery of inpatients, and therefore I anticipate the proposed addition and modernizations will favorably impact the health costs for both the patients and the community at large.

I hope that this information and sharing of my opinions and those of the Byron Kiwanis club regarding NRC's proposed facility improvements has been helpful, and we look forward to many more years of working with NRC and enjoying the services you provide to our community. Please feel free to contact me if I can be of further assistance.

Sincerely,

Jerry Bueche

Jerry Bueche
President, Byron Kiwanis

November 5th, 2013

LTC Medical, Inc
7117 Crimson Ridge
Rockford, IL 61107

This letter is written on behalf of Neighbor's nursing facility in Byron, IL.

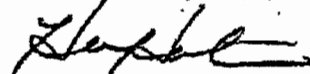
Dr Eckburg, Dr Aguero and I strongly recommend the addition and renovation of expanded Medicare beds. We support, without hesitation the application for CON and subsequent board approval.

Our MD/NP group specifically and exclusively provides care to residents of LTC/SNF facilities and feels there is a palpable growing need for Neighbor's to be able to care for a larger number of residents in this community. We have a positive and active relationship with all three major health systems in Rockford who will be able to support their growth

Neighbor's nursing facility delivers a high standard of patient-centered care in the Byron community and warrants their ability to provide this excellent care to more patients.

If there is anything we can do to be of assistance, please do not hesitate to contact me.

Heather Hartman, CNP, A/GNP



815-608-0867

November 19, 2013

Pawn Thammarath, Administrator

Neighbors Rehabilitation Center

P.O. Box 585

Byron, IL 61010

Dear Ms. Thammarath:

This is a letter of endorsement for Neighbors Rehabilitation Center (NRC), a facility in the Byron Community since 1971. It is the hope of the community that this facility can extend its services with the addition and renovation of the current building. This addition can better meet the needs of post op physical therapy and convalescence. This transition from hospital to home is difficult for the patient and family, but would be smoother and easier with a facility near the homes of residents from Byron and surrounding communities. Receiving care in the patient's home community allows the patient to preserve relationships with friends and family as well as giving them the feeling of "one step closer" to familiar surroundings.

I am president of Byron women's Club and speak for many who feel this addition would be a great asset to NRC. My mother is a resident in this facility and has received exceptional nursing care for the past six years. She enjoys the holiday parties, luncheons, picnics, and "Gospelfest." The schools and churches in Byron are excellent at making NRC the focus for the Homecoming Parade, Halloween Parade, and Memorial Day Parade. After a recent hospitalization my mother was part of a challenging but tolerable Physical Therapy regime. Had it not been for the diligence and dedication of the "PT" staff she would not be ambulatory today. The addition of a bigger facility would be an invitation for more patients to benefit from the staff at NRC.

Sincerely, Diann Frison, President of Byron Women's Club



SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued x

Criterion 1125.620 - Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards as stated in Appendix A of 77 Ill. Adm. Code 1125 (LTC rules), unless the additional GSF can be justified by documenting one of the following:

Upon project completion, Neighbors Rehabilitation Center will comprise 59,765 gross square feet of space for 130 nursing care beds. This equates to 459.73 gsf per bed upon project completion. It should be noted that the proposed project is in compliance with this criterion as the full bed compliment is well within the range limit of 435-713 gross square feet per bed.

ATTACHMENT- 22

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xi

Criterion 1125.630 - Zoning

The applicant shall document one of the following:

1. The property to be utilized has been zoned for the type of facility to be developed;
2. Zoning approval has been received; or
3. A variance in zoning for the project is to be sought.

Part of this process is the acquisition of additional land. The Applicant has not approached the City of Byron regarding zoning as one of the required submittals is a current land survey that has not yet been completed. The survey has been ordered and will be submitted upon receipt. It should be noted that this project does require a Special Use Permit and will need to be submitted to the City of Byron Zoning Board for review. It is the Applicant's desire to work on the zoning process parallel to that of the Certificate of Need. One of the required submittals for zoning is a current land survey. This is not yet complete although the survey has been ordered and will be submitted upon receipt.

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xii

Criterion 1125.640 – Assurances

1. The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1125.210(c) for each category of service involved in the proposal.
2. For beds that have been approved based upon representations for continuum of care (Section 1125.560(a)) or defined population (Section 1125.560(b)), the facility shall provide assurance that it will maintain admissions limitations as specified in those Sections for the life of the facility. To eliminate or modify the admissions limitations, prior approval of HFSRB will be required.

Appended as **ATTACHMENT-24A**, is a letter signed by the Applicant addressing item number 1.

The proposed project is for the expansion of a free standing nursing care facility and not part of a continuum of care community (CCRC). Therefore, item number 2 above is not applicable to this project.

ATTACHMENT- 24

NEIGHBORS

Rehabilitation Center

Street Address:
811 W. 2nd Street
Byron, Illinois 61010

Mailing Address:
P.O. Box 585
Byron, Illinois 61010

November 30th, 2013

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
525 W. Jefferson St. , 2nd Floor
Springfield, IL. 62761

Dear Ms. Avery:

This is to certify that Neighbors Rehabilitation Center understands and intends to maintain capacity of newly constructed unit at an in-house annual bed census of 90 % or greater by the second year of operation after the project completion. The facility will provide sorely needed private rooms within this unit, which are currently often requested by consumers but that facility is currently unable to provide. In addition, the proposed therapy gym will be of an adequate size to allow facility to provide additional equipment needed by therapists to properly treat a variety of diagnosed conditions thus allowing facility to accept a wider range of potential consumers.

Pawn Thammaranth



Administrator

Nursing and Rehabilitation Center

www.neighborsbyron.com

ph: 815.234.2511

fax: 815.234.3114

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xii

Criterion 1125.650 - Modernization

1. If the project involves modernization of a category of LTC bed service, the applicant shall document that the bed areas to be modernized are deteriorated or functionally obsolete and need to be replaced or modernized, due to such factors as, but not limited to:
 - a. High cost of maintenance;
 - b. Non-compliance with licensing or life safety codes;
 - c. Changes in standards of care (e.g., private versus multiple bed rooms); or
 - d. Additional space for diagnostic or therapeutic purposes.

The above does not directly apply to the facility, Neighbors Rehabilitation Center. The facility appears to be in good repair although dated according to their architect. The facility is in compliance with all licensing and life safety codes; this Applicant fully sprinkled the facility ahead of the deadline (see 2012 cost report data appended as **ATTACHMENT-25A**). Since 2008 (6 years of history), this applicant has spent nearly \$650,000 in upkeep and improvements to the existing building. Thus, the issue appears to be not a change in the standards of care but the change in environment and amenities that are demanded by today's residents specifically those seeking Medicare rehabilitative or end of life services.

More specifically, Neighbors Rehabilitation Center is currently less able to attract and accommodate many potential residents due to the following issues: The number of residents requiring isolation has risen due partly to the increased infection screenings done at hospitals. This facility consists mostly of two-bed rooms with a connecting bathroom. Should a resident require strict isolation, two two-bed rooms are often utilized to accommodate just one resident due to the fact that an isolated resident must have a private bathroom that cannot be shared with any other resident.

ATTACHMENT-25

SECTION IV – SERVICE SPECIFIC REVIEW CRITERIA Continued xiv

Additionally, potential residents are demanding private rooms with private bathrooms. Many potential admissions are not interested in recuperating in a semi-private room and sharing a toilet with up to three other patients.

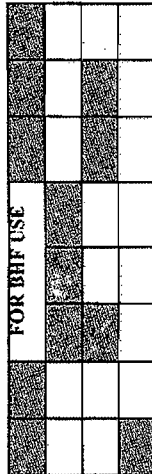
The facility also lacks the space to provide a state of the art therapy gym and equipment as well as other therapy related lab-areas such as a home type bedroom, kitchen, and laundry room. These areas are needed by professional therapists to work with patients in a home-like environment in order to prepare them for their return to the community.

Finally, the building, although clean and well maintained, is lacking in the updates aesthetics that both families and residents desire. Collectively, for the aforementioned issues the modernization is being proposed.

2. Projects involving the replacement or modernization of a category of service or facility shall meet or exceed the occupancy standards for the categories of service, as specified in Section 1125.210(c).

The proposed project involves the modernization and expansion of the long-term nursing care category of service, as such, the 77 Illinois Administrative Code, Chapter II of Subchapter b, Section 1125.210(c) sets the target utilization rate at 90 percent. Neighbors Rehabilitation Center, in the most recent three calendar years for which the State has published data, shows the average utilization at 91.6%, 92.6% and 91.8% for CY2010, CY2011, and CY2012. Refer to **ATTACHMENT-25B** for the State's most recent three years of facility profiles for the Subject facility. Therefore, this project is in compliance with this criterion.

ATTACHMENT-25



LL1

2012
STATE OF ILLINOIS
DEPARTMENT OF HEALTHCARE AND FAMILY SERVICES
FINANCIAL AND STATISTICAL REPORT (COST REPORT)
FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2012)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
PURPOSE AS OUTLINED IN 210 ILCS 45/1-208. DISCLOSURE
OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

| | | | |
|---|--|--|----------|
| 1. IDPH License ID Number: 0049973 | | Facility Name: Neighbors Rehabilitation Center | |
| Address: 811 West Second | | Byron | City |
| County: Ogle | | 61010 | Zip Code |
| Telephone Number: (815) 234-2511 | | Fax #: (815) 234-3114 | |
| HFS ID Number: -- | | Date of Initial License for Current Owners: 07/10/08 | |
| Type of Ownership: | | Type of Ownership: | |
| <input type="checkbox"/> VOLUNTARY, NON-PROFIT | | <input checked="" type="checkbox"/> PROPRIETARY | |
| <input type="checkbox"/> Charitable Corp. | | <input type="checkbox"/> Individual | |
| <input type="checkbox"/> Trust | | <input type="checkbox"/> Partnership | |
| <input type="checkbox"/> IRS Exemption Code | | <input type="checkbox"/> Corporation | |
| | | <input checked="" type="checkbox"/> "Sub-S" Corp. | |
| | | <input type="checkbox"/> Limited Liability Co. | |
| | | <input type="checkbox"/> Trust | |
| | | <input type="checkbox"/> Other | |
| | | <input type="checkbox"/> Other | |
| In the event there are further questions about this report, please contact: | | | |
| Name: Steve Lavenda Telephone Number: (847) 236-1111 | | | |
| Email Address: SEE ACCOUNTANTS' COMPILATION REPORT | | | |

| | |
|--|---|
| II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER | |
| I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/12 to 12/31/12 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) _____ |
| Paid Preparer | (Type or Print Name) _____ (Date) _____ |
| | (Title) _____ |
| | (Signed) _____ |
| | (Print Name and Title) Cary N. Drazner, C.P.A. (Date) _____ |
| | (Firm Name & Address) Frost, Ruttenberg & Rothblatt, P.C. 111 Pfingsten Road, Suite 300 Deerfield, IL 60015 |
| | (Telephone) (847) 236-1111 Fax (847) 236-1155 |
| MAIL TO: BUREAU OF HEALTH FINANCE ILLINOIS DEPT OF HEALTHCARE AND FAMILY SERVICES 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630 | |

HFS 3745 (N-4-99)

IL478-2471

| 1 | 2 | 3 | 4 |
|------------------------------------|-----------------------------|------------------------------|--|
| Beds at Beginning of Report Period | 1. License Level of Care | Beds at End of Report Period | Licensed Bed Days During Report Period |
| 1 101 | Skilled (SNF) | 101 | 36,966 |
| 2 | Skilled Pediatric (SNF/PED) | | 2 |
| 3 | Intermediate (ICF) | | 3 |
| 4 | Intermediate/DD | | 4 |
| 5 | Sheltered Care (SC) | | 5 |
| 6 | ICF/DD 16 or Less | | 6 |
| 7 101 | TOTALS | 101 | 36,966 |

D. How many bed-hold days during this year were paid by the Department? **None** (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy) **None**

F. Does the facility maintain a daily midnight census? **Yes**

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? **YES** ☐ **NO** ☒

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? **YES** ☐ **NO** ☒

I. On what date did you start providing long term care at this location? **Date started** 6/1/2008

J. Was the facility purchased or leased after January 1, 1978? **YES** ☒ **NO** ☐

K. Was the facility certified for Medicare during the reporting year? **YES** ☒ **NO** ☐ If YES, enter number of beds certified 101 and days of care provided 3,109

Medicare Intermediary Wisconsin Physician Services

IV. ACCOUNTING BASIS
 ACCRUAL ☒ MODIFIED CASH* ☐ CASH* ☐
 Is your fiscal year identical to your tax year? **YES** ☒ **NO** ☐

Tax Year: 12/31/12 Fiscal Year: 12/31/12
 * All facilities other than governmental must report on the accrual basis.

B. Census-For the entire report period.

| 1 | 2 | 3 | 4 | 5 |
|------------------|---|-------------|-------|--------|
| Level of Care | Patient Days by Level of Care and Primary Source of Payment | Private Pay | Other | Total |
| 8 SNF | 22,781 | 4,232 | 6,844 | 33,857 |
| 9 SNF/PED | | | | |
| 10 ICF | | | | |
| 11 ICF/DD | | | | |
| 12 SC | | | | |
| 13 DD 16 OR LESS | | | | |
| 14 TOTALS | 22,781 | 4,232 | 6,844 | 33,857 |

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 91.59%

SEE ACCOUNTANTS' COMPILATION REPORT

A. Square Feet: 34,195 B. General Construction Type: Exterior Brick Frame Concrete Number of Stories 1
 C. Does the Operating Entity? ☐ (a) Own the Facility ☒ (b) Rent from a Related Organization. ☐ (c) Rent from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XII-A. See instructions.)
 D. Does the Operating Entity? ☒ (a) Own the Equipment ☐ (b) Rent equipment from a Related Organization. ☒ (c) Rent equipment from Completely Unrelated Organization.
 (Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XII-B. See instructions.)
 E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, CNA training facilities, etc.)
 List entity name, type of business, square footage, and number of beds/units available (where applicable).
 Physical Therapy Room for non-residents. Applicable costs have been adjusted out on Page 5A

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? ☐ YES ☒ NO
 If so, please complete the following:
 1. Total Amount Incurred: _____
 2. Number of Years Over Which it is Being Amortized: _____
 3. Current Period Amortization: _____
 4. Dates Incurred: _____

Nature of Costs:
 (Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

| | 1 Use | 2 Square Feet | 3 Year Acquired | 4 Cost |
|----------|----------|------------------|--------------------|-----------|
| 1 | | | | 1 |
| 2 | | | | 2 |
| 3 TOTALS | | | | 3 |

SEE ACCOUNTANTS' COMPILATION REPORT

XI. OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

| | 1 Beds* | 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 | |
|----|--------------------|-----------------------|--------------------------|--------------|-----------------------------------|-----------------------|------------------------------------|------------------|----------------------------------|----|
| 4 | 101 | 2008 | 1971 | \$ 2,175,000 | \$ 92,017 | 39 | \$ 55,769 | \$ (36,248) | \$ 255,608 | 4 |
| 5 | | | | | | | | | | 5 |
| 6 | | | | | | | | | | 6 |
| 7 | | | | | | | | | | 7 |
| 8 | | | | | | | | | | 8 |
| 9 | Improvement Type** | | | | | | | | | |
| 10 | Various | | 2008 | 30,221 | | 20 | 1,511 | 1,511 | 6,044 | 9 |
| 11 | | | | | | | | | | 10 |
| 12 | | | | | | | | | | 11 |
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| 36 | | | | | | | | | | 35 |
| | | | | | | | | | | 36 |

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

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total
SEE ACCOUNTANTS' COMPILATION REPORT

XL OWNERSHIP COSTS (continued)

B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

| 1 | Improvement Type** | 3 Year Constructed | 4 Cost | 5 Current Book Depreciation | 6 Life in Years | 7 Straight Line Depreciation | 8 Adjustments | 9 Accumulated Depreciation |
|----|---------------------------------------|--------------------------|--------------|-----------------------------------|-----------------------|------------------------------------|------------------|----------------------------------|
| 1 | Totals from Page 12A, Carried Forward | | \$ 2,277,127 | \$ 124,003 | 20 | \$ 60,250 | \$ (63,753) | \$ 291,321 |
| 2 | Sign | 2009 | 3,451 | | 20 | 345 | | 1,265 |
| 3 | Nurse Station | 2009 | 16,260 | | 20 | 813 | | 3,117 |
| 4 | Water Heater | 2009 | 5,560 | | 20 | 278 | | 1,066 |
| 5 | Boiler Work | 2009 | 6,695 | | 20 | 335 | | 1,227 |
| 6 | Electrical Work | 2010 | 9,400 | | 20 | 470 | | 1,332 |
| 7 | Flooring - Carpet | 2010 | 12,484 | | 20 | 1,783 | | 4,607 |
| 8 | Furnace - 300 Wing | 2010 | 4,796 | | 20 | 240 | | 520 |
| 9 | Furnace | 2010 | 2,850 | | 20 | 143 | | 309 |
| 10 | Water Heater | 2011 | 6,381 | | 20 | 319 | | 558 |
| 11 | Closet Units (100 Built-In) | 2011 | 57,000 | | 20 | 2,850 | | 5,225 |
| 12 | Sprinkler System | 2011 | 152,422 | | 20 | 7,621 | | 12,067 |
| 13 | Steel Fencing | 2011 | 26,898 | | 20 | 1,345 | | 1,793 |
| 14 | Sprinkler Monitoring System | 2011 | 9,893 | | 20 | 495 | | 866 |
| 15 | Generator Transfer Switch | 2012 | 4,720 | | 20 | 236 | | 236 |
| 16 | Sprinkler System | 2012 | 28,360 | | 20 | 1,064 | | 1,064 |
| 17 | Wiring For Emergency Receptacles | 2012 | 3,075 | | 20 | 38 | | 38 |
| 18 | Generator | 2012 | 72,600 | | 20 | 1,210 | | 1,210 |
| 19 | Condensing Unit | 2012 | 2,625 | | 20 | 131 | | 131 |
| 20 | | | | | | | | |
| 21 | | | | | | | | |
| 22 | | | | | | | | |
| 23 | | | | | | | | |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | | | | | | | | |
| 27 | | | | | | | | |
| 28 | | | | | | | | |
| 29 | | | | | | | | |
| 30 | | | | | | | | |
| 31 | | | | | | | | |
| 32 | | | | | | | | |
| 33 | | | | | | | | |
| 34 | TOTAL (lines 1 thru 33) | | \$ 2,708,294 | \$ 124,003 | | \$ 80,251 | \$ (43,752) | \$ 328,450 |

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

XL OWNERSHIP COSTS (Continued)

B. Building and Improvement Costs-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

| Improvement Type** | | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
|----------------------------------|--|------------------|--------|---------------------------|---------------|----------------------------|-------------|--------------------------|----|
| 1 | 2 | Year Constructed | Cost | Current Book Depreciation | Life in Years | Straight Line Depreciation | Adjustments | Accumulated Depreciation | |
| Related Party Information | | | | | | | | | |
| Buildings: | | | | | | | | | |
| 3 | Alloc. - S.I.R. Management | 2009 | 9,919 | | 39 | 254 | 254 | 774 | 3 |
| 4 | Alloc. - S.I.R. Properties - S.I.R. Management | 1993 | 17,960 | 570 | 35 | 513 | (57) | 10,006 | 4 |
| 5 | | | | | | | | | 5 |
| 6 | | | | | | | | | 6 |
| 7 | | | | | | | | | 7 |
| Leasehold Improvements: | | | | | | | | | |
| 9 | Alloc. - S.I.R. Management | 1993 | 4,554 | 127 | 20 | 226 | 99 | 4,515 | 8 |
| 10 | Alloc. - S.I.R. Management | 1994 | 14 | | 20 | | | 14 | 10 |
| 11 | Alloc. - S.I.R. Management | 1995 | 104 | | 20 | 5 | 5 | 91 | 11 |
| 12 | Alloc. - S.I.R. Management | 1997 | 6,997 | 157 | 20 | 343 | 186 | 5,517 | 12 |
| 13 | Alloc. - S.I.R. Management | 1999 | 550 | | 20 | 28 | 28 | 364 | 13 |
| 14 | Alloc. - S.I.R. Management | 2000 | 650 | | 20 | 32 | 32 | 407 | 14 |
| 15 | Alloc. - S.I.R. Management | 2007 | 2,087 | 142 | 20 | 104 | (38) | 542 | 15 |
| 16 | Alloc. - S.I.R. Management | 2008 | 5,752 | 549 | 20 | 363 | (186) | 1,756 | 16 |
| 17 | Alloc. - S.I.R. Management | 2009 | 14,292 | 131 | 20 | 715 | 584 | 2,319 | 17 |
| 18 | Alloc. - S.I.R. Management | 2011 | 354 | 35 | 20 | 35 | | 50 | 18 |
| 19 | Alloc. - S.I.R. Management | 2012 | 1,132 | 24 | 20 | 24 | | 24 | 19 |
| 20 | | | | | | | | | 20 |
| 21 | Alloc. - S.I.R. Properties - S.I.R. Management | 2012 | 1,100 | 585 | 20 | 5 | (580) | 5 | 21 |
| 22 | Alloc. - S.I.R. Properties - S.I.R. Management | 2010 | 1,084 | | 20 | 54 | 54 | 126 | 22 |
| 23 | Alloc. - S.I.R. Properties - S.I.R. Management | 2009 | 1,078 | 67 | 20 | 54 | (13) | 205 | 23 |
| 24 | Alloc. - S.I.R. Properties - S.I.R. Management | 2007 | 314 | 25 | 20 | 16 | (9) | 94 | 24 |
| 25 | Alloc. - S.I.R. Properties - S.I.R. Management | 2002 | 71 | | 20 | 4 | 4 | 38 | 25 |
| 26 | Alloc. - S.I.R. Properties - S.I.R. Management | 1999 | 2,276 | | 20 | 114 | 114 | 1,536 | 26 |
| 27 | Alloc. - S.I.R. Properties - S.I.R. Management | 1998 | 1,088 | | 20 | 54 | 54 | 788 | 27 |
| 28 | Alloc. - S.I.R. Properties - S.I.R. Management | 1997 | 68 | | 20 | 3 | 3 | 56 | 28 |
| 29 | Alloc. - S.I.R. Properties - S.I.R. Management | 1994 | 171 | 4 | 20 | 9 | 5 | 158 | 29 |
| 30 | Alloc. - S.I.R. Properties - S.I.R. Management | 1993 | 291 | 2 | 20 | 15 | 13 | 284 | 30 |
| 31 | | | | | | | | | 31 |
| 32 | | | | | | | | | 32 |
| 33 | | | | | | | | | 33 |
| 34 | | | | | | | | | 34 |

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete.

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER

BYRON, IL 61010

P.O. BOX 566

Reference Numbers Facility ID 6006314

Health Service Area 001 Planning Service Area 141

ADMINS TRAMMARSATH

Contact Person and Telephone

815-234-2511

Registred Agent Information

Thomas Winer

6840 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Alcoholism

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

Medicare Recipient

Mental Illness

Non-ambulatory

Non-Mobile

Public Aid Recipient

Under 65 Years Old

Unable to Self-Medicare

Ventilator Dependent

Infectious Disease w/ Isolation

Other Restrictions

No Restrictions

None: Reported restrictions deemed by 'I'

TOTALS

96

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011

147

Total Discharges 2011

144

Residents on 12/31/2011

96

Identified Offenders

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

PEAK

101

96

101

5

101

101

101

101

101

101

101

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER

BYRON, IL 61010

P.O. BOX 566

Reference Numbers Facility ID 6006314

Health Service Area 001 Planning Service Area 141

ADMINS TRAMMARSATH

Contact Person and Telephone

815-234-2511

Registred Agent Information

Thomas Winer

6840 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Alcoholism

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

Medicare Recipient

Mental Illness

Non-ambulatory

Non-Mobile

Public Aid Recipient

Under 65 Years Old

Unable to Self-Medicare

Ventilator Dependent

Infectious Disease w/ Isolation

Other Restrictions

No Restrictions

None: Reported restrictions deemed by 'I'

TOTALS

96

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011

147

Total Discharges 2011

144

Residents on 12/31/2011

96

Identified Offenders

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

PEAK

101

96

101

5

101

101

101

101

101

101

101

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER

BYRON, IL 61010

P.O. BOX 566

Reference Numbers Facility ID 6006314

Health Service Area 001 Planning Service Area 141

ADMINS TRAMMARSATH

Contact Person and Telephone

815-234-2511

Registred Agent Information

Thomas Winer

6840 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Alcoholism

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

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Mental Illness

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Non-Mobile

Public Aid Recipient

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Unable to Self-Medicare

Ventilator Dependent

Infectious Disease w/ Isolation

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TOTALS

96

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011

147

Total Discharges 2011

144

Residents on 12/31/2011

96

Identified Offenders

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

PEAK

101

96

101

5

101

101

101

101

101

101

101

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER

BYRON, IL 61010

P.O. BOX 566

Reference Numbers Facility ID 6006314

Health Service Area 001 Planning Service Area 141

ADMINS TRAMMARSATH

Contact Person and Telephone

815-234-2511

Registred Agent Information

Thomas Winer

6840 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Alcoholism

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

Medicare Recipient

Mental Illness

Non-ambulatory

Non-Mobile

Public Aid Recipient

Under 65 Years Old

Unable to Self-Medicare

Ventilator Dependent

Infectious Disease w/ Isolation

Other Restrictions

No Restrictions

None: Reported restrictions deemed by 'I'

TOTALS

96

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011

147

Total Discharges 2011

144

Residents on 12/31/2011

96

Identified Offenders

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

PEAK

101

96

101

5

101

101

101

101

101

101

101

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2011 NEIGHBORS REHABILITATION CENTER

BYRON, IL 61010

P.O. BOX 566

Reference Numbers Facility ID 6006314

Health Service Area 001 Planning Service Area 141

ADMINS TRAMMARSATH

Contact Person and Telephone

815-234-2511

Registred Agent Information

Thomas Winer

6840 N Lincoln Ave

Lincolnwood, IL 60712

FACILITY OWNERSHIP

LIMITED LIABILITY CO

CONTINUING CARE COMMUNITY

LIFE CARE FACILITY

ADMISSION RESTRICTIONS

Aggressive/Alcoholism

Chronic Alcoholism

Developmentally Disabled

Drug Addiction

Medicaid Recipient

Medicare Recipient

Mental Illness

Non-ambulatory

Non-Mobile

Public Aid Recipient

Under 65 Years Old

Unable to Self-Medicare

Ventilator Dependent

Infectious Disease w/ Isolation

Other Restrictions

No Restrictions

None: Reported restrictions deemed by 'I'

TOTALS

96

ADMISSIONS AND DISCHARGES - 2011

Residents on 1/1/2011

147

Total Discharges 2011

144

Residents on 12/31/2011

96

Identified Offenders

0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

PEAK

101

96

101

5

101

101

101

101

101

101

101

NEIGHBORS' REHABILITATION CENTER

P.O. BOX 585

HYRON, IL. 01010

Reference Num

.....

100

1

LEVEL

| TYPE OF CARE | Medicare | Medicaid | Public | Insurance | Pay | Care | TOTALS |
|------------------|----------|----------|--------|-----------|-----|------|--------|
| Nursing Care | 9 | 65 | 0 | 1 | 10 | 0 | 85 |
| Skilled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Milled Under 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intermediate D | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Intermediate DD | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sheltered Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 9 | 65 | 0 | 1 | 10 | 0 | 85 |

| RESIDENTS BY RACIETHNICITY GROUPING | | | | | | FACILITY STAFFING | |
|-------------------------------------|--------------|------------------|-----------------|----------------|--------|---------------------|----------------------|
| RACE | Nursing Care | Skilled Under 22 | Intermediate DD | Sheltered Care | Totals | Employment Category | Full-Time Equivalent |
| Caucasian | 1 | 0 | 0 | 0 | 1 | Administrators | 1.00 |
| American Indian | | 0 | 0 | 0 | 0 | Physicians | 0.00 |
| Black | 1 | 0 | 0 | 0 | 1 | Director of Nursing | 1.00 |
| Hispanic/Pacific Isl. | | 0 | 0 | 0 | 0 | Registered Nurses | 11.00 |
| HAWAIIAN | 83 | 0 | 0 | 0 | 83 | LPN's | 12.00 |
| Ethnic Unknown | | 0 | 0 | 0 | 0 | Certified Aides | 49.00 |
| Total | 85 | 0 | 0 | 0 | 65 | Other Health Staff | 3.00 |
| | | | | | | Non-Health Staff | 41.00 |
| | | | | | | Totals | 111.00 |

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Charity Care Expense does not include expenses which may be considered a community benefit.

| Medicare | Medicaid | Other Public | Private Insurance | Private Pay | TOTALS | Charity Care Expense* | Charity Care Expense as % of Total Net Revenue |
|-----------|-----------|--------------|-------------------|-------------|-----------|-----------------------|--|
| 27.1% | 35.8% | 7.8% | 1.4% | 27.6% | 100.0% | 0 | 0.0% |
| 1,813,365 | 2,125,988 | 483,268 | 84,240 | 1,658,189 | 5,945,260 | | |

*Charity Care Expense does not include expenses which may be considered a community benefit.

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2012 NEIGHBORS REHABILITATION CENTER BYRON

NEIGHBORS REHABILITATION CENTER

P.O. BOX 505

LYRON, IL. 61010

Reference Numbers Facility ID 6006514

Health Service Area 001 Planning Service Area 141

1.41 **BRITISH AIRWAYS** Flights 1-4

Administrator

Law: Thammara

Contact! Person und Telefonnummer

DAWUN THAMMARATH

7520 + 20.3%

WILKINSON, I. MAY

15-234-2511

Registered Agent Information

Thomas Winter

840 north Lincoln Ave

CONFIDENTIAL 60712

THE UNIVERSITY OF TEXAS AT AUSTIN

CONTINUING CARE COMMUNITY

| LIFE CARE FACILITY | |
|--------------------|---|
| 0 | Non-Medical Conditions |
| 85 | TOTALS |
| 0 | Total Residents Diagnosed as Mentally Ill |

| LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS | ADMISSIONS AND DISCHARGES - 2012 | |
|--|----------------------------------|------|
| | PEAK | PEAK |
| 100 | 100 | 100 |

| LEVEL OF CARE | LICENSED BEDS | BEDS SET-UP | BEDS USED | BEDS SLT-UP | BEDS IN USE | AVAILABLE BEDS | MEDICARE CERTIFIED | MEDICAID | Residents on 11/2011 | Total Admissions 2011 | Discharges 2011 | Total Discharges 2011 | Residents on 12/1/2011 | Identified Offenders |
|-------------------|---------------|-------------|-----------|-------------|-------------|----------------|--------------------|----------|----------------------|-----------------------|-----------------|-----------------------|------------------------|----------------------|
| Long Term Care | 101 | 101 | 99 | 101 | 85 | 16 | 101 | 101 | 101 | 96 | 93 | 94 | 96 | 0 |
| Intermediate Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subacute Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Emergency Care | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OT/ABEDS | 101 | 101 | 99 | 101 | 85 | 16 | 101 | 101 | 101 | 96 | 93 | 94 | 96 | 0 |

| FACILITY UTILIZATION - 2012 | | | | | | | | | | | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------------------|-----------|-----------|-----------|-----------|-----------|---------|-------|-------|-------|----------|------------------|---------------------|
| PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PAYMENT SOURCE | | | | | | | | | | | | | | | | | | | |
| LEVEL OF CARE | Medicare | | | Medicaid | | | Other Public Insurance | | | Private | | | Charity | | | TOTAL | Licensed | Peak Beds Set Up | Peak Beds Occ. Pct. |
| | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | Pat. days | Occ. Pct. | | | | | | | |
| Nursing Care | 3109 | 8.4% | | | 22795 | 81.8% | | 3540 | | 189 | | 4225 | | 0 | 33858 | 91.8% | 91.8% | | |
| Skilled Under 22 | | | | 0 | 0.0% | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | | |
| Intermediate/D | | | | 0 | 0.0% | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | | |
| Skilled Care | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | | |
| TOTALS | 3109 | 8.4% | | 22795 | 81.8% | | 3540 | | 189 | | 4225 | | 0 | 33858 | 91.8% | 91.8% | | | |

| AGE GROUP'S | RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2012 | | | | | | | | | | TOTAL | | GRAND TOTAL |
|-------------|---|--------|--------------|--------|-------------|--------|-----------|--------|-------|--------|-------|----|-------------|
| | NURSING CARE | | SKL UNDER 22 | | INTERMED DO | | SHELTERED | | TOTAL | | | | |
| | Male | Female | Male | Female | Male | Female | Male | Female | Male | Female | | | |
| Under 18 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 18 to 44 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 45 to 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 60 to 64 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | |
| 65 to 74 | 2 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 6 | 6 | |
| 75 to 94 | 10 | 17 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10 | 27 | 27 | |
| 95+ | 14 | 37 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 37 | 37 | |
| TOTALS | 28 | 59 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28 | 59 | 85 | |

Illinois Long-Term Care Facility Questionnaire for 2012, Illinois Department of Public Health, Health Systems Development
Page 1343 of 2148
9/12/2013

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued i

Criterion 1125.800 Estimated Total Project Cost

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

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

Availability of Funds

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

- a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:

The cash and securities that will be used to fund the project are coming out of the facility's existing cash and the cash generated through ongoing operations with the added benefit of traditionally member disbursements not being made until the equity portion of the project is fully funded. Appended as **ATTACHMENT-27A** are copies of the owner's and the operator's projected and historical financial statements for the most current three years and through the first full year at target utilization. Appended as **ATTACHMENT-27B**, is a members resolution to stop disbursements outside of covering tax liabilities to assist in funding the equity portion of the project costs, as well as an amendment to the management consulting agreement stipulating that their annual management fee would be reduce.

ATTACHMENT-27

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued ii

- d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:
3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;

Appended as **ATTACHMENT-27C** is a letter from The PrivateBank's Michael Monticello, Managing Director and Patrick Malone, Officer providing the terms and conditions and stating it's expectations in making the loan. Appended as **ATTACHMENT-27D** is also a letter from The PrivateBank's Michael Monticello, Managing Director and Patrick Malone, Officer describing this long-standing history that The PrivateBank has with Neighbors Rehabilitation Center and its strong intent to provide the project's financing. It should be known that The PrivateBank is the existing Mortgage holder for the facility. Moreover, it is The PrivateBank's position that it cannot finalize its commitment to finance without Certificate of Need approval among other due diligence items.

ATTACHMENT-27

| <u>NEIGHBORS - COMBINED</u> Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|--|------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|-------------------|---------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>CURRENT ASSETS</u> | | | | | | | | | | |
| Cash in Banks - Total | 435,871 | | 679,078 | | 59,505 | | 792,760 | | 1,626,760 | |
| Accounts Receivable | 1,225,000 | | 1,285,000 | | 1,465,000 | | 1,700,000 | | 1,700,000 | |
| Prepaid Expenses | 30,000 | | 30,000 | | 30,000 | | 30,000 | | 30,000 | |
| <u>Total Current Assets</u> | <u>1,690,871</u> | | <u>1,994,078</u> | | <u>1,554,505</u> | | <u>2,522,760</u> | | <u>3,356,760</u> | |
| <u>FIXED ASSETS - COST</u> | | | | | | | | | | |
| Construction Project | 4,082,500 | | 4,107,500 | | 4,127,500 | | 4,157,500 | | 4,207,500 | |
| less: Accum. Depr | 1,305,000 | | 6,525,000 | | 9,268,858 | | 9,268,858 | | 9,268,858 | |
| | (1,074,521) | | (1,254,521) | | (1,614,521) | | (2,054,521) | | (2,494,521) | |
| | 4,312,979 | | 9,377,979 | | 11,781,837 | | 11,371,837 | | 10,981,837 | |
| <u>OTHER ASSETS</u> | | | | | | | | | | |
| Other Assets | 320,000 | | 350,000 | | 0 | | 0 | | 0 | |
| <u>Total Assets</u> | <u>6,323,850</u> | | <u>11,722,057</u> | | <u>13,336,342</u> | | <u>13,894,597</u> | | <u>14,338,597</u> | |
| <u>CURRENT LIABILITIES</u> | | | | | | | | | | |
| Accounts Payable | 150,000 | | 188,503 | | 217,700 | | 213,700 | | 208,000 | |
| Accrued Expenses | 310,065 | | 310,065 | | 390,065 | | 390,065 | | 340,065 | |
| Accrued Vacation Pay | 130,000 | | 120,000 | | 150,000 | | 150,000 | | 150,000 | |
| Payables & Accruals | 590,065 | | 618,568 | | 757,765 | | 753,765 | | 698,065 | |
| Patient Trust Fund-net | 0 | | 0 | | 0 | | 0 | | 0 | |
| Line of Credit - Private B. | 900,000 | | 1,000,000 | | 1,000,000 | | 1,000,000 | | 900,000 | |
| Note Payable - Van | 9,000 | | 5,000 | | 0 | | 0 | | 0 | |
| Mortgage-current portion | 0 | | 0 | | 0 | | 0 | | 0 | |
| Deferred Repl. Tax | 11,000 | | 11,000 | | 10,000 | | 10,000 | | 10,000 | |
| <u>Total Current Liabilities</u> | <u>1,510,065</u> | | <u>1,634,568</u> | | <u>1,767,765</u> | | <u>1,763,765</u> | | <u>1,608,065</u> | |
| <u>Long Term Liabilities</u> | | | | | | | | | | |
| Due To Operator | 0 | | 0 | | 0 | | 0 | | 0 | |
| Mortgage Payable | 2,337,642 | | 2,337,642 | | 2,337,642 | | 2,337,642 | | 2,337,642 | |
| Mortgage - add'l | 1,305,000 | | 6,525,000 | | 7,830,000 | | 7,830,000 | | 7,830,000 | |
| <u>Total Liabilities</u> | <u>5,152,707</u> | | <u>10,497,210</u> | | <u>11,935,407</u> | | <u>11,931,407</u> | | <u>11,775,707</u> | |
| <u>EQUITY</u> | | | | | | | | | | |
| Member Equity | 1,053,100 | | 1,053,100 | | 1,053,100 | | 1,053,100 | | 1,053,100 | |
| Retained Earnings | (76,210) | | 118,043 | | 171,747 | | 347,835 | | 910,090 | |
| Distributions | (190,000) | | (50,000) | | (70,000) | | (553,831) | | (586,797) | |
| Current Year Profit | 384,253 | | 103,704 | | 246,088 | | 1,116,086 | | 1,186,497 | |
| <u>Total Equity</u> | <u>1,171,143</u> | | <u>1,224,847</u> | | <u>1,400,935</u> | | <u>1,963,190</u> | | <u>2,562,890</u> | |
| <u>Total Liabilities & Equity</u> | <u>6,323,850</u> | | <u>11,722,057</u> | | <u>13,336,342</u> | | <u>13,894,597</u> | | <u>14,338,597</u> | |

| NEIGHBORS - COMBINED | | | | | | | | | | |
|-----------------------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Total Resident Income | 5,400,871 | 171.06 | 5,486,150 | 172.76 | 6,880,907 | 188.05 | 8,565,134 | 198.87 | 8,785,444 | 203.98 |
| Provider Bed Tax | (55,298) | | (55,298) | | (67,616) | | (71,723) | | (71,723) | |
| Provider Assessments | (170,043) | | (170,597) | | (189,153) | | (217,124) | | (217,124) | |
| Net Resident Income | 5,175,530 | 163.93 | 5,260,255 | 165.65 | 6,624,139 | 181.03 | 8,276,287 | 192.16 | 8,496,597 | 197.27 |
| Operating Expenses | | | | | | | | | | |
| Nursing | 2,152,000 | 68.16 | 2,287,300 | 72.03 | 2,701,500 | 73.83 | 2,996,500 | 69.57 | 3,073,900 | 71.37 |
| Employee Welfare | 472,000 | 14.95 | 504,000 | 15.87 | 555,000 | 15.17 | 580,000 | 13.47 | 598,000 | 13.88 |
| Housekeeping & Plant | 432,000 | 13.68 | 488,000 | 15.37 | 579,000 | 15.82 | 640,000 | 14.86 | 656,000 | 15.23 |
| Laundry & Linen | 104,000 | 3.29 | 110,000 | 3.46 | 126,000 | 3.44 | 136,000 | 3.16 | 140,000 | 3.25 |
| Dietary | 448,000 | 14.19 | 470,801 | 14.83 | 535,800 | 14.64 | 596,800 | 13.86 | 608,400 | 14.13 |
| General and Admin. | 786,900 | 24.92 | 704,350 | 22.18 | 913,250 | 24.96 | 1,143,901 | 26.56 | 1,166,800 | 27.09 |
| Total Operating Expense | 4,394,902 | 139.20 | 4,564,451 | 143.74 | 5,410,550 | 147.86 | 6,093,201 | 141.47 | 6,243,100 | 144.95 |
| Income on Operations | | | | | | | | | | |
| Capital Expenses | 780,628 | 24.72 | 695,804 | 21.91 | 1,213,589 | 33.17 | 2,183,086 | 50.69 | 2,253,497 | 52.32 |
| Mortgage Interest | 118,000 | 3.74 | 118,000 | 3.72 | 118,000 | 3.22 | 118,000 | 2.74 | 118,000 | 2.74 |
| Mtg.-Const. Period Int. | 10,875 | 0.34 | 206,700 | 6.51 | 389,500 | 10.64 | 396,000 | 9.19 | 396,000 | 9.19 |
| Real Estate Taxes | 60,000 | 1.90 | 62,000 | 1.95 | 64,000 | 1.75 | 68,000 | 1.58 | 68,000 | 1.58 |
| Interest | 24,000 | 0.76 | 25,400 | 0.80 | 32,000 | 0.87 | 30,000 | 0.70 | 30,000 | 0.70 |
| Depreciation & Amort. | 180,000 | 5.70 | 180,000 | 5.67 | 360,000 | 9.84 | 440,000 | 10.22 | 440,000 | 10.22 |
| State Replacement Tax | 3,500 | 0.11 | 0 | 0.00 | 4,000 | 0.11 | 15,000 | 0.35 | 15,000 | 0.35 |
| Total Capital Expenses | 396,375 | 12.55 | 592,100 | 18.65 | 967,500 | 26.44 | 1,067,000 | 24.77 | 1,067,000 | 24.77 |
| Income From Operations | 384,253 | 12.17 | 103,704 | 3.27 | 246,089 | 6.73 | 1,116,086 | 25.91 | 1,186,497 | 27.55 |
| Other Income | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Net Income | 384,253 | 12.17 | 103,704 | 3.27 | 246,089 | 6.73 | 1,116,086 | 25.91 | 1,186,497 | 27.55 |
| Net Income | | | | | | | | | | |
| Net Income | 384,253 | | 103,704 | | 246,089 | | 1,116,086 | | 1,186,497 | |
| Int. Tax, Depr. Amort, Rent | 336,375 | | 530,100 | | 903,500 | | 999,000 | | 999,000 | |
| EBITDAR for period | 720,628 | | 633,804 | | 1,149,589 | | 2,115,086 | | 2,185,497 | |
| Debt Service Coverage | 5.6 | | 2.0 | | 2.3 | | 4.1 | | 4.3 | |

NEIGHBORS - COMBINED

| Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-------------------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| AVERAGE PER DAY | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Private | 13.5 | | 13.5 | | 15.4 | | 19.0 | | 19.0 | |
| Public Aid | 54.3 | | 54.5 | | 59.9 | | 68.0 | | 68.0 | |
| Medicare | 9.8 | | 10.0 | | 14.9 | | 20.0 | | 20.0 | |
| Hospice | 8.0 | | 8.0 | | 8.3 | | 8.0 | | 8.0 | |
| Insurance | 1.0 | | 1.0 | | 1.9 | | 3.0 | | 3.0 | |
| Avg. Per Day - in house | 86.5 | | 87.0 | | 100.3 | | 118.0 | | 118.0 | |

TOTAL CENSUS

| | | | | | | | | | | |
|-----------------|--------|--|--------|--|--------|--|--------|--|--------|--|
| Census-Private | 4,928 | | 4,928 | | 5,612 | | 6,935 | | 6,935 | |
| Census-Medicaid | 19,801 | | 19,893 | | 21,854 | | 24,820 | | 24,820 | |
| Census-Medicare | 3,559 | | 3,650 | | 5,429 | | 7,300 | | 7,300 | |
| Census-Hospice | 2,920 | | 2,920 | | 3,011 | | 2,920 | | 2,920 | |
| Census-HMO | 365 | | 365 | | 684 | | 1,095 | | 1,095 | |
| Census-In House | 31,573 | | 31,755 | | 36,591 | | 43,070 | | 43,070 | |

Days in Period

Bed Capacity

Percent to Capacity

| | | | | | | | | | | |
|---------------------|-------|--|-------|--|-------|--|-------|--|-------|--|
| Days in Period | 365 | | 365 | | 365 | | 365 | | 365 | |
| Bed Capacity | 101 | | 101 | | 119 | | 131 | | 131 | |
| Percent to Capacity | 85.6% | | 86.1% | | 84.2% | | 90.1% | | 90.1% | |

INCOME

| | | | | | | | | | | |
|---------------------------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| Private | 960,647 | 194.96 | 960,863 | 195.00 | 1,138,116 | 202.80 | 1,421,675 | 205.00 | 1,456,350 | 210.00 |
| Medicare | 1,659,838 | 466.41 | 1,747,438 | 478.75 | 2,678,644 | 493.36 | 3,650,000 | 500.00 | 3,796,000 | 520.00 |
| Public Aid | 2,616,537 | 132.14 | 2,638,541 | 132.64 | 2,933,051 | 134.21 | 3,354,175 | 135.14 | 3,391,405 | 136.64 |
| P.A. - Rate Incr. \$6.60 | 0 | | 0 | | 77,088 | | 161,403 | 6.50 | 161,403 | 6.50 |
| Hospice | 385,849 | 132.14 | 387,309 | 132.64 | 404,020 | 134.17 | 394,609 | 135.14 | 398,989 | 136.64 |
| Hospice-Rate Incr. \$6.60 | 0 | | 0 | | 10,238 | | 19,272 | 6.60 | 19,272 | 6.60 |
| HMO | 146,000 | 400.00 | 146,000 | 400.00 | 273,750 | 400.00 | 438,000 | 400.00 | 454,425 | 415.00 |
| Day Care | 2,000 | | 2,000 | | 2,000 | | 2,000 | | 2,000 | |
| Ancillary Exp. - Part A | (390,000) | (109.59) | (420,000) | (115.07) | (660,000) | (121.56) | (900,000) | (123.29) | (918,000) | (125.75) |
| Ancillary Inc. - Other | 120,000 | | 140,000 | | 140,000 | | 140,000 | | 143,000 | |
| Ancillary Exp. - Other | (100,000) | | (116,000) | | (116,000) | | (116,000) | | (119,400) | |
| Total Resident Income | 5,400,871 | 171.06 | 5,486,150 | 172.76 | 6,880,907 | 188.05 | 8,565,134 | 198.87 | 8,785,444 | 203.98 |

Other Income(Expense)

| | | | | | | | | | | |
|-------------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| Illinois Bed Tax | (55,298) | | (55,298) | | (67,616) | | (71,723) | | (71,723) | |
| Provider Assessment Tax | (170,043) | | (170,597) | | (189,153) | | (217,124) | | (217,124) | |
| Miscellaneous Income | 0 | | 0 | | 0 | | 0 | | 0 | |
| Total Income | 5,175,530 | 163.93 | 5,260,255 | 165.65 | 6,624,139 | 181.03 | 8,276,287 | 192.16 | 8,496,597 | 197.27 |

NEIGHBORS - COMBINED

| Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-------------------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>NURSING</u> | | | | | | | | | | |
| Salary - Dir of Nursing | 80,000 | 2.53 | 84,000 | 2.65 | 88,000 | 2.40 | 92,000 | 2.14 | 95,000 | 2.21 |
| Salary - Asst Dir | 60,000 | 1.90 | 64,000 | 2.02 | 68,000 | 1.86 | 69,000 | 1.60 | 71,000 | 1.65 |
| Salary - RN's & LPN's | 600,000 | 19.00 | 684,000 | 21.54 | 852,000 | 23.28 | 969,000 | 22.50 | 989,000 | 22.96 |
| Salary - Program Aides | 840,000 | 26.61 | 906,500 | 28.55 | 1,042,500 | 28.49 | 1,150,000 | 26.70 | 1,185,000 | 27.51 |
| Salary - Therapy Dept. | 104,000 | 3.29 | 114,000 | 3.59 | 135,000 | 3.69 | 151,000 | 3.51 | 156,000 | 3.62 |
| Salary - Med Rec/CPC | 80,000 | 2.53 | 84,000 | 2.65 | 92,000 | 2.51 | 100,000 | 2.32 | 102,000 | 2.37 |
| Contract Nurses | 60,000 | 1.90 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Salary - Psycho Social | 60,000 | 1.90 | 62,000 | 1.95 | 81,000 | 2.21 | 93,000 | 2.16 | 95,000 | 2.21 |
| Salary - Activity | 112,000 | 3.55 | 116,000 | 3.65 | 134,500 | 3.68 | 144,000 | 3.34 | 147,000 | 3.41 |
| <u>Total Salaries</u> | 1,996,000 | 63.22 | 2,114,500 | 66.59 | 2,493,000 | 68.13 | 2,768,000 | 64.27 | 2,840,000 | 65.94 |

| | | | | | | | | | | |
|-----------------------|--------|------|--------|------|--------|------|--------|------|--------|------|
| Nursing Supplies | 60,000 | 1.90 | 68,000 | 2.14 | 85,000 | 2.32 | 95,000 | 2.21 | 98,000 | 2.28 |
| Wound Care Supplies | 4,000 | 0.13 | 5,200 | 0.16 | 6,500 | 0.18 | 7,400 | 0.17 | 7,700 | 0.18 |
| Enteral Supplies | 12,000 | 0.38 | 16,000 | 0.50 | 20,700 | 0.57 | 23,000 | 0.53 | 23,700 | 0.55 |
| Nursing Equip. Rental | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Oxygen, Lab, X-Ray | 5,000 | 0.16 | 5,200 | 0.16 | 6,500 | 0.18 | 7,400 | 0.17 | 7,800 | 0.18 |
| Prescription Drugs | 4,000 | 0.13 | 4,800 | 0.15 | 6,000 | 0.16 | 6,800 | 0.16 | 7,200 | 0.17 |
| Activity Programs | 9,000 | 0.29 | 9,600 | 0.30 | 11,700 | 0.32 | 12,900 | 0.30 | 13,500 | 0.31 |

CONSULTANTS

| | | | | | | | | | | |
|----------------------------|---------|------|---------|------|---------|------|---------|------|---------|------|
| Activity | 2,000 | 0.06 | 1,600 | 0.05 | 2,000 | 0.05 | 2,400 | 0.06 | 2,400 | 0.06 |
| Physical & Occup. Therapy | 1,000 | 0.03 | 2,000 | 0.06 | 4,300 | 0.12 | 4,600 | 0.11 | 4,600 | 0.11 |
| Social Worker | 1,600 | 0.05 | 1,600 | 0.05 | 2,000 | 0.05 | 2,400 | 0.06 | 2,400 | 0.06 |
| Medical Records | 1,000 | 0.03 | 1,200 | 0.04 | 1,700 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 |
| Pharmacy | 7,000 | 0.22 | 8,000 | 0.25 | 9,500 | 0.26 | 10,000 | 0.23 | 10,000 | 0.23 |
| Speech Therapy | 1,000 | 0.03 | 1,200 | 0.04 | 1,700 | 0.05 | 2,200 | 0.05 | 2,200 | 0.05 |
| Medical Director | 10,000 | 0.32 | 10,000 | 0.31 | 12,500 | 0.34 | 14,000 | 0.33 | 14,000 | 0.33 |
| Specialized Rehab | 9,600 | 0.30 | 9,600 | 0.30 | 9,600 | 0.26 | 9,600 | 0.22 | 9,600 | 0.22 |
| Nursing | 28,800 | 0.91 | 28,800 | 0.91 | 28,800 | 0.79 | 28,800 | 0.67 | 28,800 | 0.67 |
| <u>Total Other Nursing</u> | 156,000 | 4.94 | 172,800 | 5.44 | 208,500 | 5.70 | 228,500 | 5.31 | 233,900 | 5.43 |

| | | | | | | | | | | |
|----------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| <u>Total Nursing</u> | 2,152,000 | 68.16 | 2,287,300 | 72.03 | 2,701,500 | 73.83 | 2,996,500 | 69.57 | 3,073,900 | 71.37 |
|----------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|

NEIGHBORS - COMBINEDDescriptionEMPLOYEE WELFARE

| | | | | | | | | | | |
|------------------------|--------------|--------------|--------------|--------------|--------------|-------|---------|-------|---------|-------|
| | YTD 12/31/14 | YTD 12/31/15 | YTD 12/31/16 | YTD 12/31/17 | YTD 12/31/18 | | | | | |
| Amount | Per Day | Amount | Per Day | Amount | Per Day | | | | | |
| Payroll Taxes | 260,000 | 8.24 | 280,000 | 8.82 | 309,000 | 8.44 | 320,000 | 7.43 | 329,000 | 7.64 |
| Workers Comp. Insur. | 52,000 | 1.65 | 56,000 | 1.76 | 62,000 | 1.69 | 64,000 | 1.49 | 66,000 | 1.53 |
| Employee Insurance | 120,000 | 3.80 | 128,000 | 4.03 | 142,000 | 3.88 | 152,000 | 3.53 | 158,000 | 3.67 |
| Classified Advertising | 8,000 | 0.25 | 8,000 | 0.25 | 8,000 | 0.22 | 8,000 | 0.19 | 8,000 | 0.19 |
| Employee Benefits | 32,000 | 1.01 | 32,000 | 1.01 | 34,000 | 0.93 | 36,000 | 0.84 | 37,000 | 0.86 |
| Total Employee Welfare | 472,000 | 14.95 | 504,000 | 15.87 | 555,000 | 15.17 | 580,000 | 13.47 | 598,000 | 13.88 |

HOUSEKEEPING & PLANT

| | | | | | | | | | | |
|----------------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Salary - Housekeeping | 140,000 | 4.43 | 148,000 | 4.66 | 181,000 | 4.95 | 200,000 | 4.64 | 205,000 | 4.76 |
| Salary - Maintenance | 48,000 | 1.52 | 52,000 | 1.64 | 58,500 | 1.60 | 63,000 | 1.46 | 64,700 | 1.50 |
| Dir. of Envir. Services | 12,000 | 0.38 | 12,000 | 0.38 | 12,000 | 0.33 | 12,000 | 0.28 | 12,000 | 0.28 |
| Housekeeping Supply | 20,000 | 0.63 | 24,000 | 0.76 | 31,000 | 0.85 | 33,000 | 0.77 | 33,600 | 0.78 |
| Grounds Maintenance | 8,000 | 0.25 | 8,000 | 0.25 | 8,000 | 0.22 | 9,000 | 0.21 | 9,200 | 0.21 |
| Paint & Deferred Maint | 8,000 | 0.25 | 10,000 | 0.31 | 16,000 | 0.44 | 19,000 | 0.44 | 20,000 | 0.46 |
| Equip Mice & Repair | 28,000 | 0.89 | 40,000 | 1.26 | 44,000 | 1.20 | 45,000 | 1.04 | 46,000 | 1.07 |
| Maintenance Supplies | 40,000 | 1.27 | 44,000 | 1.39 | 48,000 | 1.31 | 50,000 | 1.16 | 51,000 | 1.18 |
| Scavenger | 16,000 | 0.51 | 18,000 | 0.57 | 21,500 | 0.59 | 24,000 | 0.56 | 25,000 | 0.58 |
| Exterminator | 2,000 | 0.06 | 2,000 | 0.06 | 2,000 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 |
| Fire Service | 10,000 | 0.32 | 10,000 | 0.31 | 10,000 | 0.27 | 11,000 | 0.26 | 11,500 | 0.27 |
| Utilities - Total | 100,000 | 3.17 | 120,000 | 3.78 | 147,000 | 4.02 | 172,000 | 3.99 | 176,000 | 4.09 |
| Total Housekeep&Plant | 432,000 | 13.68 | 488,000 | 15.37 | 579,000 | 15.82 | 640,000 | 14.86 | 656,000 | 15.23 |

LAUNDRY & LINEN

| | | | | | | | | | | |
|----------------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| Salary - Laundry | 80,000 | 2.53 | 84,000 | 2.65 | 93,000 | 2.54 | 98,000 | 2.28 | 100,000 | 2.32 |
| Laundry Supplies | 16,000 | 0.51 | 17,000 | 0.54 | 20,500 | 0.56 | 23,000 | 0.53 | 24,000 | 0.56 |
| Linen Replacement | 8,000 | 0.25 | 9,000 | 0.28 | 12,500 | 0.34 | 15,000 | 0.35 | 16,000 | 0.37 |
| Total Laundry | 104,000 | 3.29 | 110,000 | 3.46 | 126,000 | 3.44 | 136,000 | 3.16 | 140,000 | 3.25 |

DIETARY

| | | | | | | | | | | |
|----------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Salary - Dietary | 248,000 | 7.85 | 260,000 | 8.19 | 280,000 | 7.65 | 290,000 | 6.73 | 297,000 | 6.90 |
| Food | 160,000 | 5.07 | 168,001 | 5.29 | 205,200 | 5.61 | 247,400 | 5.74 | 251,000 | 5.83 |
| Dietary Supplies | 18,000 | 0.57 | 20,000 | 0.63 | 26,500 | 0.72 | 34,000 | 0.79 | 35,000 | 0.81 |
| Sales Tax | 600 | 0.02 | 800 | 0.03 | 1,100 | 0.03 | 1,400 | 0.03 | 1,400 | 0.03 |
| Dietary Consultant | 9,400 | 0.30 | 10,000 | 0.31 | 11,000 | 0.30 | 12,000 | 0.28 | 12,000 | 0.28 |
| Dir. of Food Service | 12,000 | 0.38 | 12,000 | 0.38 | 12,000 | 0.33 | 12,000 | 0.28 | 12,000 | 0.28 |
| Total Dietary | 448,000 | 14.19 | 470,801 | 14.83 | 535,800 | 14.64 | 596,800 | 13.86 | 608,400 | 14.13 |

| NEIGHBORS - COMBINED GENERAL & ADMINISTRATIVE | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|------------------|--------------|------------------|--------------|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Salary-Administrative | 92,000 | 2.91 | 96,000 | 3.02 | 102,000 | 2.79 | 110,000 | 2.55 | 113,000 | 2.62 |
| Salary-Office | 108,000 | 3.42 | 112,200 | 3.53 | 126,000 | 3.44 | 136,000 | 3.16 | 140,000 | 3.25 |
| Dir. of Admissions | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 |
| Dir. of Reimb. Services | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 |
| Dir. of Admin. Services | 28,800 | 0.91 | 28,800 | 0.91 | 28,800 | 0.79 | 28,800 | 0.67 | 28,800 | 0.67 |
| Dir. of Regulatory Serv. | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 |
| Ancillary Admin Charge | 24,000 | 0.76 | 24,000 | 0.76 | 24,000 | 0.66 | 24,000 | 0.56 | 24,000 | 0.56 |
| Accounting Fees | 54,000 | 1.71 | 54,000 | 1.70 | 54,000 | 1.48 | 54,000 | 1.25 | 54,000 | 1.25 |
| Advertising & Promo | 27,200 | 0.86 | 30,000 | 0.94 | 32,000 | 0.87 | 34,000 | 0.79 | 35,000 | 0.81 |
| Bookkeeping Services | 49,600 | 1.57 | 49,600 | 1.56 | 49,600 | 1.36 | 49,600 | 1.15 | 49,600 | 1.15 |
| Computer Support | 8,800 | 0.28 | 8,800 | 0.28 | 8,800 | 0.22 | 8,800 | 0.19 | 8,800 | 0.19 |
| Contributions | 2,000 | 0.06 | 2,000 | 0.06 | 2,000 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 |
| Dues & Subscriptions | 24,000 | 0.76 | 24,800 | 0.78 | 25,600 | 0.70 | 26,500 | 0.62 | 27,000 | 0.63 |
| Education & Seminars | 6,000 | 0.19 | 6,400 | 0.20 | 6,800 | 0.19 | 7,500 | 0.17 | 8,000 | 0.19 |
| Equipment Rental | 4,000 | 0.13 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 |
| General Insurance | 78,000 | 2.47 | 82,000 | 2.58 | 91,000 | 2.49 | 96,000 | 2.23 | 98,000 | 2.28 |
| Legal Fees | 4,000 | 0.13 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 |
| License, Fees, Permits | 2,800 | 0.09 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 |
| Management Fees | 160,900 | 5.10 | 54,900 | 1.73 | 226,600 | 6.19 | 428,300 | 9.94 | 439,300 | 10.20 |
| Office Expense | 22,700 | 0.72 | 25,050 | 0.79 | 28,700 | 0.78 | 29,901 | 0.69 | 30,400 | 0.71 |
| Other Prof. Fees | 20,900 | 0.66 | 21,700 | 0.68 | 21,700 | 0.59 | 21,700 | 0.50 | 21,700 | 0.50 |
| Telephone | 18,000 | 0.57 | 20,100 | 0.63 | 21,700 | 0.59 | 22,400 | 0.52 | 22,800 | 0.53 |
| Travel-Staff & Enter. | 8,000 | 0.25 | 8,800 | 0.28 | 9,550 | 0.26 | 10,000 | 0.23 | 10,000 | 0.23 |
| Total General & Admin. | 786,900 | 24.92 | 704,350 | 22.18 | 913,250 | 24.96 | 1,143,901 | 26.56 | 1,166,800 | 27.09 |

| CAPITAL AND REPLACEMENT TAX | | | | | | | | | | |
|-----------------------------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| Mortgage Interest | 118,000 | 3.74 | 118,000 | 3.72 | 118,000 | 3.22 | 118,000 | 2.74 | 118,000 | 2.74 |
| Mtg.-Const. Period Int. | 10,875 | 0.34 | 206,700 | 6.51 | 389,500 | 10.64 | 396,000 | 9.19 | 396,000 | 9.19 |
| Real Estate Taxes | 60,000 | 1.90 | 62,000 | 1.95 | 64,000 | 1.75 | 68,000 | 1.58 | 68,000 | 1.58 |
| Interest Expenses | 24,000 | 0.76 | 25,400 | 0.80 | 32,000 | 0.87 | 30,000 | 0.70 | 30,000 | 0.70 |
| Depreciation & Amort. | 180,000 | 5.70 | 180,000 | 5.67 | 360,000 | 9.84 | 440,000 | 10.22 | 440,000 | 10.22 |
| State Repl. Tax | 3,500 | 0.11 | 0 | 0.00 | 4,000 | 0.11 | 15,000 | 0.35 | 15,000 | 0.35 |
| Total Capital Expenses | 396,375 | 12.55 | 592,100 | 18.65 | 967,500 | 26.44 | 1,067,000 | 24.77 | 1,067,000 | 24.77 |
| Total Expenses | 4,791,275 | 151.75 | 5,156,551 | 162.39 | 6,378,050 | 174.31 | 7,160,201 | 166.25 | 7,310,100 | 169.73 |
| | | | | | | | | | | |
| NET INCOME | 384,255 | 12.17 | 103,704 | 3.27 | 246,089 | 6.73 | 1,116,086 | 25.91 | 1,186,497 | 27.55 |

| NEIGHBORS - COMBINED Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-------------------------------------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>STMT. OF CASH FLOWS</u> | | | | | | | | | | |
| <u>Operating Activities</u> | | | | | | | | | | |
| Net Income | 384,253 | | 103,704 | | 246,088 | | 1,116,086 | | 1,186,497 | |
| Non-Cash Items | 180,000 | | 180,000 | | 360,000 | | 440,000 | | 440,000 | |
| Change in Current Assets | 0 | | (60,000) | | (180,000) | | (235,000) | | 0 | |
| Change in Current Liab. | (20,000) | | 28,502 | | 138,197 | | (4,000) | | (55,700) | |
| Cash Flows From Operating | 544,253 | | 252,206 | | 564,285 | | 1,317,086 | | 1,570,797 | |
| <u>Investing Activities</u> | | | | | | | | | | |
| Fixed Asset Purchases | (25,000) | | (25,000) | | (20,000) | | (30,000) | | (50,000) | |
| Construction Project | (1,305,000) | | (5,220,000) | | (2,743,858) | | 0 | | 0 | |
| Change in Other Assets | (135,000) | | (30,000) | | 350,000 | | 0 | | 0 | |
| Cash Flows From Investing | (1,465,000) | | (5,275,000) | | (2,413,858) | | (30,000) | | (50,000) | |
| <u>Financing Activities</u> | | | | | | | | | | |
| Note Pay-Private Bank | 200,000 | | 100,000 | | 0 | | 0 | | (100,000) | |
| Note Pay-Van | (4,000) | | (4,000) | | (5,000) | | 0 | | 0 | |
| Mortgage Proceeds - net | 1,305,000 | | 5,220,000 | | 1,305,000 | | 0 | | 0 | |
| Distributions | (190,000) | | (50,000) | | (70,000) | | (553,831) | | (586,797) | |
| Cash Flows From Financing | 1,311,000 | | 5,266,000 | | 1,230,000 | | (553,831) | | (686,797) | |
| <u>Net Cash Flow</u> | 390,253 | | 243,206 | | (619,573) | | 733,255 | | 834,000 | |
| Cash Balance - Beginning | 45,618 | | 435,871 | | 679,078 | | 59,505 | | 792,760 | |
| Cash Balance - Ending | 435,871 | | 679,077 | | 59,505 | | 792,760 | | 1,626,760 | |

| <u>NEIGHBORS PROPERTY</u> | | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 |
|---------------------------------------|------------------|------------------|------------------|------------|------------------|------------------|-------------------|-------------------|-------------------|
| Description | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| <u>CURRENT ASSETS</u> | | | | | | | | | |
| Cash in Banks - Total | 3,056 | 18,149 | 10,618 | | 34,618 | 58,618 | 43,760 | 67,760 | 91,760 |
| Rent Receivable | 61,800 | 60,000 | 60,000 | | 60,000 | 60,000 | 60,000 | 60,000 | 60,000 |
| <u>Total Current Assets</u> | <u>64,856</u> | <u>78,149</u> | <u>70,618</u> | | <u>94,618</u> | <u>118,618</u> | <u>103,760</u> | <u>127,760</u> | <u>151,760</u> |
| <u>FIXED ASSETS - COSI</u> | | | | | | | | | |
| Construction Project | 3,407,500 | 3,407,500 | 3,407,500 | | 3,407,500 | 3,407,500 | 3,407,500 | 3,407,500 | 3,407,500 |
| less: Accum. Depr | 0 | 0 | 0 | | 1,305,000 | 6,525,000 | 7,868,858 | 7,868,858 | 7,868,858 |
| Property & Equip - net of Depr | (493,417) | (631,521) | (769,521) | | (909,521) | (1,049,521) | (1,369,521) | (1,749,521) | (2,129,521) |
| | 2,914,083 | 2,775,979 | 2,637,979 | | 3,802,979 | 8,882,979 | 9,906,837 | 9,526,837 | 9,146,837 |
| <u>OTHER ASSETS</u> | | | | | | | | | |
| Unamortized Costs | 23,731 | 6,981 | 0 | | 0 | 0 | 0 | 0 | 0 |
| <u>Total Assets</u> | <u>3,002,670</u> | <u>2,861,109</u> | <u>2,708,597</u> | | <u>3,897,597</u> | <u>9,001,597</u> | <u>10,010,597</u> | <u>9,654,597</u> | <u>9,298,597</u> |
| <u>LIABILITIES & EQUITY</u> | | | | | | | | | |
| <u>Current Liabilities</u> | | | | | | | | | |
| Accrued Expenses | 75,229 | 72,463 | 70,065 | | 70,065 | 70,065 | 70,065 | 70,065 | 70,065 |
| Mortgage-current portion | 55,608 | 59,064 | 0 | | 0 | 0 | 0 | 0 | 0 |
| <u>Total Current Liab.</u> | <u>130,837</u> | <u>131,527</u> | <u>70,065</u> | | <u>70,065</u> | <u>70,065</u> | <u>70,065</u> | <u>70,065</u> | <u>70,065</u> |
| <u>Long Term Liabilities</u> | | | | | | | | | |
| Due To Operator | 130,000 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Mortgage Payable | 2,393,800 | 2,332,720 | 2,337,642 | | 2,337,642 | 2,337,642 | 2,337,642 | 2,337,642 | 2,337,642 |
| Mortgage - add'l | 0 | 0 | 0 | | 1,305,000 | 6,525,000 | 7,830,000 | 7,830,000 | 7,830,000 |
| <u>Total Liabilities</u> | <u>2,654,637</u> | <u>2,464,247</u> | <u>2,407,707</u> | | <u>3,712,707</u> | <u>8,932,707</u> | <u>10,237,707</u> | <u>10,237,707</u> | <u>10,237,707</u> |
| <u>EQUITY</u> | | | | | | | | | |
| Member Equity | 706,800 | 816,200 | 816,200 | | 795,600 | 795,600 | 795,600 | 795,600 | 795,600 |
| Accumulated Earnings | (259,653) | (338,167) | (419,338) | | (494,710) | (610,710) | (726,710) | (1,022,710) | (1,378,710) |
| Distributions | (20,600) | 0 | (20,600) | | 0 | 0 | 0 | 0 | 0 |
| Current Year Profit | (78,514) | (81,171) | (75,372) | | (116,000) | (116,000) | (296,000) | (356,000) | (356,000) |
| <u>Total Equity</u> | <u>348,033</u> | <u>396,862</u> | <u>300,890</u> | | <u>184,890</u> | <u>68,890</u> | <u>(227,110)</u> | <u>(583,110)</u> | <u>(939,110)</u> |
| <u>Total Liabilities & Equity</u> | <u>3,002,670</u> | <u>2,861,109</u> | <u>2,708,597</u> | | <u>3,897,597</u> | <u>9,001,597</u> | <u>10,010,597</u> | <u>9,654,597</u> | <u>9,298,597</u> |

| <u>NEIGHBORS PROPERTY</u> | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 |
|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Description | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| <u>RENTAL INCOME</u> | | | | | | | | |
| Base Rent | | | | 144,000 | 144,000 | 144,000 | 144,000 | 144,000 |
| Construction Interest | | | | 10,875 | 206,700 | 389,500 | 396,000 | 396,000 |
| Real Estate Taxes | | | | 60,000 | 62,000 | 64,000 | 68,000 | 68,000 |
| <u>Total Rental Income</u> | 289,800 | 284,600 | 288,000 | 214,875 | 412,700 | 597,500 | 608,000 | 608,000 |
| <u>EXPENSES</u> | | | | | | | | |
| Interest Expense - Base | 154,417 | 151,338 | 132,157 | 118,000 | 118,000 | 118,000 | 118,000 | 118,000 |
| Construction Interest | 0 | 0 | 0 | 10,875 | 206,700 | 389,500 | 396,000 | 396,000 |
| Real Estate Taxes | 57,844 | 56,599 | 58,483 | 60,000 | 62,000 | 64,000 | 68,000 | 68,000 |
| Professional Fees | 0 | 1,500 | 26,301 | 900 | 900 | 900 | 900 | 900 |
| Office Expense | 1,200 | 1,480 | 1,450 | 1,100 | 1,100 | 1,100 | 1,100 | 1,100 |
| <u>Total Capital Expense</u> | 213,461 | 210,917 | 218,391 | 190,875 | 388,700 | 573,500 | 584,000 | 584,000 |
| <u>Income - Cash Basis</u> | 76,339 | 73,683 | 69,609 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 |
| Amortization Exp. | (16,750) | (16,750) | (6,981) | 0 | 0 | 0 | 0 | 0 |
| Depreciation Exp. | (138,103) | (138,104) | (138,000) | (140,000) | (140,000) | (320,000) | (380,000) | (380,000) |
| <u>Net Income</u> | (78,514) | (81,171) | (75,372) | (116,000) | (116,000) | (296,000) | (356,000) | (356,000) |

| NEIGHBORS PROPERTY | 12/31/2011 | 12/31/2012 | 12/31/2013 | 12/31/2014 | 12/31/2015 | 12/31/2016 | 12/31/2017 | 12/31/2018 |
|-----------------------------|------------|------------|------------|-------------|-------------|-------------|------------|------------|
| Description | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| <u>STMT OF CASH FLOWS</u> | | | | | | | | |
| <u>Operating Activities</u> | | | | | | | | |
| Net Income | (81,171) | | (75,372) | (116,000) | (116,000) | (296,000) | (356,000) | (356,000) |
| Depr. & Amort. | 154,854 | | 144,981 | 140,000 | 140,000 | 320,000 | 380,000 | 380,000 |
| Change in Current Assets | 1,800 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Current Liab. | (2,766) | | (2,398) | 0 | 0 | 0 | 0 | 0 |
| Cash Flows From Operating | 72,717 | | 67,211 | 24,000 | 24,000 | 24,000 | 24,000 | 24,000 |
| <u>Investing Activities</u> | | | | | | | | |
| Fixed Asset Purchases | 0 | 0 | 0 | (1,305,000) | (5,220,000) | (1,343,858) | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flows From Investing | 0 | 0 | 0 | (1,305,000) | (5,220,000) | (1,343,858) | 0 | 0 |
| <u>Financing Activities</u> | | | | | | | | |
| Mortgage Payments | (57,624) | (54,142) | | 0 | 0 | 0 | 0 | 0 |
| Mortgage Proceeds | 0 | 0 | 0 | 1,305,000 | 5,220,000 | 1,305,000 | 0 | 0 |
| Distributions | 0 | (20,600) | | 0 | 0 | 0 | 0 | 0 |
| Cash Flows From Financing | (57,624) | (74,742) | (74,742) | 1,305,000 | 5,220,000 | 1,305,000 | 0 | 0 |
| Net Cash Flow | 15,093 | | (7,531) | 24,000 | 24,000 | (14,858) | 24,000 | 24,000 |
| Cash Balance - Beginning | 3,056 | | 18,149 | 10,618 | 34,618 | 58,618 | 43,760 | 67,760 |
| Cash Balance - Ending | 18,149 | | 10,618 | 34,618 | 58,618 | 43,760 | 67,760 | 91,760 |

| <u>NEIGHBORS REHAB.</u> Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|--|------------------|---------|------------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>CURRENT ASSETS</u> | | | | | | | | | | |
| Cash in Banks - Total | 401,253 | | 620,460 | | 15,745 | | 725,000 | | 1,535,000 | |
| Accounts Receivable | 1,225,000 | | 1,285,000 | | 1,465,000 | | 1,700,000 | | 1,700,000 | |
| Prepaid Expenses | 30,000 | | 30,000 | | 30,000 | | 30,000 | | 30,000 | |
| <u>Total Current Assets</u> | <u>1,656,253</u> | | <u>1,935,460</u> | | <u>1,510,745</u> | | <u>2,455,000</u> | | <u>3,265,000</u> | |
| <u>FIXED ASSETS - COST</u> | | | | | | | | | | |
| Construction Project | 675,000 | | 700,000 | | 720,000 | | 750,000 | | 800,000 | |
| less: Accum. Depr | 0 | | 0 | | 1,400,000 | | 1,400,000 | | 1,400,000 | |
| | (165,000) | | (205,000) | | (245,000) | | (305,000) | | (365,000) | |
| | 510,000 | | 495,000 | | 1,875,000 | | 1,845,000 | | 1,835,000 | |
| <u>OTHER ASSETS</u> | | | | | | | | | | |
| Other Deposits | 320,000 | | 350,000 | | 0 | | 0 | | 0 | |
| <u>Total Assets</u> | <u>2,486,253</u> | | <u>2,780,460</u> | | <u>3,385,745</u> | | <u>4,300,000</u> | | <u>5,100,000</u> | |
| <u>CURRENT LIABILITIES</u> | | | | | | | | | | |
| Accounts Payable | 150,000 | | 188,503 | | 217,700 | | 213,700 | | 208,000 | |
| Accrued Expenses | 300,000 | | 300,000 | | 380,000 | | 380,000 | | 330,000 | |
| Accrued Vacation Pay | 130,000 | | 120,000 | | 150,000 | | 150,000 | | 150,000 | |
| Payables & Accruals | 580,000 | | 608,503 | | 747,700 | | 743,700 | | 688,000 | |
| Patient Trust Fund-net | 0 | | 0 | | 0 | | 0 | | 0 | |
| Line of Credit -Private B. | 900,000 | | 1,000,000 | | 1,000,000 | | 1,000,000 | | 900,000 | |
| Note Payable - Van | 9,000 | | 5,000 | | 0 | | 0 | | 0 | |
| Deferred Repl. Tax | 11,000 | | 11,000 | | 10,000 | | 10,000 | | 10,000 | |
| <u>Total Liabilities</u> | <u>1,500,000</u> | | <u>1,624,503</u> | | <u>1,757,700</u> | | <u>1,753,700</u> | | <u>1,598,000</u> | |
| <u>EQUITY</u> | | | | | | | | | | |
| Member Equity | 257,500 | | 257,500 | | 257,500 | | 257,500 | | 257,500 | |
| Retained Earnings | 418,500 | | 728,753 | | 898,457 | | 1,370,545 | | 2,288,800 | |
| Distributions | (190,000) | | (50,000) | | (70,000) | | (553,831) | | (586,797) | |
| Current Year Profit | 500,253 | | 219,704 | | 542,088 | | 1,472,086 | | 1,542,497 | |
| <u>Total Equity</u> | <u>986,253</u> | | <u>1,155,957</u> | | <u>1,628,045</u> | | <u>2,546,300</u> | | <u>3,502,000</u> | |
| <u>Total Liabilities & Equity</u> | <u>2,486,253</u> | | <u>2,780,460</u> | | <u>3,385,745</u> | | <u>4,300,000</u> | | <u>5,100,000</u> | |

| <u>NEIGHBORS REHAB.</u> Description | <u>YTD 12/31/14</u> | | <u>YTD 12/31/15</u> | | <u>YTD 12/31/16</u> | | <u>YTD 12/31/17</u> | | <u>YTD 12/31/18</u> | |
|--|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| Total Resident Income | 5,400,871 | 171.06 | 5,486,150 | 172.76 | 6,880,907 | 188.05 | 8,565,134 | 198.87 | 8,785,444 | 203.98 |
| Provider Bed Tax | (55,298) | | (55,298) | | (67,616) | | (71,723) | | (71,723) | |
| Provider Assessments | (170,043) | | (170,597) | | (189,153) | | (217,124) | | (217,124) | |
| <u>Net Resident Income</u> | <u>5,175,530</u> | <u>163.93</u> | <u>5,260,255</u> | <u>165.65</u> | <u>6,624,139</u> | <u>181.03</u> | <u>8,276,287</u> | <u>192.16</u> | <u>8,496,597</u> | <u>197.27</u> |
| <u>Operating Expenses</u> | | | | | | | | | | |
| Nursing | 2,152,000 | 68.16 | 2,287,300 | 72.03 | 2,701,500 | 73.83 | 2,996,500 | 69.57 | 3,073,900 | 71.37 |
| Employee Welfare | 472,000 | 14.95 | 504,000 | 15.87 | 555,000 | 15.17 | 580,000 | 13.47 | 598,000 | 13.88 |
| Housekeeping & Plant | 432,000 | 13.68 | 488,000 | 15.37 | 579,000 | 15.82 | 640,000 | 14.86 | 656,000 | 15.23 |
| Laundry & Linen | 104,000 | 3.29 | 110,000 | 3.46 | 126,000 | 3.44 | 136,000 | 3.16 | 140,000 | 3.25 |
| Dietary | 448,000 | 14.19 | 470,801 | 14.83 | 535,800 | 14.64 | 596,800 | 13.86 | 608,400 | 14.13 |
| General and Admin. | 784,900 | 24.86 | 702,350 | 22.12 | 911,250 | 24.90 | 1,141,901 | 26.51 | 1,164,800 | 27.04 |
| <u>Total Operating Expense</u> | <u>4,392,902</u> | <u>139.14</u> | <u>4,562,451</u> | <u>143.68</u> | <u>5,408,550</u> | <u>147.81</u> | <u>6,091,201</u> | <u>141.43</u> | <u>6,241,100</u> | <u>144.91</u> |
| <u>Income on Operations</u> | <u>782,628</u> | <u>24.79</u> | <u>697,804</u> | <u>21.97</u> | <u>1,215,589</u> | <u>33.22</u> | <u>2,185,086</u> | <u>50.73</u> | <u>2,255,497</u> | <u>52.37</u> |
| <u>Capital Expenses</u> | | | | | | | | | | |
| Rent | 144,000 | 4.56 | 144,000 | 4.53 | 144,000 | 3.94 | 144,000 | 3.34 | 144,000 | 3.34 |
| Rent-Const. Period Int. | 10,875 | 0.34 | 206,700 | 6.51 | 389,500 | 10.64 | 396,000 | 9.19 | 396,000 | 9.19 |
| Rent-R/E Taxes | 60,000 | 1.90 | 62,000 | 1.95 | 64,000 | 1.75 | 68,000 | 1.58 | 68,000 | 1.58 |
| Interest | 24,000 | 0.76 | 25,400 | 0.80 | 32,000 | 0.87 | 30,000 | 0.70 | 30,000 | 0.70 |
| Depreciation & Amort. | 40,000 | 1.27 | 40,000 | 1.26 | 40,000 | 1.09 | 60,000 | 1.39 | 60,000 | 1.39 |
| State Replacement Tax | 3,500 | 0.11 | 0 | 0.00 | 4,000 | 0.11 | 15,000 | 0.35 | 15,000 | 0.35 |
| <u>Total Capital Expenses</u> | <u>282,375</u> | <u>8.94</u> | <u>478,100</u> | <u>15.06</u> | <u>673,500</u> | <u>18.41</u> | <u>713,000</u> | <u>16.55</u> | <u>713,000</u> | <u>16.55</u> |
| <u>Income From Operations</u> | <u>500,253</u> | <u>15.84</u> | <u>219,704</u> | <u>6.92</u> | <u>542,089</u> | <u>14.81</u> | <u>1,472,086</u> | <u>34.18</u> | <u>1,542,497</u> | <u>35.81</u> |
| Other Income | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| <u>Net Income</u> | <u>500,253</u> | <u>15.84</u> | <u>219,704</u> | <u>6.92</u> | <u>542,089</u> | <u>14.81</u> | <u>1,472,086</u> | <u>34.18</u> | <u>1,542,497</u> | <u>35.81</u> |
| <u>Net Income</u> | <u>500,253</u> | | <u>219,704</u> | | <u>542,089</u> | | <u>1,472,086</u> | | <u>1,542,497</u> | |
| Int. Tax, Depr, Amort, Rent | 222,375 | | 416,100 | | 609,500 | | 645,000 | | 645,000 | |
| EBITDAR for period | 722,628 | | 635,804 | | 1,151,589 | | 2,117,086 | | 2,187,497 | |
| Debt Service Coverage | 4.7 | | 1.8 | | 2.2 | | 3.9 | | 4.1 | |

| <u>NEIGHBORS REHAB.</u> | | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-------------------------|--|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| Description | | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>AVERAGE PER DAY</u> | | | | | | | | | | | |
| Private | | 13.5 | | 13.5 | | 15.4 | | 19.0 | | 19.0 | |
| Public Aid | | 54.3 | | 54.5 | | 59.9 | | 68.0 | | 68.0 | |
| Medicare | | 9.8 | | 10.0 | | 14.9 | | 20.0 | | 20.0 | |
| Hospice | | 8.0 | | 8.0 | | 8.3 | | 8.0 | | 8.0 | |
| Insurance | | 1.0 | | 1.0 | | 1.9 | | 3.0 | | 3.0 | |
| Avg. Per Day - in house | | 86.5 | | 87.0 | | 100.3 | | 118.0 | | 118.0 | |

| | | | | | | | | | | | |
|---------------------|--|--------|--|--------|--|--------|--|--------|--|--------|--|
| <u>TOTAL CENSUS</u> | | | | | | | | | | | |
| Census-Private | | 4,928 | | 4,928 | | 5,612 | | 6,935 | | 6,935 | |
| Census-Medicaid | | 19,801 | | 19,893 | | 21,854 | | 24,820 | | 24,820 | |
| Census-Medicare | | 3,559 | | 3,650 | | 5,429 | | 7,300 | | 7,300 | |
| Census-Hospice | | 2,920 | | 2,920 | | 3,011 | | 2,920 | | 2,920 | |
| Census-HMO | | 365 | | 365 | | 684 | | 1,095 | | 1,095 | |
| Census-In House | | 31,573 | | 31,755 | | 36,591 | | 43,070 | | 43,070 | |
| Days in Period | | 365.00 | | 365.00 | | 365.00 | | 365.00 | | 365.00 | |
| Bed Capacity | | 101 | | 101 | | 119 | | 131 | | 131 | |
| Percent to Capacity | | 85.6% | | 86.1% | | 84.2% | | 90.1% | | 90.1% | |

| | | | | | | | | | | | |
|---------------------------|--|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| <u>INCOME</u> | | | | | | | | | | | |
| Private | | 960,647 | 194.96 | 960,863 | 195.00 | 1,138,116 | 202.80 | 1,421,675 | 205.00 | 1,456,350 | 210.00 |
| Medicare | | 1,659,838 | 466.41 | 1,747,438 | 478.75 | 2,678,644 | 493.36 | 3,650,000 | 500.00 | 3,796,000 | 520.00 |
| Public Aid | | 2,616,537 | 132.14 | 2,638,541 | 132.64 | 2,933,051 | 134.21 | 3,354,175 | 135.14 | 3,391,405 | 136.64 |
| P.A. - Rate Incr. \$6.60 | | 0 | | 0 | | 77,088 | | 161,403 | 6.50 | 161,403 | 6.50 |
| Hospice | | 385,849 | 132.14 | 387,309 | 132.64 | 404,020 | 134.17 | 394,609 | 135.14 | 398,989 | 136.64 |
| Hospice-Rate Incr. \$6.60 | | 0 | | 0 | | 10,238 | | 19,272 | 6.60 | 19,272 | 6.60 |
| HMO | | 146,000 | 400.00 | 146,000 | 400.00 | 273,750 | 400.00 | 438,000 | 400.00 | 454,425 | 415.00 |
| Day Care | | 2,000 | | 2,000 | | 2,000 | | 2,000 | | 2,000 | |
| Ancillary Exp. - Part A | | (390,000) | (109.59) | (420,000) | (115.07) | (660,000) | (121.56) | (900,000) | (123.29) | (918,000) | (125.75) |
| Ancillary Inc. - Other | | 120,000 | | 140,000 | | 140,000 | | 140,000 | | 143,000 | |
| Ancillary Exp. - Other | | (100,000) | | (116,000) | | (116,000) | | (116,000) | | (119,400) | |
| Total Resident Income | | 5,400,871 | 171.06 | 5,486,150 | 172.76 | 6,880,907 | 188.05 | 8,565,134 | 198.87 | 8,785,444 | 203.98 |

| | | | | | | | | | | | |
|------------------------------|--|-----------|--------|-----------|--------|-----------|--------|-----------|--------|-----------|--------|
| <u>Other Income(Expense)</u> | | | | | | | | | | | |
| Illinois Bed Tax | | (55,298) | | (55,298) | | (67,616) | | (71,723) | | (71,723) | |
| Provider Assessment Tax | | (170,043) | | (170,597) | | (189,153) | | (217,124) | | (217,124) | |
| Miscellaneous Income | | 0 | | 0 | | 0 | | 0 | | 0 | |
| Total Income | | 5,175,530 | 163.93 | 5,260,255 | 165.65 | 6,624,139 | 181.03 | 8,276,287 | 192.16 | 8,496,597 | 197.27 |

| <u>NEIGHBORS REHAB.</u> Description | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|--|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>NURSING</u> | | | | | | | | | | |
| Salary - Dir of Nursing | 80,000 | 2.53 | 84,000 | 2.65 | 88,000 | 2.40 | 92,000 | 2.14 | 95,000 | 2.21 |
| Salary - Asst Dir | 60,000 | 1.90 | 64,000 | 2.02 | 68,000 | 1.86 | 69,000 | 1.60 | 71,000 | 1.65 |
| Salary - RN's & LPN's | 600,000 | 19.00 | 684,000 | 21.54 | 852,000 | 23.28 | 969,000 | 22.50 | 989,000 | 22.96 |
| Salary - Program Aides | 840,000 | 26.61 | 906,500 | 28.55 | 1,042,500 | 28.49 | 1,150,000 | 26.70 | 1,185,000 | 27.51 |
| Salary - Therapy Dept. | 104,000 | 3.29 | 114,000 | 3.59 | 135,000 | 3.69 | 151,000 | 3.51 | 156,000 | 3.62 |
| Salary - Med Rec/CPC | 80,000 | 2.53 | 84,000 | 2.65 | 92,000 | 2.51 | 100,000 | 2.32 | 102,000 | 2.37 |
| Contract Nurses | 60,000 | 1.90 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Salary - Psycho Social | 60,000 | 1.90 | 62,000 | 1.95 | 81,000 | 2.21 | 93,000 | 2.16 | 95,000 | 2.21 |
| Salary - Activity | 112,000 | 3.55 | 116,000 | 3.65 | 134,500 | 3.68 | 144,000 | 3.34 | 147,000 | 3.41 |
| <u>Total Salaries</u> | 1,996,000 | 63.22 | 2,114,500 | 66.59 | 2,493,000 | 68.13 | 2,768,000 | 64.27 | 2,840,000 | 65.94 |

| | | | | | | | | | | |
|-----------------------|--------|------|--------|------|--------|------|--------|------|--------|------|
| Nursing Supplies | 60,000 | 1.90 | 68,000 | 2.14 | 85,000 | 2.32 | 95,000 | 2.21 | 98,000 | 2.28 |
| Wound Care Supplies | 4,000 | 0.13 | 5,200 | 0.16 | 6,500 | 0.18 | 7,400 | 0.17 | 7,700 | 0.18 |
| Enteral Supplies | 12,000 | 0.38 | 16,000 | 0.50 | 20,700 | 0.57 | 23,000 | 0.53 | 23,700 | 0.55 |
| Nursing Equip. Rental | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Oxygen, Lab, X-Ray | 5,000 | 0.16 | 5,200 | 0.16 | 6,500 | 0.18 | 7,400 | 0.17 | 7,800 | 0.18 |
| Prescription Drugs | 4,000 | 0.13 | 4,800 | 0.15 | 6,000 | 0.16 | 6,800 | 0.16 | 7,200 | 0.17 |
| Activity Programs | 9,000 | 0.29 | 9,600 | 0.30 | 11,700 | 0.32 | 12,900 | 0.30 | 13,500 | 0.31 |

| | | | | | | | | | | |
|----------------------------|---------|------|---------|------|---------|------|---------|------|---------|------|
| <u>CONSULTANTS</u> | | | | | | | | | | |
| Activity | 2,000 | 0.06 | 1,600 | 0.05 | 2,000 | 0.05 | 2,400 | 0.06 | 2,400 | 0.06 |
| Physical & Occup. Therap. | 1,000 | 0.03 | 2,000 | 0.06 | 4,300 | 0.12 | 4,600 | 0.11 | 4,600 | 0.11 |
| Social Worker | 1,600 | 0.05 | 1,600 | 0.05 | 2,000 | 0.05 | 2,400 | 0.06 | 2,400 | 0.06 |
| Medical Records | 1,000 | 0.03 | 1,200 | 0.04 | 1,700 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 |
| Pharmacy | 7,000 | 0.22 | 8,000 | 0.25 | 9,500 | 0.26 | 10,000 | 0.23 | 10,000 | 0.23 |
| Speech Therapy | 1,000 | 0.03 | 1,200 | 0.04 | 1,700 | 0.05 | 2,200 | 0.05 | 2,200 | 0.05 |
| Medical Director | 10,000 | 0.32 | 10,000 | 0.31 | 12,500 | 0.34 | 14,000 | 0.33 | 14,000 | 0.33 |
| Specialized Rehab | 9,600 | 0.30 | 9,600 | 0.30 | 9,600 | 0.26 | 9,600 | 0.22 | 9,600 | 0.22 |
| Nursing | 28,800 | 0.91 | 28,800 | 0.91 | 28,800 | 0.79 | 28,800 | 0.67 | 28,800 | 0.67 |
| <u>Total Other Nursing</u> | 156,000 | 4.94 | 172,800 | 5.44 | 208,500 | 5.70 | 228,500 | 5.31 | 233,900 | 5.43 |

| | | | | | | | | | | |
|----------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|
| <u>Total Nursing</u> | 2,152,000 | 68.16 | 2,287,300 | 72.03 | 2,701,500 | 73.83 | 2,996,500 | 69.57 | 3,073,900 | 71.37 |
|----------------------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|

| <u>NEIGHBORS REHAB.</u> | | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-------------------------------|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Description | | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>EMPLOYEE WELFARE</u> | | | | | | | | | | | |
| Payroll Taxes | | 260,000 | 8.24 | 280,000 | 8.82 | 309,000 | 8.44 | 320,000 | 7.43 | 329,000 | 7.64 |
| Workers Comp. Insur. | | 52,000 | 1.65 | 56,000 | 1.76 | 62,000 | 1.69 | 64,000 | 1.49 | 66,000 | 1.53 |
| Employee Insurance | | 120,000 | 3.80 | 128,000 | 4.03 | 142,000 | 3.88 | 152,000 | 3.53 | 158,000 | 3.67 |
| Classified Advertising | | 8,000 | 0.25 | 8,000 | 0.25 | 8,000 | 0.22 | 8,000 | 0.19 | 8,000 | 0.19 |
| Employee Benefits | | 32,000 | 1.01 | 32,000 | 1.01 | 34,000 | 0.93 | 36,000 | 0.84 | 37,000 | 0.86 |
| <u>Total Employee Welfare</u> | | <u>472,000</u> | <u>14.95</u> | <u>504,000</u> | <u>15.87</u> | <u>555,000</u> | <u>15.17</u> | <u>580,000</u> | <u>13.47</u> | <u>598,000</u> | <u>13.88</u> |

| <u>HOUSEKEEPING & PLANT</u> | | | | | | | | | | | |
|------------------------------------|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Salary - Housekeeping | | 140,000 | 4.43 | 148,000 | 4.66 | 181,000 | 4.95 | 200,000 | 4.64 | 205,000 | 4.76 |
| Salary - Maintenance | | 48,000 | 1.52 | 52,000 | 1.64 | 58,500 | 1.60 | 63,000 | 1.46 | 64,700 | 1.50 |
| Dir. of Envir. Services | | 12,000 | 0.38 | 12,000 | 0.38 | 12,000 | 0.33 | 12,000 | 0.28 | 12,000 | 0.28 |
| Housekeeping Supply | | 20,000 | 0.63 | 24,000 | 0.76 | 31,000 | 0.85 | 33,000 | 0.77 | 33,600 | 0.78 |
| Grounds Maintenance | | 8,000 | 0.25 | 8,000 | 0.25 | 8,000 | 0.22 | 9,000 | 0.21 | 9,200 | 0.21 |
| Paint & Deferred Maint | | 8,000 | 0.25 | 10,000 | 0.31 | 16,000 | 0.44 | 19,000 | 0.44 | 20,000 | 0.46 |
| Equip Mfce & Repair | | 28,000 | 0.89 | 40,000 | 1.26 | 44,000 | 1.20 | 45,000 | 1.04 | 46,000 | 1.07 |
| Maintenance Supplies | | 40,000 | 1.27 | 44,000 | 1.39 | 48,000 | 1.31 | 50,000 | 1.16 | 51,000 | 1.18 |
| Scavenger | | 16,000 | 0.51 | 18,000 | 0.57 | 21,500 | 0.59 | 24,000 | 0.56 | 25,000 | 0.58 |
| Exterminator | | 2,000 | 0.06 | 2,000 | 0.06 | 2,000 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 |
| Fire Service | | 10,000 | 0.32 | 10,000 | 0.31 | 10,000 | 0.27 | 11,000 | 0.26 | 11,500 | 0.27 |
| Utilities - Total | | 100,000 | 3.17 | 120,000 | 3.78 | 147,000 | 4.02 | 172,000 | 3.99 | 176,000 | 4.09 |
| <u>Total Housekeep & Plant</u> | | <u>432,000</u> | <u>13.68</u> | <u>488,000</u> | <u>15.37</u> | <u>579,000</u> | <u>15.82</u> | <u>640,000</u> | <u>14.86</u> | <u>656,000</u> | <u>15.23</u> |

| <u>LAUNDRY & LINEN</u> | | | | | | | | | | | |
|----------------------------|--|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|----------------|-------------|
| Salary - Laundry | | 80,000 | 2.53 | 84,000 | 2.65 | 93,000 | 2.54 | 98,000 | 2.28 | 100,000 | 2.32 |
| Laundry Supplies | | 16,000 | 0.51 | 17,000 | 0.54 | 20,500 | 0.56 | 23,000 | 0.53 | 24,000 | 0.56 |
| Linen Replacement | | 8,000 | 0.25 | 9,000 | 0.28 | 12,500 | 0.34 | 15,000 | 0.35 | 16,000 | 0.37 |
| <u>Total Laundry</u> | | <u>104,000</u> | <u>3.29</u> | <u>110,000</u> | <u>3.46</u> | <u>126,000</u> | <u>3.44</u> | <u>136,000</u> | <u>3.16</u> | <u>140,000</u> | <u>3.25</u> |

| <u>DIETARY</u> | | | | | | | | | | | |
|----------------------|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| Salary - Dietary | | 248,000 | 7.85 | 260,000 | 8.19 | 280,000 | 7.65 | 290,000 | 6.73 | 297,000 | 6.90 |
| Food | | 160,000 | 5.07 | 168,001 | 5.29 | 205,200 | 5.61 | 247,400 | 5.74 | 251,000 | 5.83 |
| Dietary Supplies | | 18,000 | 0.57 | 20,000 | 0.63 | 26,500 | 0.72 | 34,000 | 0.79 | 35,000 | 0.81 |
| Sales Tax | | 600 | 0.02 | 800 | 0.03 | 1,100 | 0.03 | 1,400 | 0.03 | 1,400 | 0.03 |
| Dietary Consultant | | 9,400 | 0.30 | 10,000 | 0.31 | 11,000 | 0.30 | 12,000 | 0.28 | 12,000 | 0.28 |
| Dir. of Food Service | | 12,000 | 0.38 | 12,000 | 0.38 | 12,000 | 0.33 | 12,000 | 0.28 | 12,000 | 0.28 |
| <u>Total Dietary</u> | | <u>448,000</u> | <u>14.19</u> | <u>470,801</u> | <u>14.83</u> | <u>535,800</u> | <u>14.64</u> | <u>596,800</u> | <u>13.86</u> | <u>608,400</u> | <u>14.13</u> |

| NEIGHBORS REHAB. | | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|--------------------------|---------|--------------|---------|--------------|---------|--------------|-----------|--------------|-----------|--------------|--|
| Description | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | |
| GENERAL & ADMINISTRATIVE | | | | | | | | | | | |
| Salary-Administrative | 92,000 | 2.91 | 96,000 | 3.02 | 102,000 | 2.79 | 110,000 | 2.55 | 113,000 | 2.62 | |
| Salary-Office | 108,000 | 3.42 | 112,200 | 3.53 | 126,000 | 3.44 | 136,000 | 3.16 | 140,000 | 3.25 | |
| Dir. of Admissions | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 | |
| Dir. of Reimb. Services | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 | |
| Dir. of Admin. Services | 28,800 | 0.91 | 28,800 | 0.91 | 28,800 | 0.79 | 28,800 | 0.67 | 28,800 | 0.67 | |
| Dir. of Regulatory Serv. | 14,400 | 0.46 | 14,400 | 0.45 | 14,400 | 0.39 | 14,400 | 0.33 | 14,400 | 0.33 | |
| Ancillary Admin Charge | 24,000 | 0.76 | 24,000 | 0.76 | 24,000 | 0.66 | 24,000 | 0.56 | 24,000 | 0.56 | |
| Accounting Fees | 54,000 | 1.71 | 54,000 | 1.70 | 54,000 | 1.48 | 54,000 | 1.25 | 54,000 | 1.25 | |
| Advertising & Promo | 27,200 | 0.86 | 30,000 | 0.94 | 32,000 | 0.87 | 34,000 | 0.79 | 35,000 | 0.81 | |
| Bookkeeping Services | 49,600 | 1.57 | 49,600 | 1.56 | 49,600 | 1.36 | 49,600 | 1.15 | 49,600 | 1.15 | |
| Computer Support | 8,800 | 0.28 | 8,800 | 0.28 | 8,000 | 0.22 | 8,000 | 0.19 | 8,000 | 0.19 | |
| Contributions | 2,000 | 0.06 | 2,000 | 0.06 | 2,000 | 0.05 | 2,000 | 0.05 | 2,000 | 0.05 | |
| Dues & Subscriptions | 24,000 | 0.76 | 24,800 | 0.78 | 25,600 | 0.70 | 26,500 | 0.62 | 27,000 | 0.63 | |
| Education & Seminars | 6,000 | 0.19 | 6,400 | 0.20 | 6,800 | 0.19 | 7,500 | 0.17 | 8,000 | 0.19 | |
| Equipment Rental | 4,000 | 0.13 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 | |
| General Insurance | 78,000 | 2.47 | 82,000 | 2.58 | 91,000 | 2.49 | 96,000 | 2.23 | 98,000 | 2.28 | |
| Legal Fees | 4,000 | 0.13 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 | |
| License, Fees, Permits | 2,800 | 0.09 | 4,000 | 0.13 | 4,000 | 0.11 | 4,000 | 0.09 | 4,000 | 0.09 | |
| Management Fees | 160,900 | 5.10 | 54,900 | 1.73 | 226,600 | 6.19 | 428,300 | 9.94 | 439,300 | 10.20 | |
| Office Expense | 21,600 | 0.68 | 23,950 | 0.75 | 27,600 | 0.75 | 28,801 | 0.67 | 29,300 | 0.68 | |
| Other Prof. Fees | 20,000 | 0.63 | 20,800 | 0.66 | 20,800 | 0.57 | 20,800 | 0.48 | 20,800 | 0.48 | |
| Telephone | 18,000 | 0.57 | 20,100 | 0.63 | 21,700 | 0.59 | 22,400 | 0.52 | 22,800 | 0.53 | |
| Travel-Staff & Enter. | 8,000 | 0.25 | 8,800 | 0.28 | 9,550 | 0.26 | 10,000 | 0.23 | 10,000 | 0.23 | |
| Total General & Admin. | 784,900 | 24.86 | 702,350 | 22.12 | 911,250 | 24.90 | 1,141,901 | 26.51 | 1,164,800 | 27.04 | |

| | | | | | | | | | | |
|------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| <u>CAPITAL AND REPLACEMENT TAX</u> | | | | | | | | | | |
| Rent | 144,000 | 4.56 | 144,000 | 4.53 | 144,000 | 3.94 | 144,000 | 3.34 | 144,000 | 3.34 |
| Construction Interest | 10,875 | 0.34 | 206,700 | 6.51 | 389,500 | 10.64 | 396,000 | 9.19 | 396,000 | 9.19 |
| Real Estate Taxes | 60,000 | 1.90 | 62,000 | 1.95 | 64,000 | 1.75 | 68,000 | 1.58 | 68,000 | 1.58 |
| Interest Expenses | 24,000 | 0.76 | 25,400 | 0.80 | 32,000 | 0.87 | 30,000 | 0.70 | 30,000 | 0.70 |
| Depreciation & Amort. | 40,000 | 1.27 | 40,000 | 1.26 | 40,000 | 1.09 | 60,000 | 1.39 | 60,000 | 1.39 |
| State Repl. Tax | 3,500 | 0.11 | 0 | 0.00 | 4,000 | 0.11 | 15,000 | 0.35 | 15,000 | 0.35 |
| <u>Total Capital Expenses</u> | <u>282,375</u> | <u>8.94</u> | <u>478,100</u> | <u>15.06</u> | <u>673,500</u> | <u>18.41</u> | <u>713,000</u> | <u>16.55</u> | <u>713,000</u> | <u>16.55</u> |
| <u>Total Expenses</u> | <u>4,675,275</u> | <u>148.08</u> | <u>5,040,551</u> | <u>158.73</u> | <u>6,082,050</u> | <u>166.22</u> | <u>6,804,201</u> | <u>157.98</u> | <u>6,954,100</u> | <u>161.46</u> |
| <u>NET INCOME</u> | | | | | | | | | | |
| | 500,255 | 15.84 | 219,704 | 6.92 | 542,089 | 14.81 | 1,472,086 | 34.18 | 1,542,497 | 35.81 |

| <u>NEIGHBORS REHAB.</u> | | YTD 12/31/14 | | YTD 12/31/15 | | YTD 12/31/16 | | YTD 12/31/17 | | YTD 12/31/18 | |
|-----------------------------|--|--------------|---------|--------------|---------|--------------|---------|--------------|---------|--------------|---------|
| Description | | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day | Amount | Per Day |
| <u>NEIGHBORS REHAB.</u> | | | | | | | | | | | |
| <u>STMT. OF CASH FLOWS</u> | | | | | | | | | | | |
| <u>Operating Activities</u> | | | | | | | | | | | |
| Net Income | | 500,253 | | 219,704 | | 542,088 | | 1,472,086 | | 1,542,497 | |
| Non-Cash Items | | 40,000 | | 40,000 | | 40,000 | | 60,000 | | 60,000 | |
| Change in Current Assets | | 0 | | (60,000) | | (180,000) | | (235,000) | | 0 | |
| Change in Current Liab. | | (20,000) | | 28,502 | | 138,197 | | (4,000) | | (55,700) | |
| Cash Flows From Operating | | 520,253 | | 228,206 | | 540,285 | | 1,293,086 | | 1,546,797 | |
| <u>Investing Activities</u> | | | | | | | | | | | |
| Fixed Asset Purchases | | (25,000) | | (25,000) | | (20,000) | | (30,000) | | (50,000) | |
| Construction Project | | 0 | | 0 | | (1,400,000) | | 0 | | 0 | |
| Change in Other Assets | | (135,000) | | (30,000) | | 350,000 | | 0 | | 0 | |
| Cash Flows From Investing | | (160,000) | | (55,000) | | (1,070,000) | | (30,000) | | (50,000) | |
| <u>Financing Activities</u> | | | | | | | | | | | |
| Note Pay-Private Bank | | 200,000 | | 100,000 | | 0 | | 0 | | (100,000) | |
| Note Pay-Van | | (4,000) | | (4,000) | | (5,000) | | 0 | | 0 | |
| Distributions | | (190,000) | | (50,000) | | (70,000) | | (553,831) | | (586,797) | |
| Cash Flows From Financing | | 6,000 | | 46,000 | | (75,000) | | (553,831) | | (686,797) | |
| <u>Net Cash Flow</u> | | 366,253 | | 219,206 | | (604,715) | | 709,255 | | 810,000 | |
| Cash Balance - Beginning | | 35,000 | | 401,253 | | 620,460 | | 15,745 | | 725,000 | |
| Cash Balance - Ending | | 401,253 | | 620,459 | | 15,745 | | 725,000 | | 1,535,000 | |

NEIGHBORS PROPERTY, LLC
BALANCE SHEET
DECEMBER 31, 2012 AND 2011

ASSETS

| | <u>12/31/12</u> | <u>12/31/11</u> |
|--------------------------------|--------------------|--------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash and Cash Equivalents | \$18,149 | \$3,056 |
| Rent Receivable | 60,000 | 61,800 |
| TOTAL CURRENT ASSETS | <u>\$78,149</u> | <u>\$64,856</u> |
| <u>PROPERTY AND EQUIPMENT</u> | | |
| Acquisition | \$2,550,000 | \$2,550,000 |
| Goodwill | 657,500 | 657,500 |
| Partner Redemption Account | 200,000 | 200,000 |
| Total Cost Basis | <u>\$3,407,500</u> | <u>\$3,407,500</u> |
| Less: Accumulated Depreciation | (631,521) | (493,417) |
| NET CARRYING VALUE | <u>\$2,775,979</u> | <u>\$2,914,083</u> |
| <u>OTHER ASSETS</u> | | |
| Mortgage Costs | \$83,752 | \$83,752 |
| Less: Accumulated Amortization | (76,771) | (60,021) |
| TOTAL OTHER ASSETS | <u>\$6,981</u> | <u>\$23,731</u> |
| TOTAL ASSETS | <u>\$2,861,109</u> | <u>\$3,002,670</u> |

LIABILITIES AND MEMBERS' EQUITY

| | | |
|---------------------------------------|--------------------|--------------------|
| <u>LIABILITIES</u> | | |
| Accrued Interest | \$12,463 | \$13,429 |
| Accrued Real Estate Taxes | 60,000 | 61,800 |
| Due To Neighbors Rehab Center, LLC | 0 | 130,000 |
| Mortgage Payable - Private Bank | 2,391,784 | 2,449,408 |
| TOTAL LIABILITIES | <u>\$2,464,247</u> | <u>\$2,654,637</u> |
| <u>MEMBERS' EQUITY</u> | | |
| Capital Contributed - net | \$816,200 | \$706,800 |
| Accumulated Earnings(Losses) | (338,167) | (259,653) |
| Net Income | (81,171) | (78,514) |
| Partners Distributions | 0 | (20,600) |
| TOTAL MEMBERS' EQUITY | <u>\$396,862</u> | <u>\$348,033</u> |
| TOTAL LIABILITIES AND MEMBERS' EQUITY | <u>\$2,861,109</u> | <u>\$3,002,670</u> |

NEIGHBORS PROPERTY, LLC
STATEMENT OF INCOME AND EXPENSE
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

| | Year Ended 12/31/12 | Year Ended 12/31/11 |
|---|------------------------|------------------------|
| RENTAL INCOME | \$284,600 | \$289,800 |
| <u>CAPITAL EXPENSES</u> | | |
| Amortization of Mortgage Costs - Private Bank | \$16,750 | \$16,750 |
| Depreciation Expense | 138,104 | 138,103 |
| Fees | 275 | 0 |
| Interest Expense | 151,338 | 154,417 |
| Real Estate Tax Expense | 56,599 | 57,844 |
| Professional Fees | 1,500 | 0 |
| Office Expense | 1,205 | 1,200 |
| TOTAL CAPITAL EXPENSES | 365,771 | 368,314 |
| <u>INCOME (LOSS) BEFORE OTHER INCOME</u> | (\$81,171) | (\$78,514) |
| Other Income - Interest Income | 0 | 0 |
| <u>NET INCOME</u> | (\$81,171) | (\$78,514) |

NEIGHBORS PROPERTY, LLC
BALANCE SHEET
DECEMBER 31, 2011 AND 2010

ASSETS

| | 12/31/11 | 12/31/10 |
|--------------------------------|--------------------|--------------------|
| <u>CURRENT ASSETS</u> | | |
| Cash and Cash Equivalents | \$3,056 | \$2,083 |
| Rent Receivable | 61,800 | 61,800 |
| TOTAL CURRENT ASSETS | <u>\$64,856</u> | <u>\$63,883</u> |
| <u>PROPERTY AND EQUIPMENT</u> | | |
| Acquisition | \$2,550,000 | \$2,550,000 |
| Goodwill | 657,500 | 657,500 |
| Partner Redemption Account | 200,000 | 200,000 |
| Total Cost Basis | <u>\$3,407,500</u> | <u>\$3,407,500</u> |
| Less: Accumulated Depreciation | (493,418) | (355,314) |
| NET CARRYING VALUE | <u>\$2,914,082</u> | <u>\$3,052,186</u> |
| <u>OTHER ASSETS</u> | | |
| Mortgage Costs | \$83,752 | \$83,752 |
| Less: Accumulated Amortization | (60,021) | (43,271) |
| TOTAL OTHER ASSETS | <u>\$23,731</u> | <u>\$40,481</u> |
| TOTAL ASSETS | <u>\$3,002,669</u> | <u>\$3,156,550</u> |

LIABILITIES AND MEMBERS' EQUITY

LIABILITIES

| | | |
|------------------------------------|--------------------|--------------------|
| Accrued Interest | \$13,429 | \$13,947 |
| Accrued Real Estate Taxes | 61,800 | 61,800 |
| Due To Neighbors Rehab Center, LLC | 130,000 | 260,000 |
| Member Loans Payable | 0 | 0 |
| Mortgage Payable - Private Bank | 2,449,408 | 2,503,656 |
| TOTAL LIABILITIES | <u>\$2,654,637</u> | <u>\$2,839,403</u> |

MEMBERS' EQUITY

| | | |
|------------------------------|------------------|------------------|
| Capital Contributed - net | \$706,800 | \$597,400 |
| Accumulated Earnings(Losses) | (259,653) | (174,796) |
| Net Income | (78,515) | (84,857) |
| Partners Distributions | (20,600) | (20,600) |
| TOTAL MEMBERS' EQUITY | <u>\$348,032</u> | <u>\$317,147</u> |

| | | |
|---------------------------------------|--------------------|--------------------|
| TOTAL LIABILITIES AND MEMBERS' EQUITY | <u>\$3,002,669</u> | <u>\$3,156,550</u> |
|---------------------------------------|--------------------|--------------------|

NEIGHBORS PROPERTY, LLC
STATEMENT OF INCOME AND EXPENSE
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

| | Year Ended 12/31/11 | Year Ended 12/31/10 |
|---|------------------------|------------------------|
| RENTAL INCOME | \$289,800 | \$289,800 |
| <u>CAPITAL EXPENSES</u> | | |
| Amortization of Mortgage Costs - Private Bank | \$16,750 | \$16,750 |
| Depreciation Expense | 138,103 | 138,103 |
| Fees | 0 | 618 |
| Interest Expense | 154,418 | 158,766 |
| Real Estate Tax Expense | 57,844 | 60,020 |
| Professional Fees | 0 | 0 |
| Office Expense | 1,200 | 400 |
| TOTAL CAPITAL EXPENSES | 368,315 | 374,657 |
| <u>INCOME (LOSS) BEFORE OTHER INCOME</u> | (\$78,515) | (\$84,857) |
| Other Income - Interest Income | 0 | 0 |
| <u>NET INCOME</u> | (\$78,515) | (\$84,857) |



Frost
Rittenberg &
Rothblatt PC
CPAs & Business Advisors

Neighbors Rehabilitation Center, LLC

Financial Statements and Supplementary Information

December 31, 2012

Neighbors Rehabilitation Center, LLC
December 31, 2012

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**To the Members
Neighbors Rehabilitation Center, LLC**

Independent Accountant's Review Report

We have reviewed the accompanying balance sheet of Neighbors Rehabilitation Center, LLC (the "Company") as of December 31, 2012, and the related statements of operations and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described below, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note (1) D to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that the Company's financial statements do not include the accounts of Neighbors Property, LLC, that the Company has determined is a variable interest entity and in which the Company holds a variable interest and is the primary beneficiary.



Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Frost, Rittenberg & Rothblatt, P.C.

March 27, 2013

Financial Statements

Neighbors Rehabilitation Center, LLC

Balance Sheet

December 31, 2012

ASSETS

Current Assets

| | |
|---|------------------|
| Cash and cash equivalents | \$ 121,645 |
| Accounts receivable, net of allowance for doubtful accounts | 1,266,050 |
| Prepaid insurance | 30,806 |
| Prepaid expenses | 4,960 |
| Total Current Assets | 1,423,461 |

Property and Equipment

| | |
|------------------------------------|----------------|
| Leasehold improvements | 432,540 |
| Furniture, fixtures and equipment | 127,115 |
| Computer equipment | 31,374 |
| Vehicles | 19,000 |
| Total Cost | 610,029 |
| Less: accumulated depreciation | (83,935) |
| Property and Equipment, Net | 526,094 |

Other Assets

| | |
|---------------------------|---------------|
| Construction in process | 62,282 |
| Total Other Assets | 62,282 |

TOTAL ASSETS

\$ 2,011,837

See independent accountant's review report and accompanying notes.

Neighbors Rehabilitation Center, LLC

Balance Sheet

December 31, 2012

LIABILITIES

Current Liabilities

| | |
|--|------------------|
| Accounts Payable | |
| Trade | \$ 139,254 |
| Accrued Liabilities | |
| Payroll and payroll taxes | 130,378 |
| Vacation pay | 118,177 |
| Expenses | 130,183 |
| Rent | 60,000 |
| Consulting fees | 7,569 |
| Line of credit | 700,000 |
| Residents' trust fund liability, net | 70 |
| Deferred replacement tax | 11,000 |
| Note payable - vehicle - current portion | 3,500 |
| Total Current Liabilities | 1,300,131 |

Long-Term Liabilities

| | |
|------------------------------------|---------------|
| Note payable - vehicle | 16,780 |
| Less: current portion | (3,500) |
| Total Long-Term Liabilities | 13,280 |

TOTAL LIABILITIES

1,313,411

MEMBERS' EQUITY

| | |
|---------------------------------------|----------------|
| Members' Equity - Beginning | 680,412 |
| Net income | 570,314 |
| Distributions | (552,300) |
| Total Members' Equity - Ending | 698,426 |

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 2,011,837

See independent accountant's review report and accompanying notes.

Neighbors Rehabilitation Center, LLC

Statement of Operations

For the Year Ended December 31, 2012

| | Amount | Amount Per Resident Day |
|---|---------------------|-------------------------|
| Net Resident Revenue | \$ 5,199,047 | \$ 153.56 |
| Operating Expenses | | |
| Nursing | 2,053,933 | 60.65 |
| Housekeeping and plant | 393,694 | 11.65 |
| Dietary | 439,928 | 12.99 |
| Employee welfare | 471,466 | 13.92 |
| Laundry and linen | 103,937 | 3.08 |
| Total Operating Expenses | 3,462,958 | 102.29 |
| Income Before General and Administrative Expenses | 1,736,089 | 51.27 |
| General and administrative expenses | 902,816 | 26.67 |
| Income Before Capital Expenses | 833,273 | 24.60 |
| Capital Expenses | | |
| Rent | 282,800 | 8.35 |
| Interest expense | 25,484 | 0.75 |
| Depreciation | 29,568 | 0.87 |
| Total Capital Expenses | 337,852 | 9.97 |
| Income Before Other Income | 495,421 | 14.63 |
| Other Income | | |
| Interest income | 3,973 | 0.12 |
| Other income | 4,996 | 0.15 |
| Total Other Income | 8,969 | 0.27 |
| Income Before Revision of Prior Accounting Estimates | 504,390 | 14.90 |
| Revision of prior accounting estimates | 65,924 | 1.95 |
| NET INCOME | \$ 570,314 | \$ 16.85 |

See Independent accountant's review report and accompanying notes.

Neighbors Rehabilitation Center, LLC
Statement of Cash Flows
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|------------|------------|
| Net Income | \$ 570,314 |
|------------|------------|

Adjustments To Reconcile Net Income To Net Cash Provided By Operating Activities

| | |
|--|------------------|
| Depreciation | 29,568 |
| Bad debts | 9,295 |
| (Increase) Decrease in Assets | |
| Accounts receivable | 569,496 |
| Prepaid expenses and other assets | 10,106 |
| Increase (Decrease) in Liabilities | |
| Accounts payable | 5,481 |
| Accrued expenses and other current liabilities | (27,101) |
| Total Adjustments | 596,845 |
| Net Cash Provided by Operating Activities | 1,167,159 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|------------------|
| Payments for acquisition of property and equipment | (129,611) |
| Payments for construction in process | (15,184) |
| Net Cash Provided by (Used in) Investing Activities | (144,795) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--|------------------|
| Payments on line of credit - net | (400,000) |
| Payments on loan payable - member | (150,000) |
| Payments on note payable - vehicle | (2,220) |
| Member distributions | (422,300) |
| Net Cash Provided by (Used in) Financing Activities | (974,520) |

| | |
|--|---------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 47,844 |
|--|---------------|

| | |
|---|--------|
| Cash and cash equivalents - December 31, 2011 | 73,801 |
|---|--------|

| | |
|--|-------------------|
| CASH AND CASH EQUIVALENTS - DECEMBER 31, 2012 | \$ 121,645 |
|--|-------------------|

See independent accountant's review report and accompanying notes.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (1) Nature of Operations and Summary of Significant Accounting Policies

A. Nature of Operations

Neighbors Rehabilitation Center, LLC (the "Company") is an Illinois Limited Liability Company which operates a Long-Term Care facility located in Byron, Illinois and is licensed by the Illinois Department of Public Health (IDPH) to operate 101 beds, all of which are licensed for skilled nursing care. The Company has been certified by the Centers for Medicare and Medicaid Services (CMS) for 101 Medicare beds. The annual inspection for Medicare beds is performed by the Illinois Department of Public Health (IDPH).

B. Form of Organization

The Company is a Limited Liability Company ("L.L.C."), which is governed by an Operating Agreement ("Agreement") and is managed by its owners ("Members"). The more significant provisions of the Agreement include:

Profit and Loss and cash distributions are in accordance with ownership,
There is a single class of Member,
The L.L.C. is perpetual until an occurrence of a qualifying event

C. Property and Equipment

Property and equipment are carried at cost. Depreciation is provided using the straight-line method over the following estimated useful lives:

| | Years |
|-----------------------------------|--------------|
| Leasehold improvements | 20-40 |
| Furniture, fixtures and equipment | 5-20 |
| Computer equipment | 3-10 |
| Vehicles | 10 |

The Company reviews the recoverability of long-lived assets when circumstances indicate that the carrying amount may not be recoverable. The carrying amount of assets held and used is generally not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset, or for assets held for sale if it exceeds market value. If the Company identifies impairment for long-lived assets to be held and used, the Company compares the assets' current carrying value to the assets' fair value. Fair value is based on current market values or discounted future cash flows. The Company records impairment when the carrying value exceeds fair value. There were no impairment indicators during the year ended December 31, 2012.

The Company has made expenditures of \$62,282 toward a potential facility renovation project. As of December 31, 2012, the Company has not made any commitments toward future construction.

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (1) Nature of Operations and Summary of Significant Accounting Policies - Continued

D. Variable Interest Entities

The Consolidation of Variable Interest Entities Topic requires either the consolidation of, or certain disclosures about, previously unconsolidated related parties that constitute "variable interest entities", as defined (VIEs). The Topic addresses the consolidation of business enterprises to which the usual condition (ownership of a majority voting interest) of consolidation does not apply. Such determinations and other aspects of applying the provisions are extremely complex and often require extensive analysis to complete. Management has elected to omit the required consolidation of related party lessor.

Neighbors Property, LLC, with total unaudited assets, liabilities, revenues and expenses of \$2,861,000, \$2,464,000, \$282,800, and \$366,000, respectively as of and for the year ended December 31, 2012, has been determined to be a VIE (See Note (3)).

E. Income Taxes

The Company has elected to be taxed as a Limited Liability Company. Under those provisions, the Company does not pay federal income taxes on its taxable income. Instead, the Members are liable for individual income taxes on their respective share of the Company's taxable income. The Company is liable for Illinois Replacement Tax. The tax returns of the Company are filed on the cash basis of accounting.

Deferred taxes are provided for based on the cumulative timing differences between income reported on the financial statements and the tax return. These differences relate primarily to the differences between the accrual and cash methods of recording revenues and expenses.

The Company accounts for any potential interest or penalties related to the possible future liabilities for unrecognized income tax benefits as interest/other expense. The Company is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2008.

F. Revision of Prior Accounting Estimates

Revision of prior accounting estimates consists primarily of prior years' revenues and expenses, which for financial statement purposes have been segregated to present more meaningful "Per Resident Day" amounts.

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (1) Nature of Operations and Summary of Significant Accounting Policies - Continued

G. Cash Flows

The Company considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

Cash flows from operating activities reflect cash payments for interest of \$25,484 for the year ended December 31, 2012.

During the year ended December 31, 2012, the Company converted \$130,000 due from an affiliate to a member distribution. In addition the Company financed the purchase of a vehicle with a \$19,000 note payable (See Note (7)). These transactions have been treated as non cash activities for purposes of the statement of cash flows.

H. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

I. Cash Balances in Excess of Insured Amounts

The Company maintains its cash in accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses due to these limits.

J. Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$21,859 for the year ended December 31, 2012.

K. Subsequent Events

The Company evaluated all significant events or transactions that occurred through March 27, 2013, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events.

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (2) Revenue Recognition

Revenue and the related accounts receivable is recognized for each day a resident resides in the facility. The amounts are based on a reimbursement methodology determined by the rules and regulations of the applicable third-party payor or by the facility for private pay residents. The third-party payor rules and regulations and required record keeping and documentation requirements are complex and noncompliance may result in delay, adjustment or loss of revenue.

The majority of the Company's revenue is based on the rules of the following third-party payors:

Healthcare and Family Services (HFS) - the Medicaid Program - A daily rate is established utilizing three components - capital, support and nursing services. The Company's daily rate ranged from \$129.14 to \$132.47 during the year ended December 31, 2012. The capital and support rates are based on the annual cost report filings in accordance with HFS policy. The nursing component of the rate is determined by resident clinical documentation that is derived using mandated software and may increase or decrease on a quarterly basis. Amounts billed under the Medicaid program can take 60 to 120 days or more for collection. The amounts paid are subject to audit and are reviewed on a retroactive basis, normally for a period of one to two years.

Centers for Medicare and Medicaid Services (CMS) - The Medicare program uses a Prospective Payment System (PPS) which is based upon the RUGS (Resource Utilization Groups) IV System. The RUG category, and therefore the amount of revenue, is determined by resident clinical documentation and level of care information that is derived using mandated software. The amounts paid are subject to post payment medical review and may be adjusted retroactively normally for a period of one to two years. Each RUG category is assigned a geographically adjusted federal reimbursement rate.

Estimates are made to provide for uncollectible amounts billed and for adjustments made by the above third-party payors, however, those estimates are subject to revision and the resulting change, shown as revision of prior accounting estimates on the Statement of Operations, may be significant. As of December 31, 2012, the Company has established a \$90,000 allowance for uncollectible accounts.

Note (3) Lease

The Company leases its facility from Neighbors Property, L.L.C., a related entity. The lease expired on April 1, 2012, but automatically renews for one year terms. Under terms of the lease, the Company is required to pay base rent plus real estate taxes and insurance. During the year ended December 31, 2012, the Company made monthly rent payments of \$19,000 and payments for real estate taxes totaling \$60,000.

Future minimum lease payments for 2013 are \$72,000.

See Independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (4) Related Party Transactions

During the year ended December 31, 2012, the Company incurred costs of approximately \$533,000 from related entities for various operating expenses, administrative expenses and consulting fees of \$271,944.

Note (5) Employee Benefit Plan

A. Health and Welfare Plan

Through May 31, 2012, the Company participated in a Voluntary Employee Benefit Association (VEBA) to provide health insurance coverage for eligible employees. Contributions to the Plan were at the discretion of the Board of Directors, provided that the contributions provide the VEBA with sufficient funds to meet its obligations. Effective June 1, 2012, the Company withdrew from the VEBA. Simultaneously, the Company together with other related entities, created its own partially self insurance program. Management believes that premiums paid for the initial period ended December 31, 2012 are sufficient to cover any incurred but unreported claims of the Plan which have not been determined as of the date of this report.

B. Incentive Savings Plan

The Company has a 401(k) Plan covering eligible employees, which allows employee contributions under a deferred salary arrangement as described in Section 401(k) of the Internal Revenue code. The Company paid \$9,813 in matching contributions to the Plan for the year ended December 31, 2012.

Note (6) Line of Credit

The Company has \$1,350,000 revolving line of credit arrangement with The PrivateBank and Trust Company, which matures on May 25, 2013. The note is secured by substantially all assets of the Company and is guaranteed by certain shareholders. The note bears interest at prime (3.25% as of December 31, 2012). As of December 31, 2012, total borrowings outstanding on the line of credit were \$700,000. The line of credit requires the Company to meet certain financial covenants including specific debt service ratios.

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2012

Note (7) Note Payable – Vehicle

During 2012, the Company financed a vehicle for the original loan amount of \$19,000. The loan bears interest at 5.24%, requires sixty monthly payments of principal and interest in the amount of \$361, and matures in April 2017. As of December 31, 2012, the outstanding balance on the loan was \$16,780. The loan is secured by the vehicle.

Maturities of the note are as follows:

| | |
|-------|------------------|
| 2013 | \$ 3,500 |
| 2014 | 3,732 |
| 2015 | 3,932 |
| 2016 | 4,144 |
| 2017 | 1,472 |
| Total | <u>\$ 16,780</u> |

Note (8) Collective Bargaining Agreement

The majority of the Company's employees are members of a collective bargaining agreement that expired December 31, 2011. The Company is presently negotiating with the union to renew the collective bargaining agreement. Management does not anticipate that the new agreement will have a material impact on the Company's operations.

See independent accountant's review report.

Supplementary Information

Neighbors Rehabilitation Center, LLC
Schedule of Resident Income
For the Year Ended December 31, 2012

| | Resident Days | Average Residents Per Day | Amount | Amount Per Resident Day |
|--|--------------------------|--|---------------------|------------------------------------|
| Routine Services | | | | |
| Private | 4,232 | 11.6 | \$ 808,089 | \$ 190.95 |
| Private - bedhold | - | - | 3,395 | \$ - |
| Medicare | 3,109 | 8.5 | 1,396,671 | \$ 449.23 |
| Medicaid | 22,781 | 62.2 | 2,980,398 | \$ 130.83 |
| Hospice | 3,546 | 9.7 | 463,268 | \$ 130.65 |
| HMO | 189 | 0.5 | 76,162 | \$ 402.97 |
| Day care services | - | - | 1,600 | \$ - |
| Total Routine Services | 33,857 | 92.5 | 5,729,583 | \$ 169.23 |
| Less: Provider license fee and assessments | | | (239,838) | (7.08) |
| Net Routine Services | 33,857 | 92.5 | 5,489,745 | 162.15 |
| Net ancillary services | | | (290,698) | (8.59) |
| Net Resident Income | 33,857 | 92.5 | \$ 5,199,047 | \$ 153.56 |

Census 33,857
Average Residents Per Day 92.5
Percent to Capacity 91.6%

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Schedule of Net Ancillary Services
For the Year Ended December 31, 2012

| | Part A Charges | Other Charges | Total Charges | Cost | Profit or (Loss) |
|--------------------------------------|---------------------------|--------------------------|--------------------------|-------------------|-----------------------------|
| Pharmacy | \$ 63,760 | \$ 6,976 | \$ 70,736 | \$ 79,519 | \$ (8,783) |
| Radiology | 2,724 | 202 | 2,926 | 3,261 | (335) |
| Laboratory | 5,112 | 500 | 5,612 | 6,131 | (519) |
| Physical therapy | 374,600 | 189,120 | 563,720 | 175,075 | 388,645 |
| Speech therapy | 293,700 | 167,400 | 461,100 | 86,094 | 375,006 |
| Occupational therapy | 352,100 | 171,530 | 523,630 | 161,922 | 361,708 |
| Medical supplies | 3,401 | - | 3,401 | 2,971 | 430 |
| Rentals | 1,706 | - | 1,706 | 671 | 1,035 |
| Enteral products | 260 | 2,301 | 2,561 | 27 | 2,534 |
| Total Ancillary Services | 1,097,363 | 538,029 | 1,635,392 | 515,671 | 1,119,721 |
| Less: Contractual adjustments | | | (1,410,419) | | (1,410,419) |
| Net Ancillary Services | \$ 1,097,363 | \$ 538,029 | \$ 224,973 | \$ 515,671 | \$ (290,698) |

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses
For the Year Ended December 31, 2012

| | Amount | Amount Per Resident Day |
|--|---------------------|--------------------------------|
| Nursing Salaries | | |
| Director of nursing | \$ 77,014 | \$ 2.27 |
| Assistant director of nursing | 57,091 | 1.69 |
| Registered nurses | 211,736 | 6.25 |
| Licensed practical nurses | 358,731 | 10.60 |
| Nurses aides | 812,443 | 24.00 |
| Therapy aides | 104,706 | 3.09 |
| Care plan and medical records | 76,325 | 2.25 |
| Total Nursing Salaries | 1,698,046 | 50.15 |
| Contract nursing | 33,447 | 0.99 |
| Total Nursing Labor | 1,731,493 | 51.14 |
| Activity Salaries | | |
| Psycho-social | 56,480 | 1.67 |
| Director and assistants | 104,980 | 3.10 |
| Total Activity Salaries | 161,460 | 4.77 |
| Total Nursing and Activity Salaries | 1,892,953 | 55.91 |
| Other Nursing Costs | | |
| Medical and nursing supplies | 58,336 | 1.72 |
| Wound care supplies | 4,122 | 0.12 |
| Infusion supplies | 50 | - |
| Enteral supplies | 15,609 | 0.46 |
| Oxygen | 6,442 | 0.19 |
| Prescription drugs | 5,858 | 0.17 |
| Activity program expense | 9,457 | 0.28 |
| Consultants | | |
| Activity | 1,734 | 0.05 |
| Social worker | 1,734 | 0.05 |
| Medical records | 800 | 0.02 |
| Pharmacy | 7,052 | 0.21 |
| Speech therapy | 1,102 | 0.03 |
| Medical director | 9,900 | 0.29 |
| Specialized rehab | 9,696 | 0.29 |
| Nursing program | 29,088 | 0.86 |
| Total Other Nursing Costs | 160,980 | 4.74 |
| Total Nursing | \$ 2,053,933 | \$ 60.65 |

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2012

| | Amount | Amount Per Resident Day |
|-------------------------------------|-------------------|------------------------------------|
| Housekeeping and Plant | | |
| Housekeeping salaries | \$ 125,348 | \$ 3.70 |
| Maintenance salaries | 40,809 | 1.21 |
| Director of environmental services | 12,120 | 0.36 |
| Housekeeping supplies | 20,161 | 0.60 |
| Grounds maintenance | 4,598 | 0.14 |
| Painting and decorating | 28,277 | 0.84 |
| Equipment repair and maintenance | 20,258 | 0.60 |
| Maintenance supplies | 23,201 | 0.69 |
| Outside labor | 1,035 | 0.03 |
| Scavenger | 9,943 | 0.29 |
| Exterminating service | 905 | 0.03 |
| Fire service | 8,455 | 0.25 |
| Utilities | 98,584 | 2.91 |
| Total Housekeeping and Plant | \$ 393,694 | \$ 11.65 |
| Dietary | | |
| Dietary salaries | \$ 247,527 | \$ 7.31 |
| Food | 150,050 | 4.43 |
| Dietary supplies | 19,751 | 0.58 |
| Sales tax - food | 526 | 0.02 |
| Dietary consultant | 9,954 | 0.29 |
| Director of food services | 12,120 | 0.36 |
| Total Dietary | \$ 439,928 | \$ 12.99 |

See Independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2012

| | Amount | Amount Per Resident Day |
|---------------------------------|-------------------|------------------------------------|
| Employee Welfare | | |
| Payroll taxes | \$ 238,162 | \$ 7.03 |
| Workers' compensation insurance | 61,159 | 1.81 |
| Employee insurance | 144,020 | 4.25 |
| Classified advertising | 1,210 | 0.04 |
| Other employee benefits | 26,915 | 0.79 |
| Total Employee Welfare | \$ 471,466 | \$ 13.92 |
| Laundry and Linen | | |
| Laundry salaries | \$ 80,814 | \$ 2.39 |
| Laundry supplies | 15,443 | 0.46 |
| Linen replacement | 7,680 | 0.23 |
| Total Laundry and Linen | \$ 103,937 | \$ 3.08 |

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC
Schedule of General and Administrative Expenses
For the Year Ended December 31, 2012

| | Amount | Amount Per Resident Day |
|--|-------------------|------------------------------------|
| General and Administrative Expenses | | |
| Administrative salaries | \$ 90,091 | \$ 2.66 |
| Office salaries | 105,775 | 3.12 |
| Director of admissions | 14,544 | 0.43 |
| Director of reimbursements | 14,544 | 0.43 |
| Director of administrative services | 29,088 | 0.86 |
| Director of regulatory services | 14,544 | 0.43 |
| Ancillary administrative charges | 29,640 | 0.88 |
| Accounting fees | 54,213 | 1.60 |
| Advertising and promotion | 21,859 | 0.65 |
| Bad debts | 9,295 | 0.27 |
| Bank charges | 6,998 | 0.21 |
| Bookkeeping services | 49,692 | 1.47 |
| Computer support charges | 8,484 | 0.25 |
| Consulting fees | 271,944 | 8.03 |
| Contributions | 1,750 | 0.05 |
| Dues and subscriptions | 22,215 | 0.66 |
| Education and seminars | 6,953 | 0.21 |
| Equipment rental | 3,009 | 0.09 |
| General insurance | 73,217 | 2.16 |
| Legal fees | 9,289 | 0.27 |
| Licenses and permits | 5,434 | 0.16 |
| Office expense | 14,929 | 0.44 |
| Other professional fees | 18,925 | 0.56 |
| Telephone | 18,274 | 0.54 |
| Travel - staff | 8,110 | 0.24 |
| Total General and Administrative Expenses | \$ 902,816 | \$ 26.67 |

See independent accountant's review report.

Neighbors Rehabilitation Center, LLC

**Financial Statements and
Supplementary Information**

December 31, 2011

Neighbors Rehabilitation Center, LLC
December 31, 2011

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Frost
Rittenberg &
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**To the Members
Neighbors Rehabilitation Center, LLC**

Independent Accountant's Review Report

We have reviewed the accompanying balance sheet of Neighbors Rehabilitation Center, LLC (the "Company") as of December 31, 2011, and the related statements of income and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described below, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note (1) D to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that the Company's financial statements do not include the accounts of Neighbors Property, LLC, that the Company has determined is a variable interest entity and in which the Company holds a variable interest and is the primary beneficiary.



Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Frost, Rittenberg & Rothblatt, P.C.

March 27, 2012

Financial Statements

Neighbors Rehabilitation Center, LLC

Balance Sheet

December 31, 2011

ASSETS

Current Assets

| | |
|---|------------------|
| Cash | \$ 73,801 |
| Accounts receivable, net of allowance for doubtful accounts | 1,844,840 |
| Prepaid insurance | 44,212 |
| Prepaid expenses | 1,660 |
| Total Current Assets | 1,964,513 |

Property and Equipment

| | |
|------------------------------------|----------------|
| Leasehold improvements | 321,485 |
| Computer equipment | 23,661 |
| Furniture and fixtures | 116,272 |
| Deposits on equipment | 47,098 |
| Total Cost | 508,516 |
| Less: Accumulated depreciation | (54,367) |
| Property and Equipment, Net | 454,149 |

Other Assets

| | |
|---------------------------|----------------|
| Due from affiliate | 130,000 |
| Total Other Assets | 130,000 |

| | |
|---------------------|---------------------|
| TOTAL ASSETS | \$ 2,548,662 |
|---------------------|---------------------|

See Independent Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC

Balance Sheet

December 31, 2011

LIABILITIES

Current Liabilities

| | | |
|--------------------------------------|----|------------------|
| Accounts payable | \$ | 133,774 |
| Accrued Liabilities | | |
| Payroll and payroll taxes | | 111,782 |
| Vacation | | 113,556 |
| Expenses | | 150,705 |
| Management fees | | 35,625 |
| Rent | | 61,800 |
| Line of credit | | 1,100,000 |
| Residents' trust fund liability, net | | 10 |
| Deferred replacement tax | | 11,000 |
| Loan payable - member | | 150,000 |
| Total Current Liabilities | | <u>1,868,252</u> |

TOTAL LIABILITIES

1,868,252

MEMBERS' EQUITY

| | |
|-----------------------|------------------|
| Members' equity | 471,590 |
| Net Income | 565,420 |
| Distributions | <u>(356,600)</u> |
| Total Members' Equity | 680,410 |

TOTAL LIABILITIES AND MEMBERS' EQUITY

\$ 2,548,662

See Independent Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC

Statement of Operations

For the Year Ended December 31, 2011

| | Amount | Amount Per Resident Day |
|---|---------------------|-------------------------|
| Net Resident Revenue | \$ 5,180,494 | \$ 153.23 |
| Operating Expenses | | |
| Nursing | 2,034,956 | 60.20 |
| Housekeeping and plant | 446,395 | 13.20 |
| Dietary | 426,351 | 12.61 |
| Employee welfare | 424,575 | 12.56 |
| Laundry and linen | 101,204 | 2.99 |
| Total Operating Expenses | 3,433,481 | 101.56 |
| Income Before General and Administrative Expenses | 1,747,013 | 51.67 |
| General and administrative expenses | 862,337 | 25.55 |
| Income Before Capital Expenses | 884,676 | 26.12 |
| Capital Expenses | | |
| Rent | 289,800 | 8.57 |
| Interest expense | 13,443 | 0.40 |
| Depreciation | 22,199 | 0.66 |
| Total Capital Expenses | 325,442 | 9.63 |
| Income Before Other Income | 559,234 | 16.49 |
| Interest income | 5,445 | 0.16 |
| Other income | 2,720 | 0.08 |
| Total Other Income | 8,165 | 0.24 |
| Income Before Revision of Prior Accounting Estimates | 567,399 | 16.73 |
| Revision of prior accounting estimates | 1,521 | 0.04 |
| Income Before State Replacement Tax | 568,920 | 16.77 |
| State replacement tax | (3,500) | (0.10) |
| NET INCOME | \$ 565,420 | \$ 16.67 |

See Independent Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC
Statement of Cash Flows
For the Year Ended December 31, 2011

| | |
|---|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Net Income | \$ 565,420 |
| Adjustments To Reconcile Net Income To Net Cash Provided By (Used In) Operating Activities | |
| Depreciation | 22,199 |
| Bad debt | 3,600 |
| Deferred replacement tax | 7,250 |
| (Increase) Decrease in Assets | |
| Accounts receivable | (1,103,946) |
| Prepaid expenses and other assets | 9,409 |
| Increase (Decrease) In Liabilities | |
| Accounts payable | 51,233 |
| Accrued expenses and other current liabilities | 138,215 |
| Total Adjustments | (872,039) |
| Net Cash Provided by (Used in) Operating Activities | (306,619) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Payments for acquisition of property and equipment | (297,597) |
| Payments for deposits on equipment | (47,098) |
| Net Cash Provided by (Used in) Investing Activities | (344,695) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Proceeds on line of credit - net | 650,000 |
| Increase in loan payable - member | 150,000 |
| Distributions | (226,600) |
| Net Cash Provided by Financing Activities | 573,400 |
| NET INCREASE (DECREASE) IN CASH | (77,914) |
| Cash - December 31, 2010 | 151,715 |
| CASH - DECEMBER 31, 2011 | \$ 73,801 |

See Independent Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (1) Nature of Operations and Summary of Significant Accounting Policies

A. Nature of Operations

Neighbors Rehabilitation Center, LLC (the "Company") is an Illinois Limited Liability Company which operates a Long-Term Care facility located in Byron, Illinois and is licensed by the Illinois Department of Public Health (IDPH) to operate 101 beds, all of which are licensed for skilled nursing care. The Company began operations on June 1, 2008. The Company has been certified by the Centers for Medicare and Medicaid Services (CMS), for 101 Medicare beds. The annual inspection for Medicare beds is performed by the Illinois Department of Public Health.

B. Form of Organization

The Company is a Limited Liability Company ("LLC"), which is governed by an Operating Agreement ("Agreement") and is managed by its owners ("Members"). The more significant provisions of the Agreement include:

Profit and Loss and cash distributions are in accordance with ownership,

There is a single class of Member,

The LLC is perpetual until an occurrence of a qualifying event

C. Property and Equipment

Property and equipment are carried at cost. Depreciation is provided using the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|-----------------------------------|--------------|
| Leasehold improvements | 10-30 |
| Furniture, fixtures and equipment | 5-20 |
| Computer equipment | 3 |

The Company reviews the recoverability of long-lived assets when circumstances indicate that the carrying amount may not be recoverable. The carrying amount of assets held and used is generally not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset, or for assets held for sale if it exceeds market value. If the Company identifies impairment for long-lived assets to be held and used, the Company compares the assets' current carrying value to the assets' fair value. Fair value is based on current market values or discounted future cash flows. The Company records impairment when the carrying value exceeds fair value. There were no impairment indicators during the year ended December 31, 2011.

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (1) Nature of Operations and Summary of Significant Accounting Policies - Continued

D. Variable Interest Entities

The Consolidation of Variable Interest Entities Topic requires either the consolidation of, or certain disclosures about, previously unconsolidated related parties that constitute "variable interest entities", as defined (VIEs). The Topic addresses the consolidation of business enterprises to which the usual condition (ownership of a majority voting interest) of consolidation does not apply. Such determinations and other aspects of applying the provisions are extremely complex and often require extensive analysis to complete. Management has elected to omit the required consolidation of related party lessor.

Neighbors Property, L.L.C., with total unaudited assets, liabilities, revenues and expenses of \$3,002,000, \$2,655,000, \$290,000, and \$370,000, respectively as of and for the year ended December 31, 2011, has been determined to be a VIE.

E. Income Taxes

The Company has elected to be taxed as a Limited Liability Company. Under those provisions, the Company does not pay federal income taxes on its taxable income. Instead, the Members are liable for individual income taxes on their respective share of the Company's taxable income. The Company is liable for Illinois Replacement Tax and has net operating loss carryforwards of approximately \$570,000 expiring from December 31, 2020 through December 31, 2023.

Deferred taxes are provided for based on the cumulative timing differences between income reported on the financial statements and the tax return. These differences relate primarily to the differences between the accrual and cash methods of recording revenues and expenses.

The Company accounts for any potential interest or penalties related to the possible future liabilities for unrecognized income tax benefits as interest/other expense.

F. Cash Flows

The Company considers cash equivalents to be all highly liquid investments with a maturity of three months or less when purchased.

Cash flows from operating activities reflect cash payments for interest of \$13,443 for the year ended December 31, 2011.

During the year ended December 31, 2011, the Company made a \$130,000 non cash transfer to Neighbors Property, L.L.C., a related entity.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (1) Nature of Operations and Summary of Significant Accounting Policies - Continued

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

H. Cash Balances in Excess of Insured Amounts

The Company maintains its cash in accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses due to these limits.

I. Advertising

The Company expenses advertising costs as incurred. Advertising expense was \$23,884 for the year ended December 31, 2011.

J. Subsequent Events

The Company evaluated all significant events or transactions that occurred through March 27, 2012, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (2) Revenue Recognition

Revenue and the related accounts receivable is recognized for each day a resident resides in the facility. The amounts are based on a reimbursement methodology determined by the rules and regulations of the applicable third-party payor or by the facility for private pay residents. The third-party payor rules and regulations and required record keeping and documentation requirements are complex and noncompliance may result in delay, adjustment or loss of revenue.

The majority of the Company's revenue is based on the rules of the following third-party payors:

Healthcare and Family Services (HFS) - the Medicaid Program - A daily rate is established utilizing three components - capital, support and nursing services. The Company's daily rate ranged from \$114.96 to \$132.43 during 2011. The capital and support rates are based on the annual cost report filings in accordance with HFS policy. The nursing component of the rate is determined by resident clinical documentation that is derived using mandated software and may increase or decrease on a quarterly basis. Amounts billed under the Medicaid program can take 60 to 120 days or more for collection. The amounts paid are subject to audit and are reviewed on a retroactive basis, normally for a period of one to two years.

Centers for Medicare and Medicaid Services (CMS) - The Medicare Program uses a Prospective Payment System (PPS) which is based upon the RUGS (Resource Utilization Groups) IV System. The RUG category, and therefore the amount of revenue is based on the RUGS IV System. The RUG category, and therefore the amount of revenue, is determined by resident clinical documentation and level of care information that is derived using mandated software. The amounts paid are subject to post payment medical review and may be adjusted retroactively normally for a period of one to two years. Each RUG category is assigned a geographically adjusted federal reimbursement rate.

For the year ending December 31, 2011, as a result of a law signed by Governor Quinn during February, 2011 and subsequently approved by CMS in early January, 2012 the Company has recorded a receivable and corresponding revenue for a Medicaid rate increase retroactive to May, 2011 in the amount of \$245,000 and a payable and corresponding expense for a provider tax increase retroactive to May, 2011 in the amount of \$122,000, which results in a net increase in net income and member's equity of \$123,000. Any adjustment to this retroactive rate increase and provider tax increase will be reflected in the future period's financial statements.

Estimates are made to provide for uncollectible amounts billed and for adjustments made by the above third-party payors, however, those estimates are subject to revision and the resulting change, shown as revision of prior accounting estimates on the Statement of Operations, may be significant. As of December 31, 2011, the Company has established a \$65,000 allowance for uncollectible accounts.

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (3) Lease

The Company leases its facility from Neighbors Property, LLC, a related entity, and is currently paying \$19,000 per month plus real estate taxes. The lease expired on April 1, 2011 and automatically renews for one year terms. Future minimum lease payments for 2012 are \$228,000.

Note (4) Related Party Transactions

During the year ended December 31, 2011, the Company incurred costs of approximately \$523,000 from related entities for various operating expenses, administrative expenses and consulting fees of \$267,890.

Note (5) Employee Benefit Plan

A. Health and Welfare Plan

The Company participates in a Voluntary Employee Benefit Association (VEBA) to provide health insurance coverage for eligible employees. The VEBA provides coverage for numerous related entities through a combination of various options, which include limited self-funding and "stop-gap" insurance. Contributions to the Plan are at the discretion of the Board of Directors, provided that the contributions provide the VEBA with sufficient funds to meet its obligations. Contributions to the VEBA could vary significantly and the results of such variations could be material.

B. Incentive Savings Plan

The Company has a 401(k) Plan covering eligible employees, which allows employee contributions under a deferred salary arrangement as described in Section 401(k) of the Internal Revenue code. The Company paid \$12,782 in matching contributions to the Plan for the year ended December 31, 2011.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2011

Note (6) Line of Credit and Loan Payable - Member

The Company has entered into a line of credit arrangement with Private Bank, in which the assets of the Company are used to collateralize the line of credit in the amount of \$1,350,000. The line of credit bears interest at prime (3.25% as of December 31, 2011) and matures on December 22, 2012. As of December 31, 2011, total debt on the bank line of credit was \$1,100,000.

The line of credit requires the Company to maintain specific debt service ratios and is also partially guaranteed by certain members of the Company.

In addition, the Company owed its members \$150,000 at December 31, 2011.

The Company was charged \$13,443 for its portion of interest on the above loans.

Note (7) Due from Affiliate

The Company has a \$130,000 noninterest bearing receivable from Neighbors Property, LLC, a related entity.

Note (8) Collective Bargaining Agreement

The majority of the Company's employees are members of a collective bargaining agreement that expired December 31, 2011. The Company is presently negotiating with the union to renew the collective bargaining agreement. Management does not anticipate that the new agreement will have a material impact on the Company's operations.

Supplementary Information

Neighbors Rehabilitation Center, LLC

Schedule of Resident Income

For the Year Ended December 31, 2011

| | Resident Days | Average Residents Per Day | Amount | Amount Per Resident Day |
|---|------------------|---------------------------------|---------------------|----------------------------|
| Routine Services | | | | |
| Private | 4,375 | 11.9 | \$ 829,103 | \$ 189.51 |
| Medicare | 3,562 | 9.8 | 1,524,805 | 428.08 |
| Medicaid | 23,291 | 63.8 | 2,941,533 | 126.29 |
| HMO | 119 | 0.3 | 51,362 | 431.61 |
| Hospice | 2,463 | 6.7 | 283,146 | 114.96 |
| Total Routine Services | 33,810 | 92.5 | 5,629,949 | \$ 166.52 |
| Less: Illinois nursing home license fee | | | (177,298) | (5.24) |
| Net Routine Services | 33,810 | 92.5 | 5,452,651 | 161.28 |
| Net ancillary services | | | (272,157) | (8.05) |
| Net Resident Income | 33,810 | 92.5 | \$ 5,180,494 | \$ 153.23 |
| Census | 33,810 | | | |
| Average Residents Per Day | 92.5 | | | |
| Percent to Capacity | 91.6% | | | |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC**Schedule of Net Ancillary Services****For the Year Ended December 31, 2011**

| | Part A Charges | Other Charges | Total Charges | Cost | Profit or (Loss) |
|---------------------------------|---------------------------|--------------------------|--------------------------|-------------------|-----------------------------|
| Pharmacy | \$ 70,704 | \$ 7,659 | \$ 78,363 | \$ 77,662 | \$ 701 |
| Radiology | 3,518 | - | 3,518 | 3,348 | 170 |
| Laboratory | - | 8,770 | 8,770 | 8,733 | 37 |
| Physical therapy | 335,550 | 128,770 | 464,320 | 151,233 | 313,087 |
| Speech therapy | 49,800 | 16,100 | 65,900 | 9,988 | 55,912 |
| Occupational therapy | 296,120 | 113,380 | 409,500 | 139,624 | 269,876 |
| Medical supplies | 2,767 | - | 2,767 | 2,834 | (67) |
| Rentals | 8,906 | - | 8,906 | 4,509 | 4,397 |
| Vent Supplies | 958 | 399 | 1,357 | 6,318 | (4,961) |
| Enteral Products | 105 | 5,505 | 5,610 | - | 5,610 |
| Total Ancillary Services | 768,428 | 280,583 | 1,049,011 | 404,249 | 644,762 |
| Less: Contractual adjustments | | | (916,919) | | (916,919) |
| Net Ancillary Services | \$ 768,428 | \$ 280,583 | \$ 132,092 | \$ 404,249 | \$ (272,157) |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC

Schedule of Operating Expenses

For the Year Ended December 31, 2011

| | Amount | Amount Per Resident Day |
|--|---------------------|-------------------------|
| Nursing Salaries | | |
| Director of nurses | \$ 75,856 | \$ 2.24 |
| Assistant director of nurses | 57,355 | 1.70 |
| Registered nurses | 293,657 | 8.69 |
| Licensed practical nurses | 268,881 | 7.95 |
| Nurses aides | 805,903 | 23.84 |
| Care plan and medical records | 75,589 | 2.24 |
| Rehab aides | 99,649 | 2.95 |
| Total Nursing Salaries | 1,676,890 | 49.61 |
| Contract nursing | 36,898 | 1.09 |
| Total Nursing Labor | 1,713,788 | 50.70 |
| Activity Salaries | | |
| Director and assistants | 108,411 | 3.21 |
| Psycho-social | 58,241 | 1.72 |
| Total Activity Salaries | 166,652 | 4.93 |
| Total Nursing and Activity Salaries | 1,880,440 | 55.63 |
| Other Nursing Costs | | |
| Medical and nursing supplies | 61,498 | 1.82 |
| Oxygen | 2,605 | 0.08 |
| Enteral supplies | 12,669 | 0.37 |
| Equipment rental | 2,858 | 0.08 |
| Pharmacy | 4,294 | 0.13 |
| Prescription drugs | 11,380 | 0.34 |
| Consultants | | |
| Activity | 1,774 | 0.05 |
| Physical therapy | 1,227 | 0.04 |
| Occupational therapy | 1,086 | 0.03 |
| Social worker | 1,774 | 0.05 |
| Speech therapy | 75 | - |
| Medical records | 960 | 0.03 |
| Nursing program | 24,240 | 0.72 |
| Pharmacy | 6,056 | 0.18 |
| Medical director | 9,900 | 0.29 |
| Specialized rehab | 12,120 | 0.36 |
| Total Other Nursing Costs | 154,516 | 4.57 |
| Total Nursing | \$ 2,034,956 | \$ 60.20 |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2011

| | Amount | Amount Per Resident Day |
|-------------------------------------|-------------------|--------------------------------|
| Housekeeping and Plant | | |
| Housekeeping salaries | \$ 125,164 | \$ 3.70 |
| Maintenance salaries | 41,996 | 1.24 |
| Director of environmental services | 12,120 | 0.36 |
| Outside labor | 25,438 | 0.75 |
| Housekeeping supplies | 18,853 | 0.56 |
| Grounds maintenance | 5,529 | 0.16 |
| Painting and decorating | 14,019 | 0.41 |
| Repairs and maintenance | 65,490 | 1.94 |
| Scavenger | 21,562 | 0.64 |
| Exterminating service | 893 | 0.03 |
| Fire service | 13,072 | 0.39 |
| Utilities | 102,259 | 3.02 |
| Total Housekeeping and Plant | \$ 446,395 | \$ 13.20 |
| Dietary | | |
| Dietary salaries | \$ 240,599 | \$ 7.12 |
| Food | 144,796 | 4.28 |
| Dietary supplies | 17,251 | 0.51 |
| Sales tax - food | 423 | 0.01 |
| Dietary consultant | 11,162 | 0.33 |
| Director of food services | 12,120 | 0.36 |
| Total Dietary | \$ 426,351 | \$ 12.61 |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2011

| | Amount | Amount Per Resident Day |
|---------------------------------|-------------------|------------------------------------|
| Employee Welfare | | |
| Payroll taxes | \$ 217,252 | \$ 6.43 |
| Workers' compensation insurance | 67,194 | 1.99 |
| Classified Advertising | 2,044 | 0.06 |
| Other employee benefits | 29,416 | 0.87 |
| Employee insurance | 108,669 | 3.21 |
| Total Employee Welfare | \$ 424,575 | \$ 12.56 |
| Laundry and Linen | | |
| Laundry salaries | \$ 77,415 | \$ 2.29 |
| Laundry supplies | 16,660 | 0.49 |
| Linen replacement | 7,129 | 0.21 |
| Total Laundry and Linen | \$ 101,204 | \$ 2.99 |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of General and Administrative Expenses
For the Year Ended December 31, 2011

| | Amount | Amount Per Resident Day |
|--|-------------------|------------------------------------|
| General and Administrative Expenses | | |
| Salaries | | |
| Administrator | \$ 85,043 | \$ 2.52 |
| Office | 100,935 | 2.99 |
| Director of admissions | 12,120 | 0.36 |
| Director of reimbursements | 12,120 | 0.36 |
| Director of administrative services | 24,240 | 0.72 |
| Director of regulatory services | 12,120 | 0.36 |
| Ancillary administrative charges | 24,240 | 0.72 |
| Accounting fees | 57,013 | 1.69 |
| Advertising and promotion | 23,884 | 0.71 |
| Bad debts | 3,600 | 0.11 |
| Bank charges | 7,808 | 0.23 |
| Bookkeeping and data processing services | 44,844 | 1.33 |
| Computer support | 3,636 | 0.11 |
| Contributions | 750 | 0.02 |
| ues and subscriptions | 21,908 | 0.65 |
| Education and seminars | 5,030 | 0.15 |
| Equipment rental | 4,319 | 0.13 |
| General insurance | 71,945 | 2.13 |
| Legal | 8,721 | 0.26 |
| Licenses and permits | 2,815 | 0.08 |
| Consulting fees | 267,890 | 7.92 |
| Office expense | 18,800 | 0.56 |
| Professional fees | 21,989 | 0.65 |
| Telephone | 19,236 | 0.57 |
| Transportation | 7,331 | 0.22 |
| Total General and Administrative Expenses | \$ 862,337 | \$ 25.55 |

See Independent Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Additional Management Information
December 31, 2011

**Analysis of Nursing Staff salaries and hours paid for the year ended December 31, 2011,
is as follows:**

| | Amount | Hours Worked | Hours Paid | Cost Per Hour |
|--|---------------------|----------------|----------------|-----------------|
| DON and ADON | \$ 133,211 | 3,888 | 4,304 | \$ 30.95 |
| RNs | 293,657 | 11,894 | 12,370 | \$ 23.74 |
| LPNs | 268,881 | 11,879 | 12,600 | \$ 21.34 |
| Aides | 905,552 | 67,602 | 73,228 | \$ 12.37 |
| CPC/Medical Records | 75,589 | 3,935 | 4,146 | \$ 18.23 |
| Contract Nursing | 36,898 | 1,004 | 1,004 | \$ 36.75 |
| Total Salaries | \$ 1,713,788 | 100,202 | 107,652 | \$ 15.92 |
| Total Resident Days | | | | 33,825 |
| Average Number of Hours Worked per Resident Day | | | | 2.96 |

See Independent Accountant's Review Report.

**Neighbors Rehabilitation
Center, LLC**

**Financial Statements and
Supplementary Information**

December 31, 2010

Neighbors Rehabilitation Center, LLC
December 31, 2010

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Focus. Dedication. Relationships.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS ADVISORS

To the Members
Neighbors Rehabilitation Center, LLC

Independent Accountant's Review Report

We have reviewed the accompanying balance sheet of Neighbors Rehabilitation Center, LLC (an Illinois Limited Liability Company) as of December 31, 2010, and the related statements of operations and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, with the exception of the matter described below, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note (1) B to the financial statements, accounting principles generally accepted in the United States of America require the primary beneficiary of a variable interest entity to consolidate the variable interest entity in its financial statements. Management has informed us that the Company's financial statements do not include the accounts of Neighbors Property, LLC that the Company has determined is a variable interest entity and in which the Company holds a variable interest and is the primary beneficiary. The effects of this departure from accounting principles generally accepted in the United States of America on the financial position, results of operations, and cash flows have not been determined.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The information included in the accompanying supplementary schedules is presented only for purposes of additional analysis and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Frost, Rittenberg & Rothblatt, P.C.

March 25, 2011

*Frost,
Rittenberg &
Rothblatt, P.C.*

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ATTACHMENT-27A



Financial Statements

Neighbors Rehabilitation Center, LLC
Balance Sheet
December 31, 2010

Assets

Current Assets

| | | |
|--|----|----------------|
| Cash and Cash Equivalents | \$ | 151,715 |
| Accounts Receivable - (Net of Allowance for Uncollectible Accounts) | | 744,495 |
| Prepaid Expenses | | |
| Insurance | | 44,300 |
| Expenses | | 10,982 |
| Total Current Assets | | 951,492 |

Property and Equipment

| | |
|-----------------------------------|----------------|
| Leasehold Improvements | 68,891 |
| Furniture, Fixtures and Equipment | 79,477 |
| Computer Equipment | 15,451 |
| Total | 163,819 |
| Less: Accumulated Depreciation | (32,168) |
| Net Property and Equipment | 131,651 |

Other Assets

| | |
|----------------------------------|---------------------|
| Due from Affiliated Organization | 260,000 |
| Total Other Assets | 260,000 |
| Total Assets | \$ 1,343,143 |

See Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC
Balance Sheet
December 31, 2010

Liabilities and Members' Equity

Current Liabilities

| | | |
|--|----|----------------|
| Accounts Payable | \$ | 82,541 |
| Accrued Liabilities | | |
| Expenses | | 27,358 |
| Consulting Fees | | 13,735 |
| Payroll | | 103,206 |
| Payroll Taxes | | 12,219 |
| Rent | | 61,800 |
| Vacation Pay | | 112,932 |
| Replacement Tax | | 3,750 |
| Commitment - Line of Credit | | 450,000 |
| Deferred Replacement Tax | | 3,750 |
| Residents' Trust Fund Liability - (Net of Cash of \$6,241) | | 263 |
| Total Current Liabilities | | 871,554 |

Members' Equity

| | |
|--|---------------------|
| Members' Equity - January 1, 2010 | 695,992 |
| Net Income | 208,197 |
| Less: Dividends | (432,600) |
| Total Members' Equity | 471,589 |
| Total Liabilities and Members' Equity | \$ 1,343,143 |

See Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC
Statement of Operations
For the Year Ended December 31, 2010

| | Amount | Amount Per Resident Day |
|---|---------------------|-------------------------|
| Net Resident Income | \$ 4,760,786 | \$ 141.00 |
| Operating Expenses | | |
| Nursing | 2,046,341 | 60.61 |
| Housekeeping and Plant | 401,238 | 11.88 |
| Dietary | 422,467 | 12.51 |
| Employee Welfare | 413,167 | 12.24 |
| Laundry and Linen | 105,024 | 3.11 |
| Total Operating Expenses | 3,388,237 | 100.35 |
| Income Before General and Administrative Expenses | 1,372,549 | 40.65 |
| General and Administrative Expenses | 850,983 | 25.20 |
| Income Before Capital Expenses | 521,566 | 15.45 |
| Capital Expenses | | |
| Rent | 289,800 | 8.58 |
| Interest Expense | 9,965 | 0.30 |
| Depreciation | 16,524 | 0.49 |
| Total Capital Expenses | 316,289 | 9.37 |
| Income From Operations | 205,277 | 6.08 |
| Other Income | | |
| Interest Income | 394 | 0.01 |
| Miscellaneous Income | 1,917 | 0.06 |
| Total Other Income | 2,311 | 0.07 |
| Income Before Revision of Prior Accounting Estimates | 207,588 | 6.15 |
| Revision of Prior Accounting Estimates | 1,259 | 0.04 |
| Income Before State Replacement Tax | 208,847 | 6.19 |
| State Replacement Tax | 650 | 0.02 |
| Net Income | \$ 208,197 | \$ 6.17 |

See Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC
Statement of Cash Flows
For the Year Ended December 31, 2010

| | |
|---|-------------------|
| Cash Flows From Operating Activities | |
| Net Income | \$ 208,197 |
| Adjustments to Reconcile Net Income to Net Cash Provided By (Used In) Operating Activities | |
| Depreciation | 16,524 |
| Bad Debt | 39,734 |
| Decrease in Deferred Income Taxes | (3,100) |
| (Increase) Decrease in Assets | |
| Accounts Receivable | 215,685 |
| Prepaid Expenses and Other Assets | (12,641) |
| Increase (Decrease) In Liabilities | |
| Accounts Payable | (42,079) |
| Accrued Expenses and Other Current Liabilities | (19,995) |
| Total Adjustments | 194,128 |
| Net Cash Provided By (Used In) Operating Activities | 402,325 |
| Cash Flows From Investing Activities | |
| Payments for Acquisition of Property and Equipment | (31,446) |
| Net Cash Provided By (Used In) Investing Activities | (31,446) |
| Cash Flows From Financing Activities | |
| Proceeds on Commitment - Line of Credit | 100,000 |
| Dividends | (432,600) |
| Net Cash Provided By (Used In) Financing Activities | (332,600) |
| Increase (Decrease) in Cash and Cash Equivalents | 38,279 |
| Cash and Cash Equivalents - Beginning of Year | 113,436 |
| Cash and Cash Equivalents - End of Year | \$ 151,715 |

See Accountant's Review Report and accompanying Notes to Financial Statements.

Neighbors Rehabilitation Center, LLC

Notes to Financial Statements

December 31, 2010

Note (1) Summary of Significant Accounting Policies

A. Business

Neighbors Rehabilitation Center, LLC (the "Company") is an Illinois Limited Liability Company which operates a Long-Term Care facility located in Byron, Illinois, and is licensed by the Illinois Department of Public Health (IDPH) to operate 101 beds, all of which are licensed for skilled nursing care. The Company began operations on June 1, 2008. The Company has been certified by the Centers for Medicare and Medicaid Services (CMS), for 101 Medicare beds. The annual inspection for the Medicare beds is performed by the Illinois Department of Public Health.

B. Form of Organization

The Company is a Limited Liability Company ("L.L.C."), which is governed by an Operating Agreement ("Agreement") and is managed by its owners ("Members"). The more significant provisions of the Agreement include:

Profit and Loss and cash distributions are in accordance with ownership,
There is a single class of Member,
The L.L.C. is perpetual until an occurrence of a qualifying

C. Variable Interest Entities

The Consolidation of Variable Interest Entities Topic requires either the consolidation of, or certain disclosures about, previously unconsolidated related parties that constitute "variable interest entities," as defined (VIEs). The Topic addresses the consolidation of business enterprises to which the usual condition (ownership of a majority of voting interest) of consolidation does not apply. Such determinations and other aspects of applying the provisions are extremely complex and often require extensive analysis to complete. Management has elected to omit the required consolidation of related party lessor.

Neighbors Property, L.L.C. with total unaudited assets, liabilities, revenues and expenses of \$3,160,000, \$2,840,000, \$290,000, and \$370,000, respectively as of and for the year ended December 31, 2010, has been determined to be a VIE.

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC

Notes to Financial Statements

December 31, 2010

Note (1) Summary of Significant Accounting Policies - Continued

D. Property and Equipment

Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the following estimated useful lives:

| | Years |
|-----------------------------------|--------------|
| Leasehold Improvements | 10-30 |
| Furniture, Fixtures and Equipment | 5-20 |
| Computer Equipment | 3 |

The Company reviews the recoverability of long-lived assets when circumstances indicate that the carrying amount may not be recoverable. The carrying amount of assets held and used is generally not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset, or for assets held for sale if it exceeds market value. If the Company identifies impairment for long-lived assets to be held and used, the Company compares the assets' current carrying value to the assets' fair value. Fair value is based on current market value or discounted future cash flows. The Company records impairment when the carrying value exceeds fair market value. There were no impairment indicators during the year ended December 31, 2010.

E. Income Taxes

The Company has elected to be taxed as a Limited Liability Company. Under those provisions, the Company does not pay federal income taxes on its taxable income. Instead, the members are liable for individual income taxes on their respective share of the Company's taxable income. The tax returns of the Company are filed on the cash basis of accounting. The Company is liable for Illinois Replacement Tax. The Company has approximately \$550,000 of State net operating loss carryforwards at December 31, 2010 due to expire in 2020.

Deferred taxes are provided for based on the cumulative timing differences between income reported on the financial statements and the tax return. These differences relate primarily to the differences between the accrual and cash methods of recording revenues and expenses.

The Company accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as interest/other expense.

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2010

Note (1) Summary of Significant Accounting Policies - Continued

F. Cash Flows

Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased.

Cash flows from operating activities reflect payments of \$9,965 for interest in 2010.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the differences, if any, to have a material effect on the financial statements.

H. Cash Balances in Excess of Insured Amounts

The Company maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses due to these limits.

I. Advertising

The Company expenses advertising costs as they are incurred. For the year ended December 31, 2010, advertising expense was \$23,158.

J. Subsequent Events

The Company evaluated all significant events or transactions, that occurred through March 25, 2010, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events.

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC

Notes to Financial Statements

December 31, 2010

Note (2) Revenue Recognition

Revenue and the related accounts receivable is recognized for each day a resident resides in the facility. The amounts are based on a reimbursement methodology determined by the rules and regulations of the applicable third-party payor or by the facility for private pay residents. The third-party payor rules and regulations and required record keeping and documentation requirements are complex and noncompliance may result in delay, adjustment or loss of revenue.

The majority of the Company's revenue is based on the rules of the following third-party payors:

Healthcare and Family Services (HFS) - the Medicaid Program - A daily rate, which may be recalculated on a quarterly basis, is established utilizing three components - capital, support and nursing services. The Company's daily rate was \$112.13 to \$113.70 for the year ended December 31, 2010. The capital and support rates are based on the annual cost report filings in accordance with HFS policy. The nursing component of the rate is determined by resident clinical documentation that is derived using mandated software and may increase or decrease on a quarterly basis. Amounts billed under the Medicaid program can take 60 to 120 days or more for collection. The amounts paid are subject to audit and are reviewed on a retroactive basis. The Company's new Medicaid rate is \$114.96 effective January 1, 2011.

Centers for Medicare and Medicaid Services (CMS) - The Medicare Program uses a Prospective Payment System (PPS) which is based upon the RUGS (Resource Utilization Groups) III System through September 30, 2010. Effective October 1, 2010, reimbursement is based on the RUGS IV System. The RUG category, and therefore the amount of revenue, is determined by resident clinical documentation and level of care information that is derived using mandated software. The amounts paid are subject to post payment medical review and may be adjusted retroactively normally for a period of one to two years. Each RUG category is assigned a geographically adjusted federal reimbursement rate.

Estimates are made to provide for uncollectible amounts billed and for adjustments made by the above third-party payors, however, those estimates are subject to revision and the resulting change, shown as revision of prior accounting estimates on the Statement of Income, may be significant. As of December 31, 2010, the Company has established a \$40,000 allowance for uncollectible accounts.

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC

Notes to Financial Statements

December 31, 2010

Note (3) Lease

The Company leases its facility from Neighbors Property, L.L.C., a related entity, and is currently paying \$19,000 per month plus real estate taxes. The lease term expires on April 1, 2011, and automatically renews for one year terms. Future minimum lease payments for 2011 are \$76,000.

Note (4) Related Party Transactions

During the year ended December 31, 2010, the Company incurred costs of approximately \$463,000 with related entities. These costs were for various operating expenses, administrative expenses, and consulting fees of \$240,000.

Note (5) Employee Benefit Plan

A. Health and Welfare Plan

The Company participates in a Voluntary Employee Benefit Association (VEBA) to provide health insurance coverage for eligible employees. The VEBA provides coverage for numerous related entities through a combination of various options, which include limited self-funding and "stop-gap" insurance. Contributions to the Plan are at the discretion of the Board of Directors, provided that the contributions provide the VEBA with sufficient funds to meet its obligations. Contributions to the VEBA could vary significantly and the results of such variations could be material.

B. Incentive Savings Plan

The Company has a 401(k) Plan covering eligible employees, which allows employee contributions under a deferred salary arrangement as described in Section 401(k) of the Internal Revenue code. The Company paid \$10,000 in matching contributions to the Plan during 2010.

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Notes to Financial Statements
December 31, 2010

Note (6) Commitment - Line of Credit

The Company has entered into a line of credit arrangement with Private Bank, in which the assets of the Company are used to collateralize a line of credit in the amount of \$900,000. The line of credit bears interest at prime (3.25% as of December 31, 2010) and matures on May 28, 2011. As of December 31, 2010, total debt on the bank line of credit was \$450,000. Interest expense on the line of credit was \$9,965 during 2010.

The line of credit requires the Company to maintain specified debt service ratios and is also partially guaranteed by certain members of the Company.

Note (7) Collective Bargaining Agreement

The majority of the Company's employees are members of a collective bargaining that expires December 31, 2011.

See Accountant's Review Report.

Supplementary Information

Neighbors Rehabilitation Center, LLC
Schedule of Resident Income
For the Year Ended December 31, 2010

| | Resident Days | Average Residents Per Day | Amount | Amount Per Resident Day |
|---|--------------------------|--|---------------------|------------------------------------|
| Routine Services | | | | |
| Private | 4,520 | 12.4 | \$ 848,308 | \$ 187.68 |
| Medicaid | 24,191 | 66.3 | 2,726,944 | \$ 112.73 |
| HMO | 468 | 1.3 | 158,672 | \$ 339.04 |
| Hospice | 1,695 | 4.6 | 191,053 | \$ 112.72 |
| Medicare | 2,891 | 7.9 | 1,096,845 | \$ 379.40 |
| Total Routine Services | 33,765 | 92.5 | 5,021,822 | \$ 148.73 |
| Less: Illinois Nursing Home License Fee | | | 55,298 | 1.64 |
| Net Routine Services | 33,765 | 92.5 | 4,966,524 | 147.09 |
| Net Ancillary Services | | | (205,738) | (6.09) |
| Net Resident Income | 33,765 | 92.5 | \$ 4,760,786 | \$ 141.00 |

| | |
|----------------------------------|---------------|
| Census | 33,765 |
| Average Residents Per Day | 92.5 |
| Percent to Capacity | 91.6% |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Ancillary Services
For the Year Ended December 31, 2010

| | Income | Cost | Gross Profit |
|-------------------------------|-------------------|-------------------|---------------------|
| Supplies and I.V. Therapy | \$ 1,753 | \$ 4 | \$ 1,749 |
| Pharmacy | 104,047 | 83,516 | 20,531 |
| Vent Supplies | 1,672 | 1,895 | (223) |
| Physical Therapy | 353,790 | 142,695 | 211,095 |
| Speech Therapy | 59,850 | 13,515 | 46,335 |
| Laboratory Expense | 5,794 | 7,454 | (1,660) |
| Occupational Therapy | 304,720 | 123,274 | 181,446 |
| Equipment Rental | 2,044 | 0 | 2,044 |
| X-Ray | 2,535 | 3,212 | (677) |
| Gross Ancillary Services | 836,205 | 375,565 | 460,640 |
| Less: Contractual Adjustments | (666,378) | 0 | (666,378) |
| Net Ancillary Services | \$ 169,827 | \$ 375,565 | \$ (205,738) |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses
For the Year Ended December 31, 2010

| | Amount | Amount Per Resident Day |
|-----------------------------------|---------------------|-------------------------|
| Nursing Salaries | | |
| Director of Nursing | \$ 70,430 | \$ 2.09 |
| Assistant Director of Nursing | 51,011 | 1.51 |
| Registered Nurses | 225,494 | 6.68 |
| Licensed Practical Nurses | 352,939 | 10.45 |
| Nurses Aides | 789,438 | 23.38 |
| Rehab Nurses | 98,560 | 2.92 |
| Care Plan and Medical Records | 77,540 | 2.29 |
| Total Nursing Salaries | 1,665,412 | 49.32 |
| Contract Nursing | 69,788 | 2.07 |
| Total Nursing Labor | 1,735,200 | 51.39 |
| Activity Salaries | | |
| Director and Assistants | 107,355 | 3.18 |
| Psycho-Social | 49,528 | 1.47 |
| Total Activity Salaries | 156,883 | 4.65 |
| Total Nursing and Activity | 1,892,083 | 56.04 |
| Other Nursing Costs | | |
| Medical and Nursing Supplies | 62,454 | 1.85 |
| Oxygen | 1,105 | 0.03 |
| Enteral Supplies | 9,347 | 0.28 |
| Nursing Equipment Rental | 8,444 | 0.25 |
| Prescription Drugs | 6,876 | 0.20 |
| Activity Program Expense | 10,809 | 0.32 |
| Consultants | | |
| Activity | 1,700 | 0.05 |
| Physical Therapy | 1,344 | 0.04 |
| Occupational Therapy | 1,118 | 0.03 |
| Social Worker | 1,700 | 0.05 |
| Speech Therapy | 187 | 0.01 |
| Medical Records | 720 | 0.02 |
| Nursing | 21,816 | 0.65 |
| Pharmacy | 5,830 | 0.17 |
| Medical Director | 9,900 | 0.29 |
| Specialized Rehab | 10,908 | 0.32 |
| Total Other Nursing Costs | 154,258 | 4.57 |
| Total Nursing Costs | \$ 2,046,341 | \$ 60.61 |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2010

| | Amount | Amount Per Resident Day |
|-------------------------------------|-------------------|-------------------------|
| Housekeeping and Plant | | |
| Housekeeping Salaries | \$ 123,038 | \$ 3.64 |
| Maintenance Salaries | 50,802 | 1.50 |
| Director of Environmental Service | 10,908 | 0.32 |
| Outside Labor | 5,037 | 0.15 |
| Housekeeping Supplies | 18,696 | 0.55 |
| Grounds Maintenance | 11,168 | 0.33 |
| Painting and Decorating | 14,220 | 0.42 |
| Repairs and Maintenance | 45,269 | 1.34 |
| Scavenger | 19,977 | 0.61 |
| Exterminator | 744 | 0.02 |
| Fire Service | 7,022 | 0.21 |
| Utilities | 94,357 | 2.79 |
| Total Housekeeping and Plant | \$ 401,238 | \$ 11.88 |

| | | |
|---------------------------|-------------------|-----------------|
| Dietary | | |
| Dietary Salaries | \$ 244,295 | \$ 7.24 |
| Food | 141,744 | 4.19 |
| Dietary Supplies | 15,517 | 0.46 |
| Sales Tax on Food | 667 | 0.02 |
| Dietary Consultant | 9,336 | 0.28 |
| Director of Food Services | 10,908 | 0.32 |
| Total Dietary | \$ 422,467 | \$ 12.51 |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of Operating Expenses - Continued
For the Year Ended December 31, 2010

| | Amount | Amount Per Resident Day |
|---------------------------------|-------------------|-------------------------|
| Employee Welfare | | |
| Payroll Taxes | \$ 207,771 | \$ 6.15 |
| Workers' Compensation Insurance | 73,753 | 2.18 |
| Classified Advertising | 2,875 | 0.10 |
| Employees' Benefits | 26,353 | 0.78 |
| Employee Insurance | 102,415 | 3.03 |
| Total Employee Welfare | \$ 413,167 | \$ 12.24 |

| | | |
|--------------------------------|-------------------|----------------|
| Laundry and Linen | | |
| Laundry Salaries | \$ 80,962 | \$ 2.40 |
| Laundry Supplies | 18,197 | 0.55 |
| Linen Replacement | 5,865 | 0.16 |
| Total Laundry and Linen | \$ 105,024 | \$ 3.11 |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Schedule of General and Administrative Expenses
For the Year Ended December 31, 2010

| | Amount | Amount Per Resident Day |
|--|-------------------|----------------------------|
| Administrative Salaries | \$ 75,145 | \$ 2.23 |
| Office Salaries | 100,401 | 2.97 |
| Director of Admission | 10,908 | 0.32 |
| Director of Reimbursement | 10,908 | 0.32 |
| Director of Administrative Services | 21,816 | 0.65 |
| Director of Regulatory Services | 10,908 | 0.32 |
| Ancillary Administrative Charges | 22,428 | 0.66 |
| Accounting Fees | 55,275 | 1.64 |
| Advertising and Promotions | 23,158 | 0.69 |
| Bad Debts | 39,734 | 1.18 |
| Bank Fees | 8,115 | 0.24 |
| Bookkeeping Services | 42,408 | 1.26 |
| Computer Support Charges | 2,424 | 0.07 |
| Contributions | 2,438 | 0.07 |
| Dues and Subscriptions | 25,028 | 0.74 |
| Education and Seminars | 4,895 | 0.14 |
| Equipment Rental | 1,810 | 0.05 |
| General Insurance | 67,092 | 1.99 |
| Legal | 7,789 | 0.23 |
| Licenses and Fees | 1,723 | 0.05 |
| Consulting Fees | 240,104 | 7.11 |
| Office Supplies | 22,057 | 0.68 |
| Other Professional Fees | 30,003 | 0.89 |
| Telephone | 17,265 | 0.51 |
| Travel - Staff | 7,151 | 0.19 |
| Total General and Administrative Expenses | \$ 850,983 | \$ 25.20 |

See Accountant's Review Report.

Neighbors Rehabilitation Center, LLC
Additional Management Information
For the Year Ended December 31, 2010

Comment (A) Analysis of Nursing Staff salaries and hours paid for year ended December 31, 2010, is as follows:

| | Amount | Hours Worked | Hours Paid | Cost Per Hour |
|--|---------------------|-------------------------|-----------------------|--------------------------|
| DON and ADON | \$ 121,441 | 3,791 | 4,201 | \$ 28.91 |
| RNs | 225,494 | 8,802 | 9,246 | \$ 24.39 |
| LPNs | 352,939 | 15,135 | 16,473 | \$ 21.43 |
| Aides | 887,998 | 65,360 | 71,857 | \$ 12.36 |
| CPC/Medical Records | 77,540 | 3,584 | 4,046 | \$ 19.16 |
| Contract Nursing | 69,788 | 2,901 | 2,901 | \$ 24.06 |
| Total Salaries | \$ 1,735,200 | 99,573 | 108,724 | \$ 15.96 |
| Total Resident Days | | | | 33,765 |
| Average Number of Hours Worked Per Resident Day | | | | 2.95 |

Comment (B) Illinois Nursing Home License Fee

Effective July 1, 1993, this fee is computed at \$1.50 multiplied by the total licensed beds on a daily basis and is paid quarterly to the Illinois Department of Healthcare and Family Services.

This fee has been recorded as a reduction of resident income.

See Accountant's Review Report.

NEIGHBORS REHABILITATION CENTER, LLC

RESOLUTION

WHEREAS, Neighbors Rehabilitation Center, LLC, an Illinois limited liability company (the "*Company*"), is the licensee of that certain skilled nursing facility commonly known as The Neighbors, located at 811 West 2nd Street, Byron, Illinois, which is to be constructed (the "*Facility*"); and

WHEREAS, the Company intends on performing construction at the Facility that will necessitate additional costs and expenses.

RESOLVED, in order to ensure the Company has sufficient funds to complete the construction, the Managers of the Company agree to not make any distributions while construction is ongoing (from the date on which construction commences until substantial completion) except to pay for members' income taxes associated with each member's share of the profits in the Company.

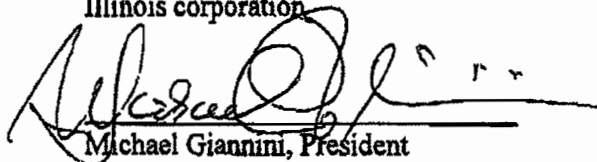
IN WITNESS WHEREOF, the Managers of the Company have entered into this Resolution as of the ____ day of _____, 2014.

BRYSSON CARE, INC., an Illinois
corporation



Bryan G. Barrish, President

BRADLOR MANAGEMENT, INC., an
Illinois corporation



Michael Giannini, President

CENTRAL STREET MANAGEMENT,
LLC, an Illinois limited liability company

Steven Miretzky, Manager

NEIGHBORS REHABILITATION CENTER, LLC

RESOLUTION

WHEREAS, Neighbors Rehabilitation Center, LLC, an Illinois limited liability company (the "*Company*"), is the licensee of that certain skilled nursing facility commonly known as The Neighbors, located at 811 West 2nd Street, Byron, Illinois, which is to be constructed (the "*Facility*"); and

WHEREAS, the Company intends on performing construction at the Facility that will necessitate additional costs and expenses

RESOLVED, in order to ensure the Company has sufficient funds to complete the construction, the Managers of the Company agree to not make any distributions while construction is ongoing (from the date on which construction commences until substantial completion) except to pay for members' income taxes associated with each member's share of the profits in the Company.

IN WITNESS WHEREOF, the Managers of the Company have entered into this Resolution as of the ____ day of _____, 2014.


BRYSSON CARE, INC., an Illinois
corporation

Bryan G. Barrish, President

BRADLOR MANAGEMENT, INC., an
Illinois corporation

Michael Giannini, President

CENTRAL STREET MANAGEMENT,
LLC, an Illinois limited liability company



Steven W. Wietzky, Manager

FIRST AMENDMENT TO CONSULTING AGREEMENT

THIS FIRST AMENDMENT TO CONSULTING AGREEMENT (this "**First Amendment to Consulting Agreement**") is made and entered into as of the _____ day of _____, 2014 by and between **Neighbors Rehabilitation Center, LLC**, an Illinois limited liability company ("**Licensee**"), and **S.I.R. Management, Inc.**, an Illinois corporation ("**Consultant**").

RECITALS:

A. Licensee and Consultant entered into a Consulting Agreement dated October 1, 2009 (the "**Consulting Agreement**") whereby Licensee retained the services of Consultant with respect to the operations of that certain assisted living facility commonly known as The Neighbors, located at 811 West 2nd Street, Byron, Illinois (the "**Facility**").

B. Licensee and Consultant hereby desire and have agreed to, among other things, amend the terms and conditions of the Consulting Agreement with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Amendment.** Exhibit B of the Consulting Agreement is hereby replaced with a new Exhibit B, attached hereto.

2. **Terms of the Consulting Agreement.** Capitalized terms used but not defined in this Amendment shall have the meanings ascribed thereto in the Consulting Agreement.

3. **Ratification of the Consulting Agreement.** Except as otherwise amended hereby, the terms and covenants of the Consulting Agreement remain in full force and effect and the parties hereto, by execution of this Amendment, ratify and confirm same.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Consulting Agreement as of the date first above written.

CONSULTANT:

S.I.R. MANAGEMENT, INC.

By: [Signature]
Name: Michael E. [unclear]
Its: Secretary

LICENSEE:

NEIGHBORS REHABILITATION CENTER, LLC

By: [Signature]
Name: TOWN THAMMAMATH
Its: Administrator

EXHIBIT B

Pursuant to Section 8 of the Consulting Agreement between Licensee and Consultant, for the period commencing with the construction at the property and ending eighteen (18) months thereafter, the annual fee shall be one percent (1%) of Resident Income. After such eighteen (18) month period, the annual fee shall increase to five percent (5%) of Resident Income.



January 31, 2014

Neighbors Rehabilitation Center
c/o Tom Winter

To whom it may concern:

We have worked with Bryan Barrish and Michael Giannini for over 10 years on a variety of financings. They have been excellent customers, handling all accounts as agreed. In all of the loans, they and their affiliates have provided the equity necessary for a successful transaction.

The Bank would consider providing construction financing for the addition to the Neighbors Rehabilitation Center, in Byron, IL. The Bank currently provides approximately a \$2.3mln mortgage to the RE entity and a \$1.35mln operating working capital line of credit. The request for the construction loan is approximately \$7.8mln. The total \$10.1mln would represent no more than 75% as complete / as stabilized value, secured by the subject facility. The contemplated terms include both construction and post construction financing. The underwriting process and due diligence would be done under this pretext.

It is important to note that this is not a commitment and that a commitment would be subject to the successful completion of a thorough due diligence and approval process, including finalization of terms and conditions, formal approval by the Bank's loan committee, and documentation acceptable to the Bank and its counsel in its sole discretion. Any final commitment would also require approval of the Certificate of Need from the Health Facilities and Services Review Board.

Please feel free to contact me as noted below.

Sincerely,

Michael Monticello
Managing Director
(312) 564-1223
mmonticello@theprivatebank.com

Patrick Malone
Officer
(312) 564-6917
pmalone@theprivatebank.com



January 31, 2014

Neighbors Rehabilitation Center
c/o Tom Winter

To whom it may concern:

We have worked with Bryan Barrish and Michael Giannini for over 10 years on a variety of financings. They have been excellent customers, handling all accounts as agreed. In all of the loans, they and their affiliates have provided the equity necessary for a successful transaction.

The Bank would consider providing construction financing for the addition to the Neighbors Rehabilitation Center, in Byron, IL. The Bank currently provides approximately a \$2.33mln mortgage to the RE entity and a \$1.35mln operating working capital line of credit. The Bank engaged a 3rd party valuation group to appraise the property. The appraisal effective September 19, 2013 indicates As-Is Market Value of \$4.60mln. Effective in place LTV is 50.7% based on As-Is Value.

It is important to note that this is not a commitment and that a commitment would be subject to the successful completion of a thorough due diligence and approval process, including finalization of terms and conditions, formal approval by the Bank's loan committee, and documentation acceptable to the Bank and its counsel in its sole discretion. Any final commitment would also require approval of the Certificate of Need from the Health Facilities and Services Review Board.

Please feel free to contact me as noted below.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Monticello".

Michael Monticello
Managing Director
(312) 564-1223
mmonticello@theprivatebank.com

A handwritten signature in black ink, appearing to read "Patrick Malone".

Patrick Malone
Officer
(312) 564-6917
pmalone@theprivatebank.com

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued iii

Financial Viability

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

The worksheets for the all viability ratios from both the ownership and operating entities as well as for the entities on a combined basis are appended as ATTACHMENT-29A. The corresponding financial statements are previously appended as ATTACHMENT-27A.

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER OPERATOR COMBINED

| | 2011 | 2012 | 2013 | 2018 |
|---|--------------|--------------|--------------|---------------|
| <u>CURRENT RATIO</u> | | | | |
| 1. CURRENT ASSETS | \$ 2,029,369 | \$ 1,501,610 | \$ 1,360,618 | \$ 3,416,760 |
| 2. CURRENT LIABILITIES | \$ 1,999,089 | \$ 1,431,658 | \$ 1,385,065 | \$ 1,668,065 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 1.0 | 1.0 | 1.0 | 2.0 |
| <u>NET MARGIN PERCENTAGE</u> | | | | |
| 4. NET INCOME OR (LOSS) | \$ 486,906 | \$ 489,143 | \$ 190,603 | \$ 1,186,497 |
| 5. NET OPERATING REVENUE | \$ 1,174,476 | \$ 1,117,873 | \$ 634,366 | \$ 6,849,100 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | 41.5% | 43.8% | 30.0% | 17.3% |
| <u>DEBT SERVICE COVERAGE</u> | | | | |
| NET INCOME(LOSS) + DEPR + | | | | |
| 7. INTEREST + AMORTIZATION | \$ 679,140 | \$ 850,387 | \$ 521,741 | \$ 2,170,497 |
| 8. PRINCIPAL + INTEREST | \$ 222,626 | \$ 235,412 | \$ 200,697 | \$ 544,000 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 3.1 | 3.6 | 2.6 | 4.0 |
| <u>DEBT CAPITALIZATION RATIO</u> | | | | |
| 10. LONG TERM DEBT | \$ 2,523,800 | \$ 2,346,000 | \$ 2,346,642 | \$ 10,167,642 |
| 11. LONG TERM DEBT + EQUITY | \$ 3,552,243 | \$ 3,441,288 | \$ 3,323,532 | \$ 12,730,532 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 71.0% | 68.2% | 70.6% | 79.9% |
| <u>DAYS CASH</u> | | | | |
| 13. CASH AND INVESTMENTS | \$ 76,857 | \$ 139,794 | \$ 45,618 | \$ 1,626,760 |
| 14. OPER EXPENSE LESS DEPR/365 | \$ 13,185 | \$ 13,383 | \$ 13,379 | \$ 20,460 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 5.8 | 10.4 | 3.4 | 79.5 |
| <u>CUSHION RATIO</u> | | | | |
| 16. CASH AND INVESTMENTS | \$ 76,857 | \$ 139,794 | \$ 45,618 | \$ 1,626,760 |
| 17. MAX ANNUAL DEBT SERVICE | \$ 253,183 | \$ 237,928 | \$ 216,697 | \$ 550,000 |
| 18. CUSHION (LINE 16 / LINE 17) | 0.3 | 0.6 | 0.2 | 3.0 |

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OWNER - NEIGHBORS PROPERTY, LLC

| | 2011 | 2012 | 2013 | 2018 |
|---|--------------|--------------|--------------|---------------|
| <u>CURRENT RATIO</u> | | | | |
| 1. CURRENT ASSETS | \$ 64,856 | \$ 78,149 | \$ 70,618 | 151,760 |
| 2. CURRENT LIABILITIES | \$ 130,837 | \$ 131,527 | \$ 70,065 | 70,065 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 0.5 | 0.6 | 1.0 | 2.2 |
| <u>NET MARGIN PERCENTAGE</u> | | | | |
| 4. NET INCOME OR (LOSS) | \$ (78,514) | \$ (81,171) | \$ (75,372) | \$ (356,000) |
| 5. NET OPERATING REVENUE | \$ 289,800 | \$ 284,600 | \$ 288,000 | \$ 608,000 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | -27.1% | -28.5% | -26.2% | -58.6% |
| <u>DEBT SERVICE COVERAGE</u> | | | | |
| NET INCOME(LOSS) + DEPR + | | | | |
| 7. INTEREST + AMORTIZATION | \$ 78,078 | \$ 225,021 | \$ 201,766 | \$ 538,000 |
| 8. PRINCIPAL + INTEREST | \$ 209,183 | \$ 209,928 | \$ 188,697 | \$ 514,000 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 0.4 | 1.1 | 1.1 | 1.0 |
| <u>DEBT CAPITALIZATION RATIO</u> | | | | |
| 10. LONG TERM DEBT | \$ 2,523,800 | \$ 2,332,720 | \$ 2,337,642 | \$ 10,167,642 |
| 11. LONG TERM DEBT + EQUITY | \$ 2,871,833 | \$ 2,729,582 | \$ 2,638,532 | \$ 9,228,532 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 87.9% | 85.5% | 88.6% | 110.2% |
| <u>DAYS CASH</u> | | | | |
| 13. CASH AND INVESTMENTS | \$ 3,056 | \$ 18,149 | \$ 10,618 | \$ 91,760 |
| 14. OPER EXPENSE LESS DEPR/365 | \$ 585 | \$ 578 | \$ 598 | \$ 1,600 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 5.2 | 31.4 | 17.7 | 57.4 |
| <u>CUSHION RATIO</u> | | | | |
| 16. CASH AND INVESTMENTS | \$ 3,056 | \$ 18,149 | \$ 10,618 | \$ 91,760 |
| 17. MAX ANNUAL DEBT SERVICE | \$ 209,183 | \$ 209,928 | \$ 188,697 | \$ 514,000 |
| 18. CUSHION (LINE 16 / LINE 17) | 0.0 | 0.1 | 0.1 | 0.2 |

NEIGHBORS REHABILITATION CENTER
VIABILITY RATIOS WORKSHEET
LTC FACILITY OPERATOR - NEIGHBORS REHABILITATION CENTER, LLC

| | 2011 | 2012 | 2013 | 2018 |
|---|--------------|--------------|--------------|--------------|
| <u>CURRENT RATIO</u> | | | | |
| 1. CURRENT ASSETS | \$ 1,964,513 | \$ 1,423,461 | \$ 1,290,000 | \$ 3,265,000 |
| 2. CURRENT LIABILITIES | \$ 1,868,252 | \$ 1,300,131 | \$ 1,315,000 | \$ 1,598,000 |
| 3. CURRENT RATIO (LINE 1 DIVIDED BY LINE 2) | 1.1 | 1.1 | 1.0 | 2.0 |
| <u>NET MARGIN PERCENTAGE</u> | | | | |
| 4. NET INCOME OR (LOSS) | \$ 565,420 | \$ 570,314 | \$ 265,975 | \$ 1,542,497 |
| 5. NET OPERATING REVENUE | \$ 884,676 | \$ 833,273 | \$ 346,366 | \$ 6,241,100 |
| 6. NET MARGIN PERCENTAGE (LINE 4 DIVIDED BY LINE 5) | 63.9% | 68.4% | 76.8% | 24.7% |
| <u>DEBT SERVICE COVERAGE</u> | | | | |
| NET INCOME(LOSS) + DEPR + | | | | |
| 7. INTEREST + AMORTIZATION | \$ 601,062 | \$ 625,366 | \$ 319,975 | \$ 1,632,497 |
| 8. PRINCIPAL + INTEREST | \$ 13,443 | \$ 25,484 | \$ 12,000 | \$ 30,000 |
| 9. DEBT SERVICE COVERAGE RATIO (LINE 7 DIVIDED BY LINE 8) | 44.7 | 24.5 | 26.7 | 54.4 |
| <u>DEBT CAPITALIZATION RATIO</u> | | | | |
| 10. LONG TERM DEBT | \$ - | \$ 13,280 | \$ 9,000 | \$ - |
| 11. LONG TERM DEBT + EQUITY | 680410 | 711706 | 685000 | 3502000 |
| 12. DEBT CAPITALIZATION RATIO (LINE 10 DIVIDED BY LINE 11) | 0 | 0 | 0 | 0 |
| <u>DAYS CASH</u> | | | | |
| 13. CASH AND INVESTMENTS | \$ 73,801 | \$ 121,645 | \$ 35,000 | \$ 1,535,000 |
| 14. OPER EXPENSE LESS DEPR/365 | \$ 12,600 | \$ 12,806 | \$ 12,780 | \$ 18,860 |
| 15. DAY CASH ON HAND (LINE 13 / LINE 14) | 5.9 | 9.5 | 2.7 | 81.4 |
| <u>CUSHION RATIO</u> | | | | |
| 16. CASH AND INVESTMENTS | \$ 73,801 | \$ 121,645 | \$ 35,000 | \$ 1,535,000 |
| 17. MAX ANNUAL DEBT SERVICE | \$ 44,000 | \$ 28,000 | \$ 28,000 | \$ 36,000 |
| 18. CUSHION (LINE 16 / LINE 17) | 1.7 | 4.3 | 1.3 | 42.6 |

SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued iv

Economic Feasibility

This section is applicable to all projects

A. Reasonableness of Financing Arrangements

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

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

Appended as ATTACHMENT-30A, is a letter from the owner addressing reasonableness of financing arrangements.

B. Conditions of Debt Financing

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

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

Appended as ATTACHMENT-30B is a letter from the owner addressing the conditions of debt financing.

ATTACHMENT-30

NEIGHBORS PROPERTY, LLC
6840 N. Lincoln Avenue
Lincolnwood, IL 60712

January 8, 2014

Ms. Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for
Neighbors Property, LLC
reasonableness of financing arrangements

Dear Ms. Olson:

A. Reasonableness of Financing Arrangements

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

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

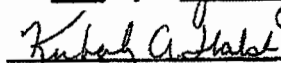
Respectfully,

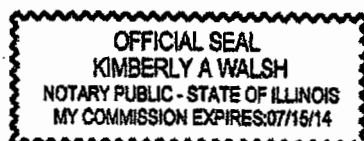

Brysson Care, Inc., Manager
Neighbors Property, LLC


Bradlor Management, Inc., Manager
Neighbors Property, LLC

Notarization:

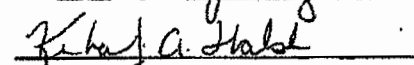
Subscribed and sworn to before me
this 9th day of January 2014

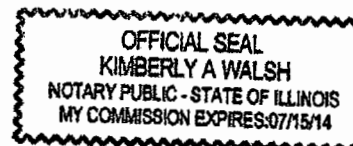

Signature of Notary
Seal



Notarization:

Subscribed and sworn to before me
this 9th day of January 2014


Signature of Notary
Seal



NEIGHBORS PROPERTY, LLC
6840 N. Lincoln Avenue
Lincolnwood, IL 60712

January 8, 2014

Ms. Kathryn J. Olson
Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761

RE: Certificate of Need Application for
Neighbors Property, LLC:
conditions of debt financing

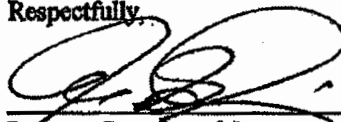
Dear Ms. Olson:

B. Conditions of Debt Financing

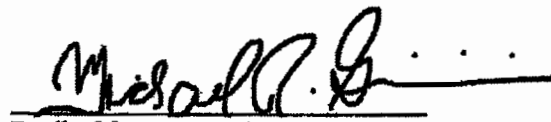
This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

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

Respectfully,



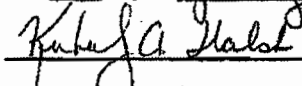
Brysson Care, Inc., Manager
Neighbors Property, LLC



Bradlor Management, Inc., Manager
Neighbors Property, LLC

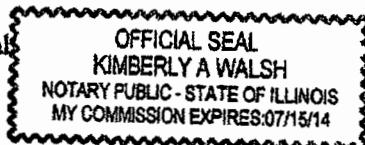
Notarization:

Subscribed and sworn to before me
this 9th day of January 2014



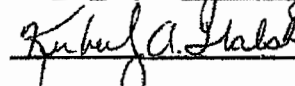
Signature of Notary

Seal



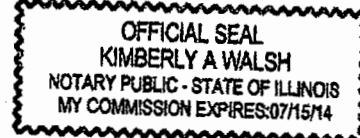
Notarization:

Subscribed and sworn to before me
this 9th day of January 2014



Signature of Notary

Seal



SECTION V – FINANCIAL AND ECONOMIC FEASIBILITY REVIEW Continued v**D. Projected Operating Costs**

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

| | 2018 | |
|-----------------------------|-------------|-----------------|
| Salaries | \$3,759,700 | |
| Benefits | \$ 598,000 | |
| Supplies | \$ 315,800 | |
| Patient Days @ 90% | | 43,033 |
| Total/Operating Cost/PT Day | \$4,673,500 | \$108.60 |

E. Total Effect of the Project on Capital Costs

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

| | 2018 | |
|-----------------------------|-----------|----------------|
| Depreciation | \$440,000 | |
| Interest Expense | \$544,000 | |
| Patient Days @ 90% | | 43,033 |
| Total/Operating Cost/PT Day | \$984,000 | \$22.87 |