



450 West Highway 22 || Barrington, IL 60010 || T 847.381.0123 || advocatehealth.com

March 27th, 2018

Via Overnight Courier

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

RECEIVED

MAR 28 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #13-016 Advocate Good Shepherd Hospital (the "Project")

Final Realized Cost Report

Advocate Health and Hospitals Corporation, (dba Advocate Good Shepherd Hospital),
and Advocate Health Care Network
Modernization Project

Dear Ms. Avery:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #13-016. The Review Board granted the Permit for this project June 26, 2013. The notice of project completion was submitted on December 11th, 2017 indicating the project was completed on December 11th, 2017. The project was timely completed within the "Completion Date" of December 31, 2017, specified in the permit letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost, square footage and services.
- The final application and certification for payment is shown in the AIA G702 form.
- Because this is a project with a cost greater than three times the capital expenditure minimum in place at the time of the permit approval, an audited financial report that includes the itemization of costs and sources of funds was completed by an independent certified public account and is included as an enclosure. As a review was done in the

Advocate Good Shepherd Hospital
 Project #13-016
 Final Report – 2018

audit process, some of the previously reported expenditures were reallocated to different cost categories.

AGSH Project	Final Costs	Original Permit
USE OF FUNDS	TOTAL	TOTAL
Preplanning Costs	\$1,062,990	\$1,090,000
Site Survey and Soil Investigation	\$16,775	\$70,000
Site Preparation	\$7,323,843	\$10,200,000
New Construction Contracts	\$99,342,548	\$94,100,043
Modernization Contracts	\$57,327,746	\$43,454,010
Contingencies	-	\$11,681,725
Architectural/Engineering Fees	\$10,592,132	\$8,200,000
Consulting and Other Fees	\$492,306	\$2,050,921
Movable or Other Equipment (not in construction contracts)	\$31,112,657	\$44,978,386
Bond Issuance Expense (project related)	\$638,724	\$1,584,817
Net Interest Expense During Construction (project related)	\$7,078,974	\$24,187,145
Other Costs To Be Capitalized	\$2,555,207	\$5,244,035
TOTAL USES OF FUNDS	\$217,543,902	\$246,841,082

Sources:

SOURCES		
Cash and Securities	\$169,100,700	\$88,359,421
Bond issues (project related)	\$48,443,202	\$158,481,661
TOTAL SOURCES OF FUNDS	\$217,543,902	\$246,841,082

Please contact me at (630) 929-5577 or Sonja Reece at (309) 268-5482 if you have any questions about this report.

Advocate Good Shepherd Hospital
Project #13-016
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Sincerely,



Scott Nelson, AIA, ACHA
Vice President, Planning, Design, and Construction
Advocate Health and Hospitals Corporation

Subscribed before me on this day: March 27, 2018

Notary Public Maria DeFrank

Seal:



CC: James Kokaska
Paul Neff
Lanndon Rose
Trent Gordon
Sonja Reece

Attachments:
AIA G702 Final Payment

Enclosure:
Financial Audit of Project

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702
APPLICATION NO. Final

PROJECT:
Advocate
Good Shepherd Modernization

PERIOD: 12/31/17 - Final

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

FROM: M. A. Mortenson Company
300 Park Blvd., Suite 100
Itasca, IL 60143

VIA (ARCHITECT):

JOB# 13090008
INVOICE # 13090008-53

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner			0
Approved this Month		163,290,247	
Number	Date Approved		
1-46			
TOTALS		163,290,247	163,290,247

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 the current payments shown herein is now due.

CONTRACTOR: M.A. Mortenson Company
By: *[Signature]* Date: 3-15-18

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.

1. ORIGINAL CONTRACT SUM \$ 162,860,926
 2. Net change by Change Orders \$ 17,882,075
 3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 170,743,001
 4. TOTAL COMPLETED & STORED TO DATE \$ 170,743,001
 (Column G on G703)
 5. RETAINAGE:
 a. Of Completed Work \$ 0
 (Less Fee & Insurance)
 b. Of Stored Material \$ 0
 (Column F on G703)

Total Retainage (Line 5a + 5b) \$ 0
 6. TOTAL EARNED LESS RETAINAGE \$ 170,743,001
 (Line 4 less Line 5 Total)
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 170,743,001
 8. CURRENT PAYMENT DUE \$ (0)
 9. BALANCE TO FINISH, PLUS RETAINAGE \$ (\$0)
 (Line 3 less Line 6)

State of Illinois County of Cook OFFICIAL SEAL
 Subscribed and sworn to before me this 15 day of March 2018
 Notary Public: *[Signature]* My Commission Expires: 10/09/2021

Amount Certified \$ 0
 (Attach explanation if amount certified differs from the amount applied for.)
 ARCHITECT: *[Signature]* Date: 3/16/18

This Certificate is not negotiable. The AMOUNTS CERTIFIED is payable only the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Odell Hicks & Company LLC
Certified Public Accountants

Advocate Health Care Network and
Advocate Health and Hospitals Corporation
d/b/a/ Advocate Good Shepherd Hospital

Illinois Health Facilities and Services Review Board
Modernization Project
IHFSRB Project #13-016
Project Costs Report

For the Period June 26, 2013 to December 11, 2017
(With Independent Auditors' Report Thereon)



Odell Hicks & Company LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Advocate Health and Hospitals Corporation and
to the Illinois Health Facilities and Services Review Board:

We have audited the Project Costs Report of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Shepherd Hospital for the period from June 26, 2013 through December 11, 2017 (Report). This Report is the responsibility of Advocate Health and Hospitals Corporation's management. Our responsibility is to express an opinion on the Report based on our audit.

We conducted our audit of the Report 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts on the Report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Report's presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities and Services Review Board Act and is not intended to be a complete presentation of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Shepherd Hospital financial position in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Report referred to above presents fairly, in all material respects and in accordance with the aforementioned guidelines, the project costs of Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a/ Advocate Good Shepherd Hospital as of December 11, 2017 and the period from June 26, 2013 through December 11, 2017.

Odell Hicks & Company LLC

March 20, 2018

ADVOCATE HEALTH CARE NETWORK AND
 ADVOCATE HEALTH AND HOSPITALS CORPORATION
 d/b/a ADVOCATE, GOOD SHEPHERD HOSPITAL
 Illinois Health Facilities and Services Review Board
 Modernization Project
 IHFSRB Project #13-016
 Project Costs Report

Period from June 26, 2013 - December 11, 2017

	<u>CON Permit</u> <u>Original</u>	<u>Final Funds</u> <u>Expended</u>	<u>Difference</u>
Costs			
Preplanning Costs	\$ 1,090,000	\$ 1,062,990	\$ 27,010
Site Survey and Soil Investigation	70,000	16,775	53,225
Site Preparation	10,200,000	7,323,843	2,876,157
New Construction Contracts	94,100,043	99,342,548	(5,242,505)
Modernization Contracts	43,454,010	57,327,746	(13,873,736)
Contingencies	11,681,725	-	11,681,725
Architectural/Engineering Fees	8,200,000	10,592,132	(2,392,132)
Consulting and Other Fees	2,050,921	492,306	1,558,615
Movable Capital Equipment	44,978,386	31,112,657	13,865,729
Other Costs to be Capitalized	<u>5,244,035</u>	<u>2,555,207</u>	<u>2,688,828</u>
 Total Construction Related	 <u>\$ 221,069,120</u>	 <u>\$ 209,826,204</u>	 <u>\$ 11,242,916</u>
 Net Interest Expense During Construction	 24,187,145	 7,078,974	 17,108,171
Bond Issuance Costs	<u>1,584,817</u>	<u>638,724</u>	<u>946,093</u>
 Total Finance Related	 <u>25,771,962</u>	 <u>7,717,698</u>	 <u>18,054,264</u>
 Total Project Costs	 <u>\$ 246,841,082</u>	 <u>\$ 217,543,902</u>	 <u>\$ 29,297,180</u>
 Source of Funds			
Cash and Securities	\$ 88,359,421	\$ 169,100,700	\$ (80,741,279)
Bond Issues	<u>158,481,661</u>	<u>48,443,202</u>	<u>110,038,459</u>
	<u>\$ 246,841,082</u>	<u>\$ 217,543,902</u>	<u>\$ 29,297,180</u>

ADVOCATE HEALTH CARE NETWORK AND
ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SHEPHERD HOSPITAL
Illinois Health Facilities and Services Review Board
Modernization
IHFSRB Project #13-016
Project Costs Report

Period from June 26, 2013 – December 11, 2017

Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a Advocate Good Shepherd Hospital was issued a permit to modernize the existing hospital with new construction and expansion of services. The project includes several enhancements to hospital space including increasing the number of intensive care beds, consolidating the surgical/interventional suite and accommodating single occupancy, private medical-surgical beds, increasing the number of operating rooms, providing for 18 PACU I rooms and 52 post recovery rooms, modernizing the endoscopy suite and increasing the number of recovery rooms, modernizing other clinical services including radiology, ambulatory care, cardiovascular and pulmonary testing and therapies. In addition, the project includes modernizing certain non-clinical areas such as public/visitor space, administration, circulation, materials management, chapel and simulation laboratory. Work on the project was started on June 26, 2013 with the execution of a contract for construction of the Advocate Good Shepherd Hospital Modernization. The project was originally budgeted for \$246,841,082. However the actual cost of the project was \$217,543,902, \$29,297,180 less than the budget.