



RECEIVED

MAR 07 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney R. Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
2<sup>nd</sup> Floor  
525 West Jefferson  
Springfield IL 62761

Re: Annual Progress Report (Section 1130.760)  
Project 09-068

Dear Ms. Avery,

On April 20<sup>th</sup>, 2010, Pinckneyville Community Hospital received approval for Project 09-068 from the Health Facilities and Services Review Board. We are submitting this letter to comply with the requirement for an Annual Report as noted in 77 (b) 1130.760 of the Administrative Code.

On April 4<sup>th</sup>, 2011 we were granted an extension of our Obligation Period to October 20<sup>th</sup>, 2012. On July 25<sup>th</sup>, 2012, we were granted a second extension of our obligation period to October 1, 2013. On September 12, 2012, we were granted an Alteration To Permit reducing the cost, gross square footage and number of beds.

#### Progress Report

On February 18<sup>th</sup>, 2013, the Board accepted a proposal from AgStar for construction financing as well as a portion of the permanent financing to supplement a potential Direct Loan from USDA that would allow the construction of the new facility to proceed.

The project was obligated on September 11<sup>th</sup>, 2013 based on financing commitments by the various parties, but construction start was delayed based on finalizing all of the required paperwork.

The completed USDA paperwork was forwarded from the Mt. Vernon, IL office to the State office in Champaign, IL. From there, the application was forwarded to the Kansas City office for review by their legal staff. On 1/14/14, we received the closing instructions from USDA. The file reached the Mount Vernon office shortly after that and we were notified on 2/12/14 that we could schedule a preconstruction meeting on or after 2/24/14.

On 2/24/14, we finalized the requirements with USDA to be granted the final notice to proceed, based on the original financing commitment which occurred before the project was obligated, with a 3/10/14 targeted construction start date. Once we have the project underway, we will be in a better position to establish a projected completion date which we will communicate to you. We anticipate a permit renewal request will be necessary.

Attached is a copy of the Sources and Uses Section from our CON application indicating by category what funds have been expended through 2/28/2014.

If you have any questions, please contact me at 618-357-5901 or [thudgins@pvillehosp.org](mailto:thudgins@pvillehosp.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas J. Hudgins", with a stylized flourish at the end.

Thomas J. Hudgins FACHE  
Administrator/CEO

March 5<sup>th</sup>, 2014

Enclosure

CC: Mr. Mike Constantino, Supervisor, Project Review Section

Project Costs and Sources of Funds

USE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL	Funds Expended to Date	Funds to be Expended
Preplanning Costs	\$95,880	\$92,120	\$188,000		\$188,000
Site Survey and Soil Investigation	\$24,000	\$23,087	\$47,087	\$76,842	-\$29,755
Site Preparation	\$373,700	\$516,000	\$889,700		\$889,700
Off Site Work	\$40,700	\$39,050	\$79,750		\$79,750
New Construction Contracts	\$11,878,000	\$11,411,892	\$23,289,892		\$23,289,892
Modernization Contracts	\$0	\$0	\$0		\$0
Contingencies	\$406,000	\$294,000	\$700,000		\$700,000
Architectural/Engineering Fees	\$1,160,000	\$805,187	\$1,965,187	\$1,782,136	\$183,051
Consulting and Other Fees	\$48,000	\$46,200	\$94,200	\$609,739	-\$515,539
Movable or Other Equipment (not in construction contracts)	\$603,000	\$121,000	\$724,000		\$724,000
Bond Issuance Expense (project related)	\$131,600	\$126,523	\$258,123	\$13,887	\$244,236
Net Interest Expense During Construction (project related)	\$413,100	\$396,900	\$810,000		\$810,000
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0		\$0
Debt Service Reserve Fund	\$0	\$0	\$0		\$0
Other Costs To Be Capitalized	\$1,100,000	\$687,365	\$1,787,365	\$127,329	\$1,660,036
Acquisition of Building or Other Property (excluding land)	\$180,680	\$173,591	\$354,271		\$354,271
<b>TOTAL USES OF FUNDS</b>	<b>\$16,454,660</b>	<b>\$14,732,915</b>	<b>\$31,187,575</b>	<b>\$2,609,933</b>	<b>\$28,577,642</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NON-CLINICAL</b>	<b>TOTAL</b>		
Cash and Securities	\$4,132,160	\$3,805,415	\$7,937,575	\$2,609,933	\$5,327,642
Pledges	\$0	\$0	\$0		\$0
Gifts and Bequests	\$0	\$0	\$0		\$0
Bond Issues (project related)	\$12,190,000	\$10,810,000	\$23,000,000		\$23,000,000
Mortgages	\$0	\$0	\$0		\$0
Leases (fair market value)	\$0	\$0	\$0		\$0
Governmental Appropriations	\$0	\$0	\$0		\$0
Grants	\$132,500	\$117,500	\$250,000		\$250,000
Other Funds and Sources	\$0	\$0	\$0		\$0
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$16,454,660</b>	<b>\$14,732,915</b>	<b>\$31,187,575</b>	<b>\$2,609,933</b>	<b>\$28,577,642</b>

Check Sum \$0 \$0 \$0 \$0 \$0

Land Acquisition (excluding site survey & soil investigation reported above that is capitalized with land value) \$345,271  
**Total Construction in Progress & Land \$2,955,204**