



Elmhurst Memorial
Healthcare

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

November 20, 2012

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, Illinois 62702

Re: IHFPB Project # 10-026
Elmhurst Memorial Addison Health Center

Dear Ms. Avery:

In a letter dated September 21, 2012 we notified you that the above referenced project was complete in accordance with the definition of "project completion" (as defined in 77 Ill. Adm. Code 1130.140) . In the same letter we stated that a report of final realized costs (as defined in 77 Ill. Adm. Code 1130.770.c) would follow within 90 days. This letter and the attached materials are being submitted in accordance with that section of the Illinois Administrative Code.

The CON permit for the Addison Health Center project (#10-026) was approved at the July 27, 2010 meeting of the Illinois Health Facilities and Services Review Board for the construction of a 3-story medical office building at 303 West Lake Street in Addison. The permit amount was \$20,554,000. Note that the building was constructed by HC Elmhurst Addison I, LLC. The permit holders, Elmhurst Memorial Hospital and Elmhurst Memorial Healthcare, own the land upon which the project is built, and rent space in the building to provide healthcare services. Costs expended by HC Elmhurst Addison I, LLC to construct the building and costs expended by the permit holders are all reported in the attached audit, as are sources of financing from both HC Elmhurst Addison I, LLC and the permit holders.

With the completion of the project, we are reporting the following:

1. This project was complete as of August 22, 2012. As of that date, we began treating patients in the Hospital outpatient departments located on the ground floor of the new building.
2. The project's final realized cost is \$15,861,940 as shown on the attached audit which shows the expenditures by CON category.
3. We will be submitting the Hospital-expended portion of costs reported herein for reimbursement under Titles XVIII and XIX.
4. The final realized project costs reported herein are the total costs required to complete this project. There are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Titles XVIII or XIX.



Elmhurst Memorial
Healthcare

5. I hereby certify that this project complies with all terms of the CON permit, including project costs and sources of funds, square footage, and services, with the following clarifications:
 - a. Rather than buying or leasing a new MRI and CT as originally envisioned, we instead relocated an MRI from the Elmhurst Memorial Hospital Berteau Campus which has been closed as an inpatient site under CON permit #12-006 .
 - b. A 64-slice CT remains at the Elmhurst Memorial Berteau Campus until the Elmhurst Memorial Cancer Center moves to the new Hospital site which is anticipated in the fall of 2013 (CON permit #12- 019). At that time, we will likely move the 64-slice CT from Berteau to the Addison Health Center. Until then, a space has been built for a CT at the Addison Health Center; there is not a CT in the space and none is planned for at least the next year.
 - c. The new x-ray equipment at the Addison Health Center was purchased for cash rather than leased as originally envisioned.
6. A copy of the final Application and Certification for Payment for the construction contract (American Institute of Architects' Form G-702) is enclosed.
7. An audited financial report of project costs and sources of funds is also enclosed.

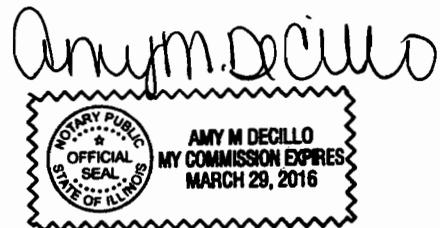
If you have any questions, please feel free to contact Gail Warner, Vice President Strategic Planning, at 331.221.0270, or at e-mail address gwarner@emhc.org.

Sincerely,

W. Peter Daniels, FACHE
President & CEO

enclosures

Notary Official Seal



**ELMHURST MEMORIAL HEALTHCARE
HEALTH FACILITIES AND SERVICES
REVIEW BOARD (HFSRB)
ELMHURST MEMORIAL HEALTHCARE PROJECT
HFSRB PROJECT #10-026
SCHEDULE OF PROJECT COSTS AND
SOURCES OF FUNDS**

For the period July 27, 2010 to August 22, 2012

ELMHURST MEMORIAL HEALTHCARE
Elmhurst, Illinois

HEALTH FACILITIES AND SERVICES REVIEW BOARD
ELMHURST MEMORIAL HEALTHCARE PROJECT
HFSRB PROJECT #10-026
SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS
For the period from July 27, 2010 to August 22, 2012

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees of
Elmhurst Memorial Healthcare and
State of Illinois' Health Facilities and Services Review Board

We have audited the Schedule of Project Costs and Sources of Funds of Elmhurst Memorial Healthcare related to the Health Facilities and Services Review Board ("HFSRB") Project #10-026 for the period from July 27, 2010 through August 22, 2012 (Schedule). This Schedule is the responsibility of Elmhurst Memorial Healthcare's management. Our responsibility is to express an opinion on the Schedule based on our audit.

We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts on the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule's presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule was prepared to present the project costs and sources of funds for the purpose of complying with the terms of the Health Facilities and Services Review Board permit as described in Note 1 and is not intended to be a complete presentation of Elmhurst Memorial Healthcare's financial position.

In our opinion, the Schedule referred to above presents fairly, in all material respects and in accordance with the aforementioned guidelines, the project costs and sources of funds of Elmhurst Memorial Healthcare for the period from July 27, 2010 through August 22, 2012, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the management of Elmhurst Memorial Healthcare and the state of Illinois, and is not intended to be and should not be used by anyone other than these specified parties.


Crowe Horwath LLP

Chicago, Illinois
November 19, 2012

ELMHURST MEMORIAL HEALTHCARE
HEALTH FACILITIES AND SERVICES REVIEW BOARD
ELMHURST MEMORIAL HEALTHCARE PROJECT
HFSRB PROJECT #10-026
SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS
Period from July 27, 2010 to August 22, 2012

	Project Cost		
	Approved Permit Amount	Actual Funds Expended	Variance
Costs			
Preplanning costs	\$ 139,688	\$ 302,794	\$ (163,106)
Site survey and soil investigation	25,000	23,302	1,698
Site preparation	576,900	416,549	160,351
Off-site work	839,100	807,730	31,370
New construction contracts	11,194,413	10,317,748	876,665
Contingencies	856,367	175,000	681,367
Architectural/engineering fees	346,550	257,931	88,619
Consulting and other fees	1,089,312	1,594,982	(505,670)
Movable or Other Equipment	1,655,670	1,571,334	84,336
Other costs to be capitalized	165,000	148,361	16,639
Fair market value of leased equipment	<u>3,120,000</u>	<u>-</u>	<u>3,120,000</u>
Total construction related	20,008,000	15,615,731	4,392,269
Net interest expense during construction	<u>546,000</u>	<u>246,209</u>	<u>299,791</u>
Total finance related	<u>546,000</u>	<u>246,209</u>	<u>299,791</u>
Total project cost	<u>\$ 20,554,000</u>	<u>\$ 15,861,940</u>	<u>\$ 4,692,060</u>

	Sources of Funds		
	Approved CON Amount	Actual Funds Spent	Variance
Cash and securities	\$ 8,509,000	\$ 7,861,940	\$ 647,060
Pledges	-	-	-
Gifts and bequests	-	-	-
Bond issues (project related)	-	-	-
Mortgages/Loans	8,925,000	8,000,000	925,000
Leases (fair market value)	3,120,000	-	3,120,000
Government appropriations	-	-	-
Grants	-	-	-
Other funds and sources	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>\$ 20,554,000</u>	<u>\$ 15,861,940</u>	<u>\$ 4,692,060</u>

See note to schedule of project costs and sources of funds.

ELMHURST MEMORIAL HEALTHCARE
NOTES TO SCHEDULE OF PROJECT COSTS AND SOURCES OF FUNDS
Period from July 27, 2010 to August 22, 2012

NOTE 1 - DESCRIPTION OF PROJECT

Elmhurst Memorial Healthcare was issued a permit to construct a new 3-story medical office building, under Illinois' Health Facilities and Services Review Board (HFSRB) Project #10-026. Work on the project was started in July 2010. The project was approved by the HFSRB at an estimated cost of \$20,554,000. Final project costs totaled \$15,861,940. The Schedule has been prepared in conformity with accounting principles generally accepted in the United States of America.

TO (OWNER REPRESENTATIVE): Hammes Company
 18000 Sarah Lane
 Brookfield, WI 53045

PROJECT: Elmhurst Medical Center-EMH Addison MOB APPLICATION NO: 1823000-16FINAL Distribution to:

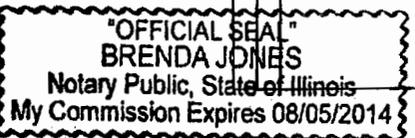
FROM (CONTRACTOR) Turner Construction Company VIA (ARCHITECT): Pratt Design Studio, Ltd.
 55 East Monroe Street 4619 N. Ravenswood
 Chicago, Illinois Chicago, IL 60640

PERIOD TO: 11/30/12
 ARCHITECTS: 1 PRB Architects
 PROJECT NO: 1 TURNER
 CONTRACT DATE:

CONTRACT FOR: General Construction

Application is made for Payment, as shown below, in connection with the Contract.
 Continuation Sheet, AIA Document G703, is attached.

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner	276,297.00	
TOTAL	276,297.00	
Unawarded - Trades		65,769.00
Number/Date Approved		
7		
TOTALS	276,297.00	65,769.00
Net Change by Change Orders	0.00	210,528.00



The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

Balance-of-Sub-trade work
 CONTRACTOR: Turner Construction Company

By: *[Signature]* Date: 11/20/12

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AIA DOCUMENT G702 - APPLICATION AND CERTIFICATE FOR PAYMENT * MAY 1983 EDITION * AIA * C 1983
 THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, D.C. 20006

AMOUNT CERTIFIED: \$ 1,224,832.00

(Attach explanation if amount certified differs from the amount applied for.)

By: *[Signature]* Date: 11.20.2012

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Assurances, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.