



Friendship  
Senior Options

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

**RECEIVED**

SEP 23 2013

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Re: Greenfields of Geneva  
Project 12-086

Dear Ms Avery:

The enclosed information is provided to comply with section 1130.770 of the Administrative Code to close out project 12-086. The original project permit was 08-083 dated October 14, 2008 and was abandoned and replaced with project 12-086 dated February 14, 2013. The attached audit report reflects the total project cost with supplemental schedule A-1 reflecting actual funds spent compared to the approved CON amount specific to the 43 bed long term care facility portion of the project.

Project 12-086 was completed on June 24, 2013. The attached audit and supplemental schedules reflect:

- 1) itemization of all project costs
- 2) itemization of those project costs that will be submitted for reimbursement under Titles XVIII and XIX (refer to schedule A-1)

As an authorized officer of Friendship Senior Options, NFP and Friendship Village of Mill Creek, NFP, I certify:

- that the final realized costs are the total costs required to complete the project and that there are no additional or associated costs or capital expenditures related to the project that will be submitted for reimbursement under Title XVIII or XIX;
- Compliance with all terms of the permit to date, including project cost, square footage, services, etc.

Sincerely,

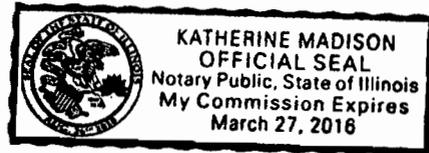


Michael A. Flynn  
Vice President & Chief Financial Officer

Enclosures:

- Audited Financial Report of all Project Costs and Sources of Funds
- Final Application and Certification for Payment for the construction contract, as per the American Institute of Architects form G702
- Supplemental Schedule A-1 reflecting Final Realized Costs specific to the 43 bed long term care facility portion of the project
- Supplemental Schedule A-2 reflecting Final Realized Costs specific to the non-long term care facility portion of the project

*Katherine Madison*



**FRIENDSHIP SENIOR OPTIONS NFP AND FRIENDSHIP  
VILLAGE OF MILL CREEK NFP**

**ILLINOIS HEALTH FACILITIES  
SERVICES AND REVIEW BOARD  
GREENFIELDS OF GENEVA**

**PROJECT #12-086**

**SCHEDULE OF PROJECT COST AND  
SOURCES OF FUNDS**

**FOR THE PERIOD OCTOBER 14, 2008 TO JUNE 24, 2013**

**FRIENDSHIP SENIOR OPTIONS NFP AND FRIENDSHIP VILLAGE OF MILL CREEK NFP  
ILLINOIS HEALTH FACILITIES SERVICES AND REVIEW BOARD  
GREENFIELDS OF GENEVA  
PROJECT #12-086  
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PERIOD FROM OCTOBER 14, 2008 TO JUNE 24, 2013**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Friendship Senior Options NFP and Friendship Village of Mill Creek NFP and  
The Illinois Health Facilities Services and Review Board

We have audited the accompanying Schedule of Project Cost and Sources of Funds (Schedule) of Friendship Senior Options NFP and Friendship Village of Mill Creek for the period of October 14, 2008 through June 24, 2013 and the related notes.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the Schedule 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 Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the Schedule 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 Organization'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 Schedule.

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 Schedule referred to above present fairly, in all material respects and in accordance with the aforementioned guidelines, the project cost and sources of funds of the Organization for the period beginning October 14, 2008 through June 24, 2013, in conformity with accounting principles generally accepted in the United States of America.

Board of Directors  
Friendship Senior Options NFP and  
Friendship Village of Mill Creek NFP

***Basis of Accounting***

We draw attention to Note 2 of the schedule, which describes the basis of accounting. The schedule of Project Costs and Sources of Funds was prepared by Friendship Senior Options NFP and Friendship Village of Mill Creek on the basis of the CON application dated February 14, 2013 (replaces permit 08-083) between Friendship Senior Options NFP and Friendship Village of Mill Creek and HFSRB, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions to the CON application referred to above. Our opinion is not modified with respect to that matter.

***Restriction on Use***

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

*CliftonLarsonAllen LLP*

CliftonLarsonAllen LLP

Oak Brook, Illinois  
September 5, 2013

**FRIENDSHIP SENIOR OPTIONS NFP AND FRIENDSHIP VILLAGE OF MILL CREEK NFP  
ILLINOIS HEALTH FACILITIES SERVICES AND REVIEW BOARD  
GREENFIELDS OF GENEVA  
PROJECT #12-086  
SCHEDULE OF PROJECT COST AND SOURCES OF FUNDS  
PERIOD FROM OCTOBER 14, 2008 TO JUNE 24, 2013**

	Funds per CON Permit	Final Realized Costs	Variance
<b>Project Costs</b>			
Pre-Planning	\$ 1,196,017	\$ 975,532	\$ 220,485
Site Survey and Soil Investigation	18,020	18,020	-
Site Preparation	2,999,885	3,000,149	(264)
Off Site Work	558,414	548,414	10,000
New Construction Contracts	48,014,915	47,666,147	348,768
Contingencies	1,620,821	419,420	1,201,401
A & E Fees	3,601,310	3,528,484	72,826
Consulting & Other Fees	6,217,657	6,215,861	1,796
Movable Capital Equipment	2,385,373	2,552,026	(166,653)
Bond Issuance Expenses	4,743,463	4,744,164	(701)
Net Interest Expense During Construction	14,186,300	14,186,300	-
Other Costs to be Capitalized	6,527,870	6,720,517	(192,647)
Total Project Costs	<u>\$ 92,070,045</u>	<u>\$ 90,575,034</u>	<u>\$ 1,495,011</u>
	Approved CON Amount	Actual Funds Spent	Variance
<b>Sources of Funds</b>			
Bond Issues	\$ 92,070,045	\$ 90,575,034	\$ 1,495,011
Total Funds	<u>\$ 92,070,045</u>	<u>\$ 90,575,034</u>	<u>\$ 1,495,011</u>

See accompanying Notes to Schedule of Project Cost and Sources of Funds.

**FRIENDSHIP SENIOR OPTIONS NFP AND FRIENDSHIP VILLAGE OF MILL CREEK NFP  
ILLINOIS HEALTH FACILITIES SERVICES AND REVIEW BOARD  
GREENFIELDS OF GENEVA  
PROJECT #12-086  
NOTES TO SCHEDULE OF PROJECT COST AND SOURCES OF FUNDS  
PERIOD FROM OCTOBER 14, 2008 TO JUNE 24, 2013**

**NOTE 1 DESCRIPTION OF PROJECT**

Friendship Village of Mill Creek (dba GreenFields of Geneva) provides housing, healthcare, and other related services to residents through the operation of the retirement facility containing 147 independent living apartments, 51 assisted living apartments, 26 Memory care units, and a 43 bed skilled healthcare facility. GreenFields of Geneva was issued a permit to construct the CCRC project, under Illinois Health Facilities Services and Review Board (HFSRB) Project #12-086. Work on the project was started on October 14, 2008. The project was approved by HFSRB at an estimated cost of \$92,070,045.

**NOTE 2 BASIS OF ACCOUNTING**

The Schedule has been prepared on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America. Balances for the Funds per CON Permit and Approved CON Amount are directly from the CON Application and Permit filed with the HFSRB and approved on February 14, 2013 (replaces permit 08-083).

**APPLICATION AND CERTIFICATE OF PAYMENT DOCUMENT G702**

TO (OWNER):  
 Friendship Village of Millcreek, NFP, Inc.  
 350 W. Schaumburg Road  
 Schaumburg, IL 60194

APPLICATION NO: 29  
 PERIOD TO: 07/15/13

Distribution to:  
 OWNER  
 ARCHITECT

FROM (CONTRACTOR):  
 Bovis Lend Lease  
 One North Wacker, Ste 850  
 Chicago, IL 60606

ARCHITECTS  
 PROJECT NO:  
 CONTRACT DATE:

CONTRACTOR

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, Document G703, is attached.

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner - 1 through 51, 54-64, 66-76, 80			
TOTAL		1,554,280.00	(1,517,666.00)
Approved this Month	Date Approved		
Number			
TOTALS		1,554,280.00	(1,517,666.00)
Net Change by Change Orders			36,614.00

1. ORIGINAL CONTRACT SUM ..... \$ 50,000,000.00
2. Net Change by Change Orders ..... \$ 36,614.00
3. CONTRACT SUM TO DATE (Line 1+2) ..... \$ 50,036,614.00
4. TOTAL COMPLETED & STORED TO DATE ..... \$ 49,756,912.00  
 (Column G on G703)

5. RETAINAGE:
  - a. 0.0% of Completed Work \$ \_\_\_\_\_  
 (Column D+E on G703)
  - b. \_\_\_\_\_ of Stored Material \_\_\_\_\_

- (Column F on G703)
- Total Retainage (Line 5a+5b or Total in Column I of G703) ..... \$ \_\_\_\_\_
6. TOTAL EARNED LESS RETAINAGE ..... \$ 49,756,912.00  
 (Line 4 less line 5 Total)

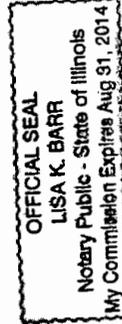
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) ..... \$ 49,667,101.00
8. CURRENT PAYMENT DUE ..... \$ 89,811.00
9. BALANCE TO FINISH, PLUS RETAINAGE ..... \$ 279,702.00  
 (Line 3 less Line 6)

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

State of: Illinois County of: Cook  
 Subscribed and sworn to before me this July 18, 2013  
 Notary Public

Contractor Bovis Lend Lease  
 Bert Brandt  
 Vice President

*[Signature]*



My Commission expires: \$ 89,811.00  
 AMOUNT CERTIFIED

(Attach explanation if amount certified differs from the amount applied for).  
 ARCHITECT: DHPY

**ARCHITECT'S CERTIFICATE FOR PAYMENT**

In accordance with the contract documents, based on on-site observations and the data comprising the above 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.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 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

**Supplemental Schedule A-1**

**Friendship Senior Options NFP and Friendship Village of Mill Creek NFP  
Illinois Health Facilities Services and Review Board  
GreenFields of Geneva  
Project #12-086  
Final Realized Costs - Clinical 43 Bed LTC  
Period from October 14, 2008 to June 24, 2013**

	<u>Funds per CON Permit</u>	<u>Final Realized Costs</u>	<u>Variance</u>
<b>Project Costs</b>			
Pre-Planning	\$100,414	\$81,903	\$18,511
Site Survey and Soil Investigation	1,513	1,513	\$0
Site Preparation	251,862	251,884	(22)
Off Site Work	46,883	46,043	840
New Construction Contracts	4,031,202	4,001,920	29,282
Contingencies	122,477	31,573	90,903
A & E Fees	302,356	296,242	6,114
Consulting & Other Fees	469,834	467,917	1,917
Movable Capital Equipment	200,269	214,261	(13,992)
Bond Issuance Expense	358,438	357,131	1,306
Net Interest Expense During Construction	1,071,981	1,067,916	4,065
Other Costs to be Capitalized	0	0	0
<b>Total Clinical Project Costs</b>	<b><u>\$6,957,229</u></b>	<b><u>\$6,818,304</u></b>	<b><u>\$138,925</u></b>
	<u>Approved CON Amount</u>	<u>Actual Funds Spent</u>	<u>Variance</u>
<b>Sources of Funds</b>			
Bond Issues	6,957,229	6,818,304	138,925
<b>Total Funds</b>	<b><u>\$6,957,229</u></b>	<b><u>\$6,818,304</u></b>	<b><u>\$138,925</u></b>

**Supplemental Schedule A-2**

**Friendship Senior Options NFP and Friendship Village of Mill Creek NFP  
Illinois Health Facilities Services and Review Board  
GreenFields of Geneva  
Project #12-086**

**Final Realized Costs - Nonclinical  
Period from October 14, 2008 to June 24, 2013**

	<u>Funds per CON Permit</u>	<u>Final Realized Costs</u>	<u>Variance</u>
<b>Project Costs</b>			
Pre-Planning	\$1,095,602	\$893,629	\$201,973
Site Survey and Soil Investigation	16,507	16,507	0
Site Preparation	2,748,023	2,748,265	(242)
Off Site Work	511,531	502,371	9,160
New Construction Contracts	43,983,713	43,664,227	319,486
Contingencies	1,498,344	387,847	1,110,497
A & E Fees	3,298,954	3,232,242	66,712
Consulting & Other Fees	5,747,823	5,747,944	(122)
Movable Capital Equipment	2,185,104	2,337,765	(152,662)
Bond Issuance Expense	4,385,025	4,387,033	(2,008)
Net Interest Expense During Construction	13,114,319	13,118,384	(4,065)
Other Costs to be Capitalized	6,527,870	6,720,517	(192,647)
<b>Total Nonclinical Project Costs</b>	<b><u>\$85,112,815</u></b>	<b><u>\$83,756,730</u></b>	<b><u>\$1,356,085</u></b>
	<u>Approved CON Amount</u>	<u>Actual Funds Spent</u>	<u>Variance</u>
<b>Sources of Funds</b>			
Bond Issues	85,112,815	83,756,730	1,356,085
<b>Total Funds</b>	<b><u>\$85,112,815</u></b>	<b><u>\$83,756,730</u></b>	<b><u>\$1,356,085</u></b>