



**Pinckneyville Community Hospital**  
*Leading the way to a healthier tomorrow.*

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APR 06 2015

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

April 3, 2015

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

Re: Annual Progress Report (Section 1130.760)  
CON Permit 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 (IHFSRB). We are submitting this letter to comply with the requirement for an Annual Report as required by 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 an 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. On August 27, 2014, we were granted a Permit Renewal until October 1, 2015.

Progress Report

On August 16<sup>th</sup>, 2013, the hospital received loan approval on from USDA and executed the Commitment Letter on 8-29-13.

The Board acted on September 9<sup>th</sup>, 2013 to accept the Guaranteed Maximum Price for the project. The project was obligated September 16<sup>th</sup>, 2013.

On September 17<sup>th</sup>, 2013, we notified the IHFSRB that we had obligated the project. The Construction Manager mobilized but was unable to proceed due to rain falls and winter weather that kept the soil unworkable by heavy equipment.

USDA provided the closing instructions on January 14<sup>th</sup>, 2014. We provided USDA with two amended documents that were requested by their legal staff after they reviewed our file.

Finalizing the financing, through USDA, took place February 24, 2014 and USDA approved issuing the notice to proceed.

Site work commenced March 1st, 2014.

Weather delays during March and April of 2014 pushed the substantial completion date from April 15<sup>th</sup>, 2015 to May 12<sup>th</sup>, 2015.

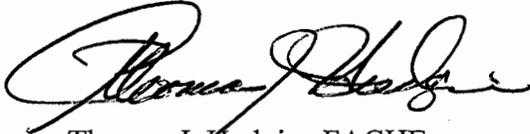
Occupancy is currently projected for late July or early August of 2015, pending the required preoccupancy reviews by the Illinois Department of Public Health which we anticipate beginning in late May with completion by late June or early July 2015.

Given this construction schedule change due to unforeseen weather-related conditions, we will be submitting a separate request to renew the Permit completion date to January 31<sup>st</sup>, 2016 to ensure we have time to close the project and report to the Board.

Attached is a copy of the current Sources and Uses indicating by category what funds have been expended through March 31, 2015.

If you have any questions, please feel free to 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". The signature is fluid and cursive, with the first name being the most prominent.

Thomas J. Hudgins FACHE  
Administrator/CEO

Enclosure

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

# Pinckneyville Community Hospital Project #09-068

Project Costs and Sources of Funds 3/31/2015

USE OF FUNDS	AS APPROVED			EXPECTED FINAL COSTS			FUNDS EXPENDED TO DATE	Funds Yet to be Expended
	CLINICAL	NON-CLINICAL	TOTAL	CLINICAL	NON-CLINICAL	TOTAL	TOTAL	
Preplanning Costs	\$95,880	\$92,120	\$188,000	\$140,250	\$134,750	\$275,000	\$114,169	\$160,831
Site Survey and Soil Investigation	\$24,000	\$23,087	\$47,087	\$39,916	\$38,397	\$78,313	\$78,313	\$0
Site Preparation	\$373,700	\$516,000	\$889,700	\$389,215	\$537,487	\$926,702	\$1,840,483	-\$913,781
Off Site Work	\$40,700	\$39,050	\$79,750	\$42,358	\$40,697	\$83,055	\$0	\$83,055
New Construction Contracts	\$11,878,000	\$11,411,892	\$23,289,892	\$12,734,248	\$12,214,040	\$24,948,288	\$18,584,486	\$6,363,802
Modernization Contracts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingencies	\$406,000	\$294,000	\$700,000	\$144,515	\$104,649	\$249,164	\$0	\$249,164
Architectural/Engineering Fees	\$1,160,000	\$805,187	\$1,965,187	\$1,322,084	\$917,694	\$2,239,778	\$2,216,639	\$23,139
Consulting and Other Fees	\$48,000	\$46,200	\$94,200	\$48,000	\$46,200	\$94,200	\$56,790	\$37,410
Movable or Other Equipment (not in construction contracts)	\$603,000	\$121,000	\$724,000	\$978,619	\$196,373	\$1,174,992	\$657,808	\$517,184
Bond Issuance Expense (project related)	\$131,600	\$126,523	\$258,123	\$140,204	\$134,796	\$275,000	\$174,004	\$100,996
Net Interest Expense During Construction (project related)	\$413,100	\$396,900	\$810,000	\$239,700	\$230,300	\$470,000	\$263,987	\$206,013
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Costs To Be Capitalized	\$1,100,000	\$687,365	\$1,787,365	\$204,820	\$127,988	\$332,808	\$142,176	\$190,632
Acquisition of Building or Other Property (excluding land)	\$180,680	\$173,591	\$354,271	\$0	\$0	\$0	\$0	\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$16,454,660</b>	<b>\$14,732,915</b>	<b>\$31,187,575</b>	<b>\$16,423,930</b>	<b>\$14,723,370</b>	<b>\$31,147,300</b>	<b>\$24,128,855</b>	<b>\$7,018,445</b>
<b>SOURCE OF FUNDS</b>	<b>TOTAL</b>							
Cash and Securities	\$4,296,160	\$3,846,415	\$8,142,575	\$4,167,276	\$3,731,024	\$7,898,300	\$7,898,300	\$0
Pledges			\$0			\$0		\$0
Gifts and Bequests			\$0			\$0		\$0
Bond Issues (project related)			\$0	\$2,637,468	\$2,361,532	\$4,999,000	\$4,897,969	\$101,031
Mortgages (USDA Rural Development loan)	\$11,976,500	\$10,723,500	\$22,700,000	\$9,487,301	\$8,512,699	\$18,000,000	\$11,082,586	\$6,917,414
Leases (fair market value)			\$0			\$0		\$0
Governmental Appropriations			\$0			\$0		\$0
Grants	\$182,000	\$163,000	\$345,000	\$131,884	\$118,116	\$250,000	\$250,000	\$0
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>\$16,423,930</b>	<b>\$14,723,370</b>	<b>\$31,147,300</b>	<b>\$24,128,855</b>	<b>\$7,018,445</b>

FOOTNOTE: Financing sources changed from the original CON. USDA approved funding for \$18 million and was unable to provide financing during construction. AgStar Financial provided the construction financing as well as the additional revenue bonds in the amount of \$4,999,000 to complete the project. After the project construction was underway and bids obtained, amounts previously budgeted in Contingencies, Other Costs to be Capitalized, and Acquisition of Building & Other Property were reclassified to other appropriate project budget lines.