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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

November 26, 2014

Via Overnight Carrier

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

Re: Annual Progress Report  
Midwestern Regional Medical Center  
Project #13-047 (the "Project")

Dear Ms. Avery:

Midwestern Regional Medical Center respectfully submits our first annual progress report on the Project referenced above. On November 5, 2013 the Review Board granted our permit to modernize our hospital in Zion through construction of a new bed tower. Since Board approval the Project has progressed well and remains on schedule and within budget.

**1. Current status of the Project**

- **Obligation:** The Project was timely obligated on December 1, 2013 with the signing of a construction contract with Riley Construction Company.
- **Percentage of the Project finished:** The Project is approximately 25% complete.
- **Components of Project finished:** Architectural drawings were approved by IDPH on May 16, 2014. Foundation work began June 2, 2014. Steel structure 90% complete as of 11/30/2014.
- **Components yet to be finished:** The remaining items for completion include walls and interior MEP and HVAC work.
- **Changes in scope and size:** The Project remains substantially in compliance with the scope of the permit as approved by the Review Board.

**2. Costs**

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown below:

<b>USE OF FUNDS</b>	<b>COSTS INCURRED TO DATE</b>	<b>ESTIMATED PROJECT COST</b>	<b>PERMIT AMOUNT</b>
Preplanning Costs	233,576	\$289,803	\$289,803
Site Survey and Soil Investigation	69,797	90,000	90,000
Site Preparation	1,305,449	1,818,123	1,818,123
Off Site Work	0	65,000	65,000
New Construction Contracts	6,461,915	61,392,800	61,392,800
Modernization Contracts			
Contingencies	0	5,532,937	5,532,937
Architectural/Engineering Fees	3,545,683	4,571,981	4,571,981
Consulting and Other Fees	906,782	1,359,250	1,359,250
Movable or Other Equipment (not in construction contracts)	0	8,980,026	8,980,026
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
<b>TOTAL USES OF FUNDS</b>	<b>\$12,523,202</b>	<b>\$84,100,000</b>	<b>\$84,100,000</b>

<b>SOURCE OF FUNDS</b>			
Performance Bond Securing Internal Sources	\$12,523,202	\$84,100,000	\$84,100,000
<b>TOTAL SOURCES</b>	<b>\$12,523,202</b>	<b>\$84,100,000</b>	<b>\$84,100,000</b>

**3. Method of Financing the Project and Sources of Funds**

Project costs will continue to be paid from internal sources secured by a Performance Bond. A condition of the Permit was that we supply the promised Performance Bond within 60 days of permit approval. That Performance Bond issued by Fidelity and Deposit Company of Maryland Zurich American Insurance was timely provided to the Board and remains in effect.

**4. Anticipated Date of Completion**

The Project completion date in the permit is December 31, 2015. At this point the Project remains on schedule and we anticipate Project completion by the date approved in the permit.

Please contact me at if you have any questions regarding this report.

Sincerely,



Cecilia Taylor  
Chief Financial Officer

cc: Philip L. Kaufman, CPA  
Edgar Staren  
Joe Ourth