LONG-TERM CARE
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION
This Section must be completed for all projects.

DESCRIPTION OF PROJECT

Project Type

[Check one]	[check one]
☒ General Long-term Care ☐ Specialized Long-term Care	☒ Establishment of a new LTC facility ☐ Establishment of new LTC services ☐ Expansion of an existing LTC facility or service ☐ 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.

Sunset Home (d/b/a "Sunset Senior Living"), currently operating at 418 Washington St., Quincy, Illinois 62301 (hereinafter "Sunset Home"), is proposing the establishment of a skilled nursing facility. This is not the traditional establishment of a skilled nursing facility because, along with this application will be a separate application to approve the discontinuation of the existing facility located on the existing site ("Replacement Facility").

The existing facility consists of 132 skilled nursing care beds, located within four floors of a 112,383 square foot building. The new facility, located on the backside of the property adjacent to the existing facility and incorporated into the existing site, and will consist of 106 beds, located within three floors and a partial basement within a 90,904 square foot building.

Because this site, although incorporated into the existing continuing care retirement community ("CCRC") campus, will be given a new address – 728 South 4th Street, Quincy, Illinois 62301 it is considered a substantive project establishing a new skilled nursing facility rather than the modernization of the existing facility.

The total project cost involved is $34,511,064. The project is classified as substantive per of *77 Illinois Administrative Code, Chapter II, Subchapter a, Section 1110.20(c)(1)(A)(i)* because it proposes the establishment of a new or replacement facility located on a new site.

Facility/Project Identification

Facility Name: Sunset Home		
Street Address: 728 S. 4th Street		
City and Zip Code: Quincy, 62301		
County: Adams	Health Service Area: 003	Health Planning Area: 001

Applicant /Co-Applicant Identification

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

Exact Legal Name: Sunset Home
Address: 418 Washington Street, Quincy, Illinois 62301
Name of Registered Agent: James L. Palmer
Name of Chief Executive Officer: Jerry Neal
CEO Address: 418 Washington Street, Quincy, Illinois 62301
Telephone Number: 217-223-2636

Type of Ownership (Applicant/Co-Applicants)

☒	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- 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.

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: Juan Morado Jr. and Mark J. Silberman
Title: CON Counsel
Company Name: Benesch Friedlander Coplan & Aronoff
Address: 71 South Wacker Drive, Suite 1600
Telephone Number: 312-212-4967
E-mail Address: JMorado@beneschlaw.com and MSilberman@beneschlaw.com
Fax Number: (312) 767-9192

Additional Contact

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

Name: Jerry Neal
Title: Administrator
Company Name: Sunset Home
Address: 418 Washington Street, Quincy, Illinois 62301
Telephone Number: 217-233-2636
E-mail Address: jneal@sunsethome.org
Fax Number: 217-223-6750

Facility/Project Identification

Facility Name: Sunset Home
Street Address: 728 S 4th Street
City and Zip Code: Quincy, 62301
County: Adams Health Service Area: 003 Health Planning Area: 001

Applicant /Co-Applicant Identification

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

Exact Legal Name: Sunset Home Skilled Nursing
Address: 418 Washington Street, Quincy, Illinois 62301
Name of Registered Agent: James L. Palmer
Name of Chief Executive Officer: Jerry Neal
CEO Address: 418 Washington Street, Quincy, Illinois 62301
Telephone Number: 217-223-2636

Type of Ownership (Applicant/Co-Applicants)

☒ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- 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.

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: Juan Morado Jr. and Mark J. Silberman
Title: CON Counsel
Company Name: Benesch Friedlander Coplan & Aronoff
Address: 71 South Wacker Drive, Suite 1600
Telephone Number: 312-212-4967
E-mail Address: JMorado@beneschlaw.com and MSilberman@beneschlaw.com
Fax Number: (312) 767-9192

Additional Contact

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

Name: Jerry Neal
Title: Administrator
Company Name: Sunset Home
Address: 418 Washington Street, Quincy, Illinois 62301
Telephone Number: 217-233-2636
E-mail Address: jneal@sunsethome.org
Fax Number: 217-223-6750

Post Permit Contact

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

Name: Jerry Neal
Title: Administrator
Company Name: Sunset Home
Address: 418 Washington Street, Quincy, Illinois 62301
Telephone Number: 217-233-2636
E-mail Address: jneal@sunsethome.org
Fax Number: 217-223-6750

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Sunset Home
Address of Site Owner: 418 Washington Street, Quincy, Illinois 62301
Street Address or Legal Description of Site: 728 S. 4th Street, Quincy, IL 62301
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.
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: Sunset Home

Address: 418 Washington Street, Quincy, Illinois 62301

☒	Non-profit Corporation	☐	Partnership		
☐	For-profit Corporation	☐	Governmental		
☐	Limited Liability Company	☐	Sole Proprietorship	☐	Other

- 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.**

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 #2006-5 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 #2006-5 **(http://www.hfsrb.illinois.gov.** Before an application for permit involving construction will be deemed **COMPLETE** the applicant must **attest** that the project **is or is not in a flood plain,** and that the location of the proposed project complies with the Flood Plain Rule under **Illinois Executive Order #2006-5**.

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:

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

This Application for Permit is filed on the behalf of Sunset Home and Sunset Home Skilled Nursing, Inc. 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

DARIN PROST
PRINTED NAME

PRESIDENT
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of October 2022

Pamela S. Fessler
Signature of Notary

Pamela S. Fessler
Offical Seal
Notary Public-State of Illinois
My Commissions Expire Feb 4, 2025
Seal

SIGNATURE

Kurt Stuckman
PRINTED NAME

Vice President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 7th day of October 2022

Pamela S. Fessler
Signature of Notary

Pamela S. Fessler
Offical Seal
Notary Public-State of Illinois
My Commissions Expire Feb 4, 2025
Seal

*Insert EXACT legal name of the applicant

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
☒ General Long-Term Care	132	106
☐ Specialized Long-Term Care		
☐		

***Existing number of beds as authorized by IDPH and posted in the "LTC Bed Inventory" on the HFSRB website (www.hrfsb.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
☒ General Long-Term Care	2020	197	43,982
☐ Specialized Long-Term Care			

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

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 listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

4. 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.**

5. 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 **l**etters 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 <u>ATTACHMENT 14,</u> IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Criterion 1125.550 - Service Demand – Expansion of General Long-Term Care - <u>NOT APPLICABLE</u>

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 - NOT APPLICABLE

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

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

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 – NOT APPLICABLE

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 – NOT APPLICABLE

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 Adults 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:**

$5,527,346	a. Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 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;
$21,700,000	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: 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;
$7,450,000	g. All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$34,677,346	**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

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.

Provide Data for Projects Classified as:	Category A or Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	2019	2020	2021	2025
Current Ratio	0.25	1.15	1.98	2.28
Net Margin Percentage	(11.10)	7.97	12.05	5.78
Percent Debt to Total Capitalization	-	31.57	43.56	70.43
Projected Debt Service Coverage	(4.81)	1.85	0.49	1.73
Days Cash on Hand	1.48	29.91	45.10	188.25
Cushion Ratio	0.48	1.07	0.35	3.40

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		Gross Sq. Ft.		Gross Sq. Ft.		Const. $	Mod. $	
	New	Mod.	New	Circ.*	Mod	Circ.*	(A x C)	(B x E)	
Nursing	$268.00		42,647				$11,429,674		$11,429,674
Contingency	$26.23		42,647				$1,118,649		$1,118,649
TOTALS	$294.23		42,647				$12,572,642		$12,572,642

* Include the percentage (%) of space for circulation

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.

APPENDIX A

Project Costs and Sources of Funds

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	$162,783	$184,302	$347,085
Site Survey and Soil Investigation	$9,400	$10,600	$20,000
Site Preparation	$215,145	$242,611	$457,756
Off Site Work	-	-	-
New Construction Contracts	$11,429,674	$12,888,782	$24,318,456
Modernization Contracts	-	-	-
Contingencies	$1,118,649	$1,313,197	$2,431,846
Architectural/Engineering Fees	$1,041,015	$1,173,910	$2,214,925
Consulting and Other Fees	$759,582	$856,550	$1,616,132
Movable or Other Equipment (not in construction contracts)	$954,354	$969,746	$1,924,100
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	$668,135	$678,911	$1,347,046
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	**$16,358,737**	**$18,316,609**	**$34,677,346**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$2,597,853	$2,929,493	$5,527,346
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	$10,259,384	$11,440,616	$21,700,000
Leases (fair market value)	-	-	-
Governmental Appropriations	-	-	-
Grants	-	-	-
Other Funds and Sources	$3,501,500	$3,948,500	$7,450,000
TOTAL SOURCES OF FUNDS	**$16,358,737**	**$18,316,609**	**$34,677,346**

APPENDIX C

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: N/A
Fair Market Value: N/A

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 N/A as operation will continue at existing facility until licensing of new facility and transfer of resident population.

APPENDIX D

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): ___August 31, 2025_____

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.

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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Nursing Beds	$16,358,737	-	42,647	42,647	-	-	-
Total Review		-	42,647	42,647	-	-	-
NON CLINICAL							
Non-Clinical Areas	$18,318,609	-	48,257	48,257	-	-	-
Total Non-clinical		-	48,257	48,257	-	-	-
TOTAL	**$34,677,346**	**-**	**90,904**	**90,904**	**-**	**-**	**-**

APPENDIX E

SPECIAL FLOOD HAZARD AREA AND 500YEAR FLOOD PLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: Sunset Home (Name) 418 Washington Street (Address)
   Quincy (City) Illinois (State) 62301 (ZIP Code) (Telephone Number)

2. Project Location: 728 S. 4th Street (Address) Quincy (City) Illinois (State)
   Adams (County) Quincy (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (https://msc.fema.gov/portal/home) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the ***Go To NFHL Viewer*** tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes__ No X
IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN - NO

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

_____
(City) (State) (ZIP Code) (Telephone Number)

Signature: _____ Date: _____

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

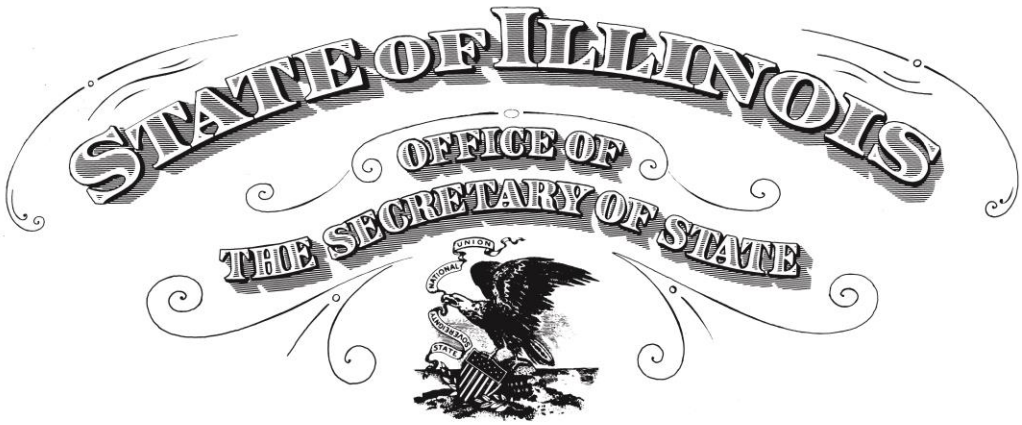
ATTACHMENT 1
Ownership

Included with this attachment are the Certificates of Good Standings for the following:

1. Sunset Home
2. Sunset Home Skill Nursing

ATTACHMENT 1
Certificate of Good Standing - Sunset Home

File Number 0497-571-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SUNSET HOME, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 06, 1889, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 2227803754 verifiable until 10/05/2023
Authenticate at: https://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 5TH *day of* OCTOBER ***A.D.*** 2022 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 1
Certificate of Good Standing - Sunset Home Skill Nursing

File Number 7376-400-9

STATE OF ILLINOIS
OFFICE OF
THE 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 I am the keeper of the records of the Department of Business Services. I certify that

SUNSET HOME SKILLED NURSING, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON AUGUST 05, 2022, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

SEAL OF THE STATE OF ILLINOIS
AUG. 26TH 1818

Authentication #: 2227901444 verifiable until 10/06/2023
Authenticate at: https://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 6TH *day of* OCTOBER ***A.D.*** 2022 .

Jesse White
SECRETARY OF STATE

ATTACHMENT 2
Site Ownership

This proposed site for the facility is owned by Sunset Home, an Illinois Not-for-Profit corporation incorporated on December 6, 1889. Attached as evidence of site ownership is a copy of the most recent property tax bill for the pin associated with the proposed site. Sunset Home Skilled Nursing will be taking on the loan debt associated with the construction for this project and ownership of the land will remain with Sunset Home. Both entities maintain the same Board Directors and Governance structure.

ATTACHMENT 2
Site Ownership

F. BRYDEN CORY
ADAMS COUNTY COLLECTOR
507 VERMONT ST STE G12
QUINCY IL 62301-2998

PROPERTY INDEX NUMBER
23-2-0971-000-00

MON - FRI, 8:30 AM - 4:30 PM
collector@co.adams.il.us
217-277-2245

Make checks payable to:
ADAMS COUNTY COLLECTOR

REAL ESTATE TAX BILL (2021 PAYABLE 2022)

DUPLICATE

1ST DUE DATE	2ND DUE DATE
07/01/2022	09/01/2022
1ST INSTALLMENT	2ND INSTALLMENT
$86.83	$86.83
INTEREST	PENALTY
FIRST INSTALLMENT PAID	SECOND INSTALLMENT PAID
1	2
TOTAL PAID	TOTAL PAID

NAME: SUNSET HOME
% ACCOUNTS PAYABLE
418 WASHINGTON ST
QUINCY IL 62301-4862

PRIOR YEAR TAX	$170.30
TIF EAV	0
1977 EAV	2,240
FREEZE BASE VALUE	0
COUNTY MULTIPLIER	1.0199
FAIR CASH VALUE	7,560
LAND VALUE	2,520
+ BUILDING VALUE	0
- HOME IMPROVE EXEMP	0
= TOTAL VALUE	2,520
x STATE MULTIPLIER	1.0000
= EQUALIZED VALUE	2,520
- SR FREEZE EXEMPTION	0
- RETURN VET / MISC EX	0
- OWNER OCCUPIED EX	0
- SR HOMESTEAD EXEMP	0
-DISABLED / D. VET EX	0
+ FARM LAND VALUE	0
- DRAINAGE ABATEMENT	0
+ FARM BUILDINGS VALUE	0
= TAXABLE VALUE	2,520
x TAX RATE	6.89103
= CURRENT TAX	$173.66
- ENTERPRISE ZONE	$0.00
+ BACK TAX	$0.00
= TAX BILLED	$173.66
- TAX PAID	$173.66
= TOTAL TAX DUE	$0.00

TOWNSHIP NAME: QUINCY
TAX CODE: 23001

Taxing Body	Current Rate	% Of Total	Current Tax	Prior Year Tax	Pension Amount	Library Amount
COUNTY	0.80188	11.64	$20.21	$19.74	$2.87	$0.00
QUINCY TOWNSHIP	0.04529	0.66	$1.14	$1.19	$0.00	$0.00
CITY OF QUINCY	1.07809	15.64	$27.17	$26.62	$18.12	$2.58
QUINCY PARK DISTRICT	0.55022	7.98	$13.87	$13.76	$0.32	$0.00
JOHN WOOD COMM COLLEGE	0.42616	6.18	$10.74	$10.43	$0.00	$0.00
SCHOOL DISTRICT 172 QUINCY	3.98939	57.89	$100.53	$98.56	$2.49	$0.00
Totals	**6.89103**		**$173.66**			

LEGAL DESCRIPTION: SEC 02 2S9W
LOT 1 BLK 92
WOODS SURVEY S 75FT LOT 1 & 10FT ADJ
ALLEY ON S

TAX FOR: VAC RES LOTS
TOTAL ACRES: 0.00
PROPERTY ADDRESS: 820 S 4TH ST, QUINCY, 62301

OWNER: SUNSET HOME

$3.50 FEE FOR EACH DUPLICATE BILL

REVIEW PAYMENT OPTIONS AND COLLECTION POLICIES ON THE BACK OF THIS BILL

RETURN THIS STUB WITH 1ST INSTALLMENT PAYMENT

PAY TO: ADAMS COUNTY COLLECTOR
507 VERMONT ST STE G12
QUINCY IL 62301-2998

Property Index Number	23-2-0971-000-00
1st Due Date	07/01/2022
Back Tax	$0.00
1st Installment	$86.83
1st Installment Paid	$86.83
1st Installment Balance Due	

LATE PAYMENTS

AFTER	PAY
07/01/2022	$0.00
08/01/2022	$0.00
09/01/2022	$0.00
10/01/2022	$0.00

Incorrect payments will be returned.

PHONE NUMBER

SUNSET HOME
% ACCOUNTS PAYABLE
418 WASHINGTON ST
QUINCY IL 62301-4862

PAID

1

DUPLICATE

RETURN THIS STUB WITH 2ND INSTALLMENT PAYMENT

PAY TO: ADAMS COUNTY COLLECTOR
507 VERMONT ST STE G12
QUINCY IL 62301-2998

Property Index Number	23-2-0971-000-00
2nd Due Date	09/01/2022
Total Tax	$173.66
2nd Installment	$86.83
2nd Installment Paid	$86.83
2nd Installment Balance Due	

LATE PAYMENTS

AFTER	PAY
09/01/2022	$0.00
10/01/2022	$0.00

Incorrect payments will be returned.

PHONE NUMBER

SUNSET HOME
% ACCOUNTS PAYABLE
418 WASHINGTON ST
QUINCY IL 62301-4862

PAID

2

DUPLICATE

ATTACHMENT 2
Site Ownership

ADAMS COUNTY COLLECTOR
507 VERMONT ST STE G12
QUINCY IL 62301-2998

PAYMENT OPTIONS AND COLLECTION POLICIES
Call 217-277-2245 if you have questions

MON - FRI, 8:30 AM - 4:30 PM
collector@co.adams.il.us
217-277-2245

THE OWNER OF RECORD IS RESPONSIBLE FOR PAYMENT OF THIS BILL. If you sold the property, forward this bill to the current owner or return it to the Treasurer's Office. The owner of record will be notified and published as delinquent if taxes remain unpaid.

PAYMENT STUBS are required for cash, check, Credit or Debit Card payments. Stubs are at the bottom of the tax bill. Duplicate bills are $3.50 each but are available online at no charge. Pay taxes and duplicate bill fee payments with separate checks. The Collector may return tax payments that do not include either the stubs or the correct duplicate bill fee payment.

PAYMENT OPTIONS

CASH. Do not mail cash payments or place cash payments in the dropbox.

CHECK. Make checks payable to "Adams County Collector." Write legibly. Include your phone number. Your cancelled check is your receipt. The Collector may lower the check amount if it is greater than the amount due.

BILLPAY CHECK (through your bank). Accepted through **Friday, September 30, 2022** . The Treasurer may return your payment if it can't be processed. Follow the special rules shown below.

- Create a biller for each property. Do not combine payments.
  - **Biller:** **ADAMS COUNTY COLLECTOR 507 VERMONT ST STE G12, QUINCY IL 62301-2998**
  - **Account:** Property Index Number from your bill (enter all 12 digits including zeros; omit dashes)
- For each property, pay the exact amount due at the time of payment including late payment interest and fees. You may pay one or both installments. Call 217-277-2245 if you are unsure of the exact amount.
- Do not use the memo line for any payment information.

E-CHECKS. Accepted through **Friday, September 30, 2022.**

CREDIT CARD, DEBIT CARD. Accepted through **Friday, October 14, 2022**
Convenience fees apply (This fee does not go to Adams County).

- Pay by phone at 844-624-2800
- Pay online at https://paytaxes.us/il_adams
  - $1.50 for each e-check payment
  - 2.25% of the total amount for credit and debit card payments

Debit cards have transaction limits. Contact your bank to confirm your limit.

HOW TO PAY

TREASURER'S OFFICE. Pay in person at the courthouse, 8:30-4:30 Monday-Friday. Use the 5th Street courthouse entrance.

DROP BOX. The drop box is located outside the 5th Street courthouse entrance. Do not put cash payments in the drop box.

MAIL. Mail to the address shown on the stub. **Payments must be postmarked on or before the due date to be considered on time.** Include a self-addressed stamped envelope if you want a receipt.

LOCAL BANKS. Banks accept cash or check payments. Payment stubs must accompany each payment. Banks do not accept late payments.

OTHER COLLECTION POLICIES

1. **ESCROWED TAXES.** Forward a copy of this bill to your lender if required.
2. **FAILURE TO RECEIVE A BILL.** The Collector is not responsible for failure to receive tax bill, for payment on wrong parcel or for omission. The owner should know the number of properties owned and the amount of taxes paid. Tell us if you think there is an error.
3. **LATE PAYMENTS.** Late payments include 1.5% interest per month. Parts or fractions of a month shall be considered a month. Refer to the late payment schedule on each stub.

   Payments received by mail are late if they are postmarked after the due date. No exceptions. If there is no postmark or if the postmark is unreadable, a payment is presumed to be late if we receive it four or more business days after the payment installment due date. A Billpay check is late if it is dated after the due date, or if received electronically, it has a "funded date" that is after the due date.

   After **Friday, September 30, 2022,** we will not accept personal, business or Billpay checks.

   After **October 1, 2022** we add a $10 fee for certified mailing and publication on the delinquent taxpayer list.

   We accept payments until 4:30 PM on **Friday, October 28, 2022.**
4. **SUBSEQUENT TAXES.** If prior year taxes were sold and not redeemed, the tax buyer may pay the current taxes any time after the second installment due date.
5. **PARTIAL PAYMENTS.** We do not accept partial payments.
6. **PHONE NUMBERS.** Please write your phone number on the stub to contact you if there is a problem with your payment.
7. **POSTDATED CHECKS.** We do not accept postdated checks.
8. **RETURNED PAYMENTS.** Any returned payment voids receipt and adds a $25 County returned check fee plus all bank fees that are charged to the County. Certified funds are required for repayment.
9. **TAX RECORDS ONLINE.** Tax records and duplicate tax bills are available at https://adamsil.devnetwedge.com/
10. **TAX SALE.** All unpaid taxes will be offered for sale on **Monday, October 31, 2022** . After the tax sale, call the Adams County Clerk at 217-277-2162 for the amount due.
11. **ZERO-DOLLAR TAX BILLS.** If no tax is due, do not return tax stubs. Keep the bill for your information and your records.

Certain taxpayers may be eligible for tax exemptions, abatements and other assistance programs. Contact the Supervisor of Assessments Office at 217-277-2135 or the Illinois Department of Revenue.

Certain taxpayers may be eligible for the Senior Citizens and Disabled Persons Property Tax Relief Act. Contact the Illinois Department on Aging at 800-252-8966 or the West Central Illinois office at 800-252-9027.

TAX PAID BY: _____
(If paid by other than addressee)

ADDRESS CHANGES

Complete and file a change of address form with the Adams County Clerk. Forms are available online at www.co.adams.il.us/ or by calling 217- 277-2157.

If the envelope displays a forwarding address, you must file a change of address form with the County Clerk.

Please do not provide address changes on this stub.

TAX PAID BY: _____
(If paid by other than addressee)

ADDRESS CHANGES

Complete and file a change of address form with the Adams County Clerk. Forms are available online at www.co.adams.il.us/ or by calling 217- 277-2157.

If the envelope displays a forwarding address, you must file a change of address form with the County Clerk.

Please do not provide address changes on this stub.

ATTACHMENT 2
Site Ownership

Property Information

Parcel Number 23-2-0957-000-00	**Site Address** 712 S 4TH ST QUINCY, 62301	**Owner Name & Address** SUNSET HOME OF THE U M CHURCH 418 WASHINGTON ST QUINCY, IL, 62301-4862
Tax Year 2021 (Payable 2022)		
Sale Status None		
Property Class 0090 - TAX EXEMPT OR BK TAX ONLY	**Tax Code** 23001 - Quincy 001	**Tax Status** Exempt
Net Taxable Value 0	**Tax Rate** 0.000000	**Total Tax** $0.00
Township QUINCY	**Acres** 0.0000	**Mailing Address**

Legal Description
LOT 11 BLK 91 WOODS SURVEY S 124.5FT LOTS 1 2 3 & 5 & S 30 OF N 90 OF E 120 LOT 1 & S 120 LOT 4 & ALL LOTS 8 9 10 & 11 & VAC ALLEY & N 1/2 VAC WASH ST ADJ ON S

Public Notes

2006 Assessment
4/92 combine 2-945,2-946,2-947,2-949,2-,2-953,2-955,2-958,2-959,2-960,2-961,2-962,2-963 with 2-957 per owner
2/06 add vac alley 7 street Ord 5-57 & 88-55
T178 tk

Neighborhood: 641C Card No: 439E

February 2006, Add vac. alley and street/Ordinance 5-57 and 88-55

Collector Notes
None

No Billing Information

Payment History

Tax Year	Total Billed	Total Paid	Amount Unpaid

No Forfeiture Information

ATTACHMENT 2
Site Ownership

Taxing Bodies

District	Tax Rate	Extension
COUNTY	0.801880	$0.00
QUINCY TOWNSHIP	0.045290	$0.00
CITY OF QUINCY	1.078090	$0.00
QUINCY PARK DISTRICT	0.550220	$0.00
JOHN WOOD COMM COLLEGE	0.426160	$0.00
SCHOOL DISTRICT 172 QUINCY	3.989390	$0.00
TOTAL	**6.891030**	**$0.00**

No date

Assessments

Level	Homesite	Dwelling	Farm Land	Farm Building	Mineral	Total
DOR Equalized	0	0	0	0	0	0
Department of Revenue	0	0	0	0	0	0
Board of Review Equalized	0	0	0	0	0	0
Board of Review	0	0	0	0	0	0
S of A Equalized	0	0	0	0	0	0
Supervisor of Assessments	0	0	0	0	0	0
Township Assessor	0	0	0	0	0	0
Prior Year Equalized	0	0	0	0	0	0

No Farmland Information

No Sales History Information

ATTACHMENT 2
Site Ownership

Disclaimer

This website is for information purposes only.

Real Estate Tax bills are available in Adobe Acrobat (PDF) format and may be used for payments. Use the "Tax Bill" option in the Sidebar on the right side of the webpage. Include paper copies of each stub with your payment.

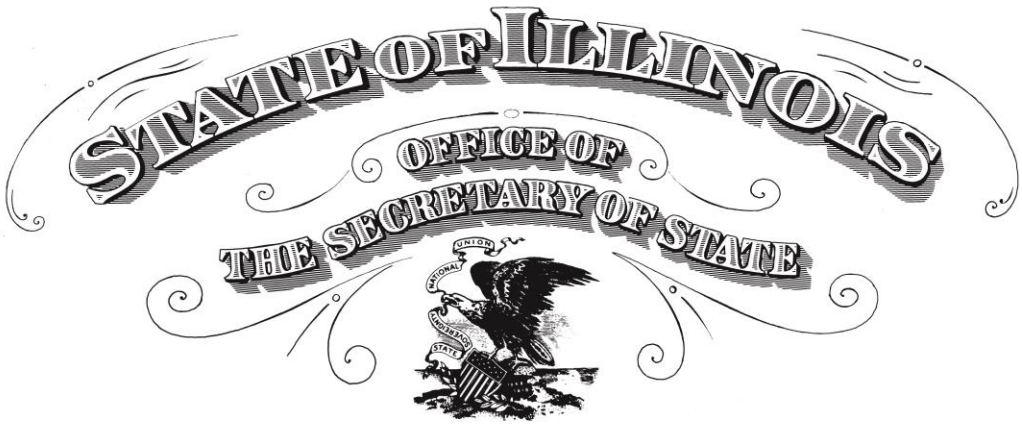
No other printed information from this website may be used in lieu of a tax bill. **PAYMENTS MUST INCLUDE EITHER THE CORRECT TAX BILL STUBS OR A $3.50 DUPLICATE BILL FEE FOR EACH PROPERTY OR THE PAYMENT WILL BE RETURNED.**

ATTACHMENT 3
Operating License

Sunset Home will be licensed by the Illinois Department of Public Health. Attached as evidence of the operating entity's good standing is Certificate of Good Standing.

ATTACHMENT 3
Operating License

File Number 0497-571-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

SUNSET HOME, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON DECEMBER 06, 1889, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

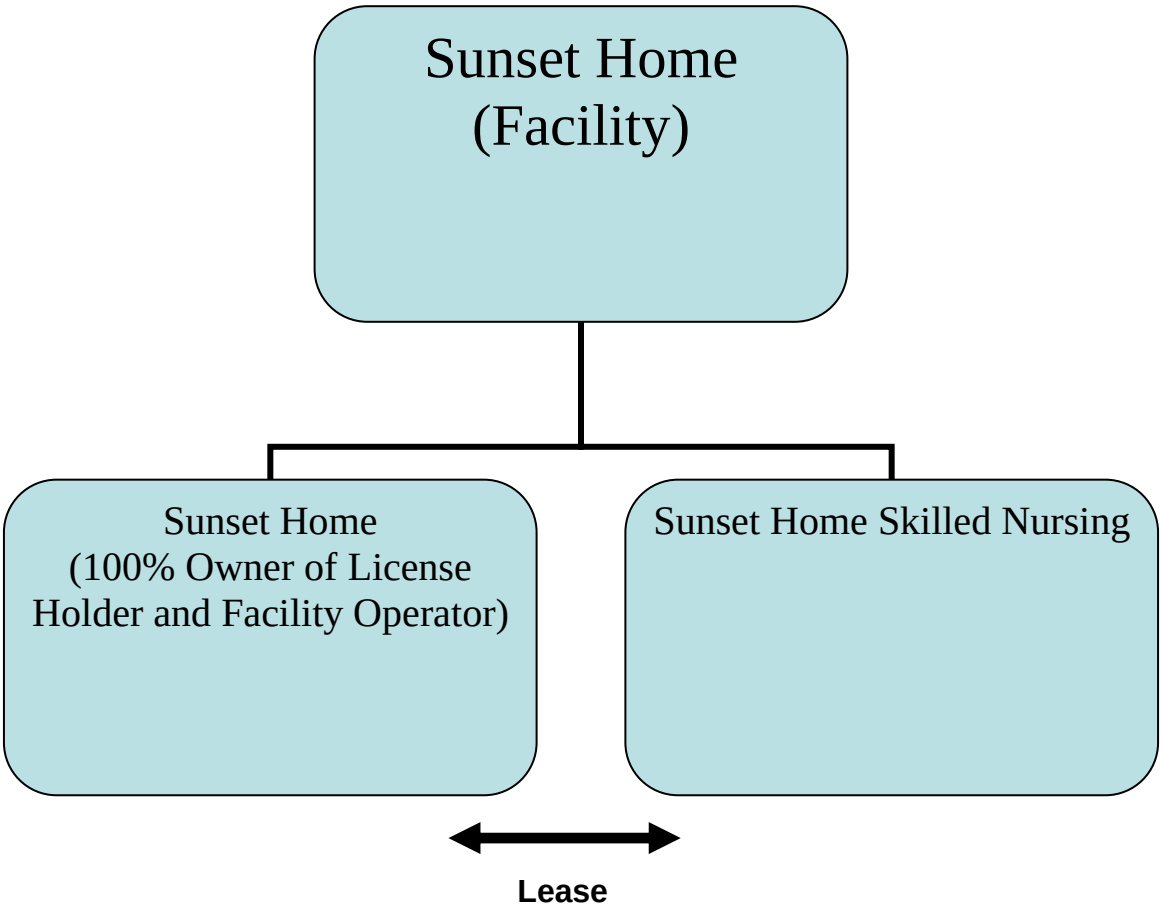
Authentication #: 2227803754 verifiable until 10/05/2023
Authenticate at: https://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 5TH *day of* OCTOBER ***A.D.*** 2022 .

Jesse White

SECRETARY OF STATE

ATTACHMENT 4
Organizational Chart



ATTACHMENT 5
Flood Plain Requirements

Sunset Home
Since 1889

October 4, 2022

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Sunset Home- Flood Plain Requirements

Dear Mr. Kniery:

As representative of Sunset Home, I, Jerry Neal, affirm that the proposed location for the relocation and establishment of Sunset Home complies with Illinois Executive Order #2005-5. The facility location is 728 South 4th Street, Quincy, Illinois 62301 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

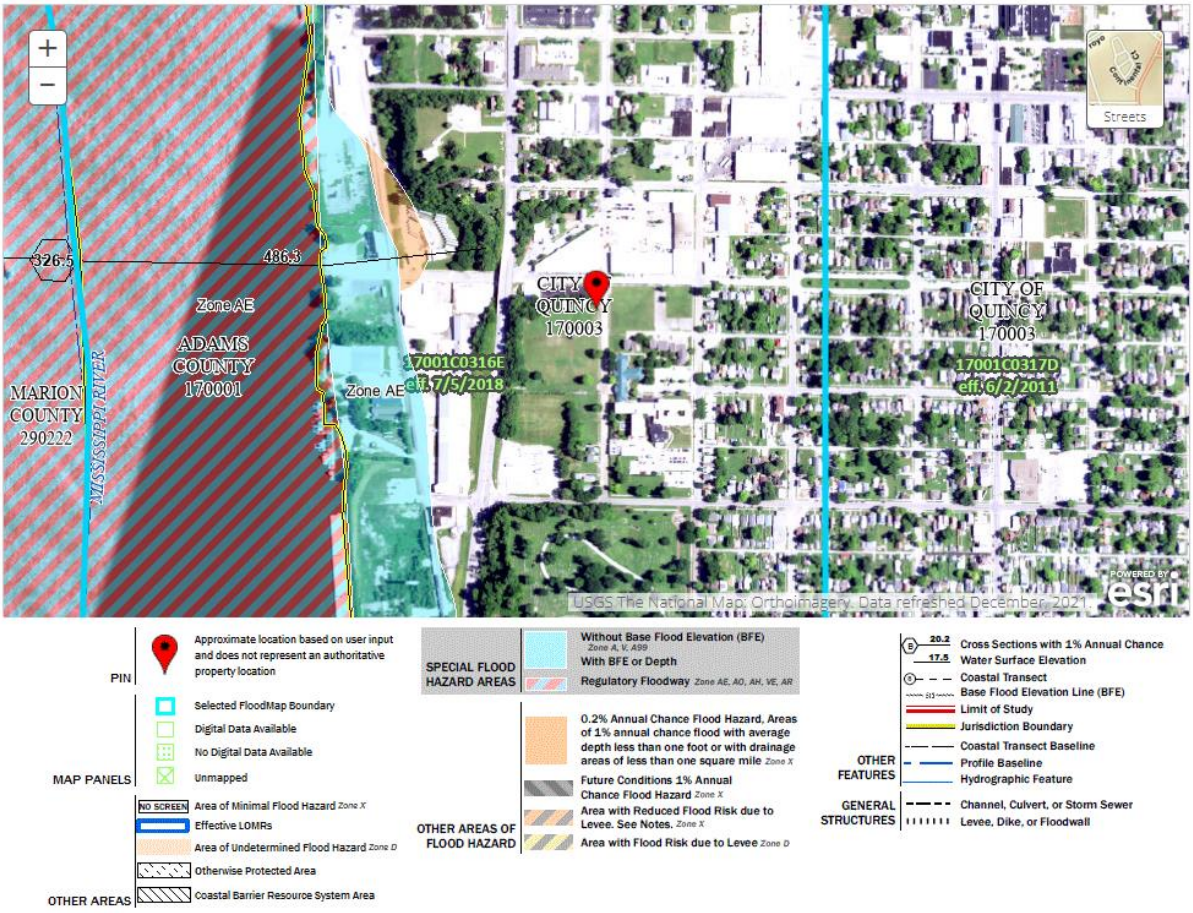
Sincerely,

Jerry Neal

Jerry Neal
Administrator
Sunset Home

418 Washington St • Quincy, IL 62301 • (217) 223-2636 • (217) 223-6750 fax • sunsethome.org

ATTACHMENT 5
Flood Plain Requirements



ATTACHMENT 6
Historic Resources Preservation Act Requirements

The applicant submitted a request for determination to the Illinois Department of Natural Resources-Preservation Services Division on September 30, 2022. A final determination has not yet been received, however, with the certification made with this application, the applicants certify that either a determination from the Department will be provided to the HFSRB staff prior to Board review of this CON application or if the HFSRB approves this application, the project will not be obligated until the determination is made by DNR.

ATTACHMENT 6
Historic Resources Preservation Act Requirements

Benesch
Attorneys at Law

Juan Morado, Jr.
71 South Wacker Drive, Suite 1600
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

September 30, 2022

VIA EMAIL

Jeffrey Kruchten
Chief Archaeologist
Preservation Services Division
Illinois Historic Preservation Office
Illinois Department of Natural Resources
1 Natural Resources Way
Springfield, IL 62702
SHPO.Review@illinois.gov

Re: Certificate of Need Application for the Establishment of Long-Term Care Facility- Sunset Home

Dear Jeffrey:

I am writing on behalf of my clients, Sunset Home ("Sunset") to request a review of the project area under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). Sunset is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. Sunset is proposing to establish a 106-bed long term care facility to be located at 728 South 4th Street, Quincy, Illinois 62301.

The proposed facility will be constructed in an open field located at the site. Sunset will contain 106 long term care beds, community space, a kitchen, and common and administrative areas. For your reference, we have included pictures of the existing open field and topographic maps (Attachments 1-2) showing the general location of the project.

ATTACHMENT 6
Historic Resources Preservation Act Requirements

Page 2

We respectfully request review of the project area and a determination letter at your earliest convenience. Thank you in advance for all of the time and effort that will be going into this review.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

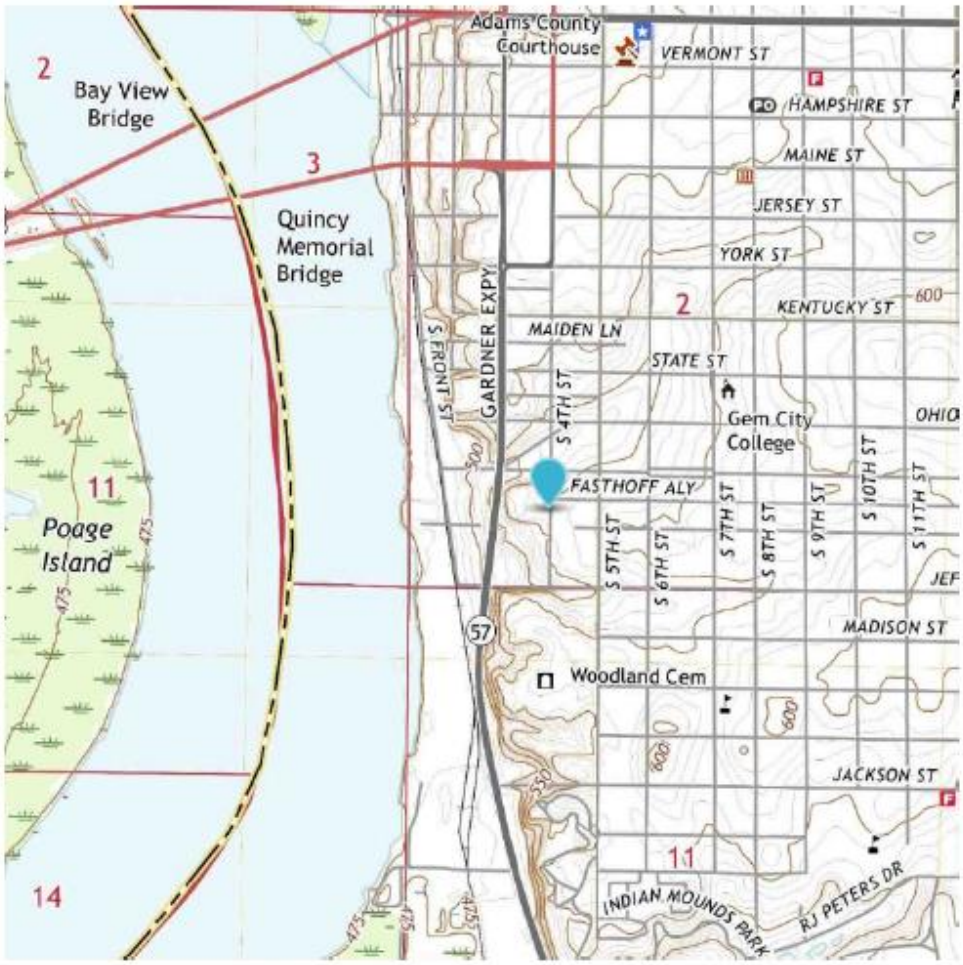
Juan Morado, Jr.

JM:
Enclosures

ATTACHMENT 6
Historic Resources Preservation Act Requirements

Page 3

Topographic Map



ATTACHMENT 6
Historic Resources Preservation Act Requirements

Page 4

Aerial Map

ATTACHMENT 6
Historic Resources Preservation Act Requirements

Page 5

Front View of Property

ATTACHMENT 6
Historic Resources Preservation Act Requirements

Page 6

Side View of Property from Street

ATTACHMENT 10
Purpose of the Project

This project proposes the modernization of an existing skilled nursing facility by replacing it on another portion of the parcel of land upon which it already rests. However, since the modernized facility will receive a new address, under the Board's regulations, this constitutes the establishment of a new long-term care facility.

Importantly, this project will right size the bed compliment of the facility and will result in a decrease in licensed skilled nursing bed capacity within the state's inventory, while enabling Sunset Home to continue providing 21st Century high quality care to the residents of Quincy, Illinois and the surrounding communities. This reduction in beds is consistent with industry trends to increase the number of private rooms and with the facility's actions over the last several years where they have discontinued beds reducing the overall state inventory.

Sunset Home was incorporated in 1889 as "The Old People's Home of the St. Louis German Conference of the Methodist Episcopal Church". Mr. and Mrs. Charles Pfeiffer, a Quincy pioneer, immigrated from Germany and used their home as a boarding house for the aged. Mr. and Mrs. Pfeiffer donated the house to the Conference only after the Conference agreed to use the house located at 418 Washington Street in Quincy as a home for the aged. Sunset Home is located on the Mississippi River where Iowa and Missouri meet. The city has counted on Sunset Home for the delivery of senior healthcare for over a century. During the past 100 years, Sunset Home grew to meet the needs of the community mostly by way of additions and expansions, however, the current layout of the facility is no longer efficient and able to meet the needs of the residents and staff. In addition, the infrastructure and HVAC systems are obsolete and expensive to replace. This project maximizes existing incorporated land to build a new Sunset Home worthy of this revered institution. Senior care in the year 2022 is far different than what existed and is expected compared to when the building was originally built in 1958. This project will return unutilized licensed beds to the Board's inventory while creating a space for aging residents to receive world-class care for the next 100 years.

Sunset Home is part of a continuing care retirement center ("CCRC"). Sunset Villas was completed in 1991 and in 1993 Sunset Home purchased the Sunset Apartments, a 93-unit apartment building primarily serving older adults. Both Sunset Villas and Sunset Apartments have priority access to Sunset Home's services if needed. Sunset Home converted an existing building originally built as a stand-alone 42 bed skilled unit into an 18 Apartment Assisted Living Facility. A license Application was submitted to the Illinois Department of Public Health thus establishing a CCRC on its 35 acre campus, which includes a 23 bed Assisted Living unit with 20,673 square foot beds in a 2-story (main floor and lower level) building; and 16 independent apartments (Villas) in 4-fourplex's with 30,426 square feet.

The proposed replacement facility will utilize the 13.86-acre parcel of property adjacent, yet incorporated, for the new construction of a 106-bed skilled nursing facility with 90,904 square feet in three stories plus a partial basement. Although the parcel has been zoned and incorporated into the existing site, the local EMS service has determined that the new building will have the address of 728 South 4th Street, Quincy. The replacement building will downsize the facility by 26 beds and 26,057 square feet. The modernized space will have 70 private and 18 semi-private rooms.

This project will allow for the continuance of a mission that has spanned over 125 years, allowing Sunset Home to continue providing for the healthcare and well-being of the resident population. The planning area and population will remain unchanged. The project is being undertaken to address the aging facility and to allow for the continued provision of necessary and quality care for this community. The consistent utilization of this facility is available in the IDPH data and is reflected in the annual reports submitted to this Board, demonstrating this facility to be an important component of healthcare delivery. By presenting this project as the establishment and subsequent discontinuation of facilities it will ensure there is no disruption in the available care for the resident population and the Quincy community. This community deserves a modern facility backed by the consistent commitment of Sunset Home and approval of this project will enable meaningful access to quality care well into the future.

The total proposed cost of the project is $34,677,346.

ATTACHMENT 11
Alternatives

1. Status Quo (Cost: There would be no cost associated with not moving forward with the project.)

Staying the course and attempting to rehabilitate and modernize a 64-year-old building would be a disservice not just to the residents of Sunset Home, but to the broader healthcare continuum in Quincy, Illinois. There is a path to preserve the deep roots of Sunset Home, while establishing a modern facility that offers quality care to those who need it. Sporadic renovations and attempting to sustain the current facility are neither cost efficient nor in the best interests of the resident population. The status quo is not a viable option.

2. Propose a larger project that retains all licensed skilled nursing beds (the cost would either be increased based upon the design of a larger facility or the cost could be reasonably unchanged but the 'cost' would be at the expense of the private rooms that residents and families want for their care.)

The core mission of the Board is to provide the highest quality care while reducing overall costs. While Sunset Home might be expected to retain all licensed beds, it is simply unnecessary and would increase the cost of care to its residents. Sunset Home proposes this scaled-down project in order to balance the demand for services with the sensitivity to keeping down costs. A larger facility was ultimately not worth the additional cost and not consistent with the identified need for nursing beds. A larger facility might eventually bring more profits to Sunset Home, but it would betray its commitment to keeping down resident costs and was therefore not considered.

3. Propose a smaller project (reducing licensed beds even further) (any reduced cost would be incremental but not significant)

When considering the size of the facility, Sunset Home used existing utilization data and future projections to drive decision-making. There is no benefit that would be realized when effecting economies-of-scale and displacement of existing residents. The proposed size of the project is responsive to the needs of the community while maximizing new construction costs. A smaller project would serve no one's interests.

4. Pursue a Joint Venture with Another Provider (this would only shift the expense between applicants but not impact the cost as the Board defines that term)

The Applicant considered partnering with another healthcare entity. The few potential benefits to Sunset Home in cost-sharing were far outweighed by the loss of cultural and operational control. The Applicant has developed a strong healthcare delivery team and ensured quality outcomes for decades. The addition of another healthcare provider would only serve to undermine the concept of aging-in-place withing a continuum-of-care campus and offer no benefit to residents. This alternative was, too, rejected.

5. Project as proposed

The proposed project checks all of the boxes in health planning. It proposes better utilization of existing health care resources. It proposes the right sizing of not only Sunset Home, but of its entire campus. This project controls the ongoing cost of maintaining and operating the existing Sunset Home facility while giving its residents and staff a more modern and comfortable environment. This project maintains quality of care and improves quality of life for residents, their families and the staff who care for them. This project allows the overall campus to realign with current and future need for beds and services, which will benefit the end user as well as the provider.

ATTACHMENT 11
Alternatives

There is no doubt that the modernization/partial replacement is needed. There is no doubt that the campus realignment is needed. In addition to these two items, the project size and scope are comparatively small and, therefore, there is not a lot of room to alter these two variables outside of what is being proposed. Sunset Home's governance, through proposing this project, is being a good steward of resources that brought Sunset Home into existence. For these reasons, this alternative was selected as the most viable.

Alternative Summary Matrix

Alternatives	Cost	Patient Access	Quality	Financial Benefit
Status Quo	More than Proposed Project	Unchanged	Equal but outdated	Avoid expense at cost of modern care and ultimate expense of repairs and maintenance would ultimately exceed cost.
Larger Project	Less than Proposed Project	Unchanged but over-bedded	Equal	Increased cost without any additional benefit and would be inconsistent with HFSRB principles and regulations.
Smaller Project	Less	Reduced	Equal	Less expensive but at the expense of access to care.
Joint Venture	Shifted among new co-applicant	unchanged	Would depend on JV Partner	No change in financial expense but impact upon culture and control of facility that has served community well for years.
Proposed Project	Unchanged	Right sized to reflect need	Improved	Right sizing of the facility and modernizing the services and facility will benefit residents, extended family, staff, and overall campus.

ATTACHMENT 12
Background of Applicant

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

   Sunset Home does not own any other healthcare facilities, as that term is defined by the Board.

2. **A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.**

   The current owners do not own or operate healthcare facilities other than the facility subject to this application.

3. **A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application. Please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.**

   Included with this Attachment is letter from the Applicants verifying that no adverse action has taken place.

4. **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.**

   Included with this attachment is the Applicant's authorization permitting HFSRB and IDPH access to any documents necessary to verify the information needed.

5. **If, during a given calendar year, an applicant submits more than one Application, 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 that the information was 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.**

   Not applicable.

ATTACHMENT 12
Attestation and Certification

Sunset Home
Since 1889

October 4, 2022

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Certification and Authorization

Dear Mr. Kniery,

As representative of Sunset Home, I, Jerry Neal, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access 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 other states, and the records of nationally recognized accreditation organizations.

I further verify that Sunset Home, has ownership interest in Sunset Home located at 728 S. 4th Street, Quincy, Illinois 62301. The facility has had no adverse actions to report for the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

Jerry Neal
Administrator
Sunset Home

418 Washington St • Quincy, IL 62301 • (217) 223-2636 • (217) 223-6750 fax • sunsethome.org

ATTACHMENT 12
Background of the Applicant

DISPLAY THIS PART IN A CONSPICUOUS PLACE

State of Illinois
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.

Dr. Sameer Vohra
Executive Director

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

EXPIRATION DATE	LICENSE NUMBER
02/05/2023	0011643

LONG TERM CARE LICENSE CATEGORY BGBE
SKILLED 132

CONDITIONAL 132 TOTAL BEDS

LICENSEE ADDRESS

SUNSET HOME

SUNSET HOME
418 WASHINGTON STREET
QUINCY IL 62301
EFFECTIVE DATE: 08/06/22

The face of this license has a colored background. Printed by Authority of the State of Illinois • 5/16

REGION 2 07/13/22

SUNSET HOME
418 WASHINGTON STREET
QUINCY IL 62301

ATTACHMENT 12
Background of the Applicant

For over 130 years, Sunset Home has served Quincy and the surrounding community with safe skilled nursing care, rehabilitative services, and love for the residents. Licensed for 132 Medicare and Medicaid certified beds, Sunset Home is a viable part of the post-acute care market. In addition to skilled nursing and rehabilitative services, Sunset Home provides hospice and adult day care services. Sunset Home also owns and manages Sunset Apartments and Sunset Villas.

Over the years, the original Sunset Home was added onto in order to accommodate the needs of the community. Eventually, in order to meet the growing need for rooms and beds, as well as the ever changing governmental rules and regulations, a newer facility was built around the existing home. In time, the original structure was totally demolished, and new modern buildings were constructed meeting all of the safety and building codes required for today's skilled nursing facilities.

The Sunset Villas were added on the main campus, starting in 1989 and completed in 1991. These consist of four buildings, each housing four living units. Each unit is a two bedroom condominium apartment with an underground garage for each unit. In 2003, Sunset Home purchased the Sunset Apartments located off campus and closer to downtown. Sunset Apartments is a 93 unit apartment building primarily serving older adults. Both Sunset Apartments and Sunset Villas have priority access to Sunset Home's services if needed.

In 2019, the Board and Management of Sunset Home began to develop a Master Strategic Plan for the future of the organization. They commissioned two studies of the Quincy post-acute care market to help provide the road map for their campus redesign and development. These studies were conducted by PMD Advisory Services, a well -respected national firm in the senior care market. The first study looked at the entire post-acute care market in a 25-mile radius of Quincy. This included independent living, assisted living, memory care, and skilled nursing. The conclusions from this study were that over the next couple of decades, there would be a need for additional independent, assisted, and memory care beds in order to meet the growing senior population in the area. It did show, however, that there was an abundance of skilled nursing beds unfilled and would not need additional skilled beds going forward.

The Sunset Home Board, knowing that the existing skilled nursing building was outdated and inefficient to operate, wanted to know what the proper sizing of a replacement facility would be in order to be sustainable and maintain an occupancy of 90% or more. With that in mind, they commissioned the second PMD study for an enhanced skilled nursing analysis.

Using these studies as a guide, the Board made the decision to increase their care model with increased independent living options, to develop their first assisted living project, and to downsize the number of skilled beds.

As Sunset Home has grown to meet the needs of the surrounding community, improvements have mostly been through additions and expansions. The current facility has worked recently to right size the facility and has reduced the number of skilled nursing beds over the years to efficiently serve the needs of the residents and staff. It's time for a replacement facility.

ATTACHMENT 12
Background of the Applicant

Sunset Senior Living

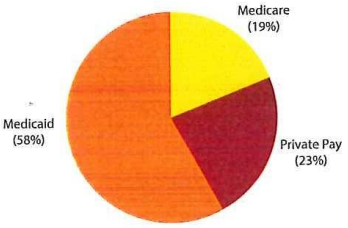
728 Project
REVITALIZING SUNSET SENIOR LIVING

Community Impact

Blessing Hospital is the primary referral source for Skilled Nursing Facility (SNF) admissions. Over 500 SNF referrals are made each year. Of all SNFs in Adams County, Sunset Home ranks second in admissions after Blessing Hospital's own Skilled Nursing Unit:

- Blessing Hospital Skilled Nursing Unit–227
- Sunset Home–121

SUNSET HOME RESIDENT PAYER MIX



Over the past five years, Sunset Home has admitted 1,118 residents for short or long term care. 305 of those residents have had Illinois Medicaid as their primary payer on admission. Another 225 residents have exhausted their assets or their Medicare benefits and reverted to their existing or applied for new Medicaid coverage. Currently, Sunset Home's resident payer mix is 19% Medicare, 23% Private Pay, and 58% Medicaid. Without Sunset Home's ability and willingness to provide this indigent population with care, these Adams County residents would likely have to seek care outside of their home community.

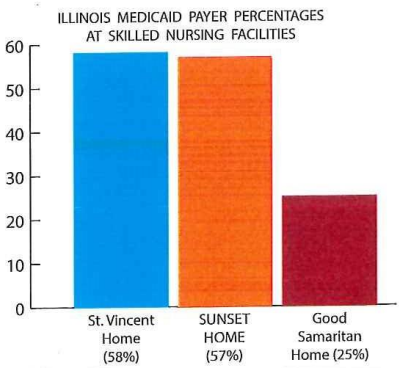
During the same 5 -year time span, Adams County lost two of its seven Skilled Nursing Facilities– Sycamore Healthcare Center in Quincy and North Adams Home in Mendon, leaving only three facilities in Quincy and two in Adams County, in addition to the Illinois Veterans Home facility in Quincy. During the COVID-19 pandemic, there were many times when one or more facilities was closed to admissions due to staffing shortage or bed unavailability.

To ensure our local community will ALWAYS have access to skilled post-acute care, we are taking the necessary steps to REVITALIZE Sunset Senior Living with our Capital Campaign, 728 Project.

5 Years at a Glance

- 1,118 residents admitted to Sunset Home.
- 305 of those admitted to Sunset Home had Illinois Medicaid as primary payer.
- Loss of two Adams County skilled nursing facilities, Sycamore Healthcare Center in Quincy and North Adams Home in Mendon.
- Total number of licensed beds lost in Adams County is 297.

ILLINOIS MEDICAID PAYER PERCENTAGES AT SKILLED NURSING FACILITIES



Current Numbers

- 473 licensed Skilled Nursing Facility beds in Quincy.
- When combined with two other Adams County facilities, total of 629 licensed beds.
- Currently 57% of Sunset Home's payer mix is Illinois Medicaid recipients. 25% of Good Samaritan Home's residents are Illinois Medicaid recipients and St. Vincent Home is a little higher at 58%.

Sunset Home • 418 Washington Street • Quincy, Illinois 62301 • (217) 223-2636 • www.sunsethome.org

ATTACHMENT 12
Background of the Applicant

Sunset Home Economic Impact Analysis

Sunset Home's annual operations delivers significant economic benefit to the Quincy region. These benefits extend beyond the employment and financial activities of the facility itself. The total economic gains include the downstream business interactions related to its locally-purchased goods/services and the household expenditures for Sunset Home employees and those at businesses linked by supply-chain interaction.

When all of these levels are considered, Sunset Home provides $18 million in economic Output, 370 full and part-time employment positions, and more than $9 million in Labor Income annually. Government entities at the local, State, and Federal levels will generate an additional $4 million each year.

	Annual Impact	Multipliers
Economic Output (Revenues)	$18.0 million	$1.68
Labor Income (Salary, wages, benefits, and employee contributions to FUTA, Medicare, and SSN on behalf of employees)	$9.2 million	$1.27
Employment (full & part-time)	369.6 positions	1.16 positions
Public Revenues: State and Local	$1.8 million	—
Federal	$2.2 million	
Total	$4.0 million	

The distribution of these benefits will span a range of business types. The following table identifies the increased annual revenues realized by regional businesses in association with Sunset Home's annual operations and employment.

Description	Annual Output (Revenues)
Nursing and community care facilities	$10.8 million
Insurance carriers	$961K
Owner-occupied dwellings*	$766K
Wholesale trade	$642K
Electric power transmission and distribution	$436K
Hospitals	$417K
Monetary authorities and depository credit intermediation	$240K
Insurance agencies, brokerages, and related activities	$226K
Real estate	$221K
Offices of physicians	$207K

***Owner-occupied dwellings: A category created by the Bureau of Economic Analysis (BEA) to capture the economic interaction related to household spending associated with home ownership maintenance that would otherwise be excluded from the model.**

Prepared for Sunset Home by
the Rural Economic Technical Assistance Center,
a unit with the Illinois Institute for Rural Affairs at WIU,
Macomb, IL

IIRA Illinois Institute for Rural Affairs
Rural Economic Technical Assistance Center
RETAC

ATTACHMENT 13
Planning Area Need

According to the Illinois Health Facilities and Services Review Board Long-Term Care bed inventory, there is currently an excess of 161 beds in Adam County. Included with this attachment is a letter from the facility administrator attesting 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. Although under the Board's rules this project is considered an establishment of a new facility, this project involves the relocation of an existing facility, with existing patients and well-established pipeline of patients from area physicians and health care facilities. Included in this application with Attachment 14 as evidence of this patient volume are annual reports submitted for the existing facility to the CON Board.

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS
General Nursing Care

Illinois Health Facilities and Services Review Board **10/26/2021**
Illinois Department of Public Health **Page A - 32**

Summary of General Long-Term Nursing Care Beds and Need by Planning Area				
Health Service Area 3				
PLANNING AREA	EXISTING BEDS	PROJECTED BEDS NEEDED - 2024	ADDITIONAL BEDS NEEDED	EXCESS BEDS
Adams County	987	826	0	161
Brown/Schuyler Counties	179	134	0	45
Calhoun/Pike Counties	337	267	0	70
Cass County	150	134	0	16
Christian County	427	327	0	100
Greene County	119	117	0	2
Hancock County	0	139	139	0
Jersey County	369	335	0	34
Logan County	446	372	0	74
Macoupin County	606	518	0	88
Mason County	164	113	0	51
Menard County	106	108	2	0
Montgomery County	480	379	0	101
Morgan/Scott Counties	551	419	0	132
Sangamon County	1169	1094	0	75
HSA 3 TOTALS	6090	5282	141	949

ATTACHMENT 13
Planning Area Need

Sunset Home
Since 1889

October 4, 2022

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Planning Area Attestation

Dear Mr. Kniery,

As representative of Sunset Home, I, Jerry Neal, attest to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) that through the signing of this letter, the primary purpose of this project is to serve at least 50% of the patients located in the planning area of the proposed project (located adjacent to the existing facility).

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

Jerry Neal

Jerry Neal
Administrator
Sunset Home

418 Washington St • Quincy, IL 62301 • (217) 223-2636 • (217) 223-6750 fax • sunsethome.org

ATTACHMENT 14
Establishment of General Long-Term Care

While this project is, technically, the establishment of a general long-term care facility, it is for all practical purposes the modernization of an existing facility. A review of the facility utilization over the last several years demonstrates that this facility is necessary to accommodate the service demand existing within the community.

Based upon discussions with HFSRB staff, rather than document the historical referrals by resident/patient origin, zip code, referring physician, etc. we are including with this application the information reflected in the HFSRB annual reports that reflect utilization of the facility. Enclosed are the Long-Term Care Annual Reports from 2020, 2019, and 2018. There is every expectation that the historical referral pattern will continue to be reflected in the projected referrals and the facility will remain appropriately utilized, as that term is defined by HFSRB regulations. In 2020, the facility had 160 beds. Although 2021 is not yet publicly available, the facility maintained 132 available beds.

Despite the ups and downs of the COVID-19 pandemic, the facility has been reducing the number of beds slowly consistent with community need. The commitment of the facility is not the hoarding of beds, but instead the right size for the provision of care to the surrounding community. The majority of the utilization of the facility comes directly from the community it serves.

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2020 **Sunset Home** Quincy

Sunset Home
418 Washington St
Quincy, IL. 62301

Reference Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

Administrator
Jerry Neal

Contact Person and Telephone
Pam Fessler
217-223-2636 x320

Registered Agent Information

Date Questionnaire Completed 4/29/2021

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare 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

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2020

Residents on 1/1/2019	128
Total Admissions 2019	197
Total Discharges 2019	227
Residents on 12/31/2019	98

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	1
Endocrine/Metabolic	7
Blood Disorders	0
*Nervous System Non Alzheimer	14
Alzheimer Disease	7
Mental Illness	12
Developmental Disability	0
Circulatory System	30
Respiratory System	8
Digestive System	0
Genitourinary System Disorders	8
Skin Disorders	0
Musculo-skeletal Disorders	8
Injuries and Poisonings	3
Other Medical Conditions	0
Non-Medical Conditions	0
TOTALS	98

Total Residents Diagnosed as Mentally Ill 0

Total Residents Reported as Identified Offenders 0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED BEDS	MEDICAID CERTIFIED BEDS
Nursing Care	160	160	137	160	98	62	182	182
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	160	160	137	160	98	62	182	182

FACILITY UTILIZATION - 2020

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	3329	5.0%	30430	45.8%	0	82	10141	0	43982	75.3%	75.3%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	3329	5.0%	30430	45.8%	0	82	10141	0	43982	75.3%	75.3%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2020

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	1	2	0	0	0	0	0	0	1	2	3
60 to 64	1	2	0	0	0	0	0	0	1	2	3
65 to 74	8	7	0	0	0	0	0	0	8	7	15
75 to 84	4	19	0	0	0	0	0	0	4	19	23
85+	10	44	0	0	0	0	0	0	10	44	54
TOTALS	24	74	0	0	0	0	0	0	24	74	98

Source:Long-Term Care Facility Questionnaire for 2020, Illinois Department of Public Health 8/30/2021

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2020 **Sunset Home** Quincy

Sunset Home
418 Washington St
Quincy, IL. 62301

Classification Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	11	64	0	0	23	0	98
Skilled Under 22	0	0	0	0	0	0	0
Intermediate DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	11	64	0	0	23	0	98

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	225	220
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	5	0	0	0	5
Hawaiian/Pacific Isl.	0	0	0	0	0
White	93	0	0	0	93
Race Unknown	0	0	0	0	0
Total	98	0	0	0	98

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	0	0	0	0	0
Total	0	0	0	0	0

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	10.00
LPN's	16.00
Certified Aides	38.00
Other Health Staff	0.00
Non-Health Staff	52.00
Totals	118.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
19.1%	41.5%	19.6%	0.2%	19.6%	100.0%		
2,155,519	4,693,391	2,219,614	24,426	2,211,823	11,304,773	0	0.0%

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

Source:Long-Term Care Facility Questionnaire for 2020, Illinois Department of Public Health 8/30/2021

Page 1550 of 1832

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2019 **Sunset Home** Quincy

Sunset Home
418 Washington Street
Quincy, IL. 62301

Reference Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

Administrator
Jerry Neal

Contact Person and Telephone
Pam Fessler
217-223-2636

Registered Agent Information

Date Questionnaire Completed 7/17/2020

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare 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

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2019

Residents on 1/1/2019	131
Total Admissions 2019	245
Total Discharges 2019	247
Residents on 12/31/2019	129

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	2
Endocrine/Metabolic	5
Blood Disorders	0
*Nervous System Non Alzheimer	11
Alzheimer Disease	14
Mental Illness	26
Developmental Disability	0
Circulatory System	36
Respiratory System	12
Digestive System	0
Genitourinary System Disorders	7
Skin Disorders	0
Musculo-skeletal Disorders	10
Injuries and Poisonings	1
Other Medical Conditions	5
Non-Medical Conditions	0
TOTALS	129

Total Residents Diagnosed as Mentally Ill 48

Total Residents Reported as Identified Offenders 0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED BEDS	MEDICAID CERTIFIED BEDS
Nursing Care	160	160	144	160	129	31	182	182
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	160	160	144	160	129	31	182	182

FACILITY UTILIZATION - 2019

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	6579	9.9%	28496	42.9%	0	0	12585	0	47660	81.6%	81.6%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	6579	9.9%	28496	42.9%	0	0	12585	0	47660	81.6%	81.6%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2019

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	1	3	0	0	0	0	0	0	1	3	4
60 to 64	0	6	0	0	0	0	0	0	0	6	6
65 to 74	9	12	0	0	0	0	0	0	9	12	21
75 to 84	13	18	0	0	0	0	0	0	13	18	31
85+	8	59	0	0	0	0	0	0	8	59	67
TOTALS	31	98	0	0	0	0	0	0	31	98	129

Source:Long-Term Care Facility Questionnaire for 2019, Illinois Department of Public Health 12/30/2020

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2019 **Sunset Home** Quincy

Sunset Home
418 Washington Street
Quincy, IL. 62301

Classification Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	14	84	0	0	31	0	129
Skilled Under 22	0	0	0	0	0	0	0
Intermediate DD		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	14	84	0	0	31	0	129

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	0	0
Skilled Under 22	0	0
Intermediate DD	0	0
Shelter	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	6	0	0	0	6
Hawaiian/Pacific Isl.	0	0	0	0	0
White	123	0	0	0	123
Race Unknown	0	0	0	0	0
Total	129	0	0	0	129

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	129	0	0	0	129
Ethnicity Unknown	0	0	0	0	0
Total	129	0	0	0	129

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	15.00
LPN's	16.00
Certified Aides	52.00
Other Health Staff	0.00
Non-Health Staff	68.00
Totals	153.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
33.0%	39.0%	0.0%	0.5%	27.6%	100.0%		
3,229,602	3,811,209	0	44,844	2,697,528	9,783,183	0	0.0%

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

Source:Long-Term Care Facility Questionnaire for 2019, Illinois Department of Public Health 12/30/2020

Page 1552 of 1826

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2018 **Sunset Home** Quincy

Sunset Home
418 Washington Street
Quincy, IL. 62301

Reference Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

Administrator
Jerry Neal

Contact Person and Telephone
Pam Fessler
217-223-2636

Registered Agent Information

Date Questionnaire Completed

ADMISSION RESTRICTIONS

Aggressive/Anti-Social	1
Chronic Alcoholism	1
Developmentally Disabled	1
Drug Addiction	1
Medicaid Recipient	0
Medicare 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

Note: Reported restictions denoted by '1'

ADMISSIONS AND DISCHARGES - 2018

Residents on 1/1/2017	124
Total Admissions 2017	254
Total Discharges 2017	247
Residents on 12/31/2017	131

RESIDENTS BY PRIMARY DIAGNOSIS

DIAGNOSIS	
Neoplasms	0
Endocrine/Metabolic	8
Blood Disorders	1
*Nervous System Non Alzheimer	15
Alzheimer Disease	11
Mental Illness	8
Developmental Disability	0
Circulatory System	31
Respiratory System	11
Digestive System	4
Genitourinary System Disorders	10
Skin Disorders	1
Musculo-skeletal Disorders	11
Injuries and Poisonings	13
Other Medical Conditions	7
Non-Medical Conditions	0
TOTALS	131

Total Residents Diagnosed as Mentally Ill 53

Total Residents Reported as Identified Offenders 0

LICENSED BEDS, BEDS IN USE, MEDICARE/MEDICAID CERTIFIED BEDS

LEVEL OF CARE	LICENSED BEDS	PEAK BEDS SET-UP	PEAK BEDS USED	BEDS SET-UP	BEDS IN USE	AVAILABLE BEDS	MEDICARE CERTIFIED BEDS	MEDICAID CERTIFIED BEDS
Nursing Care	182	182	0	182	131	51	182	182
Skilled Under 22	0	0	0	0	0	0		0
Intermediate DD	0	0	0	0	0	0		0
Sheltered Care	0	0	0	0	0	0		
TOTAL BEDS	182	182	0	182	131	51	182	182

FACILITY UTILIZATION - 2018

PATIENT DAYS AND OCCUPANCY RATES BY LEVEL OF CARE PROVIDED AND PATIENT PAYMENT SOURCE

	Medicare		Medicaid		Other Public	Private Insurance	Private Pay	Charity Care	TOTAL	Licensed Beds	Peak Beds Set Up
LEVEL OF CARE	Pat. days	Occ. Pct.	Pat. days	Occ. Pct.	Pat. days	Pat. days	Pat. days	Pat. days	Pat. days	Occ. Pct.	Occ. Pct.
Nursing Care	6648	10.0%	28879	43.5%	0	569	12660	0	48756	73.4%	73.4%
Skilled Under 22			0	0.0%	0	0	0	0	0	0.0%	0.0%
Intermediate DD			0	0.0%	0	0	0	0	0	0.0%	0.0%
Sheltered Care					0	0	0	0	0	0.0%	0.0%
TOTALS	6648	10.0%	28879	43.5%	0	569	12660	0	48756	73.4%	73.4%

RESIDENTS BY AGE GROUP, SEX AND LEVEL OF CARE - DECEMBER 31, 2018

	NURSING CARE		SKL UNDER 22		INTERMED. DD		SHELTERED		TOTAL		GRAND
AGE GROUPS	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	TOTAL
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	1	3	0	0	0	0	0	0	1	3	4
60 to 64	1	3	0	0	0	0	0	0	1	3	4
65 to 74	5	10	0	0	0	0	0	0	5	10	15
75 to 84	17	22	0	0	0	0	0	0	17	22	39
85+	12	57	0	0	0	0	0	0	12	57	69
TOTALS	36	95	0	0	0	0	0	0	36	95	131

Source:Long-Term Care Facility Questionnaire for 2018, Illinois Department of Public Health, Health Systems Development 10/30/2019

ATTACHMENT 14
Establishment of General Long-Term Care

ILLINOIS LONG-TERM CARE PROFILE-CALENDAR YEAR 2018 **Sunset Home** Quincy

Sunset Home
418 Washington Street
Quincy, IL. 62301

Classification Numbers

Facility ID	6009302	
Health Service Area	003	
Planning Service Area	001	Adams
County	001	Adams County

RESIDENTS BY PAYMENT SOURCE AND LEVEL OF CARE

LEVEL OF CARE	Medicare	Medicaid	Other Public	Insurance	Private Pay	Charity Care	TOTALS
Nursing Care	15	82	0	0	34	0	131
Skilled Under 22	0	0	0	0	0	0	0
Intermediate D		0	0	0	0	0	0
Sheltered Care			0	0	0	0	0
TOTALS	15	82	0	0	34	0	131

AVERAGE DAILY PAYMENT RATES

LEVEL OF CARE	SINGLE	DOUBLE
Nursing Care	213	191
Skilled Under 22	0	0
Intermediate DD	0	0
Sheltered Care	0	0

RESIDENTS BY RACIAL/ETHNICITY GROUPING

RACE	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Asian	0	0	0	0	0
American Indian	0	0	0	0	0
Black	8	0	0	0	8
Hawaiian/Pacific Isl.	0	0	0	0	0
White	123	0	0	0	123
Race Unknown	0	0	0	0	0
Total	131	0	0	0	131

ETHNICITY	Nursing Care	Skilled Under 22	Intermediate DD	Sheltered Care	Totals
Hispanic	0	0	0	0	0
Non-Hispanic	0	0	0	0	0
Ethnicity Unknown	0	0	0	0	0
Total	0	0	0	0	0

FACILITY STAFFING

Employment Category	Full-Time Equivalent
Administrators	1.00
Physicians	0.00
Director of Nursing	1.00
Registered Nurses	22.00
LPN's	18.00
Certified Aides	62.00
Other Health Staff	0.00
Non-Health Staff	61.00
Totals	165.00

NET REVENUE BY PAYOR SOURCE (Fiscal Year Data)

Medicare	Medicaid	Other Public	Private Insurance	Private Pay	TOTALS	Charity Care Expense*	Charity Care Expense as % of Total Net Revenue
32.1%	37.7%	0.0%	0.3%	29.8%	100.0%		
3,124,360	3,672,362	0	31,061	2,904,936	9,732,719	0	0.0%

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

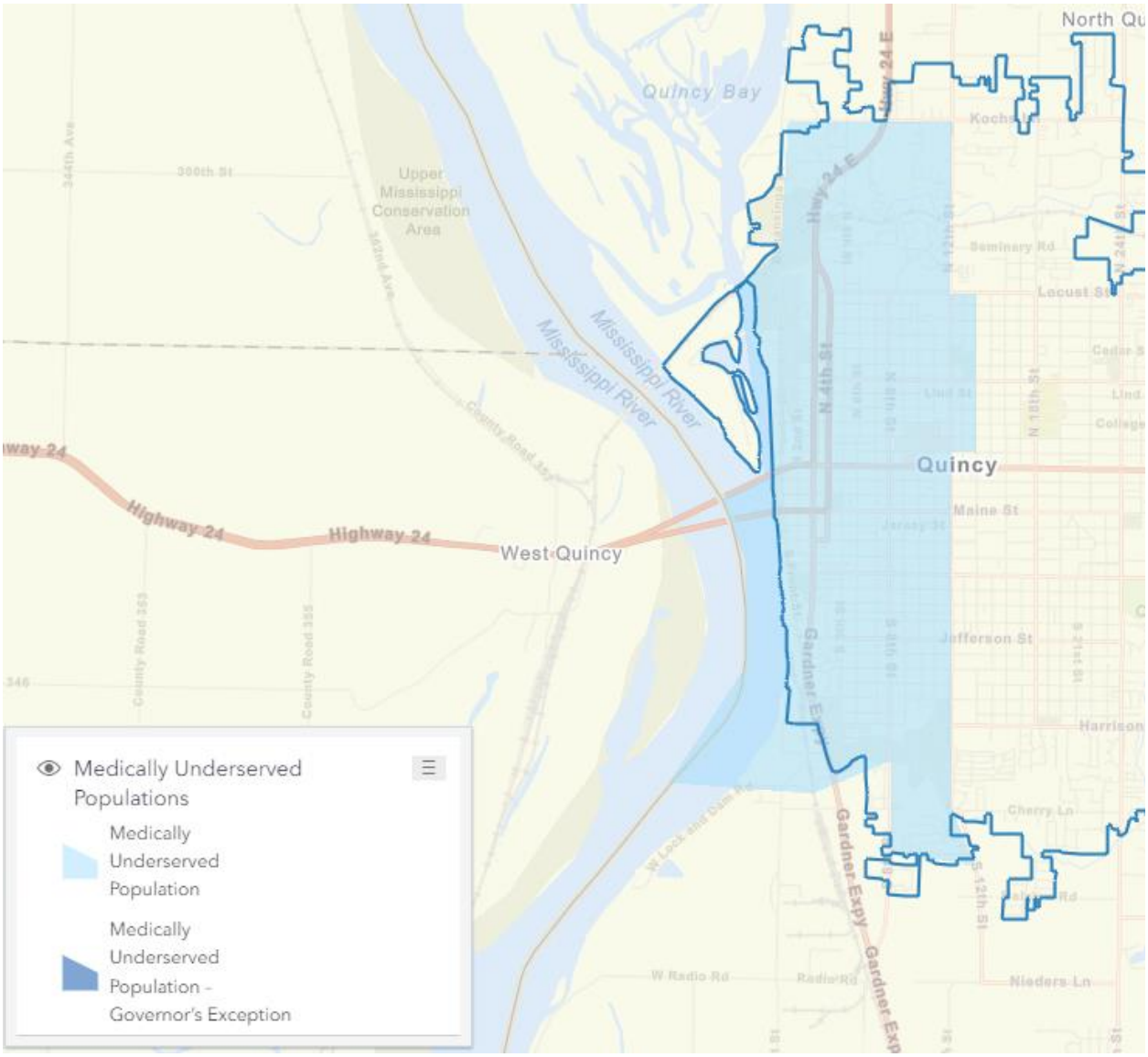
Source:Long-Term Care Facility Questionnaire for 2018, Illinois Department of Public Health, Health Systems Development 10/30/2019

Page 1590 of 1872

ATTACHMENT 17
Service Accessibility

The proposed number of beds being established or added for each category of service is necessary to improve access for planning area residents. In fact, by reducing the number of beds the Applicant is allowing for the appropriate redistribution of beds elsewhere within the planning area should the broader market conclude it to be warranted and the HFSRB determine it to be appropriate. In addition, it should be noted that the proposed area population is designated by the Health Resources & Services Administration ("HRSA") as a Medically Underserved Population. As evidence, we are including a map from the HRSA website with this attachment.

As reflected above, the historical utilization and related information contained within the facility's annual reports to the Board document the required need for the facility sufficient to address the core requirements of service accessibility as reflected in 77 Ill. Admin. Code 1125.570. Finally, the proposed facility would fill the need currently met by the existing facility for the planning area. Within the immediate community there are three other facilities that offer long-term care beds. However, those facilities do have a limited ability and capacity to service this patient population. The existing units include a 20-bed hospital-based unit at Blessing Hospital and the other is an Illinois Veteran's Home located in Quincy.



ATTACHMENT 18
Unnecessary Duplication/Maldistribution

Based upon the practical nature of this Project constituting the functional replacement of an existing facility, combined with the fact that the facility is reducing its overall compliment of beds, axiomatically demonstrates that this will not result in an unnecessary duplication of services or the maldistribution of beds. For all intents and purposes, Sunset Home has been a part of the healthcare delivery system and this project is designed for maintenance of the existing service line rather than expansion or duplication of services.

To demonstrate compliance with the regulations, the reduction in beds guarantees that even if this facility is utilized to the full extent of its licensed bed capacity, this change will not lower the utilization of other area providers below the occupancy standards specified in 77 Ill. Admin. Code 1125.210(c) nor will it lower, to a further extent, the utilization of other area facilities that are operating below the occupancy standards. The further basis for this conclusion is that the patient population to be served by the new facility is the exact same to be served by the existing facility.

Included with this attachment is 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; the total population of the identified zip code areas; and 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.

Within a 30 minute travel time there are two other facilities that offer long-term care beds. The existing units include a 20 bed hospital-based unit at Blessing Hospital and the other is the Illinois Veteran’s Home located in Quincy which has 386 beds.

ATTACHMENT 18
Unnecessary Duplication/Maldistribution

Table 1110.210(c)(1)(A)
Population of Zip Codes within a
21 mile radius of Quincy·Medical Group Hospital

Zip Code	City	Population
62343	Hull	881
62360	Pauson	1,879
62345	Kinderhook	393
62365	Plainville	640
62312	Barry	2,395
62301	Quincy	32,219
62305	Quincy	19,606
62376	Ursa	1,133
62351	Mendon	1,833
62379	Warsaw	1,795
62348	Lima	168
62347	Liberty	2,059
62338	Fowler	1,290
62359	Paloma	231
62325	Coatsburg	507
62320	Camp Point	2,043
62349	Loraine	550
62339	Golden	827
Total		**70,449**

ATTACHMENT 19
Staffing Availability

The best documentation that Sunset Home can provide to demonstrate that relevant clinical and professional staffing needs for the proposed project have been considered and that staffing requirements of licensure, certification and applicable accrediting agencies can be met is the fact that the current facility, despite the nationwide staffing challenges that are plaguing healthcare facilities, is continuing to operate in compliance with requisite staffing levels. The existing staff will transition over to the new facility, and that the new facility will have a lesser number of licensed beds, thereby reducing the maximum staffing capacity that would be required upon full utilization.

ATTACHMENT 20
Bed Capacity

Upon project completion the licensed bed capacity will be 106 nursing care beds. Therefore, the proposed project is compliant with this criterion which establishes the maximum bed capacity of a general LTC facility as 250 beds.

ATTACHMENT 21
Community Related Functions

Sunset Home has been an active member of the community since its inception and has supported the community in which it resides for over 125 years. The proposed funding for the project itself is evidence of support from governmental organizations. Included with this attachment are several letters from community, political, and other organizations in the community such as:

- The Moorman Foundation
- Blessing Hospital
- State Senator Jil Tracy, 47th Senate District
- Quincy Notre Dame Foundation
- Mercantile Bank
- QFB Energy
- Quincy Mayor Michael A. Troup
- Great River Economic Development Foundation
- Peoples Prosperity Bank
- Kohl Wholesale
- Eric Kiser Insurance Services, LLC
- Vermont Street United Methodist Church
- Good Samaritan Home of Quincy
- John Wood Community College
- State Representative Randy Frese, 94th District
- Alzheimer's Association, Delia Jervier- Region 9 Leader and Chapter Executive Director
- TI-Trust- True Integrity Fiduciary Services

ATTACHMENT 21
Community Related Functions

March 25, 2022

Mr. Jerry Neal
Administrator
Sunset Senior Living
418 Washington Street
Quincy, IL 62301

Dear Mr. Neal:

I am writing on behalf of the Moorman Foundation to add our support to Sunset's Certificate of Need application. Healthcare, including post-acute care, are vitally important in our community. It is imperative that Quincy continues to offer the appropriate number of quality, skilled nursing beds to its citizens. Sunset Senior Living's new skilled nursing facility is a vital part of this equation.

The Moorman Foundation's mission is to improve the quality of life in the Quincy area. We do this through grants to local nonprofit organizations, primarily in the healthcare and higher education fields. Since 1970, The Moorman Foundation has made grants to Sunset Senior Living totaling $2,035,000 because we feel strongly that Sunset is a key contributor to our success as a community.

The nursing home industry is tough. In recent years we have seen financial hardships close the doors of one of Adams County's skilled nursing facilities and put the remaining facilities in difficult positions. Sunset Senior Living responded by conducting a comprehensive community needs assessment on the current and future skilled nursing needs in our area. Sunset has been diligent about following the recommendations of this assessment to determine the size and scope of their proposed new facilities.

The new skilled nursing facility is a critical piece of Sunset's overall plan that will enable it to remain financially viable and provide the right number of beds needed in our community. For this reason, I am happy to add our Foundation's support to Sunset Senior Living's Certificate of Need application.

Sincerely,

Delmer R. Mitchell
President
The Moorman Foundation

201 South 5th Street, Suite 301 • Quincy, Illinois 62301

ATTACHMENT 21
Community Related Functions

BLESSING HOSPITAL

PO Box 7005 • Quincy, IL 62305 • 217.223.8400
blessinghealth.org

February 17, 2022

Jerry Neal
Administrator
Sunset Senior Living
418 Washington
Quincy, IL 62301

Dear Sir or Madam:

I am writing this letter of support of Sunset Senior Living's Capital Campaign and the plans for much needed upgrades to the campus.

Sunset Senior Living is an important asset to the post-acute care market in Quincy, IL. I am the Chief Nursing Officer at Blessing Hospital and there is a need in our community for the patients that need skilled services after they leave the hospital. Their presence in the community is essential for the need to have a new right-sized skilled nursing facility.

Blessing Hospital supports the efforts of the Sunset Senior Living.

Sincerely,

Tim Tranor, DNP, MBA, RN
Chief Nursing Officer

TT/el

ATTACHMENT 21
Community Related Functions

103C State House
Springfield, Illinois 62706
217-782-2479
FAX: 217-782-9586

3701 E. Lake Centre Dr., Ste. 3
Quincy, Illinois 62305
217-214-9704
FAX: 217-223-1565

STATE OF ILLINOIS
101ST GENERAL ASSEMBLY
ILLINOIS STATE SENATE

JIL TRACY
STATE SENATOR
47TH DISTRICT
SENATE MINORITY WHIP
Email: senatortracy@adams.net

February 14, 2022

Mr. Jerry Neal, Administrator
Sunset Senior Living
418 Washington Street
Quincy, IL 62301

Dear Mr. Neal:

I am writing to express my support for Sunset's application for a Certificate of Need.

I have had the pleasure of representing the Quincy area in the House and the Senate for over a decade, and I know firsthand how vital Sunset is to our city and community. Sunset provides quality care and rehabilitation services for Quincy and Adams County seniors and residents.

During the COVID-19 pandemic and lockdowns we have all seen how invaluable long-term care facilities are to our aging and vulnerable populations. Allowing these facilities to raise and/or apply for capital is an absolute necessity and gives facility boards, administrators, and staff the ability to better serve their residents. Sunset's desire to build a new facility highlights their passion to better serve others.

Mr. Neal, thank you for allowing me to lend my support to Sunset and its plans. Should you have any questions please contact Matthew Pickett at 217-782-2479 or mpickett@sgop.ilga.gov.

Sincerely,

Jil Tracy

Jil Tracy
State Senator
47th Senator District

SOYBEAN INK

ATTACHMENT 21
Community Related Functions

QUINCY NOTRE DAME FOUNDATION
1400 South 11th Street Quincy, IL 62301 217-224-2598

February 15, 2022

Sunset Senior Living
c/o CON Committee
418 Washington
Quincy, IL 62301

To whom it may concern;

I am writing on behalf of Sunset Senior Living located here in Quincy, IL. Living in Quincy my whole life I feel that I have a good grasp on the needs of our community. I joined the Sunset Senior Living Board of Trustees a few years ago as I could see the needs of our seniors growing within our community. In my normal job as the Executive Director of the Quincy Notre Dame Foundation, I am charged with raising the money that supports the 155-year history and tradition of Quincy Notre Dame High School.

Upon joining the Sunset Board of Trustees, it became evident very quickly of the needs of the institution. At that time, we had witnessed another local nursing home shutting its doors and putting additional strain on what was critically important, caring for our seniors.

The original Sunset Senior Living nursing home is well over 50 years old and no longer meets the needs of the patients, staff, or administration. With the age combined by the increased operational costs, it no longer is feasible to continue with the current structure. More importantly, it is not in the best interest of our patients we serve.

I feel that the Board of Trustees and the administration of Sunset Senior Living have worked prudently with regards to conducting a community needs assessment via an Advanced Skilled Nursing study and hiring a consulting firm to conduct a fundraising feasibility study for our area. The results of the nursing study within the community indicated that the "right sized" facility would be one with 106 skilled nursing beds. The Board is following the recommendations of this study and continuing to downsize the number of beds. As a result, what is being proposed by Sunset Senior Living is not only needed, it is appropriately sized for our community.

Sunset Senior Living remains a critical piece to the post-acute care market in Quincy. It is extremely important that Sunset be a part of the ever-important continuum of care and that our community ages with the dignity and grace they deserve.

I appreciate your consideration and we at Sunset look forward to questions you might have for us on this very exciting opportunity for our community. Thank you for your time and discernment throughout this process.

Respectfully,

Kurt Stuckman, M.S.W.
Executive Director
Quincy Notre Dame Foundation

Leave a legacy of love; Remember the QND Foundation in your will
www.quincynotredame.org

ATTACHMENT 21
Community Related Functions

Mercantile Bank
A UNITED COMMUNITY BANK

February 28, 2022

Jerry Neal, Administrator
Sunset Senior Living
418 Washington
Quincy, IL 62301

Dear Jerry,

As you prepare to apply for your Certificate of Need, I want to document that I am in support of Sunset Senior Living's upgrade to the current campus.

I have been employed by Mercantile Bank for over 26 years (in banking for 32 years) and for roughly 8 years I handled the relationship between the Bank and Sunset. From 2011-2017 I was on the Board of Trustees of Sunset Home, which included some challenging times for Sunset and most all skilled nursing facilities. On a personal level I have had family members, including both of my parents, who have been residents of Sunset Home at various times, and all received excellent care while there.

Sunset Senior Living will play a huge role in the post-acute care market in Quincy and the surrounding area. The time is right for Sunset to pursue construction of a new skilled nursing facility, which will then allow for renovation of the current facility for assisted living units as well as a new 24 bed assisted living facility, and new/additional patio homes for independent living.

This will be a great addition for the City of Quincy as more of our residents need assisted and skilled care, as well as the current and new jobs this expansion will provide. I am in support of the Sunset Senior Living project. If I can assist in any way please contact me at 217-214-1314.

Sincerely,

Troy D. Kemp
Sr. Vice President

Mercantile Center | 200 North 33rd St | PO Box 3455 | Quincy, IL 62305 | 217-223-7300 | 800-406-6372 | mercantilebk.com

ATTACHMENT 21
Community Related Functions

QFBEnergy

February 28, 2022

Jerry Neal
Administrator
Sunset Home
418 Washington Street
Quincy, IL 62301

Dear Jerry,

I am writing in support of the new facility for Sunset Home in Quincy. I am a current board member and have also worked with you and the staff at Sunset Home for four years to purchase energy and gas supply, as well as help with energy efficiency projects. The age if the current facility has made it very difficult and expensive to upgrade and maintain efficiency. Investing more money into a facility that will not provide gains does not make solid financial sense.

The new facility will not only ease the burden financially but will provide upgraded working environments for staff and top of the line facilities for residents. North Adams Home was a client of mine before they closed last year. This closing placed additional importance on the success of the capital campaign and the future success of Sunset Home. Please consider this letter in support of Sunset Home and the approval for their new facility. They are a vital part of the Quincy and area communities.

Thank you for your time and consideration.

Sincerely,

Ron Frericks

Ron Frericks
President
QFB Energy

Your Energy Planning Partner.

4425 Bryant Drive – Quincy IL 62305
888-947-8460 - www.qfbenergy.com

ATTACHMENT 21
Community Related Functions

MICHAEL A. TROUP
MAYOR

CITY HALL
EST. 1840

February 25, 2022

Mr. Jerry Neal
Administrator
Sunset Senior Living
418 Washington St
Quincy, IL 62301

To Whom It May Concern:

I am writing in support of Sunset Senior Living's capital campaign and the campus plans for needed upgrades. Sunset Senior Living offers their residents a variety of care options from therapy, restorative nursing care and respite services, hospice & palliative care, beauty/barber shop needs, and a wide variety of group activities.

My Father-in-law was a resident at Sunset Senior Living's campus over ten years ago, and currently my Mother-in-Law is a resident. As a family member, I have seen the level of care first hand. Finding proper care and making the decision to move a loved one to a senior living campus can be a difficult one. You want to make sure that the care they receive and the place they are staying is somewhere that you both feel comfortable. We have and are experiencing comfort knowing that our family member is being taken care of at Sunset Senior Living.

As the Mayor for the City of Quincy, I can also say that my experience with Sunset Senior Living has been nothing short of professional and excellent. Their services are a vital part of our community, and their history is rich and deep going back more than 130 years. I believe the investment they are looking to make in our community for future generations and their families is absolutely essential.

Thank you for your consideration of support to Sunset Senior Living's future investments into our great community.

Respectfully,

Mayor Michael A. Troup
Mayor

730 MAINE
QUINCY, IL 62301-4056
217.228.4545
QUINCYIL.GOV

ATTACHMENT 21
Community Related Functions

gredf
The Power of Partnership

Memorandum

To Whom it May Concern,

The Great River Economic Development Foundation fully support Sunset Home's exploration of a new Skilled Nursing Facility in Quincy, Illinois. GREDF is Adams County and the City of Quincy's Economic Development Organization supported by over 100 area businesses with a board of directors comprised of 19 representatives from our business community. The GREDF Board studied the proposal for the new "728 Project" at Sunset Home. Our board approved supporting Sunset Home's efforts to seek of Certificate of Need.

The board supported the request for the following reasons. First, Sunset Home employs over 200 people in our community and has a direct economic impact of over $18 million to our community. A new facility will not only sustain Sunset's economic importance to our community, but it will enhance their operations which will lead to sustained growth for the organization. Second, in the last five years, our county has lost two skilled nursing facilities due to financial reasons. This has placed an increased need for our existing facilities to provide quality care for our residents. We believe Sunset's new facility will be a great addition to our area's health care system. Last, we have only 297 licensed beds in Adams County. We believe as our population continues to age, it is important to keep and increase our number of licensed beds in our area, so our loved ones do not have to travel out of the area for their health care needs.

The Great River Economic Development Foundation urges support for Sunset Home's request for a Certificate of Need.

Warm Regards,

Kyle A. Moore - President

Kyle A. Moore - President moorek@gredf.org 217-316-5440

ATTACHMENT 21
Community Related Functions

Peoples Prosperity Bank
Side by Side

February 16, 2022

Health Facilities & Services Review Board
Attn: Certificate of Need
525 W. Jefferson Street, Second Floor
Springfield, Illinois 62761
Re: Sunset Senior Living, Quincy Illinois

To whom it may concern,

Please consider this correspondence as our support of Sunset Senior Living and capital campaign. Sunset has been critical to the Quincy community for more than 130 years. Sunset Senior Living provides skilled care nursing care, assisted living, and affordable housing which has been invaluable offerings to seniors in our community. The main facility is in dire need of restructure to remain efficient and relevant. In recent years, approximately one-third of Sunset's net patient revenues were derived from private pay residents. The remainder of revenues were derived from those with fixed incomes relying on Medicare and Medicaid, which is a testimony to the need in our community for senior care.

Our community has seen its share of facilities with limited availability and long waiting lists and the success of a right-size strategy of Sunset Senior Living is pivotal to the overall success of an aging community like Quincy, with over 20.9% of the population over age 65.

Sunset Senior Living employs over 200 individuals also making the organization a major economic contributor. We have witnessed Sunset offer additional employee benefits demonstrating their care for their greatest asset---those that care for their residents.

Thank you for the opportunity to demonstrate our support of Sunset Senior Living. Please let us know if we can be of further resource.

Sincerely,

Jana Hattey
EVP Community Bank President

Kelly Stupasky
Vice President Commercial Banking Officer

FDIC

3215 Maine Street
Quincy, IL 62301

217.787.3100
866.770.3100 toll free

peoplesprosperitybank.com

A subsidiary of Town and Country Financial Corporation

ATTACHMENT 21
Community Related Functions

Kohl Wholesale

The Leading Customer-Driven Regional Broadline Foodservice Distributor

February 14, 2022

To Whom It May Concern:

I am writing this letter in support of Sunset Senior Living's application for a Certificate of Need. I currently serve on Sunset Senior Living's Board of Directors as its President and have been pleased to serve the board since 2016. I am a born and raised Quincy, Illinois resident and have been familiar with Sunset's role in the post-acute care market for my entire life. Several of my relatives have been residents of Sunset, as well as acquaintances and former clients from my prior employment in the financial services sector. Sunset is a key player in the market and of critical importance to the Quincy area.

Throughout my time on the board, it has been increasingly apparent that the costs and inefficiencies associated with our current building are not sustainable. This has become even more evident during the Covid-19 pandemic, during which single-occupant room requirements and strategic staffing needs have become more of a necessity. Our current building is difficult to staff efficiently and challenging to heat and cool economically, which causes unnecessary expense. It is clear that for Sunset Senior Living to continue to effectively serve its residents, we are in need of a new building with a strategic design and modern, efficient systems.

I have been involved with the due diligence efforts that Sunset has taken to ensure that a new building is the correct next step for our strategic plan. Market research has shown that the skilled nursing needs are likely to be reduced, while the need for assisted living and other options along the continuum of care will be in greater demand. This is why we have opted for a smaller building, rightly sized to serve our community based on need projections, to serve our residents requiring skilled nursing. An added assistant living option will allow us to serve the full continuum of care for the first time, while making use of part of our existing structures.

Removing inefficiencies and improving options for those in need of post-acute care will benefit Sunset Senior Living and allow it to continue operating well into the future, which benefits the community as a whole. The two largest healthcare providers in the area, Blessing Health System and Quincy Medical Group, rely heavily on Sunset as a referral destination. We are also a substantial employer in the area and patrons of many local businesses for products and services. This includes my employer and family business, Kohl Wholesale, which is a broadline foodservice distributor and vendor partner with Sunset Senior Living.

Without Sunset Senior Living, there would be a dire shortage of skilled nursing beds in the Quincy area. We provide a critical service to those in need, and our proposed campus upgrades would allow us to serve those needs throughout the entire continuum of care. We are a key employer in the area and an important customer to the local businesses we patronize. I am proud to support this project and it is my sincere hope that our Certificate of Need will be granted.

Sincerely,

Clara Ehrhart
Software Implementation Specialist
Board President – Sunset Senior Living

130 Jersey Street · P.O. Box 729 · Quincy, IL 62306-0729 · E-Mail: mail@kohlwholesale.com
217-222-5000 · IL 800-222-5645 · MO & IA 800-245-5645 · Fax 217-222-5522
kohlwholesale.com

UniPro Foodservice

ATTACHMENT 21
Community Related Functions

ERIC KISER INSURANCE SERVICES LLC

February 25, 2022

ATT: Illinois Health and Hospital Association

RE: Sunset Senior Living project

To whom it may concern:

I would like to voice my whole-hearted support for the remodel of Sunset Home. Sunset has been an invaluable part of our community for generations. Interestingly, Sunset Home began operations only one year after the state capitol building was completed in Springfield; and for all these years Sunset has provided a safe, stable, faith-based residence where our family members can depend on the care they need during the most fragile moments of their lives.

Care requirements have certainly changed over the years and Sunset Home has realized that a new, modern, properly designed and sized facility would enable them to better serve their residents. We all want our loved ones to receive the most well rounded, professional care possible and Sunset has found a way to make this possible. By approving Sunset Home's Certificate of Need, you will help insure the aging residents of our community have access to quality care in their time of need.

People who live in our community recognize the need for additional, local nursing home space. Recently, when one such facility closed, dozens of residents were forced to search for a new home. Given the shortage of nursing home beds in our area, this was a most stressful time for both the residents and family members.

We believe by approving Sunset Home's building project you will facilitate providing the much needed space for our loved ones to receive the care they require.

On a personal note, both my Dad and my Mom have received care at Sunset. While Dad died several years ago, Mom is currently a resident. I have personally observed first-hand and up close the care and compassion they receive from the staff. It is also important to note that I trust and have full confidence in the leadership of Sunset.

I fully support this new facility and I respectfully request that you approve this certificate of need as soon as possible. I know this project will improve our community!

Sincerely,

Eric Kiser

1128 Broadway Street, Quincy, Illinois 62301-2810
Phone: (217) 228-0856 Fax: (217) 228-8856 eric@erickiser.com

ATTACHMENT 21
Community Related Functions

Vermont Street United Methodist Church
818 Vermont St., Quincy, IL 62301
Telephone: (217) 222-7468
Visit us at www.vsumc.org or follow us on Facebook

Rev. Patty Johansen, Directing Pastor
pastor@vsumc.org

February 17, 2022

I am a member of the Sunset Senior Living board of directors. This letter is in support of the Certificate of Need application.

Sunset Senior Living was established by, and has continued to have a relationship with, The United Methodist Church. I am honored to serve on the board as a representative of the denomination. I've been living in Quincy for 8 years. As a pastor, I've been in and out of nearly every nursing home in the county, and can see the importance of a new nursing facility at Sunset.

The present nursing facility is very dated, and there is great concern over replacement of heating and cooling systems when that need arises. There is also a need to right-size the facility, to provide appropriate care for various levels of need.

Sunset Home is a vital part of this community, admitting people from all economic levels, yet providing everyone with the same level of care and compassion. Sunset Home would be missed if it was unable to continue providing care. It would be missed by the medical community, and by the families who have seen their loved ones receive such great care.

I hope you will consider approving the Certificate of Need. It's vital for our community.

Sincerely,

Pastor Patty Johansen

Pastor Patty Johansen

ATTACHMENT 21
Community Related Functions

Good Samaritan Home
of Quincy

February 16, 2022

Jerry Neal
c/o Sunset Senior Living
418 Washington
Quincy, Illinois 62301

Dear Jerry and to whom it may concern,

As CEO/Administrator at Good Samaritan Home of Quincy, I would like to express my support of your project to enhance the lives of those needing post-acute care in the Quincy area. I am well aware of the challenges our community faces in receiving the quality care needed after a hospital stay. Sunset has a long standing history in caring for those in need of such care. I have enjoyed the opportunity to work with you and your staff as our facilities work to bring this quality to Quincy now and in the future. Believe it or not, COVID will soon end, enabling all of us to get on with our lives toward a brighter future. Sunset should have an opportunity to be a part of that.

Our thoughts and prayers are with you and your staff as you move forward with your project.

Sincerely,

Charles Newton
CEO/Administrator
Good Samaritan Home of Quincy

2130 Harrison • Quincy, IL 62301 • Bus: (217) 223-8717 • Fax: (217) 223-6015
Your will is a lengthened shadow of yourself...reflecting your love, your faith, your hopes, your aspirations for tomorrow.
Let your shadow fall on the campus of The Good Samaritan Home.

ATTACHMENT 21
Community Related Functions

JOHN WOOD COMMUNITY COLLEGE
jwcc.edu
OFFICE OF THE PRESIDENT

March 1, 2022

To Whom it May Concern:

This letter serves as formal notification of John Wood Community College's support of Sunset Home's expansion project to provide a skilled nursing center in Quincy, Illinois. Our elected Board of Trustees and our College fully support the well planned "728 Project".

John Wood Community College and Sunset Home partner to provide the highest level of care in senior living through our nursing and health sciences program. Sunset Home is a valued community partner in economic development by providing over $18 million to our community while employing two hundred (200) community members in their 130-year history.

John Wood Community College encourages support for Sunset Homes' application for Certificate of Need to build a sustainable future for a skilled nursing center.

Sincerely,

Michael L. Elbe
President

Diane Ary
Board Chair

ATTACHMENT 21
Community Related Functions

District Office:
3701 E. Lake Centre Drive
Suite 3
Quincy, Illinois 62305
217-223-0833
217-223-1565 (fax)
repfrese@adams.net

Illinois House of Representatives

Springfield Office:
230-N Stratton Building
401 S. Spring Street
Springfield, Illinois 62706
217-782-8096
217-782-1275 (fax)

Randy E. Frese
State Representative • 94th District

March 16, 2022

Mr. Jerry Neal
Administrator
Sunset Senior Living
418 Washington Street
Quincy, IL 62301

Dear Mr. Neal:

On behalf of the residents of the 94th District as their State Representative, it is my privilege to provide this letter of support for Sunset Senior Living's Certificate of Need.

Sunset Home has been a valuable and dependable resource for skilled nursing care and rehabilitative services in a safe and loving setting for their residents for over 130 years. I have spent most of my professional career working with and for the constituents of Quincy and Adams County in various capacities and elected positions prior to my tenure as the State Representative; seeing first-hand the value and importance of this community partner.

As the community has grown and changed, it is clear the need for Sunset Home to expand and grow with these community changes is necessary for continued ability to care for our aging and vulnerable populations. The pandemic and lockdown highlighted the critical role of long-term care facilities. While Sunset Home has done the most with their available resources to meet the changing needs of residents and the greater community; infrastructure as well as updated and expanded residentials needs must be a priority in best serving the families, neighbors, friends, and community at large.

Mr. Neal, I thank you for this opportunity to lend what assistance I can in helping Sunset Home to continue to serve the constituents of District 94 in the best ways possible. If you should need anything more at all, please do not hesitate to call Raquel Sparrow, (217) 222-0833, in my office.

Sincerely,

Randy E. Frese

Randy E. Frese
State Representative

ATTACHMENT 21
Community Related Functions

alzheimer's association®

February 18, 2022

Jerry Neal
Administrator
Sunset Senior Living

Greetings Mr. Neal,

On behalf of the Alzheimer's Association Illinois Chapter, I am writing this letter of support to Sunset Senior Living.

The Alzheimer's Association **leads the way to end Alzheimer's and all other dementia** — by accelerating global research, driving risk reduction and early detection, and maximizing quality care and support.

The Alzheimer's Association, Illinois Chapter, has enjoyed and is grateful for our partnership with Sunset Senior Living. For over 20 years, Sunset Senior Living has been a significant partner of the Quincy Walk to End Alzheimer's. Sunset Senior Living has also helped us organize and secure a Corporate Walk Team, and several of its employees have served on the Walking Planning Committee. Beyond that, Sunset Living has enabled us to raise awareness about Alzheimer's and dementia through fundraising events and education programs that support families and communities facing Alzheimer's and dementia. Lastly, Sunset Living has hosted education programs that help the Quincy Community.

The Alzheimer's Association fully supports Sunset Senior Living in applying for the Certificate of Need. We look forward to continuing our collaboration.

Sincerely,

Delia Jervier
Region 9 Leader and Chapter Executive Director

ATTACHMENT 21
Community Related Functions

TI TRUST
TRUE INTEGRITY FIDUCIARY SERVICES

February 18th, 2022

Jerry Neal
Sunset Senior Living
418 Washington
Quincy, IL 62301

Dear Jerry,

I wanted to write to you today in support of your Certificate of Need for the new skilled nursing facility for Sunset Senior Living. I'm a Vice President of TI-TRUST, Inc. a $14 billion state-chartered trust company, a lifelong Quincy resident, and have been a board member for Sunset Senior Living for 8 years and its current treasurer. I have seen up close and in person the vital work Sunset does for our community's most vulnerable and elderly citizens. Without a new right-sized facility to service the Quincy and surrounding post-acute market we will be putting our elderly residents in a potential position where they may have to choose to go out-of-town and away from family to get the care they need. The age and current condition of the Sunset Senior Living nursing home also requires constant upkeep and maintenance. This only adds to the costs of running the home. A more modern facility will be beneficial in saving Sunset expenses moving forward. In closing I believe that Sunset Senior Living with a brand new post-acute care facility will be a great benefit to the care our elderly residents receive here in Quincy and the surrounding area and I give my full support to the Sunset Senior Living request for a Certificate of Need.

Sincerely,

Blake Mock
Vice President
TI-TRUST, Inc.

2900 North 23rd Street • Quincy, IL 62305 • tel (217) 228-8060 • fax (217) 228-8039
MAIL@TI-TRUST.COM • TI-TRUST.COM

ATTACHMENT 22
Project Related Size

This proposed project is for the establishment of a 106-bed nursing care facility housed within a physical space comprised of a 90,904 GSF. The standard under 77 Ill. Admin. Section 1125.Appendix A is 570 DGSF of clinical space per bed. The maximum allowable project size for this project would be 60,420 of clinical GSF. The total clinical GSF is 42,647. Therefore, the proposed project is compliant with this criterion.

ATTACHMENT 23
Zoning

This facility, despite receiving a new address, will be located on the same plot of land upon which the current facility resides, and which is already zoned for the provision of skilled nursing care in a long-term care facility.

ATTACHMENT 24
Assurances

By the attached letter the applicant hereby attests to the fact 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). In fact, since the resident population of the existing facility will be transferred over to the new facility, the expectation is that the requisite occupancy standards will be achieved long-before the two-year operational point.

ATTACHMENT 24
Assurances

Sunset Home
Since 1889

October 4, 2022

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Assurances Letter

Dear Mr. Kniery,

As representative of Sunset Home, I, Jerry Neal, attest that it is the Applicant's full anticipation that, by the end of the second year following the proposed long-term care facility opening, the proposed facility will operate at or in excess of the utilization standards identified in 77 Illinois Admin. Code Section 1125.210(c).

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

Jerry Neal
Administrator
Sunset Home

418 Washington St • Quincy, IL 62301 • (217) 223-2636 • (217) 223-6750 fax • sunsethome.org

ATTACHMENT 27
Availability of Funds

X-CALIBER RURAL CAPITAL
An X-Caliber Capital Affiliate

EXHIBIT B

Form of Conditional Approval

September 6th, 2022

Mr. Jerry Neal
Sunset Home Skilled Nursing
708 S. Fourth St.
Quincy, IL 62301

RE: Financing for Sunset Home Skilled Nursing Facility (the "**Property**")

Dear Mr. Neal:

With respect to the Property described above, X-Caliber Rural Capital, LLC ("**XRC**" or "**Lender**") is pleased to advise you that the proposed Loan is conditionally approved by Lender (this "**Conditional Approval**"), provided that each of the terms and conditions set forth (a) in the Term Sheet, dated February 24th, 2022 (the "**Term Sheet**"), and (b) below (which may include terms that specifically modify and/or supplement those set forth in the Term Sheet), are each satisfied, in full, on or prior to the closing of the Loan. Other than as specifically modified or supplemented by this Conditional Approval, the Term Sheet shall remain in full force and effect. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Term Sheet.

Closing Conditions

- Receipt and verification of CON approval for the replacement facility
- Satisfactory review and verification of Russell Construction as builder for the project
- Confirmation of the pending closure of Blessing Hospital's SNF unit
- Satisfactory in person site visit by a member of XRC
- Receipt of USDA conditional commitment

Borrower

- Sunset Home Skilled Nursing (Illinois Not For Profit Corporation)

Co-Borrower

- Sunset Home (Illinois Not For Profit Corporation)

Guarantor(s)

- None

Property Address

- 728 S. Fourth Street, Quincy, IL 62301

Corporate Headquarters
3 W. Main Street, Suite 103, Irvington, NY 10533

ATTACHMENT 27
Availability of Funds

Sunset Home Skilled Nursing and Sunset Home
Page 2 of 6

Loan Amount

- $21,700,000

Collateral and Positions

- First lien on the Real property, fixtures and improvements located at 728 S. Fourth St., Street, Quincy, IL 62301 (the "Property"), and an assignment of all leases and rents on the Property.
- First lien All the Borrower's assets, present and future and wherever located, including without limitation, accounts, securities entitlements, deposit accounts, instruments, documents, chattel paper, inventory, goods, machinery, equipment, furniture, fixtures, commercial tort claims, letter of credit rights, general intangibles, payment intangibles, software, licenses, trademarks, tradenames, patents, copyrights and other assets and supporting obligations.
- A deposit account control agreement with the depositary institution in which such deposit account(s) is/are held will be required for all of Borrower's deposit accounts, which such deposit account control agreement shall be inform and content reasonably satisfactory to the Lender.
- An assignment of the plans and specifications for the construction of the improvements and all construction contracts, architects' agreements and other documents relating to the Property.

Loan Terms

- Construction Period (Interest Only): 18 Months (1.5 Years)
- Permanent Term (Amortizing): 360 Months (30 Years)

Rates and Fees

- Construction Period:
  - Rate: Wall Street Journal Prime + 2.25%
  - Rate Adjustment: Calendar Quarter
  - Floor Rate: Equal to starting rate
  - Prepayment: 10% on full loan amount
- Permanent Period:
  - Rate: 7-Year Constant Maturity Treasury + 4.01%
  - Rate Adjustment: 7- Years
  - Floor Rate: Higher of starting rate and 5.25%

ATTACHMENT 27
Availability of Funds

- Prepayment: Early repayment of non-schedule principal is allowed in whole or in part, during the first seven years of the Permanent Period together with a prepayment premium of 7% in year 1, 6% in year 2, 5% in year 3, 4% in year 4, 3% in year 5, 2% in year 6, 1% in year 7 of any principal paid in excess of regularly schedule amortization. The Borrower may prepay the Loan in whole or in part without any prepayment premium starting in year eight of the Permanent Period.

Reserves

- Reserves Allocated at Close
  - Construction Interest Accrual
    - Interest accrual is based on an expected 8.25% interest rate, 18 months draw schedule, and assuming 60% of the loan is drawn to account for multi disbursement of the loan. This accrual is not fully funded at close but will be drawn upon monthly to pay accrued interest.
    - Funds will be disbursed as interest only payments become due. Any remaining proceeds allocated and unused at the end of construction can be re-allocated towards working capital upon consent from the agency or used to pay the loan down accordingly.
  - Debt Service Reserve
    - A debt service reserve equal to 3 months of P&I will be funded at permanent conversion
    - Funds may be applied towards debt payments upon receipt of adequate documentation and lender consent. At any point where funds are used due to an extraordinary circumstance, the borrower has 90 days to replenish the account to the required balance.
- Reserves Escrowed During Permanent Phase (The following reserves be funded into escrow monthly along with the debt payment)
  - USDA annual guarantee fee
    - The fee is equal to 0.40% of the total outstanding principal balance as of 12/31. The reserve will be determined based on the final amortization schedule provided at the loan's permanent conversion.
    - This reserve will be used to pay the USDA fee as it comes due
  - Property Tax and Insurance
    - Property tax and insurance will be escrowed monthly along with the loan payment
    - Borrower must provide their annual operating budget 45 days prior to year-end for the associated escrows to be calculated.

Taxes and insurance due during the construction phase will be paid from the soft costs contingency line item in the loan allocations recognized at closing or paid with the borrower's working capital allocation when due.

Loan Covenants

- Maximum Debt-to-Worth of 4:1 measured annually beginning in year 1 of operations
- Minimum DSCR of 1.20x measured calendar quarterly beginning in year 1 of operations
- Minimum Current Ratio of 1.0x measured calendar quarterly beginning in year 1 of operations
- Borrower must obtain lender approval for any single capital expenditure greater than $500,000

ATTACHMENT 27
Availability of Funds

Insurances

- Insurances as required by Lender upon advice of insurance review consultant.

Financial Reporting

- Quarterly financial statements within 45 days of the end of each calendar quarter (internally prepared)
- Quarterly census and bed count reports including payor mix and average daily census within 45 days of the end of each calendar quarter
- Annual CPA Reviewed financial statements prepared in accordance with GAAP provided within 90 days of FYE
- Annual guarantor financial statements to be provided within 90 days of calendar year end.

Term Sheet Addendum 1

USDA Guarantee
USDA Guarantee During Construction
Lender Origination Fee
Loan Related Soft Costs and Allocations
Total Loan Related Soft Costs

Legal Deposit

- A $26,000 legal deposit (the "**Legal Deposit**") will be due and payable upon acceptance of this Conditional Approval. The Legal Deposit will be applied to, without limitation, cover the reasonable fees and disbursements for Lender's counsel, and additional remaining expenses associated with originating the loan. If the loan is not approved by the USDA or does not close, any remaining funds will be remitted to Borrower and a full accounting will be provided. Should any outstanding expenses be in excess of the Legal Deposit, Borrower will be responsible for any remaining outstanding balances.

This Conditional Approval does not set forth all the terms and conditions of the Loan contemplated herein. As a condition of closing, Lender will require the execution of definitive loan documentation, prepared by Lender's legal counsel, which will contain terms and conditions not set forth herein, including such representations, warranties, affirmative and negative covenants, indemnities, closing conditions, defaults and remedies as are typically required by Lender and/or deemed appropriate for this specific transaction. The failure of Borrower, Guarantor and Lender to reach agreement on the loan documents shall not be deemed a breach by Lender of this Conditional Approval or the Term Sheet. Execution and delivery of all loan documentation is a condition of closing.

Lender's obligations under this Conditional Approval are conditioned on the fulfillment to Lender's sole satisfaction of each term and condition referenced by this Conditional Approval and the Term Sheet. These terms and conditions are not exhaustive, and this Conditional Approval is subject to certain other terms and closing conditions customarily required by Lender for similar transactions and may be supplemented prior to closing based upon Lender's due diligence. This Conditional Approval shall not survive closing.

Lender has issued this Conditional Approval based upon the information supplied by Borrower and Guarantor. Lender shall have the right to cancel this Conditional Approval, whereupon Lender shall have no obligations hereunder, in the event of: (i) a adverse change in the condition (financial, business or

ATTACHMENT 27
Availability of Funds

otherwise), operations or prospects of Borrower, Guarantor or the Property; (ii) a change in the accuracy of the information, representations, exhibits or other materials submitted by Borrower or Guarantor in connection with its request for financing; (iii) loss of, damage to, a taking of, or the presence of any hazardous substances or asbestos at, on or adjacent to the Property (Borrower must immediately notify Lender of any such event); (iv) Borrower or Guarantor or any principal, general partner, manager or member thereof shall file or make or have filed or made against such person a petition in bankruptcy, an assignment for the benefit of creditors or an action for the appointment of a receiver, or shall become insolvent, however evidenced; (v) Borrower or Guarantor or any principal, general partner, manager or member thereof shall die or become mentally incapacitated; (vi) there is a change in the structure or ownership of Borrower or Guarantor; (vii) changes in economic or capital markets; (viii) a breach of the Term Sheet or this Conditional Approval by Borrower or Guarantor; (ix) any indication by the UDSA that the Loan will not receive the Conditional Commitment for not less than 80% of the Loan amount, or the Request For Obligation Of Funds – Guaranteed Loans, or (x) any other reason in Lender's sole discretion.

NONE OF THIS CONDITIONAL APPROVAL, THE TERM SHEET, OR THE RECEIPT BY LENDER OF THE DEPOSIT OR OTHER AMOUNT SHALL CONSTITUTE OR BE CONSTRUED TO BE, A BINDING COMMITMENT BY LENDER OR AN UNDERTAKING BY LENDER TO FAVORABLY CONSIDER THE PROPOSED LOAN OR TO ISSUE ANY COMMITMENT. BY SIGNING BELOW, BORROWER AND GUARANTOR EACH ACKNOWLEDGE THAT (1) THE APPLICABLE TERMS ARE NOT FINAL OR ALL-INCLUSIVE, (2) IT HAS SIGNED THIS CONDITIONAL APPROVAL, SOLELY FOR THE PURPOSE OF INDUCING LENDER TO CONDUCT A FURTHER REVIEW OF THE ABOVE PROPOSAL AND SUCH FURTHER INVESTIGATIONS AS LENDER DEEMS NECESSARY FOR THE PURPOSE OF DETERMINING WHETHER THE PROPOSED LOAN MEETS WITH ITS UNDERWRITING CRITERIA.

Please acknowledge acceptance of the terms of this Conditional Approval by signing in the place provided below and returning this executed Conditional Approval on or before September 23rd, 2022. If an executed copy of this Conditional Approval is not received by Lender, on or before such time, this Conditional Approval and the Term Sheet shall be of no further force or effect.

Sincerely,

Anna West
Executive Managing Director
X-Caliber Rural Capital, LLC

ATTACHMENT 27
Availability of Funds

Sunset Home Skilled Nursing and Sunset Home
Page 6 of 6

Borrower and Guarantor Acknowledgment and Authorization
(Conditional Approval)

The terms and conditions contained in this Conditional Approval have been reviewed and accepted by the undersigned.

Borrower and Guarantor hereby direct Lender to continue with the evaluation and due diligence in the Loan approval process. Borrower and Guarantor authorize Lender to continue to conduct such investigations and inquiries as may be necessary or desirable (in the sole and absolute discretion of Lender) in connection with your consideration to make the Loan. In addition, the undersigned authorizes Lender to share any and all information relating to this Conditional Approval with potential financial partners and the USDA.

Borrower: SUNSET HOME SKILLED NURSING
By: Jerry Neal
Name: JERRY NEAL
Title: PRESIDENT
Date: 9/26/22

Co-Borrower: SUNSET HOME
By: Jerry Neal
Name: JERRY NEAL
Title: CEO
Date: 9/26/22

ATTACHMENT 29
Financial Viability

Provide Date for Projects Classified as:	Category A and Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	2019	2020	2021	2025
Current Ratio	0.25	1.15	1.98	2.28
Net Margin Percentage	(11.10)	7.97	12.05	5.78
Percent Debt to Total Capitalization	-	31.57	43.56	70.43
Projected Debt Service Coverage	(4.81)	1.85	0.49	1.73
Days Cash on Hand	1.48	29.91	45.10	188.25
Cushion Ratio	0.48	1.07	0.35	3.40

Ratios	Formula	2019	2020	2021	2025
Current Ratio	Current Assets / Current Liabilities	0.25	1.15	1.98	2.28
Net Margin Percentage	Net Income / Net Operating Revenue x 100	(11.10)	7.97	12.05	5.78
Percent Debt to Total Capitalization	LT Debt / (LT Debt + NA) X 100	-	31.57	43.56	70.43
Projected Debt Service Coverage	(Net Inc + Depr + Int Exp) / (Principle Payments + Int Exp)	(4.81)	1.85	0.49	1.73
Days Cash on Hand	(Cash + Inv) / (Op Exp - Depr) * 365	1.48	29.91	45.10	188.25
Cushion Ratio	(Cash + Inv) / Principle Payment + Int Exp	0.48	1.07	0.35	3.40
Input Items for Ratio Calculations:					
Current Assets		1,652,025	2,686,558	2,634,098	2,829,818
Current Liabilities		6,641,519	2,344,233	1,329,389	1,239,200
Net Income (Increase in net Assets)		(1,195,299)	996,816	1,506,194	799,652
Net Operating Revenues (Total Revenue)		10,767,365	12,502,962	12,501,221	13,842,783
Long-Term Debt			4,218,498	4,638,627	29,645,997
Net Assets		8,146,692	9,143,508	10,649,702	12,445,277
Operating Expense		12,452,533	11,934,869	12,017,842	10,368,437
Depreciation		614,221	523,368	496,025	1,080,656
Interest Expense		99,954	96,752	38,945	1,568,569
Amortization		6,549	6,549	4,366	55,131
Principal Payments			777,162	4,084,666	424,003
Cash		48,110	735,206	1,222,319	1,873,101
Investments			200,000	201,430	2,917,214

ATTACHMENT 30
Economic Feasibility

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		Gross Sq. Ft.		Gross Sq. Ft.		Const. $ (A x C)	Mod. $ (B x E)	
	New	Mod.	New	Circ.*	Mod	Circ.*			
Nursing	$268.00		42,647				$11,429,674		$11,429,674
Contingency	$26.23		42,647				$1,118,649		$1,118,649
TOTALS	$294.23		42,647				$12,572,642		$12,572,642
* Include the percentage (%) of space for circulation									

ATTACHMENT 30
Economic Feasibility

Sunset Home
Since 1889

October 4, 2022

John Kniery
Board Administrator
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Sunset Home- Economic Feasibility Letter

Dear Mr. Kniery,

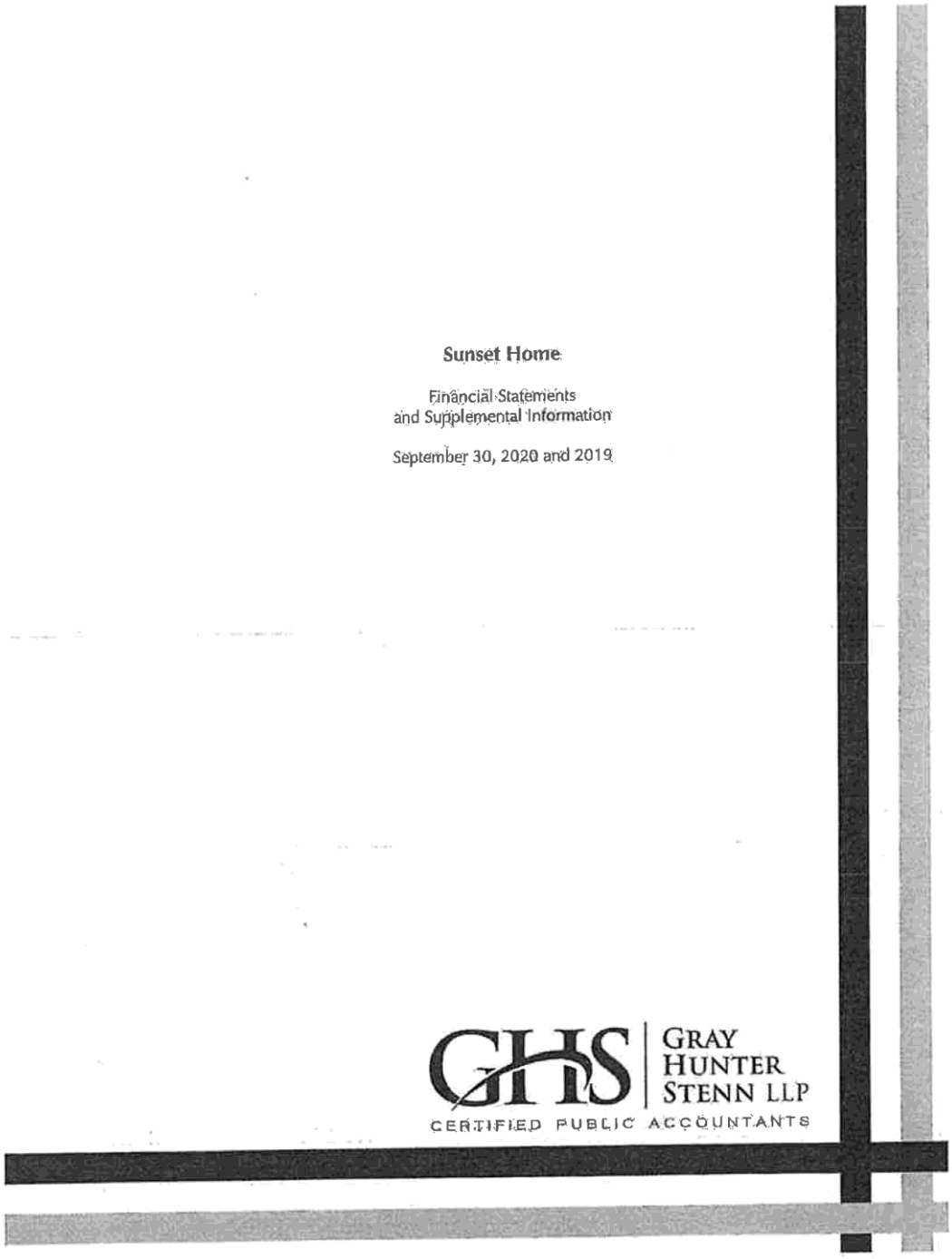
As representative of Sunset Home, I, Jerry Neal, attest that the project costs will be $34,677,346. The project will be fund with existing cash and securities in the amount of $5,527,346, a loan from the USDA in the amount of $21,700,000, and PACE funding in the amount of $7,450,000. Sunset Home has sufficient and readily accessible internal resources to fund their obligation required by the project, and to fully fund other ongoing obligations.

I further certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

Jerry Neal
Administrator
Sunset Home

ATTACHMENT 30
Audit Reports for 2019-2021



ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Contents

September 30, 2020 and 2019

ATTACHMENT 30
Audit Reports for 2019-2021

GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Trustees of
Sunset Home

We have audited the accompanying financial statements of Sunset Home (a nonprofit organization) which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunset Home as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 24 through 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional

ATTACHMENT 30
Audit Reports for 2019-2021

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2021, on our consideration of Sunset Home's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sunset Home's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunset Home's internal control over financial reporting and compliance.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
February 25, 2021

ATTACHMENT 30
Audit Reports for 2019-2021

GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independents Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Sunset Home

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sunset Home (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sunset Home's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sunset Home's internal control. Accordingly, we do not express an opinion on the effectiveness of Sunset Home's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2020-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sunset Home's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home's Response to Findings

Sunset Home's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Sunset Home's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
February 25, 2021

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Financial Position

September 30, 2020 and 2019

	2020	2019		2020	2019
Assets			**Liabilities and Net Assets**		
Current Assets			**Current Liabilities**		
Cash and cash equivalents	$ 720,184	$ 48,110	Accounts payable	$ 622,954	$ 1,246,209
Accounts receivable, net	1,723,501	1,524,214	Accrued expenses	435,637	400,414
Unconditional promises to give	-	-	Line of credit	-	367,617
Inventory	41,014	36,560	Security deposits	43,000	48,000
Prepaid expenses	30,514	43,141	Funds held for residents and renters	28,655	15,077
Investments:	200,000	-	Deferred revenues	372,788	-
			Short term notes payable with vendor	-	42,217
Total Current Assets	2,715,213	1,652,025	Current maturities of long term notes payable	267,737	4,446,985
			Current maturities of long term contract payable	47,485	-
Assets Limited as to Use			Estimated health claims incurred, not yet reported	525,977	75,000
Internally designated for quasi-endowment:					
Cash and cash equivalents	2,866	3,016	**Total Current Liabilities**	2,344,233	6,641,519
Investments	12,156	12,156			
			Notes payable - net of current maturities	4,006,974	-
Total Assets Limited as to Use	15,022	15,172			
			Contract payable - net of current maturities	211,524	-
Split-interest agreements	3,207,838	3,156,001			
			Refundable fees	7,000	8,100
Property, plant and equipment, net	9,775,166	9,973,113			
			Total Liabilities	6,569,731	6,649,619
			Net Assets		
			Without donor restrictions	5,866,148	4,970,929
			With donor restrictions	3,277,360	3,175,763
			Total Net Assets	9,143,508	8,146,692
Total Assets	$ 15,713,239	$ 14,796,311	**Total Liabilities and Net Assets**	$ 15,713,239	$ 14,796,311

See notes to the financial statements.

Page 5

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Activities

Years Ended September 30, 2020 and 2019

	2020	2019
Patient Service Revenues		
Routine and ancillary services	$ 11,145,305	$ 11,861,120
Gross Patient Service Revenues	11,145,305	11,861,120
Deductions from Patient Service Revenues		
Medicare allowances	-	(329)
Medicaid allowances	2,024,874	2,044,531
Total Deductions from Patient Service Revenues	2,024,874	2,044,202
Net Patient Service Revenues	9,120,431	9,816,918
Grant revenue	2,156,259	-
Rental income and fees - apartments	760,536	738,105
Other operating revenues	465,736	212,342
Total Operating Revenues	12,502,962	10,767,365
Operating Expenses		
Professional care of patients	5,399,240	5,685,683
Support services	2,126,585	1,982,552
Administrative and general	2,637,636	2,564,054
Depreciation	585,257	614,221
Amortization	6,549	6,549
Interest expense	96,752	99,954
Sunset Villas	65,746	57,246
Bad debt	136,555	570,857
Medicaid assessment	342,817	349,039
Sunset Apartments	537,732	522,378
Total Operating Expenses	11,934,869	12,452,533
Income (Loss) from Operations	568,093	(1,685,168)
Support, Investment Income, and Other Revenue		
Contributions	234,667	434,811
Investment income (loss) split-interest agreements	81,073	76,827
Investment income	1	19
Total Support, Investment Income, and Other Revenue	315,741	511,657
Operating Income (Loss)	883,834	(1,173,511)
Net assets released from restrictions	11,385	14,397
Increase (Decrease) in Net Assets without Donor Restrictions	$ 895,219	$ (1,159,114)

See notes to the financial statements.

Page 6

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Changes in Net Assets

Years Ended September 30, 2020 and 2019

	2020	2019
Net Assets without Donor Restrictions		
Operating income (loss)	$ 883,834	$ (1,173,511)
Net assets released from restrictions	11,385	14,397
Increase (Decrease) in Net Assets without Donor Restrictions	895,219	(1,159,114)
Net Assets with Donor Restrictions		
Contributions	61,145	3,570
Changes in value of split-interest agreements	51,837	(25,358)
Net assets released from restriction	(11,385)	(14,397)
Increase (Decrease) in Net Assets with Donor Restrictions	101,597	(36,185)
Increase (Decrease) in Net Assets	996,816	(1,195,299)
Net Assets, Beginning of Year	8,146,692	9,341,991
Net Assets, End of Year	$ 9,143,508	$ 8,146,692

See notes to the financial statements.

Page 7

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Cash Flows

Years Ended September 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities		
Cash received from residents and third party payers	$ 9,545,125	$ 10,099,829
Other receipts from operations	2,993,683	212,942
Investment income received	81,074	76,846
Contributions received	295,812	438,381
Cash paid to employees and suppliers	(10,824,574)	(10,614,390)
Interest paid	(137,443)	(143,114)
Net Cash Flows from Operating Activities	1,953,677	70,494
Cash Flows from Investing Activities		
Purchase of property and equipment	(490,581)	(89,735)
Purchase of investments	(200,000)	-
Sale of investments	-	-
Net Cash Flows from Investing Activities	(690,581)	(89,735)
Cash Flows from Financing Activities		
Payments for note payable	(269,866)	(263,041)
Payments for note payable with vendor	(139,679)	(20,336)
Payments for line of credit	(367,617)	(26,139)
Proceeds from notes payable	-	-
Proceeds from note payable with vendor	97,429	62,553
Contract payable	-	-
Proceeds from SBA EIDL loan	150,000	-
Capitalized financing costs	(61,439)	-
Net Cash Flows from Financing Activities	(591,172)	(246,963)
Net Increase (Decrease) in Cash, Equivalents and Restricted Cash	671,924	(266,204)
Cash, Equivalents and Restricted Cash, Beginning of Year	51,126	317,330
Cash, Equivalents and Restricted Cash, End of Year	$ 723,050	$ 51,126
Supplemental Disclosure of Non-Cash Information		
Entered into note agreement for equipment	$ 259,009	$ -

See notes to the financial statements.

Page 8

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Cash Flows (Continued)

Years Ended September 30, 2020 and 2019

	2020	2019
Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities		
Change in net assets	$ 996,816	$ (1,195,299)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	688,528	717,157
Amortization of bond acquisition costs	9,064	9,064
Change in refundable fees and deferred revenue	371,688	600
Contributions restricted for long-term investment	-	-
Change in value split-interest agreement	(51,837)	25,358
Bad debts	136,555	570,857
(Increase) decrease in:		
Accounts receivable	(335,842)	(455,194)
Other assets	8,173	(8,768)
Increase (decrease) in:		
Accounts payable and accrued expenses	130,532	406,719
Net Cash Flows from Operating Activities	$ 1,953,677	$ 70,494

See notes to the financial statements.

Page 9

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Notes to Financial Statements

1. **Summary of Significant Accounting Policies**

Nature of Organization
Sunset Home ("Home") is an Illinois not-for-profit corporation that operates a nursing home, on-campus independent apartments known as the villas and an off campus senior apartment complex in Quincy, Illinois. Sunset Home is a Christian organization, and lives its faith with the Sunset Family at the heart of every decision made. Sunset is a home - a place of compassion, dignity and respect that is safe and comforting. Everyone is welcome. No one remains a stranger. Sunset Home has a well-trained staff, dedicated volunteers, and an attentive board eager to work with other organizations in the community. Good stewardship encourages efficient operations and excellent care of the people, buildings and grounds. Generous support of the endowment allows Sunset Home to maintain an attractive facility with a quality staff to provide state of the art services for a continuum of care.

Sunset Home Properties Holding Corporation, a title holding corporation as described in Sec. 501(c)(2) of the Internal Revenue Code (IRC), was formed with Sunset Home as the sole parent organization on September 28, 2020. For the year ended and as of September 30, 2020, Sunset Home Properties Holding Corporation had no assets, liabilities, nor any financial activity.

Method of Accounting
The Home has chosen to maintain its accounting records on the accrual basis. Accordingly, revenue is recognized when earned or when it otherwise becomes available and expenditures are recognized when incurred.

Basis of Presentation
The Home records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions
Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions
Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Home reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Income Taxes
Sunset Home has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Sec. 501(c)(3) of the IRC and is exempt from Federal income taxes pursuant to Sec. 501(a) of the IRC and is not considered a private foundation. As previously mentioned, Sunset Home Properties Holding Corporation has been recognized by the Internal Revenue Service as a title holding corporation as described in Sec. 501(c)(2) of the IRC and is exempt from Federal income taxes. The tax years from 2016 through 2019 remain open for review by the taxing authorities.

Cash and Cash Equivalents
For financial statement purposes, the Home considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Brokerage money market mutual funds are classified as investments and are not considered a cash equivalent.

Restricted Cash
For both 2020 and 2019, the Home acted as a custodian for a residents and renters cash account with a local financial institution. Accordingly, the Home reports an offsetting liability for the related amounts. Total restricted cash for the years ended September 30, 2020 and 2019 totaled $28,655 and $15,077, respectively, and is included in cash and equivalents on the Statements of Financial Position.

Accounts Receivable and Allowance for Uncollectible Accounts
The Home provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Home's estimate is based on historical collection experience and a review of the current status of accounts receivable. The Home considers accounts receivable to be past due one month after initial billing and charges off accounts when turned over to collection.

Inventories
Inventories, primarily consisting of various supplies, are recorded at current cost.

Property and Equipment
Property and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of receipt. Equipment and capital improvements with a cost of $2,500 or more and a useful life of one year or more are capitalized. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Land improvements	5-25 years
Building and improvements	5-50 years
Furniture and equipment	5-25 years

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Fees for services are recognized when the performance obligations of providing the services are met. See Note (18) for further details.

Support Revenue
Government grants received by Sunset Home have a right of return and include a barrier to entitlement (incurrence of qualifying expenses in accordance with government stipulations). The grants are treated as conditional contributions and recognized as revenue as qualifying expenses are incurred. See Notes (19) and (22) for further details.

Refundable Fees
Refundable fees represent the amount of the basic payment received from Sunset Villa residents that is potentially due to the residents. In accordance with the contractual arrangements, a portion of the basic fee is refundable should the contract terminate due to death or transfer from the unit because of mental or physical incapacity during the first nine years of occupancy.

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Donated Services
The Home receives a wide range of volunteer services from the community. No provisions for these donated services have been included in these financial statements.

Fund Raising Costs
The Home charged $4,656 and $58,682 of fund raising costs to administrative and general expenses for the years ended September 30, 2020 and 2019, respectively.

Operating Income (Loss)
The Statements of Activities includes operating income (loss). Changes in net assets without donor restrictions which are excluded from operating income (loss), consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

Bond Acquisition Costs
Bond acquisition costs include all the costs associated with the acquisition of the loan, which represents attorney fees and costs of bond issuance on bonds payable. Bond acquisition costs are netted against notes payable and are amortized over the life of the bond issue using the straight-line method.

Fair Value
Sunset Home's carrying value of cash and cash equivalents, accounts receivables, accounts payable and accrued expenses approximates their fair values because of the immediate or short-term maturity of these instruments. The carrying amount of long-term debt approximates fair value because interest rates on long-term debt are near rates currently available to the Home for bank loans with similar terms and average maturities.

Accounting Pronouncements Adopted
As of October 1, 2019, the Home adopted the provisions of FASB Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for the 2019-2020 fiscal year are presented under ASC 606. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. This update also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The Home adopted ASU 2014-09 using the modified retrospective transition approach to all contracts that were not completed. There was not a material impact on how the Home recognizes revenues or to the financial statements, and no adjustment to opening net assets was recorded.

In August 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. The ASU clarifies the presentation of restricted cash on the Statements of Cash Flows. Amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling between beginning and ending cash balances on the Statements of Cash Flows. ASU 2016-18 is effective for not-for-profit business entities for financial statements issued for annual reports beginning after December 15, 2018. The Home has adopted ASU 2016-18 in the current year and has applied the amendments of the ASU retrospectively to its financial statements. There is no change to previously reported net income or net assets as a result of these changes.

As of October 1, 2019, the Home also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. This update is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. The update clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Accounting Pronouncements Adopted (Continued)
grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09. If the grant maker receives no commensurate value, the transfer is a contribution. ASU 2018-08 stresses that the value received by the public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ended September 30, 2020 are presented under FASB ASU 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of the Home adopting ASU 2018-08. Accordingly, no adjustment to opening net assets was recorded.

Subsequent Events
The Home has evaluated subsequent events through February 25, 2021, the date upon which the financial statements were available to be issued. As of the date the financial statements were available to be issued, Sunset Home was in the process of obtaining approval to refinance the remaining balance of the revenue bond with the U.S. Small Business Administration (SBA). Also, as of the date the financial statements were available to be issued, Sunset Home had entered into a contract for a capital campaign with a purpose to raise funds for a replacement facility.

2. Liquidity and Availability

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following:

	2020	2019
Cash and cash equivalents	$ 720,184	$ 48,110
Accounts receivable	1,723,501	1,524,214
Assets limited as to use	15,022	15,172
Investments	200,000	-
Total Financial Assets as of Year End	2,658,707	1,587,496
Less Those Unavailable for General Expenditure within One Year		
Investments limited as to use	(12,156)	(12,156)
Cash held for residents and renters	(28,655)	(15,077)
Financial Assets Available to Meet General Expenditures Total Financial Assets as of Year End	$ 2,617,896	$ 1,560,263

Sunset Home's endowment funds consist of board-restricted endowments. Income from board-restricted endowments is available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of Sunset Home's liquidity management plan, management transfers cash in excess of daily requirements to the operational checking account.

3. Split-Interest Agreements

The Home has been named as a beneficiary in six perpetual trusts, which were established through various bequests. The Home receives periodic distributions (at least annually) and records this income as income received from split-interest agreements included in operating income. The perpetual trusts were valued using fair market value of recognized assets of the trusts as provided by the trustees. The re-evaluations of present value of the perpetual trusts have been recorded as changes in value of split-interest agreements in the Statements of Changes in Net Assets.

ATTACHMENT 30
Audit Reports for 2019-2021

4. Accounts Receivable

The composition of accounts receivable at September 30, 2020 and 2019 is set forth in the following table:

	2020	2019
Accounts Receivable Resident Services		
Medicaid	$ 676,850	$ 877,591
Medicaid - pending	162,002	695,173
Medicare	345,655	443,409
Private pay residents	525,810	376,861
Total	1,710,317	2,393,034
Allowance for uncollectible accounts	(456,981)	(875,409)
Reinsurance receivable	468,190	-
Miscellaneous receivable	1,975	6,589
	$ 1,723,501	$ 1,524,214

The reinsurance receivable amount shown above represents amounts due back to Sunset Home for employee healthcare costs paid in excess of the health insurance policy limit for the plan year ending December 31, 2020. The amounts in this receivable are reimbursement for expenses recognized for estimated health claims incurred, not yet reported as presented on the face of the Statements of Financial Position.

5. Property, Plant and Equipment

A summary of property and equipment at September 30, 2020 and 2019 follows:

	2020	2019
Buildings and improvements	$ 18,585,483	$ 18,176,186
Building fixtures and equipment	2,989,797	2,989,797
Furniture and equipment	1,477,294	1,463,769
Land improvements	283,832	283,832
Vehicles	183,045	195,463
	23,519,451	23,109,047
Less accumulated depreciation	(15,800,474)	(15,174,670)
	7,718,977	7,934,377
Land	1,034,018	1,034,018
Land held for expansion	1,004,718	1,004,718
Construction in progress	17,453	-
Net Property, Plant and Equipment	$ 9,775,166	$ 9,973,113

ATTACHMENT 30
Audit Reports for 2019-2021

6. Fair Value Measurements

The Home's investments are reported at fair value in the accompanying financial statements. The following table presents fair value measurement information for certain financial instruments:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2020				
Investments	$ 212,156	$ 12,156	$ 200,000	$ -
Split-interest agreements	3,207,838	1,408,150	-	1,799,688
Total	3,419,994	1,420,306	200,000	1,799,688
September 30, 2019				
Investments	12,156	12,156	-	-
Split-interest agreements	3,156,001	1,356,313	-	1,799,688
Total	$ 3,168,157	$ 1,368,469	$ -	$ 1,799,688

FASB Accounting Standards Codification 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. Fair value for the Home's assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. The Home's assets in this category consist primarily of common stocks and mutual funds. Fair value for the Home's assets valued using Level 2 inputs are based on observable inputs other than quoted prices for identical assets. Assets in Level 2 consist of a certificate of deposit. Fair value for the Home's assets valued using Level 3 inputs are based primarily on outside appraisals that cannot be corroborated by observable market data. Assets in Level 3 consist of real estate held in split-interest agreements.

The following table sets forth a summary of changes in the fair value of the Home's level 3 assets for the years ended September 30, 2020 and 2019:

	2020	2019
Beginning Balance	$ 1,799,688	$ 1,826,352
Realized gains (losses)	-	-
Unrealized gains (losses) relating to instruments still held at reporting date	-	(26,664)
Purchases, sales, issuances, and settlements (net)	-	-
Ending Balance	1,799,688	1,799,688
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ -	$ (26,664)

Page 15

ATTACHMENT 30
Audit Reports for 2019-2021

6. **Fair Value Measurements** (Continued)

During the years ended September 30, 2020 and 2019, an external appraisal of the investment in real property was obtained, resulting in a fair market value decrease of $0 and $26,664, respectively. This loss is reported on the Statements of Changes in Net Assets as a decrease in net assets with donor restriction.

7. **Accrued Expenses**

Accrued expenses consisted of the following at September 30, 2020 and 2019:

	2020	2019
Accrued vacation and personal time	$ 118,849	$ 111,879
Accrued payroll	291,913	267,162
Accrued other	24,875	21,373
Total	$ 435,637	$ 400,414

8. **Line of Credit**

A line of credit agreement had been executed with Peoples Prosperity Bank, providing the Home with short-term financing in the total amount of $1,000,000 with a maturity date of February 27, 2018. The line of credit was renewed with short-term financing in the total amount of $489,250 with a maturity date of December 27, 2018 and an interest rate of 5.95%. The line of credit was converted to a note with a maturity date of May 27, 2020. The Home had borrowed $0 and $367,617 as of September 30, 2020 and 2019, respectively. The Home paid off the loan in May 2020.

On June 18, 2019, the Home executed a new line of credit agreement with Peoples Prosperity Bank providing short-term financing in the total amount of $200,000 with a maturity date of December 18, 2019. The line of credit was extended on December 18, 2019 with a new maturity date of March 18, 2020 and an interest rate of 6.00%. The Home had no funds borrowed on this line of credit as of September 30, 2020 and 2019, respectively.

On August 7, 2020, the Home executed a new line of credit agreement with United Community Bank providing short-term financing in the total amount of $200,000 with a maturity date of June 24, 2021. The interest rate as of September 30, 2020 was 3.00%. The Home had no funds borrowed as of September 30, 2020. The line of credit is collateralized by a $200,000 certificate of deposit classified in investments on the Statements of Financial Position for the year ended September 30, 2020.

9. **Notes Payable**

On December 1, 2013, the Home issued through the City of Quincy, Adams County, Illinois a revenue bond totaling $6,000,000 entitled City of Quincy, Adams County, Special Facility Project and Refunding Revenue Bond, Series 2013 (Sunset Home Project). The new bond has a term of 20 years with a 2.54% interest rate for the initial 7 years. The interest rate will be re-priced every 7 years. The interest income on these bonds is considered to be exempt from federal taxation for bond holders. Net proceeds from the bond issue were $6,000,000. Bond acquisition costs of $181,272 for legal and accounting fees, trustees' fees, financial printing costs, and rating agency charges were paid separately. These costs are netted against long-term debt on the Statements of Financial Position and are being amortized over the life of the bond following the straight-line method. Proceeds of the bond issue of $3,794,590 were used to pay off the Series 2003 bond. The remaining $2,205,410 of bond proceeds was used to finance the costs of the acquisition of land, buildings, improvement furnishings and equipment. The Series 2013 bond is collateralized by the properties known as Sunset Apartments and Sunset Home.

On May 20, 2020, the Home entered into an agreement with Constellation Energy to finance the purchase of a new boiler and chiller at a cost of $259,009 to be paid in 60 monthly installment payments of $4,317 beginning November 1, 2020 and the last payment due October 1, 2025.

ATTACHMENT 30
Audit Reports for 2019-2021

9. Notes Payable (Continued)

On June 4, 2020, the Home entered into an agreement with the U.S. SBA for an Economic Injury Disaster Loan totaling $150,000. The loan has a term of 30 years with a 2.75% interest rate for the life of the loan. Monthly payments are scheduled to begin June 4, 2021 at $641 per month.

The composition of notes payable at September 30, 2020 and 2019 consists of:

	2020	2019
Series 2013 bond dated 12/27/13 due 12/27/2033 at 2.54%	$ 4,303,170	$ 4,573,069
Long-term contract payable	259,009	-
Small Business Administration Economic Injury Disaster Loan	150,000	-
Unamortized bond costs	(178,459)	(126,084)
Total	$ 4,533,720	$ 4,446,985

Sunset Home is not aware of any violations of the debt service coverage ratio covenant for the Home's Series 2013 bond. The schedule for bond principal payments and amortization of the related bond issuance costs for the next five years and thereafter is as follows:

	Principal Reduction	Bond Issuance Cost
Due October, 1 2020 to September 30, 2021	$ 276,801	$ (9,064)
Due October, 1 2021 to September 30, 2022	283,914	(9,064)
Due October, 1 2022 to September 30, 2023	291,210	(9,064)
Due October, 1 2023 to September 30, 2024	298,694	(9,064)
Due October, 1 2024 to September 30, 2025	306,370	(9,064)
Thereafter	2,846,181	(133,139)
Total	$ 4,303,170	$ (178,459)

The notes payable payment schedule for the next five years is as follows:

	Principal Reduction
Due October, 1 2020 to September 30, 2021	$ 47,485
Due October, 1 2021 to September 30, 2022	55,340
Due October, 1 2022 to September 30, 2023	55,439
Due October, 1 2023 to September 30, 2024	55,540
Due October, 1 2024 to September 30, 2025	55,644
Thereafter	139,561
Total	$ 409,009

On April 26, 2019, the Home signed a note payable with one of their vendors, Omnicare, Inc., for $62,553. The note has a term of 12 months, with the final payment occurring April 26, 2020, and an interest rate of 7.54%. On October 10, 2019, the vendor note payable was amended to add an additional $97,462 to the note payable total and the agreement was restructured with a term of 24 months and an interest rate of 8.30%. The Home paid off the vendor note payable in May 2020. The note balance of $42,217 as of September 30, 2019, has been included in the Statements of Financial Position.

ATTACHMENT 30
Audit Reports for 2019-2021

10. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2020 and 2019, consisted of the following:

	2020	2019
Restricted by purpose	$ 69,522	$ 19,762
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	3,207,838	3,156,001
Total	$ 3,277,360	$ 3,175,763

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by the occurrence of events specified by the donors, or by a change in the restrictions specified by the donor. Those amounts released from restrictions during the years ending September 30, 2020 and 2019, are as follows:

	2020	2019
Restricted by purpose	$ 11,385	$ 8,694
Restricted by time	-	5,703
Total	$ 11,385	$ 14,397

11. Endowment

The Home's endowment consists of one general fund established for a variety of purposes. The endowment includes funds internally designated to function as endowments. As required by FASB Accounting Standards Codification, net assets associated with the endowment fund, including funds internally designated to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment balance is included in assets limited as to use in the Statements of Financial Position.

For the year ended September 30, 2020, the Home had the following endowment related activities:

	Internally Designated (Unrestricted)	Donor-Restricted (Permanently)	Total
Beginning Balance	$ 15,172	$ -	$ 15,172
Investment Return			
Investment income	3	-	3
Net depreciation (realized & unrealized)	(2)	-	(2)
Total Investment Return	1	-	1
Contributions	-	50,000	50,000
Appropriation of endowment assets for expenditure	(151)	-	(151)
Ending Balance	$ 15,022	$ 50,000	$ 65,022

ATTACHMENT 30
Audit Reports for 2019-2021

11. Endowment (Continued)

For the year ended September 30, 2019, the Home had the following endowment related activities:

	Internally Designated (Unrestricted)	Donor-Restricted (Permanently)	Total
Beginning Balance	$ 216,371	$ -	$ 216,371
Investment Return			
Investment income	31	-	31
Net depreciation (realized & unrealized)	(12)	-	(12)
Total Investment Return	19	-	19
Contributions	-	-	-
Appropriation of endowment assets for expenditure	(201,218)	-	(201,218)
Ending Balance	$ 15,172	$ -	$ 15,172

Interpretation of Relevant Law

During 2020 and 2019, the Home operated the endowments under the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA). Management of the Home has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Home retains in perpetuity (a) the original value of initial and subsequent gifts amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Home in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Home considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund,
(2) The purposes of the Home and the donor-restricted endowment fund,
(3) General economic conditions,
(4) The possible effect of inflation and deflation,
(5) The expected total return from income and the appreciation of investments,
(6) Other resources of the Home, and
(7) The investment policy of the Home.

Return Objectives and Risk Parameters

The Home has adopted investment and spending policies for endowment assets that attempt to maintain a high level of stability and security in the endowment funds and minimize risk and volatility insofar as possible within the rate of return objectives. To this purpose, substantially all of the Home's endowment assets are invested in common stocks, fixed income securities, and mutual funds. The Home manages risk through asset quality thresholds and diversification principles.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Home relies on a total return strategy in which investment returns are achieved through both capital appreciation or depreciation (realized and unrealized) and current yield (interest and dividends). The Home targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Page 19

ATTACHMENT 30
Audit Reports for 2019-2021

11. Endowment (Continued)

Spending Policy
The primary objective of the endowment is to support the operating needs of the Home. Consequently, the Home's spending policy provides for monthly distribution of the endowment funds' interest and dividends which are not restricted in use. The spending rate set by the trustees is at 5%, calculated on the average of the prior twelve quarter market values of the endowment portfolio.

Funds with Deficiencies
From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of this nature that are in excess of related accumulated gains are reported in net assets with donor restrictions. There were no such amounts as of September 30, 2020 and 2019.

12. Functional Expenses

The Home provides professional patient care for its residents; which includes nursing, therapy, recreational, and social services. Support services are designed to logistically support the care facility by providing housekeeping, laundry, dietary, maintenance, and utility services. Administrative services include general administration, accounting, human resources, insurance, and other functions. Expenses are allocated to professional care of patients, support services, administrative and general, or fundraising based on the functional department for which they are incurred.

Expenses by functional classification for the year ended September 30, 2020 consist of the following:

	Professional Care of Patients	Support Services	Administrative & General	Fundraising	Total (by Nature)
Salaries	$ 4,392,345	$ 1,007,994	$ 433,821	$ -	$ 5,834,160
Payroll Taxes	-	-	433,739	-	433,739
Supplies & Expenses	1,006,895	1,118,591	1,763,949	4,656	3,894,091
Depreciation	-	-	585,257	-	585,257
Amortization	-	-	6,549	-	6,549
Interest	-	-	96,752	-	96,752
Total (by Function)	$ 5,399,240	$ 2,126,585	$ 3,320,067	$ 4,656	$ 10,850,548

Expenses by functional classification for the year ended September 30, 2019 consist of the following:

	Professional Care of Patients	Support Services	Administrative & General	Fundraising	Total (by Nature)
Salaries	$ 4,297,467	$ 873,483	$ 463,594	$ 23,734	$ 5,658,278
Payroll Taxes	-	-	426,630	-	426,630
Supplies & Expenses	1,388,216	1,109,069	1,615,148	34,948	4,147,381
Depreciation	-	-	614,221	-	614,221
Amortization	-	-	6,549	-	6,549
Interest	-	-	99,954	-	99,954
Total (by Function)	$ 5,685,683	$ 1,982,552	$ 3,226,096	$ 58,682	$ 10,953,013

ATTACHMENT 30
Audit Reports for 2019-2021

13. Pension Plan

Effective October 1, 2003, the Home changed its pension plan from the General Board of Pensions to a 403(b) plan. The plan is a contributory, defined-contribution pension plan. Benefits are fully vested immediately upon eligibility. The Home matches eligible employee contributions up to 3%. Pension expense amounted to $113,246 and $104,456 for the years ended September 30, 2020 and 2019, respectively.

14. Sunset Apartments

On July 28, 2003, the Home was the successful bidder and purchased property known as Good Shepherd Apartments, 301 North 8th Street and 701 Vermont Street, Quincy, Illinois 62301, a ninety-four-room senior housing apartment building for $3,001,000.

15. Related Parties

A board member of the Home is an owner of Kohl Wholesale. Kohl Wholesale is the Home's primary food supplier. The Home paid Kohl Wholesale $397,914 and $357,178 during the years ended September 30, 2020 and 2019, respectively.

A board member of the Home is a Trust officer with First Bankers Trust Services. First Bankers Trust Services administers the Home's 403(b) plan.

16. Concentrations of Credit Risk

The nursing home is located in Quincy, Illinois. The Home grants credit without collateral to its residents, some of whom are covered under Illinois Department of Public Aid (Medicaid) and/or Medicare. Net patient service revenues from private pay residents and third-party payers were as follows:

	2020	2019
Medicaid	60.90 %	47.50 %
Medicare	10.80	19.20
Private pay residents	28.30	33.30
Total	100.00 %	100.00 %

The mix of receivables from patients and third-party payers at September 30, 2020 and 2019 was as follows:

	2020	2019
Medicaid	39.60 %	36.70 %
Medicaid - pending	9.50	29.00
Medicare	20.20	18.60
Private pay residents	30.70	15.70
Total	100.00 %	100.00 %

Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At September 30, 2020 and 2019, Sunset Home had deposits in excess of federally insured limits of $445,059 and $0, respectively. Management believes the bank is financially stable and there is minimal risk to Sunset Home.

17. Advertising Expense

The Home expenses advertising cost as incurred. Advertising expense for the years ended September 30, 2020 and 2019 was $3,165 and $31,167, respectively.

ATTACHMENT 30
Audit Reports for 2019-2021

18. Revenue from Contracts with Customers

Sunset Home earns revenue through various fee for service arrangements. The types of services provided primarily include long-term care and living assistance and various forms of therapy services. Sunset Home recognizes revenue from these services at a point in time. For long-term care and living assistance, Sunset Home earns and recognizes revenue for each day a resident is in the Home, regardless of length of stay. Therapy services revenues are earned and recognized after the completion of each session, at a time that the performance obligation has been satisfied. These revenue streams are combined on the Statements of Activities and presented as net patient service revenues. The Home has three primary sources of payers that have payment terms determined as described below.

The Home has agreements with third-party payers that provide for payments to the Home at amounts different from established rates. A summary of the payment arrangements with major third-party payers follows:

- Medicaid - Resident services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Home is reimbursed at an established rate, which is adjusted annually based on surveys and an annual cost report submitted to the Illinois Department of Public Aid.

- Medicare - Inpatient services (Part A) rendered to Medicare program beneficiaries are reimbursed under a prospective payment system, whereby the rate of reimbursement is predetermined based on the residents' ailments and skilled service rendered. Medicare (Part B) services rendered to residents are reimbursed in part by fee schedule, and in part by a cost methodology.

In addition to the two third-party payer sources described above, Private pay is the other primary source of payer to the Home. Private pay rates are determined by Sunset Home and are set on a monthly basis. These rates may be subject to fluctuation based on the residents' ailments and skilled service needs.

Sunset Home invoices payers on a monthly basis for the services provided and has payment terms generally due within 90 days. Although Sunset Home may work with individual payers as necessary to collect on outstanding receivables, the Home generally collects revenues within one year without material interest and thus, is determined to not have a significant financing component.

19. Deferred Revenue

Grants awarded to Sunset are conditional based on incurrence of qualifying expenses and require repayment if expenses do not exceed grant awards. In addition, as disclosed in Note (22), Sunset received conditional grants from the Medicaid Provider Payment Program and Paycheck Protection Program (PPP) made available by the CARES Act. Revenues from these programs are recognized when qualifying expenditures are incurred.

The activity and balances for deferred revenue are shown in the following table:

	Contract Revenues	CARES Act	Total
Balance at September 30, 2018	$ -	$ -	$ -
Grant Repayments	-	-	-
Grants received in excess of qualifying expenses	-	-	-
Balance at September 30, 2019	-	-	-
CARES Act monies received	-	1,621,700	1,621,700
Grant monies received	907,347	-	907,347
Revenue recognized	(668,672)	(1,487,587)	(2,156,259)
Balance at September 30, 2020	$ 238,675	$ 134,113	$ 372,788

ATTACHMENT 30
Audit Reports for 2019-2021

20. Reclassification of Prior Year Presentation

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation. Such reclassifications had no effect on net income or net assets as previously reported. As discussed above, the Home has adopted ASU 2016-18 in the current year and applied the amendments of ASU 2016-18 retrospectively to its 2019 financial statements.

21. COVID-19 Pandemic

The ongoing COVID-19 pandemic has impacted and could further impact the Home's operations. The extent to which the pandemic impacts operations, results of operations, and financial condition will depend on future developments, which are highly uncertain, including but not limited to the duration, spread, and severity of the pandemic, its effects on the Home's employees and residents/renters, and the remedial actions and stimulus measures adopted by local and federal government. The pandemic remains a rapidly evolving situation and the Home cannot reasonably estimate the impact at this time.

22. Government Assistance

On April 7, 2020, the Home was a recipient of a Paycheck Protection Program (PPP) loan of $1,487,587 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) through United Community Bank. Under the program terms, PPP loans are forgiven and recognized as revenue if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. On November 4, 2020, the Small Business Administration notified the Home that the entire $1,487,587 received on April 7, 2020 is forgiven. As such, the Home has recognized this amount in grant revenue during fiscal year 2020.

Additionally, on September 15, 2020, the Home was a sub-recipient of a COVID-19 Medicaid Provider Payment of $134,114 from the Illinois Department of Healthcare and Family Services made available through the CARES act. Under the program terms, grant amounts are recorded as revenue if the proceeds are used to cover pandemic related health care expenses that were not included in the Home's budget for the 2020 fiscal year. The allowable cost period for this grant is March 1, 2020 through December 31, 2020. Any funds not spent on qualifying expenditures prior to December 31, 2020 must be returned within 45 days of the allowable cost period ending. As of September 30, 2020, none of the amount received had been spent on qualifying expenditures and, as such, has been properly classified in deferred revenue on the Statements of Financial Position. See Note (19) above for further details on deferred revenues as of September 30, 2020 and 2019, respectively.

ATTACHMENT 30
Audit Reports for 2019-2021

Supplemental Information

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home
Selected Operating Expenses
Years Ended September 30, 2020 and 2019

	Supplies and Expenses	Payroll Taxes	Salaries	Total 2020	Total 2019
Professional Care of Patients					
Nursing services & therapy	$ 994,067	$ -	$ 4,056,550	$ 5,050,617	$ 5,364,844
Activities & social services	12,828	-	335,795	348,623	320,839
Total Professional Care of Patients	1,006,895	-	4,392,345	5,399,240	5,685,683
Support Services					
Housekeeping	29,317	-	265,886	295,203	246,186
Laundry	177,221	-	63,214	240,435	218,576
Dietary	405,481	-	537,757	943,238	868,835
Maintenance	113,235	-	141,137	254,372	256,683
Utilities	393,337	-	-	393,337	392,272
Total Support Services	1,118,591	-	1,007,994	2,126,585	1,982,552
Administrative and General					
Administration	420,492	-	350,076	770,568	807,350
Human resources	33,825	433,739	83,745	551,309	581,843
Fund development	4,656	-	-	4,656	58,682
Insurance	262,965	-	-	262,965	251,911
Employee benefits	1,048,138	-	-	1,048,138	864,268
Total Administrative and General	1,770,076	433,739	433,821	2,637,636	2,564,054
Total Professional Care, Support Services and Administrative and General	$ 3,895,562	$ 433,739	$ 5,834,160	$ 10,163,461	$ 10,232,289

Page 24

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home
Statistical Data
Years Ended September 30, 2020 and 2019

	2020	2019
Patient days occupied & reserved	46,018	48,460
Percentage of beds occupied and reserved to licensed capacity	78.6 %	76.3 %
Average licensed daily bed complement	160	174
Average number in nursing home	125.7	132.8
	Per Patient Day	Per Patient Day
Gross patient service revenues	$ 242.19	$ 244.76
Deductions from patient service revenues	44.00	42.18
Net patient service revenues	198.19	202.58
Other operating revenues	53.72	1.08
Total operating revenues	251.91	203.66
Operating expenses	246.24	245.00
Income (loss) from operations	5.67	(41.34)
Non-operating revenue	6.86	10.63
Excess (Deficit) of Revenues over Expenses	$ 12.53	$ (30.71)

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Selected Statements of Activities - Apartments

Years Ended September 30, 2020 and 2019

	2020	2019
Revenues		
Resident room rental fees	$ 714,586	$ 710,151
Contributions	-	-
Other fees	20,835	22,350
Other income	25,115	5,604
Total Revenues	760,536	738,105
Expenses		
Advertising	884	3,746
Amortization of bond costs	2,515	2,515
Depreciation	103,271	102,936
Insurance	22,238	19,639
Interest expense	40,691	43,160
Miscellaneous	8,366	7,172
Office expense	1,460	756
Payroll expenses	171,799	159,964
Property taxes	36,239	34,889
Repairs & maintenance	28,039	20,848
Supplies	719	1,065
Telephone	4,591	4,537
Cable	1,792	1,668
Trash haul	7,660	6,610
Utilities	107,468	112,873
Total Expenses	537,732	522,378
Increase in Net Assets without Donor Restrictions	222,804	215,727
Net Assets without Donor Restrictions, Beginning of Year	2,151,223	1,935,496
Net Assets without Donor Restrictions, End of Year	$ 2,374,027	$ 2,151,223

Page 26

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Schedule of Findings & Questioned Costs

For the Year Ended September 30, 2020

I. Findings relating to the financial statement audit that are required to be reported in accordance with Generally Accepted Government Auditing Standards

Material Weakness:

Finding 2020-001 – Audit Adjustments

Condition:
The Organization does not conduct detailed account reconciliations and post all necessary adjustments on the client-prepared trial balance.

Criteria:
OMB Circular A-133, Subpart C, Section.310(a) – Audits of States, Local Governments, and Non-Profit Organizations states, "Auditee is responsible for preparing financial statements that reflects its financial position, results of operations, or changes in net assets and cash flows for the fiscal year audited."

Cause:
Organization has a limited number of employees to review financial information.

Effect:
Several accounts were not appropriately reconciled and adjusted as of the fiscal year-end date which resulted in a material amount of proposed audit adjustments.

Recommendation:
We recommend that all accounts be reviewed, reconciled and adjusted to the trial balance no less than at each fiscal year-end date.

Client Response:
Management acknowledges the miscommunication with the auditors on the responsibility for year-end entries and adjustments and will adopt the recommendation for the future.

Significant Deficiency:

Finding 2020-002 – Fixed Asset Listing

Condition:
The Organization does not perform a detailed review and reconciliation of their fixed asset and depreciation listing no less than at the fiscal year-end date.

Criteria:
OMB Circular A-133, Subpart C, Section.310(a) – Audits of States, Local Governments, and Non-Profit Organizations states, "Auditee is responsible for preparing financial statements that reflects its financial position, results of operations, or changes in net assets and cash flows for the fiscal year audited."

Cause:
Organization has a limited number of employees to review financial information.

Effect:
The Organization's fixed asset listing and depreciating schedule is incomplete, inaccurate and does not agree to the general ledger as of the fiscal year-end date, resulting in a proposed audit adjustment.

ATTACHMENT 30
Audit Reports for 2019-2021

Recommendation:
We recommend that Sunset maintain a fixed asset and depreciation schedule that reconciles to the general ledger, includes all assets, and is mathematically accurate.

Client Response:
Reconciliation of assets will be performed on a quarterly basis going forward as recommended.

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Financial Statements
and Supplemental Information

September 30, 2021 and 2020

GHS | GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Contents

September 30, 2021 and 2020

ATTACHMENT 30
Audit Reports for 2019-2021

GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Trustees of
Sunset Home

We have audited the accompanying financial statements of Sunset Home (a nonprofit organization) which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sunset Home as of September 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules on pages 24 through 26 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional

ATTACHMENT 30
Audit Reports for 2019-2021

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of Sunset Home's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Sunset Home's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sunset Home's internal control over financial reporting and compliance.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
March 11, 2022

ATTACHMENT 30
Audit Reports for 2019-2021

GRAY HUNTER STENN LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Sunset Home

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Sunset Home (a nonprofit organization), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sunset Home's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sunset Home's internal control. Accordingly, we do not express an opinion on the effectiveness of Sunset Home's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sunset Home's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home's Response to Findings

Sunset Home's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Sunset Home's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gray Hunter Stenn LLP

Gray Hunter Stenn LLP

Dated at Quincy, Illinois
March 11, 2022

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Financial Position

September 30, 2021 and 2020

	2021	2020		2021	2020
Assets			**Liabilities and Net Assets**		
Current Assets			**Current Liabilities**		
Cash and cash equivalents	$ 1,187,682	$ 691,529	Accounts payable	$ 399,204	$ 596,884
Accounts receivable, net	860,255	1,723,501	Accrued expenses	485,786	461,707
Unconditional promises to give	288,333	-	Security deposits	37,700	43,000
Inventory	35,165	41,014	Funds held for residents and renters	34,637	28,655
Prepaid expenses	61,233	30,514	Deferred revenues	-	372,788
Investments	201,430	200,000	Current maturities of long term notes payable	120,293	267,737
			Current maturities of long term contract payable	51,802	47,485
Total Current Assets	2,634,098	2,686,558	Estimated health claims incurred, not yet reported	199,967	525,977
Assets Limited as to Use			**Total Current Liabilities**	1,329,389	2,344,233
Internally designated for quasi-endowment:					
Cash and cash equivalents	-	2,866	**Noncurrent Liabilities**		
Investments	14,214	12,156	Notes payable - net of current maturities	4,478,905	4,006,974
Total internally designated for quasi-endowment	14,214	15,022	Contract payable - net of current maturities	159,722	211,524
Cash held for residents and renters	34,637	28,655	Refundable fees	8,000	7,000
Cash held in escrow	555,132	-	**Total Noncurrent Liabilities**	4,646,627	4,225,498
Total Assets Limited as to Use	603,983	43,677	**Net Assets**		
			Without donor restrictions	6,821,343	5,866,148
Split-interest agreements	3,474,854	3,207,838	With donor restrictions	3,828,359	3,277,360
Property, plant and equipment, net	9,912,783	9,775,166	**Total Net Assets**	10,649,702	9,143,508
Total Assets	$ 16,625,718	$ 15,713,239	**Total Liabilities and Net Assets**	$ 16,625,718	$ 15,713,239

See notes to the financial statements.

Page 5

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Activities

Years Ended September 30, 2021 and 2020

	2021	2020
Patient Service Revenues		
Routine and ancillary services	$ 9,436,715	$ 11,145,305
Gross Patient Service Revenues	9,436,715	11,145,305
Deductions from Patient Service Revenues		
Medicaid allowances	1,294,811	2,024,874
Total Deductions from Patient Service Revenues	1,294,811	2,024,874
Net Patient Service Revenues	8,141,904	9,120,431
Grant revenue	3,421,898	2,156,259
Rental income and fees - apartments	707,980	760,536
Other operating revenues	229,439	465,736
Total Operating Revenues	12,501,221	12,502,962
Operating Expenses		
Professional care of patients	5,264,681	5,399,240
Support services	2,070,369	2,126,585
Administrative and general	2,755,256	2,637,636
Depreciation	496,025	523,368
Amortization	4,366	6,549
Interest expense	38,945	96,752
Sunset Villas	137,591	127,635
Bad debt	375,779	136,555
Medicaid assessment	291,735	342,817
Sunset Apartments	583,095	537,732
Total Operating Expenses	12,017,842	11,934,869
Income from Operations	483,379	568,093
Support, Investment Income, and Other Revenue		
Contributions	111,630	234,667
Loss on extinguishment of debt	(110,977)	-
Investment income split-interest agreements	76,146	81,073
Investment income	5,216	1
Total Support, Investment Income, and Other Revenue	82,015	315,741
Operating Income	565,394	883,834
Net assets released from restrictions	389,801	11,385
Increase in Net Assets without Donor Restrictions	$ 955,195	$ 895,219

See notes to the financial statements.

Page 6

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Changes in Net Assets

Years Ended September 30, 2021 and 2020

	2021	2020
Net Assets without Donor Restrictions		
Operating income	$ 565,394	$ 883,834
Net assets released from restrictions	389,801	11,385
Increase in Net Assets without Donor Restrictions	955,195	895,219
Net Assets with Donor Restrictions		
Contributions	673,784	61,145
Changes in value of split-interest agreements	267,016	51,837
Net assets released from restriction	(389,801)	(11,385)
Increase in Net Assets with Donor Restrictions	550,999	101,597
Increase in Net Assets	1,506,194	996,816
Net Assets, Beginning of Year	9,143,508	8,146,692
Net Assets, End of Year	$ 10,649,702	$ 9,143,508

See notes to the financial statements.

Page 7

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Cash Flows

Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Cash received from residents and third party payers	$ 9,337,351	$ 9,545,125
Other receipts from operations	3,279,549	2,993,683
Investment income received	81,362	81,074
Contributions received	497,081	295,812
Cash paid to employees and suppliers	(11,627,702)	(10,824,574)
Interest paid	(91,225)	(137,443)
Net Cash Flows from Operating Activities	1,476,416	1,953,677
Cash Flows from Investing Activities		
Purchase of property and equipment	(801,586)	(490,581)
Purchase of investments	-	(200,000)
Net Cash Flows from Investing Activities	(801,586)	(690,581)
Cash Flows from Financing Activities		
Payments for note payable	(4,037,181)	(269,866)
Payments for note payable with vendor	(47,485)	(139,679)
Payments for line of credit	-	(367,617)
Proceeds from notes payable	5,040,000	-
Proceeds from note payable with vendor	-	97,429
Change in SBA EIDL loan	(150,000)	150,000
Capitalized financing costs	(425,763)	(61,439)
Net Cash Flows from Financing Activities	379,571	(591,172)
Net Increase in Cash, Equivalents and Restricted Cash	1,054,401	671,924
Cash, Equivalents and Restricted Cash, Beginning of Year	723,050	51,126
Cash, Equivalents and Restricted Cash, End of Year	$ 1,777,451	$ 723,050
Supplemental Disclosure of Non-Cash Information		
Entered into note agreement for equipment	$ -	$ 259,009
Loss on extinguishment of debt	110,977	-
Unrealized (gain)loss on investments	(3,488)	2

See notes to the financial statements.

Page 8

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statements of Cash Flows (Continued)

Years Ended September 30, 2021 and 2020

	2021	2020
Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities		
Change in net assets	$ 1,506,194	$ 996,816
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	663,969	688,528
Amortization of bond acquisition costs	8,408	9,064
Change in refundable fees and deferred revenue	(371,788)	371,688
Change in value split-interest agreement	(267,016)	(51,837)
Unrealized (gain) loss on investments	(3,488)	-
Bad debts	375,779	136,555
Loss on extinguishment of debt	(110,977)	-
(Increase) decrease in:		
Accounts receivable	487,467	(335,842)
Unconditional promises to give	(288,333)	-
Other assets	(24,870)	8,173
Increase (decrease) in:		
Accounts payable and accruals	(498,929)	130,532
Net Cash Flows from Operating Activities	$ 1,476,416	$ 1,953,677

See notes to the financial statements.

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization
Sunset Home ("Home") is an Illinois not-for-profit corporation that operates a nursing home, on-campus independent apartments known as the villas and an off campus senior apartment complex in Quincy, Illinois. Sunset Home is a Christian organization, and lives its faith with the Sunset Family at the heart of every decision made. Sunset is a home - a place of compassion, dignity and respect that is safe and comforting. Everyone is welcome. No one remains a stranger. Sunset Home has a well-trained staff, dedicated volunteers, and an attentive board eager to work with other organizations in the community. Good stewardship encourages efficient operations and excellent care of the people, buildings and grounds. Generous support of the endowment allows Sunset Home to maintain an attractive facility with a quality staff to provide state of the art services for a continuum of care.

Sunset Home Properties Holding Corporation, a title holding corporation as described in Sec. 501(c)(2) of the Internal Revenue Code (IRC), was formed with Sunset Home as the sole parent organization on September 28, 2020. As of September 30, 2021, Sunset Home Properties Holding Corporation had not yet received tax exemption status.

Method of Accounting
The Home has chosen to maintain its accounting records on the accrual basis. Accordingly, revenue is recognized when earned or when it otherwise becomes available and expenditures are recognized when incurred.

Basis of Presentation
The Home records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions
Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions
Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Home reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Income Taxes
Sunset Home has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Sec. 501(c)(3) of the IRC and is exempt from Federal income taxes pursuant to Sec. 501(a) of the IRC and is not considered a private foundation. As previously mentioned, Sunset Home Properties Holding Corporation has not yet been recognized by, but is in the process of applying to, the Internal Revenue Service as a title holding corporation as described in Sec. 501(c)(2) of the IRC. The tax years from 2017 through 2020 remain open for review by the taxing authorities.

Cash and Cash Equivalents
For financial statement purposes, the Home considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Brokerage money market mutual funds are classified as investments and are not considered a cash equivalent.

Restricted Cash
For both 2021 and 2020, the Home acted as a custodian for a residents and renters cash account with a local financial institution. Accordingly, the Home reports an offsetting liability for the related amounts. Total restricted cash for the years ended September 30, 2021 and 2020 totaled $34,637 and $28,655, respectively, and is separately presented on the Statements of Financial Position.

Additionally, as part of the debt refinancing performed during fiscal year 2021 that is discussed in Note 9 below, Sunset is required to maintain a specified amount of cash in escrow as required by the United States Department of Housing and Urban Development (HUD), who is backing the loan. All cash in escrow is held at the lending institution except for the legal amount, which is held with the law firm retained to assist with the loan. As of September 30, 2021, cash held in escrow totaled $555,132 and is broken out as follows:

		2021
Tax	$	33,691
Insurance		10,050
MIP		4,876
Cash-out holdback		66,493
Debt service savings		213,431
Non critical repair		31,916
Replacement		188,175
Legal		6,500
Total Cash Held in Escrow	$	555,132

Accounts Receivable and Allowance for Uncollectible Accounts
The Home provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Home's estimate is based on historical collection experience and a review of the current status of accounts receivable. The Home considers accounts receivable to be past due one month after initial billing and charges off accounts when turned over to collection.

Inventories
Inventories, primarily consisting of various supplies, are recorded at current cost.

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Property and Equipment
Property and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of receipt. Equipment and capital improvements with a cost of $2,500 or more and a useful life of one year or more are capitalized. Depreciation is computed on the straight-line method based on the following estimated useful lives:

Land improvements	5-25 years
Building and improvements	5-50 years
Furniture and equipment	5-25 years

Net Patient Service Revenue
Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. Fees for services are recognized when the performance obligations of providing the services are met. See Note 18 for further details.

Support Revenue
Government grants received by Sunset Home have a right of return and include a barrier to entitlement (incurrence of qualifying expenses in accordance with government stipulations). The grants are treated as conditional contributions and recognized as revenue as qualifying expenses are incurred. See Notes 19 and 21 for further details.

Refundable Fees
Refundable fees represent the amount of the basic payment received from Sunset Villa residents that is potentially due to the residents. In accordance with the contractual arrangements, a portion of the basic fee is refundable should the contract terminate due to death or transfer from the unit because of mental or physical incapacity during the first nine years of occupancy.

Donated Services
The Home receives a wide range of volunteer services from the community. No provisions for these donated services have been included in these financial statements.

Fund Raising Costs
The Home charged $198,850 and $4,656 of fund raising costs to administrative and general expenses for the years ended September 30, 2021 and 2020, respectively.

Operating Income (Loss)
The Statements of Activities includes operating income (loss). Changes in net assets without donor restrictions which are excluded from operating income (loss), consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

Debt Finance Costs
Debt finance costs include all the costs associated with the acquisition of the loan, which represents attorney fees and costs of debt issuance on notes payable. Debt finance costs are netted against notes payable and are amortized over the life of the note using the straight-line method.

Fair Value
Sunset Home's carrying value of cash and cash equivalents, accounts receivables, accounts payable and accrued expenses approximates their fair values because of the immediate or short-term maturity of these instruments. The carrying amount of long-term debt approximates fair value because interest rates on long-term debt are near rates currently available to the Home for bank loans with similar terms and average maturities.

ATTACHMENT 30
Audit Reports for 2019-2021

1. Summary of Significant Accounting Policies (Continued)

Subsequent Events
The Home has evaluated subsequent events through March 11, 2022, the date upon which the financial statements were available to be issued.

2. Liquidity and Availability

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the Statements of Financial Position date, comprise the following:

	2021	2020
Cash and cash equivalents	$ 1,777,451	$ 720,184
Accounts receivable	860,255	1,723,501
Unconditional promises to give	288,333	-
Assets limited as to use	14,214	15,022
Investments	201,430	200,000
Total Financial Assets as of Year End	3,141,683	2,658,707
Less Those Unavailable for General Expenditure within One Year		
Investments limited as to use	(14,214)	(12,156)
Cash held for residents and renters	(34,637)	(28,655)
Cash held in escrow	(555,132)	-
Unconditional promises to give	(16,666)	-
Financial Assets Available to Meet General Expenditures Total Financial Assets as of Year End	$ 2,521,034	$ 2,617,896

Sunset Home's endowment funds consist of board-restricted endowments. Income from board-restricted endowments is available for general use. Donor-restricted endowment funds are not available for general expenditure.

As part of Sunset Home's liquidity management plan, management transfers cash in excess of daily requirements to the operational checking account.

Sunset Home started a capital campaign during 2021 to raise funds for a new facility. Related to the capital campaign, Sunset Home had $288,333 of unconditional promises to give as of September 30, 2021 that are scheduled to be received as follows:

	2021
Unconditional Promises to Give	
Expected within one year	$ 271,667
Expected within two years	16,666
Total Unconditional Promises to Give	$ 288,333

ATTACHMENT 30
Audit Reports for 2019-2021

3. Split-Interest Agreements

The Home has been named as a beneficiary in six perpetual trusts, which were established through various bequests. The Home receives periodic distributions (at least annually) and records this income as income received from split-interest agreements included in operating income. The perpetual trusts were valued using fair market value of recognized assets of the trusts as provided by the trustees. The re-evaluations of present value of the perpetual trusts have been recorded as changes in value of split-interest agreements in the Statements of Changes in Net Assets.

4. Accounts Receivable

The composition of accounts receivable at September 30, 2021 and 2020 is set forth in the following table:

	2021	2020
Accounts Receivable Resident Services		
Medicaid	$ 407,947	$ 676,850
Medicaid - pending	205,235	162,002
Medicare	423,725	345,655
Private pay residents	301,380	525,810
Total	1,338,287	1,710,317
Allowance for uncollectible accounts	(647,931)	(456,981)
Reinsurance receivable	155,478	468,190
Miscellaneous receivable	14,421	1,975
Accounts Receivable, Net	$ 860,255	$ 1,723,501

The reinsurance receivable amount shown above represents amounts due back to Sunset Home for employee healthcare costs paid in excess of the health insurance policy limit for the plan years ending December 31, 2021 and 2020. The amounts in this receivable are reimbursement for expenses recognized for estimated health claims incurred, not yet reported as presented on the face of the Statements of Financial Position.

5. Property, Plant and Equipment

A summary of property and equipment at September 30, 2021 and 2020 follows:

	2021	2020
Buildings and improvements	$ 18,650,335	$ 18,585,483
Building fixtures and equipment	2,992,517	2,989,797
Furniture and equipment	1,482,718	1,477,294
Land improvements	283,832	283,832
Vehicles	183,045	183,045
Gross Depreciable Assets	23,592,447	23,519,451
Less accumulated depreciation	(16,464,445)	(15,800,474)
Net Depreciable Assets	7,128,002	7,718,977
Land	1,034,018	1,034,018
Land held for expansion	1,004,718	1,004,718
Construction in progress	746,045	17,453
Net Property, Plant and Equipment	$ 9,912,783	$ 9,775,166

ATTACHMENT 30
Audit Reports for 2019-2021

6. Fair Value Measurements

The Home's investments are reported at fair value in the accompanying financial statements. The following table presents fair value measurement information for certain financial instruments:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
September 30, 2021				
Investments	$ 215,644	$ 14,214	$ 201,430	$ -
Split-interest agreements	3,474,854	1,635,166	-	1,839,688
Total	3,690,498	1,649,380	201,430	1,839,688
September 30, 2020				
Investments	212,156	12,156	200,000	-
Split-interest agreements	3,207,838	1,408,150	-	1,799,688
Total	$ 3,419,994	$ 1,420,306	$ 200,000	$ 1,799,688

FASB Accounting Standards Codification 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. Fair value for the Home's assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. The Home's assets in this category consist primarily of common stocks and mutual funds. Fair value for the Home's assets valued using Level 2 inputs are based on observable inputs other than quoted prices for identical assets. Assets in Level 2 consist of a certificate of deposit. Fair value for the Home's assets valued using Level 3 inputs are based primarily on outside appraisals that cannot be corroborated by observable market data. Assets in Level 3 consist of real estate held in split-interest agreements.

The following table sets forth a summary of changes in the fair value of the Home's level 3 assets for the years ended September 30, 2021 and 2020:

	2021	2020
Beginning Balance	$ 1,799,688	$ 1,799,688
Realized gains (losses)	-	-
Unrealized gains (losses) relating to instruments still held at reporting date	40,000	-
Purchases, sales, issuances, and settlements (net)	-	-
Ending Balance	1,839,688	1,799,688
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to assets still held at the reporting date	$ 40,000	$ -

ATTACHMENT 30
Audit Reports for 2019-2021

6. Fair Value Measurements (Continued)

During the years ended September 30, 2021 and 2020, an external appraisal of the investment in real property was obtained, resulting in a fair market value increase of $40,000 and $0, respectively. This gain is reported on the Statements of Changes in Net Assets as an increase in net assets with donor restriction.

7. Accrued Expenses

Accrued expenses consisted of the following at September 30, 2021 and 2020:

	2021	2020
Accrued vacation and personal time	$ 116,361	$ 118,849
Accrued payroll	303,949	291,913
Accrued other	65,476	50,945
Total Accrued Expenses	$ 485,786	$ 461,707

8. Line of Credit

On August 7, 2020, the Home executed a line of credit agreement with United Community Bank providing short-term financing in the total amount of $200,000 with a maturity date of June 24, 2021. The interest rate as of September 30, 2020 was 3.00%. The Home had no funds borrowed as of September 30, 2020. The line of credit is collateralized by the certificate of deposit classified in investments on the Statements of Financial Position for the year ended September 30, 2020. During fiscal year 2021, this line was extended with a new maturity date of June 24, 2022. The interest rate as of September 30, 2021 was 2.25%. The line remains collateralized by the certificate of deposit classified in investments on the Statements of Financial Position for the year ended September 30, 2021.

9. Notes Payable

On December 1, 2013, the Home issued through the City of Quincy, Adams County, Illinois a revenue bond totaling $6,000,000 entitled City of Quincy, Adams County, Special Facility Project and Refunding Revenue Bond, Series 2013 (Sunset Home Project). The new bond has a term of 20 years with a 2.54% interest rate for the initial 7 years, and due to be re-priced every 7 years. The interest income on these bonds was considered to be exempt from federal taxation for bond holders. Net proceeds from the bond issue were $6,000,000. Bond acquisition costs of $181,272 for legal and accounting fees, trustees' fees, financial printing costs, and rating agency charges were paid separately. These costs are netted against long-term debt on the Statements of Financial Position and were being amortized over the life of the bond following the straight-line method. Proceeds of the bond issue of $3,794,590 were used to pay off the Series 2003 bond. The remaining $2,205,410 of bond proceeds was used to finance the costs of the acquisition of land, buildings, improvement furnishings and equipment. The Series 2013 bond was collateralized by the properties known as Sunset Apartments and Sunset Home. As a result of the refinancing discussed below, $110,977 in unamortized bond issuance costs were written off and are presented as a loss on extinguishment of debt on the Statements of Activities for the year ended September 30, 2021.

In June 2021, Sunset refinanced the Series 2013 with a HUD-backed note payable. Proceeds from the note totaled $5,040,000. The note has a fixed interest rate of 2.98% and is due to mature July 1, 2051. Monthly repayments started August 2021 in the amount of $21,195. Debt finance costs for legal and accounting fees, trustees' fees, financial printing costs, and other required financing costs are netted against the related note payable on the Statements of Financial Position and is amortized over the life of the note following the straight line method. Total debt finance costs of $425,763 were capitalized and started amortizing during 2021.

ATTACHMENT 30
Audit Reports for 2019-2021

9. Notes Payable (Continued)

On May 20, 2020, the Home entered into an agreement with Constellation Energy to finance the purchase of a new boiler and chiller at a cost of $259,009 to be paid in 60 monthly installment payments of $4,317 beginning November 1, 2020 and the last payment due October 1, 2025.

On June 4, 2020, the Home entered into an agreement with the U.S. SBA for an Economic Injury Disaster Loan totaling $150,000. The loan had a term of 30 years with a 2.75% interest rate for the life of the loan. Monthly payments were scheduled to begin June 4, 2021 at $641 per month. Sunset Home paid off this loan in full on June 1, 2021.

The composition of notes payable at September 30, 2021 and 2020 consists of:

	2021	2020
Series 2013 bond dated 12/27/13	$ -	$ 4,303,170
HUD-backed note payable	5,022,621	-
Long-term contract payable	211,524	259,009
Small Business Administration Economic Injury Disaster Loan	-	150,000
Unamortized bond costs	(423,423)	(178,459)
Total	$ 4,810,722	$ 4,533,720

The notes payable payment schedule for the next five years and thereafter is as follows:

	Principal Reduction	Debt Finance Cost
Due October, 1 2021 to September 30, 2022	$ 157,903	$ (14,192)
Due October, 1 2022 to September 30, 2023	161,109	(14,192)
Due October, 1 2023 to September 30, 2024	164,411	(14,192)
Due October, 1 2024 to September 30, 2025	167,813	(14,192)
Due October, 1 2025 to September 30, 2026	123,832	(14,192)
Thereafter	4,459,077	(352,463)
Total	$ 5,234,145	$ (423,423)

10. Net Assets with Donor Restrictions

Net assets with donor restrictions as of September 30, 2021 and 2020, consisted of the following:

	2021	2020
Restricted by purpose	$ 15,172	$ 19,522
Restricted by time	288,333	-
Investments to be held in perpetuity, the income from which is expendable to support health care services (reported as operating income)	3,524,854	3,257,838
Total	$ 3,828,359	$ 3,277,360

ATTACHMENT 30
Audit Reports for 2019-2021

10. Net Assets with Donor Restrictions (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose, by the occurrence of events specified by the donors, or by a change in the restrictions specified by the donor. Those amounts released from restrictions during the years ending September 30, 2021 and 2020, are as follows:

	2021	2020
Restricted by purpose	$ 389,801	$ 11,385
Restricted by time	-	-
Total	$ 389,801	$ 11,385

11. Endowment

The Home's endowment consists of one general fund established for a variety of purposes. The endowment includes funds internally designated to function as endowments. As required by FASB Accounting Standards Codification, net assets associated with the endowment fund, including funds internally designated to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment balance is included in assets limited as to use in the Statements of Financial Position.

For the year ended September 30, 2021, the Home had the following endowment related activities:

	Internally Designated (Unrestricted)	Donor-Restricted (Permanently)	Total
Beginning Balance	$ 15,022	$ 50,000	$ 65,022
Investment Return			
Investment income		-	-
Net depreciation (realized & unrealized)	2,058	-	2,058
Total Investment Return	2,058	-	2,058
Appropriation of endowment assets for expenditure	(2,866)	-	(2,866)
Ending Balance	$ 14,214	$ 50,000	$ 64,214

ATTACHMENT 30
Audit Reports for 2019-2021

11. Endowment (Continued)

For the year ended September 30, 2020, the Home had the following endowment related activities:

	Internally Designated (Unrestricted)	Donor-Restricted (Permanently)	Total
Beginning Balance	$ 15,172	$ -	$ 15,172
Investment Return			
Investment income	3	-	3
Net depreciation (realized & unrealized)	(2)	-	(2)
Total Investment Return	1	-	1
Contributions	-	50,000	50,000
Appropriation of endowment assets for expenditure	(151)	-	(151)
Ending Balance	$ 15,022	$ 50,000	$ 65,022

Interpretation of Relevant Law

During 2021 and 2020, the Home operated the endowments under the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA). Management of the Home has interpreted the UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Home retains in perpetuity (a) the original value of initial and subsequent gifts amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Home in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Home considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund,
(2) The purposes of the Home and the donor-restricted endowment fund,
(3) General economic conditions,
(4) The possible effect of inflation and deflation,
(5) The expected total return from income and the appreciation of investments,
(6) Other resources of the Home, and
(7) The investment policy of the Home.

Return Objectives and Risk Parameters

The Home has adopted investment and spending policies for endowment assets that attempt to maintain a high level of stability and security in the endowment funds and minimize risk and volatility insofar as possible within the rate of return objectives. To this purpose, substantially all of the Home's endowment assets are invested in common stocks, fixed income securities, and mutual funds. The Home manages risk through asset quality thresholds and diversification principles.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Home relies on a total return strategy in which investment returns are achieved through both capital appreciation or depreciation (realized and unrealized) and current yield (interest and dividends). The Home targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

ATTACHMENT 30
Audit Reports for 2019-2021

11. Endowment (Continued)

Spending Policy
The primary objective of the endowment is to support the operating needs of the Home. Consequently, the Home's spending policy provides for monthly distribution of the endowment funds' interest and dividends which are not restricted in use. The spending rate set by the trustees is at 5%, calculated on the average of the prior twelve quarter market values of the endowment portfolio.

Funds with Deficiencies
From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. Deficiencies of this nature that are in excess of related accumulated gains are reported in net assets with donor restrictions. There were no such amounts as of September 30, 2021 and 2020.

12. Functional Expenses

The Home provides professional patient care for its residents; which includes nursing, therapy, recreational, and social services. Support services are designed to logistically support the care facility by providing housekeeping, laundry, dietary, maintenance, and utility services. Administrative services include general administration, accounting, human resources, insurance, and other functions. Expenses are allocated to professional care of patients, support services, administrative and general, or fundraising based on the functional department for which they are incurred.

Expenses by functional classification for the year ended September 30, 2021 consist of the following:

	Professional Care of Patients	Support Services	Administrative & General	Fundraising	Total (by Nature)
Salaries	$ 4,160,705	$ 1,029,900	$ 505,636	$ -	$ 5,696,241
Payroll Taxes	-	-	424,921	-	424,921
Supplies & Expenses	1,103,976	1,040,469	1,625,849	198,850	3,969,144
Depreciation	-	-	496,025	-	496,025
Amortization	-	-	4,366	-	4,366
Interest	-	-	38,945	-	38,945
Total (by Function)	$ 5,264,681	$ 2,070,369	$ 3,095,742	$ 198,850	$ 10,629,642

Expenses by functional classification for the year ended September 30, 2020 consist of the following:

	Professional Care of Patients	Support Services	Administrative & General	Fundraising	Total (by Nature)
Salaries	$ 4,392,345	$ 1,007,994	$ 433,821	$ -	$ 5,834,160
Payroll Taxes	-	-	433,739	-	433,739
Supplies & Expenses	1,006,895	1,118,591	1,765,420	4,656	3,895,562
Depreciation	-	-	523,368	-	523,368
Amortization	-	-	6,549	-	6,549
Interest	-	-	96,752	-	96,752
Total (by Function)	$ 5,399,240	$ 2,126,585	$ 3,259,649	$ 4,656	$ 10,790,130

ATTACHMENT 30
Audit Reports for 2019-2021

13. Pension Plan

Effective October 1, 2003, the Home changed its pension plan from the General Board of Pensions to a 403(b) plan. The plan is a contributory, defined-contribution pension plan. Benefits are fully vested immediately upon eligibility. The Home matches eligible employee contributions up to 3%. Pension expense amounted to $108,200 and $113,246 for the years ended September 30, 2021 and 2020, respectively.

14. Sunset Apartments

On July 28, 2003, the Home was the successful bidder and purchased property known as Good Shepherd Apartments, 301 North 8th Street and 701 Vermont Street, Quincy, Illinois 62301, a ninety-four-room senior housing apartment building for $3,001,000.

15. Related Parties

A board member of the Home is an owner of Kohl Wholesale. Kohl Wholesale is the Home's primary food supplier. The Home paid Kohl Wholesale $296,506 and $397,914 during the years ended September 30, 2021 and 2020, respectively.

A board member of the Home is a Trust officer with First Bankers Trust Services. First Bankers Trust Services administers the Home's 403(b) plan.

16. Concentrations of Credit Risk

The nursing home is located in Quincy, Illinois. The Home grants credit without collateral to its residents, some of whom are covered under Illinois Department of Public Aid (Medicaid) and/or Medicare. Net patient service revenues from private pay residents and third-party payers were as follows:

	2021		2020	
Medicaid	57.60	%	60.90	%
Medicare	16.30		10.80	
Private pay residents	26.10		28.30	
Total	100.00	%	100.00	%

The mix of receivables from patients and third-party payers at September 30, 2021 and 2020 was as follows:

	2021		2020	
Medicaid	30.48	%	39.57	%
Medicaid - pending	15.34		9.47	
Medicare	31.66		20.21	
Private pay residents	22.52		30.74	
Total	100.00	%	100.00	%

Cash deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per institution. At September 30, 2021 and 2020, Sunset Home had deposits in excess of federally insured limits of $1,206,025 and $445,059, respectively. Management believes the bank is financially stable and there is minimal risk to Sunset Home.

17. Advertising Expense

The Home expenses advertising cost as incurred. Advertising expense for the years ended September 30, 2021 and 2020 was $10,600 and $5,167, respectively.

ATTACHMENT 30
Audit Reports for 2019-2021

18. Revenue from Contracts with Customers

Sunset Home earns revenue through various fee for service arrangements. The types of services provided primarily include long-term care and living assistance and various forms of therapy services. Sunset Home recognizes revenue from these services at a point in time. For long-term care and living assistance, Sunset Home earns and recognizes revenue for each day a resident is in the Home, regardless of length of stay. Therapy services revenues are earned and recognized after the completion of each session, at a time that the performance obligation has been satisfied. These revenue streams are combined on the Statements of Activities and presented as net patient service revenues. The Home has three primary sources of payers that have payment terms determined as described below.

The Home has agreements with third-party payers that provide for payments to the Home at amounts different from established rates. A summary of the payment arrangements with major third-party payers follows:

- Medicaid - Resident services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Home is reimbursed at an established rate, which is adjusted annually based on surveys and an annual cost report submitted to the Illinois Department of Public Aid.

- Medicare - Inpatient services (Part A) rendered to Medicare program beneficiaries are reimbursed under a prospective payment system, whereby the rate of reimbursement is predetermined based on the residents' ailments and skilled service rendered. Medicare (Part B) services rendered to residents are reimbursed in part by fee schedule, and in part by a cost methodology.

In addition to the two third-party payer sources described above, Private pay is the other primary source of payer to the Home. Private pay rates are determined by Sunset Home and are set on a monthly basis. These rates may be subject to fluctuation based on the residents' ailments and skilled service needs.

Sunset Home invoices payers on a monthly basis for the services provided and has payment terms generally due within 90 days. Although Sunset Home may work with individual payers as necessary to collect on outstanding receivables, the Home generally collects revenues within one year without material interest and thus, is determined to not have a significant financing component.

19. Deferred Revenue

Grants awarded to Sunset are conditional based on incurrence of qualifying expenses and require repayment if expenses do not exceed grant awards. In addition, as disclosed in Note 21, Sunset received conditional grants from the Medicaid Provider Payment Program and Paycheck Protection Program (PPP) made available by the CARES Act. Revenues from these programs are recognized when qualifying expenditures are incurred.

The activity and balances for deferred revenue are shown in the following table:

	Contract Revenues	CARES Act	Total
Balance at September 30, 2019	$ -	$ -	$ -
CARES Act monies received	-	1,621,700	1,621,700
Grant monies received	907,347	-	907,347
Revenue recognized	(668,672)	(1,487,587)	(2,156,259)
Balance at September 30, 2020	238,675	134,113	372,788
CARES Act monies received	-	1,487,586	1,487,586
Grant monies received	1,561,524	-	1,561,524
Revenue recognized	(1,800,199)	(1,621,699)	(3,421,898)
Balance at September 30, 2021	$ -	$ -	$ -

ATTACHMENT 30
Audit Reports for 2019-2021

20. Reclassification of Prior Year Presentation

Certain reclassifications have been made to the 2020 financial statements to conform to the 2021 presentation. Such reclassifications had no effect on net income or net assets as previously reported. As discussed above, restricted cash accounts are being separately presented on the Statements of Financial Position.

21. Government Assistance

On April 7, 2020, the Home was a recipient of a Paycheck Protection Program (PPP) loan of $1,487,587 granted by the Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) through United Community Bank. Under the program terms, PPP loans are forgiven and recognized as revenue if the loan proceeds are used to maintain compensation costs and employee headcount, and other qualifying expenses (mortgage interest, rent and utilities) incurred following receipt of the loan. On November 4, 2020, the Small Business Administration notified the Home that the entire $1,487,587 received on April 7, 2020 is forgiven. As such, the Home has recognized this amount in grant revenue during fiscal year 2020.

On March 25, 2021, the Home was a recipient of a second PPP loan of $1,487,586 granted by the Small Business Administration through United Community Bank. Terms of the program remain the same as the first PPP loan described above. On October 25, 2021, the Small Business Administration notified the Home that the entire $1,487,586 received on March 25, 2021 is forgiven. As such, the Home has recognized this amount in grant revenue during fiscal year 2021.

Additionally, on September 15, 2020, the Home was a sub-recipient of a COVID-19 Medicaid Provider Payment of $134,114 from the Illinois Department of Healthcare and Family Services made available through the CARES act. Under the program terms, grant amounts are recorded as revenue if the proceeds are used to cover pandemic related health care expenses that were not included in the Home's budget for the 2020 fiscal year. The allowable cost period for this grant is March 1, 2020 through December 31, 2020. Any funds not spent on qualifying expenditures prior to December 31, 2020 must be returned within 45 days of the allowable cost period ending. As of September 30, 2020, none of the amount received had been spent on qualifying expenditures and, as such, has been properly classified in deferred revenue on the Statements of Financial Position. During fiscal year 2021, Sunset Home was the sub-recipient of an additional $1,312,864 from the COVID-19 Medicaid Provider Payment program from the Illinois Department of Healthcare and Family Services. Lastly, during 2021, Sunset was the recipient of COVID-19 Provider Relief Payments from the United States Department of Health and Human Services, which totaled $248,660. Sunset Home recognized all of the grant revenues referenced here with no remaining balance in deferred revenue as of September 30, 2021. See Note 19 above for further details on deferred revenues as of September 30, 2021 and 2020, respectively.

ATTACHMENT 30
Audit Reports for 2019-2021

Supplemental Information

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Selected Operating Expenses

Years Ended September 30, 2021 and 2020

	Supplies and Expenses	Payroll Taxes	Salaries	Total 2021	Total 2020
Professional Care of Patients					
Nursing services & therapy	$ 1,090,033	$ -	$ 3,902,439	$ 4,992,472	$ 5,050,617
Activities & social services	13,943	-	258,266	272,209	348,623
Total Professional Care of Patients	1,103,976	-	4,160,705	5,264,681	5,399,240
Support Services					
Housekeeping	22,807	-	259,336	282,143	295,203
Laundry	186,624	-	71,315	257,939	240,435
Dietary	340,452	-	554,015	894,467	943,238
Maintenance	106,574	-	145,234	251,808	254,372
Utilities	384,012	-	-	384,012	393,337
Total Support Services	1,040,469	-	1,029,900	2,070,369	2,126,585
Administrative and General					
Administration	466,443	-	369,343	835,786	770,568
Human resources	34,771	424,921	54,061	513,753	551,309
Fund development	116,618	-	82,232	198,850	4,656
Insurance	296,576	-	-	296,576	262,965
Employee benefits	910,291	-	-	910,291	1,048,138
Total Administrative and General	1,824,699	424,921	505,636	2,755,256	2,637,636
Total Professional Care, Support Services and Administrative and General	$ 3,969,144	$ 424,921	$ 5,696,241	$ 10,090,306	$ 10,163,461

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Statistical Data

Years Ended September 30, 2021 and 2020

	2021		2020
Patient days occupied & reserved	36,489		46,018
Percentage of beds occupied and reserved to licensed capacity	62.5	%	78.6
Average licensed daily bed complement	160		160
Average number in nursing home	100.0		125.7

	Per Patient Day		Per Patient Day
Gross patient service revenues	$ 258.62	$	242.19
Deductions from patient service revenues	35.48		44.00
Net patient service revenues	223.14		198.19
Other operating revenues	95.36		53.64
Total operating revenues	318.50		251.83
Operating expenses	309.60		244.89
Income from operations	8.90		6.94
Non-operating revenue	2.25		6.86
Excess of Revenues over Expenses	$ 11.15	$	13.80

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Selected Statements of Activities - Apartments

Years Ended September 30, 2021 and 2020

	2021	2020
Revenues		
Resident room rental fees	$ 667,961	$ 714,586
Other fees	21,570	20,835
Other income	18,449	25,115
Total Revenues	707,980	760,536
Expenses		
Advertising	851	884
Amortization of bond costs	3,679	2,515
Depreciation	104,630	103,271
Insurance	13,639	22,238
Interest expense	47,214	40,691
Miscellaneous	13,319	8,366
Office expense	1,347	1,460
Payroll expenses	190,570	171,799
Professional fees	10,049	-
Property taxes	36,418	36,239
Repairs & maintenance	35,251	28,039
Supplies	1,182	719
Telephone	5,369	4,591
Cable	1,900	1,792
Trash haul	3,135	7,660
Utilities	114,542	107,468
Total Expenses	583,095	537,732
Increase in Net Assets without Donor Restrictions	124,885	222,804
Net Assets without Donor Restrictions, Beginning of Year	2,374,027	2,151,223
Net Assets without Donor Restrictions, End of Year	$ 2,498,912	$ 2,374,027

ATTACHMENT 30
Audit Reports for 2019-2021

Sunset Home

Schedule of Findings & Questioned Costs

For the Year Ended September 30, 2021

I. Findings relating to the financial statement audit that are required to be reported in accordance with Generally Accepted Government Auditing Standards

Material Weakness:

Finding 2021-001 – Audit Adjustments

Condition:
The Organization does not conduct detailed account reconciliations and post all necessary adjustments on the client-prepared trial balance.

Criteria:
OMB Circular A-133, Subpart C, Section.310(a) – Audits of States, Local Governments, and Non-Profit Organizations states, "Auditee is responsible for preparing financial statements that reflects its financial position, results of operations, or changes in net assets and cash flows for the fiscal year audited."

Cause:
Organization has a limited number of employees to review financial information.

Effect:
Several accounts were not appropriately reconciled and adjusted as of the fiscal year-end date which resulted in a material amount of proposed audit adjustments.

Recommendation:
We recommend that all accounts be reviewed, reconciled and adjusted to the trial balance no less than at each fiscal year-end date.

Client Response:
Client does conduct detailed account reconciliations, but after year-end which allows for all fiscal year information to be received before doing so. During this period financial statements are provided to the Finance Committee and the Board labeled as being preliminary. Unfortunately, due to staffing limitations there were some reconciliations for FY2021 that were not completed until after the trial balance was provided to the auditors. Management acknowledges their responsibility for year-end entries and reconciliations and will consider the best way to manage time constraints going forward.

Significant Deficiency:

Finding 2021-002 – Supporting Documentation

Condition:
Instances of incomplete and inaccurate supporting documentation during audit sample testing, as well as instances of Sunset being unable to produce individual pieces of supporting documentation during the fiscal year 2021 audit.

Criteria:
The ability to be audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

ATTACHMENT 30
Audit Reports for 2019-2021

Cause:
The Organization is not following all internal financial processes and procedures, for all financial transactions, as designed.

Effect:
Supporting documentation provided did not agree to underlying ledger posting(s) or was missing and unable to be produced in a timely manner for review during the audit.

Recommendation:
We recommend that Sunset revisit and consider improving the processes for accounting reviews and reconciliations, as well as retention of complete and accurate supporting documentation for all financial, and related, transactions.

Client Response:
Management acknowledges that there was supporting documentation that was not provided due to internal issues but does not agree that it was not reviewed and appropriately approved. Management will review the appropriateness of Concur Solutions software for invoice approval and will also revisit procedures and processes in order to facilitate the retention of complete and accurate supporting documentation.

Appendix A
Project Size Standards – Square Footage and Utilization

This proposed project is for the establishment of a 106-bed nursing care facility housed within a physical space comprised of a 90,904 GSF. The standard under 77 Ill. Admin. Section 1125.Appendix A is 570 DGSF of clinical space per bed. The maximum allowable project size for this project would be 60,420 of clinical GSF. The total clinical GSF is 42,647. Therefore, the proposed project is compliant with this criterion.

Appendix B
Financial and Economic Review Standards

Provide Data for Projects Classified as:	Category A and Category B (last three years)			Category B (Projected)
Enter Historical and/or Projected Years:	2019	2020	2021	2025
Current Ratio	0.25	1.15	1.98	2.28
Net Margin Percentage	(11.10)	7.97	12.05	5.78
Percent Debt to Total Capitalization	-	31.57	43.56	70.43
Projected Debt Service Coverage	(4.81)	1.85	0.49	1.73
Days Cash on Hand	1.48	29.91	45.10	188.25
Cushion Ratio	0.48	1.07	0.35	3.40

Ratios	Formula	2019	2020	2021	2025
Current Ratio	Current Assets / Current Liabilities	0.25	1.15	1.98	2.28
Net Margin Percentage	Net Income / Net Operating Revenue x 100	(11.10)	7.97	12.05	5.78
Percent Debt to Total Capitalization	LT Debt / (LT Debt + NA) X 100	-	31.57	43.56	70.43
Projected Debt Service Coverage	(Net Inc + Depr + Int Exp) / (Principle Payments + Int Exp)	(4.81)	1.85	0.49	1.73
Days Cash on Hand	(Cash + Inv) / (Op Exp - Depr) * 365	1.48	29.91	45.10	188.25
Cushion Ratio	(Cash + Inv) / Principle Payment + Int Exp	0.48	1.07	0.35	3.40
Input Items for Ratio Calculations:					
Current Assets		1,652,025	2,686,558	2,634,098	2,829,818
Current Liabilities		6,641,519	2,344,233	1,329,389	1,239,200
Net Income (Increase in net Assets)		(1,195,299)	996,816	1,506,194	799,652
Net Operating Revenues (Total Revenue)		10,767,365	12,502,962	12,501,221	13,842,783
Long-Term Debt			4,218,498	4,638,627	29,645,997
Net Assets		8,146,692	9,143,508	10,649,702	12,445,277
Operating Expense		12,452,533	11,934,869	12,017,842	10,368,437
Depreciation		614,221	523,368	496,025	1,080,656
Interest Expense		99,954	96,752	38,945	1,568,569
Amortization		6,549	6,549	4,366	55,131
Principal Payments			777,162	4,084,666	424,003
Cash		48,110	735,206	1,222,319	1,873,101
Investments			200,000	201,430	2,917,214

Reasonableness of Project Costs and Related Cost Standards

New Construction Contracts - The proposed project will be constructed on undeveloped land near the existing facility. The projected building costs are based on national architectural and construction standards, quotes for the work from contractors and adjusted to compensate for several factors. The clinical construction costs are estimated to be $11,429,674 or $268.01per clinical square foot. The RS Means for a project with a mid-point construction of 2025 is $281.90, therefore the proposed new construction costs are reasonable under the Board's standards.

Contingencies - The Project's contingencies costs are designed to allow the construction team an amount of funding for unforeseeable event related to construction. Clinical construction costs for contingencies are estimated to be $1,118,649 or 9.7% percent of projected clinical new construction costs which is reasonable under the Board's standards.

Architectural/Engineering Fees - The clinical project cost for architectural/engineering fees are projected to be $1,041,015 or 8.2% of the new construction and contingencies costs which is reasonable under the Board's standards.

Consulting and Other Fees - The Project's consulting fees are primarily comprised of various project related fees, additional state/local fees, and other CON related costs.

Moveable Equipment Costs - The moveable equipment costs are necessary for the operation of the proposed skilled nursing beds. The proposed clinical cost is reasonable under the Board's standards.

Net Interest - The net interest associated with this project is necessary and required under the financing instruments being utilized to finance the project.

Appendix C
Project Status and Completion Schedule

Project Status and Completion Schedules

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary

☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): ___August 31, 2025_____

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

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
CLINICAL							
Nursing Beds	$16,358,737	-	42,647	42,647	-	-	-
Total Review		-	42,647	42,647	-	-	-
NON CLINICAL							
Non-Clinical Areas	$18,318,609	-	48,257	48,257	-	-	-
Total Non-clinical		-	48,257	48,257	-	-	-
TOTAL	**$34,677,346**	**-**	**90,904**	**90,904**	**-**	**-**	**-**

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