

# FOLEY & ASSOCIATES, INC.

Charles H. Foley, MHA  
cfoley@foleyandassociates.com

John P. Kniery  
jknicy@foleyandassociates.com

**HAND DELIVERED**

**RECEIVED**

November 16, 2016

NOV 17 2016

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

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

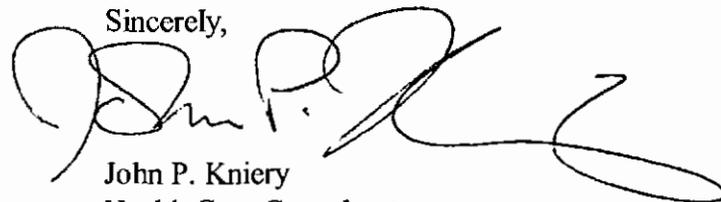
**Re: Project No. 11-104, McAllister Nursing  
and Rehab**

Dear Ms. Avery:

Please accept the enclosed Independent auditor's report for the above referenced project. This information provides documentation to finalize the completion requirements.

If you have any questions, please don't hesitate to contact me.

Sincerely,



John P. Kniery  
Health Care Consultant

JPK/kah

Enclosure



**MCALLISTER PROPERTY, LLC**

**ILLINOIS HEALTH FACILITIES AND  
SERVICES REVIEW BOARD HFSRB PROJECT NO. 11-104**

**PROJECT COSTS AND SOURCES OF FUNDS REPORT**

**FOR THE PERIOD FROM APRIL 18, 2012 THROUGH  
AUGUST 18, 2016**

**MCALLISTER PROPERTY, LLC**

**FOR THE PERIOD FROM APRIL 18, 2012 THROUGH AUGUST 18, 2016**

**CONTENTS**

	<b>Page</b>
<b>Independent auditor's report</b>	<b>1-2</b>
<b>Project costs and sources of funds report</b>	<b>3</b>

## **Independent Auditor's Report**

### **Members**

McAllister Property, LLC  
Country Club Hills, Illinois

We have audited the accompanying Project Costs and Sources of Funds Report (the Report) of McAllister Property, LLC (HFSRB Project No. 11-104) (the Company) for the period from April 18, 2012 through August 18, 2016.

### **Management's Responsibility for the Report**

Management is responsible for the preparation and fair presentation of this Report in accordance with the terms and guidelines of the Illinois Health Facilities and Services Review Board; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this Report based on our audit. We conducted our audit 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 the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those 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.

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Board Act and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

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

**Opinion**

In our opinion, the Report referred to above present fairly, in all material respects, the project costs and sources of funds of McAllister Property, LLC for the period from April 18, 2012 through August 18, 2016, in accordance with the terms and guidelines referred to above.

**Restriction on Use**

This Report is intended solely for the information and use of the Members of the Company and the Illinois Health Facilities and Services Review Board and is not intended to be and should not be used by anyone other than these specified parties.

*Ostrow Reisin Berk & Abrams, Ltd.*

November 14, 2016  
Chicago, Illinois

# MCALLISTER PROPERTY, LLC

## PROJECT COSTS AND SOURCES OF FUNDS REPORT

FOR THE PERIOD FROM APRIL 18, 2012 THROUGH AUGUST 18, 2016

	Budgeted costs per CON permit	Actual project costs	Over (under) budget
<b>Use of funds:</b>			
Preplanning costs	\$ 38,500	\$ 348,186	\$ 309,686
Site survey and soil investigation	13,200	74,527	61,327
Site preparation	165,000	600,000	435,000
Off-site work	35,000		(35,000)
New construction contracts	20,872,252	20,272,252	(600,000)
Contingencies	1,043,416		(1,043,416)
Architectural/engineering fees	695,000	857,789	162,789
Consulting and other fees	209,000	200,000	(9,000)
Moveable or other equipment	1,091,000	1,464,486	373,486
Net interest expense during construction	705,000	708,062	3,062
Other costs to be capitalized	47,500	377,867	330,367
<b>Total uses of funds</b>	<b>\$ 24,914,868</b>	<b>\$ 24,903,169</b>	<b>\$ (11,699)</b>
<b>Source of funds:</b>			
Cash and securities	\$ 2,614,868		\$ (2,614,868)
Mortgages	22,300,000	\$ 24,903,169	2,603,169
<b>Total sources of funds</b>	<b>\$ 24,914,868</b>	<b>\$ 24,903,169</b>	<b>\$ (11,699)</b>

McAllister Property, LLC was issued a permit to construct a 200-bed skilled nursing facility. The project was budgeted for \$24,914,868. Actual total project costs was \$24,903,169, which was \$11,699 under budget. The project was funded with two mortgages totaling \$24,903,169.