



SOUTHERN ILLINOIS HEALTHCARE

June 5, 2014

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Second Floor
525 West Jefferson
Springfield, Illinois 62702-5051

Re: IHFPB Project #13-005

Dear Ms. Avery:

This letter constitutes an Annual Progress Report on the above-referenced project, which was granted a CON permit at the May 14, 2013, meeting of the Illinois Health Facilities and Services Review Board and an alteration on May 8, 2014.

You may recall that this permit is to construct a Freestanding Cancer Center in Carterville, which will be owned and operated by Southern Illinois Hospital Services d/b/a Memorial Hospital of Carbondale.

The permit was originally approved with project costs of \$24,566,620, all of which were to be paid by cash and securities and pledges. The approved alteration to this CON permit increased the total project costs to \$25,563,987, changing the sources of funds to a combination of debt financing (in the form of tax-exempt bonds) and cash and securities.

1. The current status of the project is as follows.
 - a. The project has been obligated.
 - b. 30% of the project is finished.
 - c. The following components of the project have been completed.
Installation of site utilities
 - d. The following components of the project are not yet finished.
Site Work
Building structure
Interior work
Parking lot

- e. The project costs are unchanged from the approved alteration

There are no changes in the scope of the project and its size from the permit as granted.

2. The costs incurred to date as of March 31, 2014 are \$5,460,745.

I am enclosing an itemized listing of the total current estimated project costs and a comparison of those costs to the approved alteration amounts.

3. The method of financing the project and the source of funds are cash and securities and debt financing in the form of tax exempt bonds, as documented in the approved alteration.
4. We estimate project completion by March 31, 2016, as specified in our CON application and the CON permit.

Please feel free to contact Andrea Rozran of Diversified Health Resources (312/266-0466) if you have any questions.

Sincerely,



Cathy Blythe
System Manager, Planning and Physician Recruitment
Southern Illinois Healthcare

Enclosures

**SIH CANCER CENTER
IHFPB PROJECT #13-005**

PROJECT COSTS AND SOURCES OF FUNDS AS OF March 31st 2014

| | TOTAL COSTS INCURRED | TOTAL CURRENT ESTIMATED PROJECT COSTS | APPROVED COSTS PER ALTERATION TO CON PERMIT |
|--|-----------------------------|--|--|
| Preplanning Costs | \$188,242 | \$244,519 | \$244,519 |
| Site Survey and Soil Investigation | \$13,245 | \$28,504 | \$28,504 |
| Site Preparation | \$289,003 | \$363,454 | \$363,454 |
| Off Site Work | \$741,397 | \$1,863,442 | \$1,863,442 |
| New Construction Contracts | \$3,035,814 | \$12,349,102 | \$12,349,102 |
| Modernization Contracts | \$0 | \$0 | \$0 |
| Contingencies | \$0 | \$1,234,909 | \$1,234,909 |
| Architectural/Engineering Fees | \$875,383 | \$929,993 | \$929,993 |
| Consulting and Other Fees | \$140,322 | \$542,142 | \$542,142 |
| Movable or Other Equipment (not in construction contracts) | \$42,757 | \$5,455,832 | \$5,455,832 |
| Bond Issuance Expense (project related) | \$0 | \$299,980 | \$299,980 |
| Net Interest Expense During Construction (project related) | \$0 | \$697,387 | \$697,387 |
| Fair Market Value of Leased Space or Equipment | \$0 | \$0 | \$0 |
| Other Costs to be Capitalized | \$134,582 | \$1,554,723 | \$1,554,723 |
| Acquisition of Building or Other Property (excluding land) | \$0 | \$0 | \$0 |
| ESTIMATED TOTAL PROJECT COST | \$5,460,745 | \$25,563,987 | \$25,563,987 |