



June 12, 2015

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

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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. **This revised report supersedes the letter and accompanying itemized listing of costs dated June 11, 2015.**

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. 95% of the project is finished.
 - c. The following components of the project have been completed:
 - Installation of site utilities
 - Site work
 - Building structure
 - Parking lot
 - Landscaping
 - d. The following components of the project are not yet finished:
 - Emergency power distribution
 - Interior work and finishes

- 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 April 30, 2015 are \$20,550,785.

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

Please note the total cost incurred for Architectural/Engineering Fees and Other Costs to be Capitalized have been reduced from the June 6, 2014 annual report. It was recently discovered that costs had been allocated to these line items inappropriately. These costs have been subsequently moved to the appropriate lines and the enclosed itemized cost breakout includes the correction of these errors.

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 April 30, 2015**

	TOTAL COSTS INCURRED	TOTAL CURRENT ESTIMATED PROJECT COSTS	APPROVED COSTS PER ALTERATION TO CON PERMIT
Preplanning Costs	\$223,714	\$244,519	\$244,519
Site Survey and Soil Investigation	\$13,245	\$28,504	\$28,504
Site Preparation	\$353,965	\$363,454	\$363,454
Off Site Work	\$1,796,732	\$1,863,442	\$1,863,442
New Construction Contracts	\$12,349,102	\$12,349,102	\$12,349,102
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$657,584	\$1,234,909	\$1,234,909
Architectural/Engineering Fees	\$808,807	\$929,993	\$929,993
Consulting and Other Fees	\$141,129	\$542,142	\$542,142
Movable or Other Equipment (not in construction contracts)	\$3,966,819	\$5,455,832	\$5,455,832
Bond Issuance Expense (project related)	\$151,557	\$299,980	\$299,980
Net Interest Expense During Construction (project related)	\$67,131	\$697,387	\$697,387
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs to be Capitalized	\$21,000	\$1,554,723	\$1,554,723
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
ESTIMATED TOTAL PROJECT COST	\$20,550,785	\$25,563,987	\$25,563,987