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HEALTH FACILITIES &
SERVICES REVIEW BOARD

October 10, 2013

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
ILLINOIS DEPARTMENT OF PUBLIC HEALTH
525 West Jefferson Street, 2nd floor
Springfield, Illinois 62761

Re: Project Number ⁰⁶² ~~12-060~~; Wauconda Healthcare and Rehabilitation

Dear Ms. Avery:

Please accept this letter as my Annual Progress Report on the above referenced project. The following addresses the requirements of the Annual Progress Report.

- 1) We are nearing the completion of the design phase and have put the project out to bid. We have completed 100% of the design documents, but are redesigning a few areas of the building to improve cost effectiveness. It should be known that the project has already received IDPH plan approval and the redesigned areas will have to go through the IDPH plan approval process again. The redesign is our effort to keep the project within budget constraints as approved.

We acquired the adjoining 2.16 acres we need to complete the project (in accordance with the plan stated in the CON application as filed) and successfully rezoned the property for commercial use with the Village of Wauconda. The Village has approved our preliminary site plans, access plans and parking spaces.

- 2) Currently, we have spent \$428,200. toward the completion of the project.

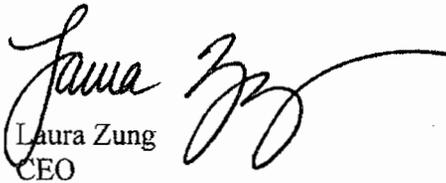
We spent an additional \$479,810.86 to acquire the adjoining land as stated in the CON application. It should be known that this cost is not included in the total project costs as land is a cost that is excluded from project costs and sources of funds according to the Board's rules.

- 3) As outlined in the CON as approved, the project is being funded through internal sources. In fulfilling the conditions of the permit, you have seen our monthly bank statements, we have the funds to complete this project as stated in the CON application.

4) The anticipated date of completion is Spring 2015.

Although the completion date in our CON Application was set for May 31, 2014, the project has encountered unforeseen delays due to Village of Wauconda creating a new development plan requiring the Village to rezone our entire site along with the surrounding area into a business district. At the same time, the village encountered political issues in the creation of a Tax Increment Financing District. We had no control over these issues and believe these issues are past us, but due to the delay our project completion date has been extended. We understand that the extension will require a permit renewal request at least 45-days prior to originally approved completion date of January delay will be submitting for an extension of the completion date in the future.

Thank you. If you have any further questions, please feel free to contact me directly.

A handwritten signature in black ink, appearing to read "Laura Zung", with a long, sweeping flourish extending to the right.

Laura Zung
CEO

Wauconda Healthcare and Rehabilitation Centre

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	TOTAL	AMOUNT EXPENT	% OF TOTAL
Preplanning Costs	30,000	17,000	56.67
Site Survey and Soil Investigation	18,000	8,050	44.72
Site Preparation	84,000	30,111	35.85
Off Site Work			
New Construction Contracts	7,267,400	0	0
Modernization Contracts	680,221	0	0
Contingencies	820,695	0	0
Architectural/Engineering Fees	394,400	285,038	72.27
Consulting and Other Fees	150,000	88,001	58.67
Movable or Other Equipment (not in construction contracts)	440,784	0	0
Bond Issuance Expense (project related)	0		
Net Interest Expense During Construction (project related)	0		
Fair Market Value of Leased Space or Equipment	0		
Other Costs To Be Capitalized	0		
Acquisition of Building or Other Property (excluding land)	0		
TOTAL USES OF FUNDS	9,885,500	428,200	4.33
SOURCE OF FUNDS	TOTAL	AMOUNT EXPENT	% OF TOTAL
Cash and Securities	9,885,500	428,200	4.33
Pledges	0		
Gifts and Bequests	0		
Bond Issues (project related)	0		
Mortgages	0		
Leases (fair market value)	0		
Governmental Appropriations	0		
Grants	0		
Other Funds and Sources	0		
TOTAL SOURCES OF FUNDS	9,885,500	428,200	4.33
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			