



Pinckneyville Community Hospital
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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
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Permit Renewal Request (Section 1130.740)
Project #09-068 Pinckneyville Community Hospital and District

Dear Ms. Avery,

This request is a follow-up to my April 3, 2015 Annual Progress report regarding our approved project.

As you are well aware, on August 27, 2014 the Illinois Health Facilities and Services Review Board granted Pinckneyville Community Hospital District and Pinckneyville Community Hospital a permit renewal for our approved Replacement Hospital Permit Application.

The current completion date is October 1, 2015 per the approved Permit Renewal. Attached is an exhibit indicating expenditures to date consistent with our Annual Report to the State Agency.

We now find ourselves in the position to request an additional permit renewal through January 31, 2015. The project construction start was affected by a wet fall in 2014, as well as a colder than normal winter followed by higher than normal rainfall in March and April of 2014. These weather conditions prevented any significant site work until late April, 2014. Through the efforts of our construction manager we have regained some of the lost construction time and our "Substantial Completion" date, which was originally targeted for April 15, 2015, is now projected for May 12, 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.

In order to ensure our approved permit will remain valid, we are requesting a permit renewal through January 31, 2016. This will ensure we have adequate time to complete the following:

- Documentation that is required by the Illinois Health Facilities and Services Review Board

- Documentation required by the Illinois Department of Public Health (both for the hospital and our Rural Health Clinic)
- Filings with the Centers for Medicare and Medicaid Services (CMS)
- Closing out the construction payments and releasing withholds to the contractors
- Converting the \$18,000,000 construction loan from AgStar to the 40 year mortgage financing with Rural Development, US Department of Agriculture.

We also confirm the replacement hospital cost and scope are in compliance with the HFSRB project approval and that financial resources are available to complete the project.

Our application processing fee in the amount of \$500.00 is enclosed.

Please let me know what additional information may be required. If you have any questions, I can be reached at thudgins@pvillehosp.org or by phone at 618-357-5901.

Sincerely,



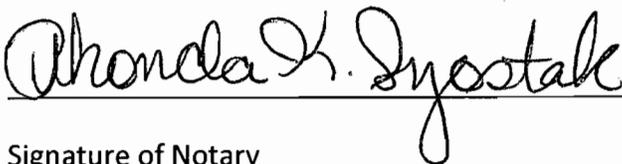
Thomas J. Hudgins, FACHE
Administrator/CEO

CC: Mike Constantino, Supervisor, Project Review Section

Notarization:

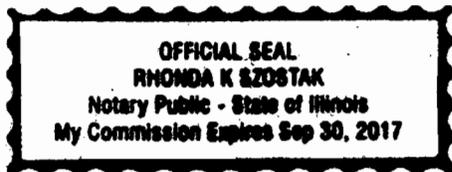
Subscribed and sworn to before me

this 1 day of April 2015



Signature of Notary

Seal



Attachment

Updated annual report exhibit indicating expenditures to date

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
TOTAL USES OF FUNDS	\$16,454,660	\$14,732,915	\$31,187,575	\$16,423,930	\$14,723,370	\$31,147,300	\$24,128,855	\$7,018,445
SOURCE OF FUNDS	TOTAL			TOTAL				
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
TOTAL SOURCES OF FUNDS	\$16,454,660	\$14,732,915	\$31,187,575	\$16,423,930	\$14,723,370	\$31,147,300	\$24,128,855	\$7,018,445

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.