



# Advocate Illinois Masonic Medical Center

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January 20, 2016

Ms. Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street  
Springfield, IL 62761

**RECEIVED**

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Re: Project #12-065 Advocate Illinois Masonic Medical Center (the "Project")

## **Final Project Report**

Advocate Northside Health Network, (d/b/a Advocate Illinois Masonic Medical Center),  
Advocate Health Care Network, and Advocate Health and Hospitals Corporation  
Construction Project for a Three-Story Outpatient Center

Dear Ms. Avery:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #12-065. The Review Board granted the Permit for this project October 30, 2012 and a Permit Alteration on April 4, 2014. The notice of project completion was submitted on October 27, 2015 indicating the project was completed September 25, 2015. The project was timely completed within the "Completion Date" of October 31, 2015, specified in the permit letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost, square footage and services.
- The final application and certification for payment is shown in the AIA G702 form.
- Because this is a project with a cost greater than three times the capital expenditure minimum in place at the time of the permit approval, an audited financial report that includes the itemization of costs and sources of funds is included as an enclosure. As a review was done in the audit process, some of the previously reported expenditures were reallocated to different cost categories.

Advocate Illinois Masonic Medical Center  
 Project #12-065  
 Final Project Report – January 20, 2016

Costs:

AIMMC CAC Project	Final Costs	Alteration Permit April 4, 2014	Original Permit October 30, 2012
USE OF FUNDS	TOTAL	TOTAL	TOTAL
Preplanning Costs	\$ 440,520	\$ 917,387	\$ 917,387
Site Survey and Soil Investigation	\$ 276,590	\$ 197,422	\$ 161,250
Site Preparation	\$ 3,318,058	\$ 2,700,000	\$ 2,700,000
Off Site Work	\$ 3,665,307	\$ 2,786,372	\$ 2,786,372
New Construction Contracts	\$ 70,597,463	\$ 66,800,000	\$ 51,957,650
Modernization Contracts	\$ 240,000	\$ 944,832	\$ 944,832
Contingencies		\$ 3,372,232	\$ 5,195,765
Architectural/Engineering Fees	\$ 3,432,484	\$ 3,076,225	\$ 3,076,225
Consulting and Other Fees	\$ 2,653,628	\$ 6,842,522	\$ 6,842,522
Movable or Other Equipment (not in construction contracts)	\$ 10,903,511	\$ 10,400,000	\$ 16,326,160
Bond Issuance Expense (project related)	\$ 445,521	\$ 887,899	\$ 887,899
Net Interest Expense During Construction (project related)	\$ 2,519,798	\$ 6,262,974	\$ 6,262,974
Fair Market Value, Leased Space, Equipment	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	\$ 566,440	\$ 4,061,108	\$ 11,189,937
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -
<b>TOTAL USES OF FUNDS</b>	<b>\$ 99,059,320</b>	<b>\$ 109,248,973</b>	<b>\$ 109,248,973</b>

Sources:

SOURCES			
Cash and Securities	\$ 57,156,844	\$ 35,717,087	\$ 35,717,087
Bond issues (project related)	\$ 39,402,476	\$ 71,031,886	\$ 71,031,886
Grants	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 99,059,320</b>	<b>\$ 109,248,973</b>	<b>\$ 109,248,973</b>

Advocate Illinois Masonic Medical Center  
Project #12-065  
Final Project Report – January 20, 2016

Please contact me at (630) 929-5575 or Sonja Reece at (309) 268-5482 if you have any questions about this report.

Sincerely,

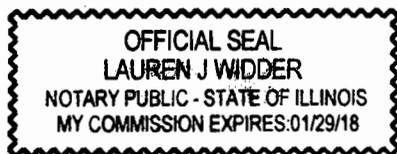


Albert Manshum III, AIA  
Senior Vice President, Operations Integration Optimization  
Advocate Health Care

Subscribed before me on this day: 1-20-16

Notary Public  \_\_\_\_\_

Seal:



CC: Jack Gilbert, Advocate Illinois Masonic Medical Center  
Gary Little, Advocate Health Care  
Victor Gianelloni, Advocate Health Care  
Sonja Reece, Advocate Health Care

Attachments:

AIA G702 Final Payment

Enclosure:

Financial Audit of Project

# AIA Document G702™ – 1992

## Application and Certificate for Payment

**TO OWNER:**  
 Advocate Health & Hospitals Corp.  
 2025 Windsor Drive  
 Oak Brook, Illinois 60523

**FROM CONTRACTOR:**  
 Turner Construction Company (Chicago)  
 55 East Monroe Street, Suite 3100  
 Chicago, Illinois 60603

**PROJECT:**  
 AHMC Center for Advanced Care  
 856 West Nelson St.  
 Chicago, Illinois 60657

**VIA ARCHITECT:**  
 Smith Group JJR  
 35 E. Wacker Suite 2200  
 Chicago, Illinois 60601

**APPLICATION NO:** 45  
**PERIOD TO:** 12/31/15  
**CONTRACT FOR:** 130001 - General Construction  
**CONTRACT DATE:** 10/30/12  
**PROJECT NOS:** 300385-130001

**Distribution to:**  
 OWNER  
 ARCHITECT  
 CONTRACTOR  
 FIELD  
 OTHER

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.

**CONTRACTOR:** Turner Construction Company (Chicago)

By: Tom Nelson Date: December 17, 2015  
 State of: Illinois County of: Cook

Subscribed and sworn to before me this December 17, 2015  
 Notary Public: Erika Davis  
 My Commission expires: 10/15/17  
 State of Illinois, Municipality of Chicago, Cook County

### ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this 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.

**AMOUNT CERTIFIED** ..... \$ 366,900.91  
*(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)*

**ARCHITECT:** Smith Group JJR Date: December 17, 2015  
 By: Brian Bliski

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

**CONTRACTOR'S APPLICATION FOR PAYMENT**  
 Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM ..... \$ 204,316.00  
 2. Net Change by Change Orders ..... \$ 76,082,975.44  
 3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 76,287,291.44  
 4. TOTAL COMPLETED AND STORED TO DATE (Column 6 on G703) ..... \$ 76,287,291.44  
 5. RETAINAGE:  
     a. 0.0% of Completed Work ..... \$ 0.00  
     b. 0.0% of Stored Material ..... \$ 0.00  
 Total Retainage (Lines 5a + 5b or Total in Column 1 of G703) ..... \$ 0.00  
 6. TOTAL EARNED LESS RETAINAGE ..... \$ 76,287,291.44  
 (Line 4 Less Line 5 Total)  
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT ..... \$ 75,920,390.53  
 (Line 6 from prior Certificate)  
 8. CURRENT PAYMENT DUE ..... \$ 366,900.91  
 9. BALANCE TO FINISH, INCLUDING RETAINAGE ..... \$ 0.00  
 (Line 3 less Line 6)

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$83,426,067.76	\$(7,333,045.76)
Total approved this Month	\$62,459.00	\$(72,505.56)
<b>TOTALS</b>	<b>\$83,488,526.76</b>	<b>\$(7,405,551.32)</b>
<b>NET CHANGES by Change Order</b>		<b>\$ 76,082,975.44</b>

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**Odell Hicks & Company LLC**  
Certified Public Accountants

Advocate Health Care Network and  
Advocate Health and Hospital Corporation  
d/b/a/ Advocate Illinois Masonic Medical Center  
Illinois Health Facilities and Services Review Board  
Center for Advanced Care Project  
IHFSRB Project #12-065  
Project Costs Report  
For the Period October 30, 2012 to September 25, 2015  
(With Independent Auditors' Report Thereon)

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Advocate Health and Hospitals Corporation and  
To the Illinois Health Facilities and Services Review Board:

We have audited the accompanying Project Costs Report of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Illinois Masonic Medical Center which comprise the project costs for the period from October 30, 2012 through September 25, 2015 and the related notes (Report).

**Management's Responsibility for the Project Costs Report**

Management is responsible for the preparation and fair presentation of the Report for the purpose of complying with the terms of the Illinois Health Facilities Planning Act; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Report based on our audit. We conducted our audit of the Report 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 Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

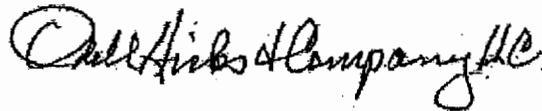
**Opinion**

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act and is not intended to be a complete presentation of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Illinois Masonic Medical Center financial position in conformity with accounting principles generally accepted in the United States of America.

**Odell Hicks & Company LLC**

Certified Public Accountants

In our opinion, the Report referred to above presents fairly, in all material respects and in accordance with the aforementioned guidelines, the project costs of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Illinois Masonic Medical Center as of September 25, 2015 and for the period from October 30, 2012 through September 25, 2015.



Odell Hicks & Company LLC

Chicago, Illinois  
January 19, 2016

ADVOCATE HEALTH CARE NETWORK AND  
ADVOCATE HEALTH AND HOSPITAL CORPORATION  
d/b/a ADVOCATE ILLINOIS MASONIC MEDICAL CENTER

Illinois Health Facilities and Services Review Board  
Center for Advanced Care Project  
IHFSRB Project #12-065  
Project Costs Report

Period from October 30, 2012 - September 25, 2015

	CON Permit Original	CON Permit Final	Final Funds Expended	Difference
<b>Costs</b>				
Preplanning Costs	\$ 917,387	\$ 917,387	\$ 440,520	\$ 476,867
Site Survey and Soil Investigation	161,250	197,422	276,590	(79,168)
Site Preparation	2,700,000	2,700,000	3,318,058	(618,058)
Off Site Work	2,786,372	2,786,372	3,665,307	(878,935)
New Construction Contracts	51,957,650	66,800,000	70,597,463	(3,797,463)
Modernization Contracts	944,832	944,832	240,000	704,832
Contingencies	5,195,765	3,372,232	-	3,372,232
Architectural/Engineering Fees	3,076,225	3,076,225	3,432,484	(356,259)
Consulting and Other Fees	6,842,522	6,842,522	2,653,628	4,188,894
Movable Capital Equipment	16,326,160	10,400,000	10,903,511	(503,511)
Other Costs to be Capitalized	11,189,937	4,061,108	566,440	3,494,668
<b>Total Construction Related</b>	<b>\$ 102,098,100</b>	<b>\$ 102,098,100</b>	<b>\$ 96,094,001</b>	<b>\$ 6,004,099</b>
Bond Issuance Costs	887,899	887,899	445,521	442,378
Net Interest Expense During Construction	6,262,974	6,262,974	2,519,798	3,743,176
<b>Total Finance Related</b>	<b>7,150,873</b>	<b>7,150,873</b>	<b>2,965,319</b>	<b>4,185,554</b>
<b>Total Project Costs</b>	<b>\$ 109,248,973</b>	<b>\$ 109,248,973</b>	<b>\$ 99,059,320</b>	<b>\$ 10,189,653</b>
<b>Source of Funds</b>				
Cash and Securities	\$ 35,717,087	\$ 35,717,087	\$ 57,156,844	\$ (21,439,757)
Bond Issues	71,031,886	71,031,886	39,402,476	31,629,410
Grants	2,500,000	2,500,000	2,500,000	-
	<b>\$ 109,248,973</b>	<b>\$ 109,248,973</b>	<b>\$ 99,059,320</b>	<b>\$ 10,189,653</b>

ADVOCATE HEALTH CARE NETWORK AND  
ADVOCATE HEALTH AND HOSPITAL CORPORATION  
d/b/a ADVOCATE ILLINOIS MASONIC MEDICAL CENTER  
Illinois Health Facilities and Services Review Board  
Center for Advanced Care Project  
IHFSRB Project #12-065  
Project Costs Report

Period from October 30, 2012 – September 25, 2015

NOTE 1 – DESCRIPTION OF PROJECT

Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a Advocate Illinois Masonic Medical Center was issued a permit to construct a center for advanced care. Work included construction of a 3 – story building located at 836 West Wellington Avenue, Chicago, to house infusion therapy, satellite pharmacy, pre-surgical care, surgical procedure suite, ambulatory surgery suite, phase II recovery for surgical procedure suite, phase II recovery for ambulatory surgery, non-clinical space for physicians to see patients, conference rooms and a patient educational resource center.

Work on the project was started on October 30, 2012 with the approval of the application for permit for the construction of the Center for Advanced Care. Certain components of project costs were revised pursuant to an alteration although total project costs remained unchanged at \$109,248,973. The project was budgeted for \$109,248,973. However the actual cost of the project was \$99,059,320, \$10,189,653 less than the revised budget.