

Resthave Home

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Tami Tegeler, Executive Director
Kristi Christiansen, Nursing Administrator

VIA CERTIFIED MAIL AND EMAIL

RECEIVED

August 19th, 2015

AUG 26 2015

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
535 West Jefferson Street
Springfield, IL. 62761-0001

RE: Annual Progress Report for Project No. 12-022,
Resthave Home of Morrison

Dear Mr. Constantino:

As facility Executive Director for Resthave Home of Whiteside County (the "Permit Holder"). Pursuant to 77 Ill. Admin. Code § 1130.740, and on behalf of the Permit Holder, we are hereby submitting this Annual Progress Report (the "Annual Progress Report") for Project No. 12-022.

Background Facts

On March, 2012, the Permit Holder filed its original application for permit (the "Original Application") under the Illinois Health Facilities Planning Act seeking to modernize 49 existing long term care beds and to add 21 long term care beds, for a total of 70 long term care beds (the "Project"), to its existing long term care facility in Morrison, Illinois (the "Facility"). The Original Application stated that the Project would cost \$9,510,780 (the "Original Permit Amount") and that the Project would comprise 57,580 gross square feet (the "Original Square Footage"). The Original Application also stated that the Project would be completed by June 1, 2014 (the "Original Project Completion Date"). The Project also contained an assisted living component that is/was not subject to the jurisdiction of the Illinois Health Facilities & Services Review Board (the "Review Board"), so those numbers were not included in the Original Application.

On July 23, 2012, Illinois Health Facilities & Services Review Board (the "Review Board") approved the Project.

On August 28, 2012, the Permit Holder obligated the Project.

On August 6, 2013, the Permit Holder filed an alteration request for the Project (the "Alteration Request"), seeking to increase the Original Permit Amount by 3% to \$9,796,102 ("Altered Permit Amount") and seeking to increase the Original Square Footage by 3% to 59,164 (the "Altered Square Footage").

On September 20, 2013, the Review Board approved the Alteration Request.

On May 20, 2014, the Permit Holder filed a request for a new Project Completion Date of September 1, 2015.

On June 3, 2014, the Review Board approved the new Project Completion Date.

Elements Required by 77 Ill. Admin. Code § 1130.760

As you know, 77 Ill. Admin. Code § 1130.760 requires a permit holder to file an annual report that includes: (1) a current status of the Project; (2) the costs incurred by the Permit Holder to date on the Project; (3) the method of financing the Project and sources of funds; and (4) the anticipated date of completion for the Project.

Status of the Project

As stated above, the Permit Holder obligated the Project on August 28th, 2012.

To date, the Permit Holder has spent \$9,775,179 on the skilled nursing care/reviewable portion of the Project, which represents the project being completed.

The Project contained 3 phases (all of which have been approved by the Illinois Department of Public Health. Phase 1 is the assisted living component of the Project. Phase 1 was started on August 6, 2012 and was completed in July 2013. The Illinois Department of Public Health issued an Assisted Living License to the Permit Holder on November 18, 2013.

Phases 2 and 3 of the Project are the skilled nursing components of the Project (and are the portions of the Project that were set forth in the Original Application).

Phase 2 was started in October 2013 and was completed in January 2015. The license for 70 SNF beds was received in February 2015.

Phase 3 was started in February 2015 and was completed in July 2015. IDPH completed the Life Safety Code Inspection for the final Nursing Home portion for Phase 3 on Tuesday, August 18th, 2015 and passed. The Assisted Living portion of Phase 3 was inspected and issued approval of the additional 17 units and is now licensed for 37 units as of July 2015. The

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Assisted Living component of Phase 3 was not subject to the jurisdiction of the Review Board, so those numbers were not included in the Original Application.

Evidence of Financial Commitment to Fund the Project

The Permit Holder obtained a mortgage commitment letter from The National Bank of Bettendorf, Iowa, on August 28, 2012, a copy of which was previously submitted to the Review Board. The Project will continue to be funded as originally approved by the Review Board.

Anticipated Final Cost of Project

The final cost of the Project will be within the Altered Permit Amount of \$9,796,102 and is 100% complete. CliftonLarsonAllen have been engaged to complete the Final Realized Cost Report and is scheduled to start that the week of August 24th, 2015. See attached table A for additional information.

Sincerely,

A handwritten signature in black ink that reads "Tami Tegeler". The signature is written in a cursive style with a large, stylized "T" and "E".

Tami Tegeler

Table A

Project Costs and Source of Funds through 8-19-15 Project 12-022 Resthaves Home of Morrison_revised CON

Approved CON

Use of Funds	Clinical	Non-Clinical	Total	Clinical Costs to Date	Non-Clinical Costs to Date	Total to Date	Remaining Budget
Preplanning Costs	\$314,902	\$572,663	\$887,565	\$314,902	\$572,663	\$887,565	\$0
Construction Costs	\$2,615,032	\$4,755,545	\$7,370,577	\$2,793,421	\$4,557,687	\$7,351,108	\$19,469
Contingencies	\$132,009	\$240,064	\$372,073	\$132,009	\$240,064	\$372,073	\$0
A&E Fees	\$151,087	\$274,758	\$425,845	\$151,087	\$274,758	\$425,845	\$0
Consulting & Other	\$20,830	\$37,880	\$58,710	\$20,830	\$37,880	\$58,710	\$0
Moveable & Other E	\$67,058	\$121,947	\$189,005	\$67,058	\$120,494	\$187,552	\$1,453
Construction Interes	\$76,011	\$138,229	\$214,240	\$76,011	\$138,229	\$214,240	\$0
Other Costs to be Ca	\$98,663	\$179,423	\$278,086	\$98,663	\$179,423	\$278,086	\$0
Totals	\$3,475,592	\$6,320,509	\$9,796,101	\$3,653,981	\$6,121,198	\$9,775,179	\$20,922
