



MERCY HOSPITAL & MEDICAL CENTER
2525 SOUTH MICHIGAN AVENUE
CHICAGO, ILLINOIS 60616-2477
312.567.2000 phone

RECEIVED

SEP 30 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

September 25, 2014

Michael Mills
Compliance Coordinator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

RE: Mercy Hospital & Medical Center – Permit # 08-043 Project Completion
Updated Cost Analysis

Dear Mr. Mills:

The following is a certification of compliance with all terms of Permit # 08-043.

I, Thomas J. Dohm, attest and submit this report as confirmation that the project referred to as Permit # 08-043 has been brought to conclusion and all final costs have been realized.

Costs

The total project costs were \$26,311,573 did exceed the Permit Alteration approved amount of \$25,790,700. Please see the enclosed updated opinion from our 3rd party auditor, Cohn Reznick. All project costs were funded via a HUD loan and no funds were submitted, nor will be submitted for reimbursement under Titles XVIII and / or XIX. Please see our summary of project costs, detailed itemization of all project costs, and third party audit; these documents are enclosed for your review.

Square Footage

The total gross square footage was 28,984 square feet, which is less than the approved clinical gross square footage of 30,910/GSF noted in the August 15, 2008 Permit and less than 53,323GSF noted in the August 11, 2010 Permit Alteration.

Services

The project scope of work consisted of the construction of a hospital –wide sprinkler and fire alarm system, birthing center, cardiac care and HVAC mechanical project at 2525 S. Michigan Avenue, Chicago, Illinois.

Schedule

The project began June 7, 2011 and was substantially completed May 8, 2013.

Evidenced By:

Attachment A- Summary of Final Costs

Attachment B- Application and Certificate of Payment

Attachment C- Cost Certification Audit

Attachment D – Auditor’s Opinion of Cost

Please contact my office at (312)567-5618, should you have any questions.

Sincerely,



Thomas J. Dohm, MBA, FACHE
Vice President of Support Services
Mercy Hospital and Medical Center
2525 S. Michigan Ave.
Chicago, IL 60616

State of: Illinois

SS:

County of: Cook

Before me, the undersigned notary public, this day, personally, appeared Thomas J. Dohm to me known,
who being duly sworn according to law, deposes the following:

(Affiant’s Statement)



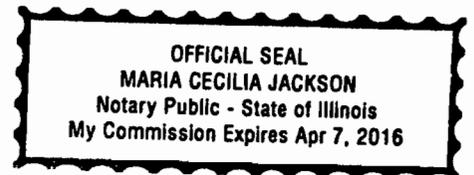
(Signature of Affiant)

Subscribed and sworn to before me this 25th day of September, 2014.



Notary Public

My Commission Expires: 4-7-16



September 15, 2014

Mr. Michael Mills
Compliance Coordinator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Mercy Hospital and Medical Center, HUD Project No. 071-13010

Dear Mr. Mills:

I am writing you at the request of the Mercy Hospital and Medical Center. CohnReznick LLP audited the financial statements of Mercy Hospital and Medical Center, which comprise in part, the Mortgagor's Certificate of Actual Cost (Form HUD-92330) as of June 30, 2013 of Mercy Hospital and Medical Center pertaining to certain improvements to the Mercy Hospital and Medical Center (the Project), and our report thereon dated December 17, 2013. These financial statements are presented on a regulatory basis in accordance with the accounting practices prescribed by the United States Department of Housing and Urban Development (HUD).

On June 1, 2011, Mercy Hospital and Medical Center entered into a mortgage indenture agreement with Prudential Huntoon Paige Associates, Ltd. in the principal of \$65,224,000, which is insured by the Federal Housing Administration and evidenced by two mortgage notes comprised of a Refinancing note in the original amount of \$32,810,000 and a New Money note in the original amount of \$32,414,000. The proceeds from the Refinancing note were used to pay-off an existing loan. The proceeds of the New Money note were used to finance construction of the Project.

The purpose of this letter is to explain that total certified costs of \$29,281,021, as presented in the Mortgagor's Certificate of Actual Cost (Form HUD-92330) discussed above, includes costs attributable to the two mortgage notes, also discussed above. Accordingly, based on estimates prepared by the management of Mercy Hospital and Medical Center, total certified costs of \$29,281,021 were funded as follows:

1. Development costs incurred that are specific to the Refinancing Loan totaled \$2,969,448 as of June 30, 2013 as presented in the attached Appendix A.
2. Development costs incurred that are specific to the New Money Loan totaled \$26,311,573 as of June 30, 2013 as presented in the attached Appendix A.

We have no further information than that which is documented in the financial statements noted above.

Sincerely,



CohnReznick LLP
Nelson Gomez, CPA
Partner

Mercy Hospital and Medical Center
Project # 071-13010
Appendix A

		Costs by loan		
		Refinance Loan	New Money Loan	Total
Cost Line Item per Mortgagor's Certificate of Actual Cost				
1b	Amount due under terms of Cost-Plus Construction Contract (as adjusted & exclusive of Builder's Profit)	\$ -	\$ 21,771,023	\$ 21,771,023
1c	Allowable Builder's Profit (use only if item 1b is used)	-	741,125	741,125
2a	Architet's Fee - Design	-	703,920	703,920
2b	Architet's Fee - Supervision	-	41,425	41,425
3	Interest During Construction	-	1,508,507	1,508,507
6	Mortgage Insurance Premium (MIP)	394,232	279,452	673,684
7	FHA Examination Fee	167,075	28,597	195,672
8	FHA Inspection Fee	278,458	47,662	326,120
9	Title and Recording Feess	128,078	21,922	150,000
11a	Initial Financing Fee	661,277	113,187	774,464
11b	Permanent Placement Fee	556,916	95,324	652,240
12a	Legal	384,233	215,767	600,000
12c	Mortgagor's Cost Certification Audit Fee	17,556	12,444	30,000
13a	Other (exclusive of items required by Construction Contract)	32,567	483,789	516,356
	Subtotal	2,620,392	26,064,144	28,684,536
15a	Consultant's Fee	349,056	247,429	596,485
	Subtotal	349,056	247,429	596,485
	Total	\$ 2,969,448	\$ 26,311,573	\$ 29,281,021