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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

December 5, 2019

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson, 2<sup>nd</sup> Floor  
Springfield, Illinois 62702

Re: IHFSRB Project #140-028

Dear Ms. Avery:

This letter is being submitted in accordance with 77 Ill. Adm. Code 1130.770(a) and (d) as both a Notice of Project Completion and a Report of Project Completion and Final Realized Costs for the above-referenced project. The project was granted a CON permit at the October 7, 2014, meeting of the Illinois Health Facilities and Services Review Board.

You may recall that this permit is to expand and modernize several departments at Copley Memorial Hospital.

The permit was granted for a total project cost of \$52,725,760. The sources of funds are \$16,225,760 in cash and securities, and tax-exempt revenue bonds totaling \$36,500,000 as approved in the CON permit and subsequently reported in the notification of the restoration of the originally approved debt financing, which was acknowledged by your agency on March 20, 2019.

This project has been brought to a conclusion and is complete.

There were four phases to this expansion and modernization project. The first patient treated after the completion of Phase 1 was on March 23, 2017, and the first patient treated after the completion of Phase 4 was on April 9, 2019.

1. The project's final realized cost is \$40,894,204, as shown on the attached copy of Page 5 (handwritten Page 6) of the CON application, which has an itemized listing of all project total costs and sources of funds.
2. The final project costs, as itemized, are the total costs required to complete the project, and there are no additional or associated costs or capital expenditures related to the project.
3. The project as completed is in compliance with all terms of the permit to date, including project cost, square footage, services, etc.
4. In addition, the final Application and Certification for Payment for the construction contract (AIA Form G702) is attached.

5. Since the total project cost of this permit is more than three times greater than the capital expenditure minimum in place at the time of permit approval, an audited financial report of all project costs and sources of funds has been completed by an independent certified public accountant (CPA).

A report of the audit conducted by Plante Moran, PC is attached.

Please feel free to contact Andrea Rozran of Diversified Health Resources (312-266-0466 or [arozran@diversifiedhealth.net](mailto:arozran@diversifiedhealth.net)) or Terese Raabe (630-236-4292 or [Traabe@rushcopley.com](mailto:Traabe@rushcopley.com)) if you have any questions or need additional information.

Sincerely,



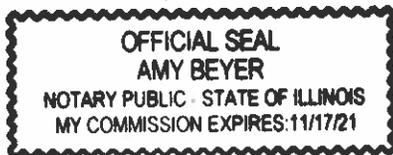
Brenda W. Van Wyhe  
Senior Vice President of Finance and Chief Financial Officer  
Copley Memorial Hospital, Inc.  
Rush-Copley Medical Center

Enclosures

cc: Terese Raabe  
Andrea R. Rozran



12/5/19



**COPLEY MEMORIAL HOSPITAL  
IHFSRB PROJECT #14-028  
FINAL PROJECT COSTS AND SOURCES OF FUNDS**

PROJECT COSTS	APPROVED TOTAL COSTS PER CON PERMIT	TOTAL PROJECT COSTS EXPENDED
Preplanning Costs	\$263,000	\$ 214,039
Site Survey and Soil Investigation	\$45,000	\$ 30,000
Site Preparation	\$649,020	\$ 639,274
Off Site Work	\$1,433,604	\$ 1,429,320
New Construction Contracts	\$21,016,012	\$ 21,016,012
Modernization Contracts	\$6,359,207	\$ 6,359,207
Contingencies	\$2,735,927	\$ 2,047,395
Architectural/Engineering Fees	\$2,308,505	\$ 2,238,406
Consulting and Other Fees	\$1,489,876	\$ 1,247,090
Movable or Other Equipment (not in construction contracts)	\$8,244,464	\$ 4,665,168
Bond Issuance Expense (project related)	\$890,700	\$ 252,000
Net Interest Expense During Construction (project related)	\$7,140,445	\$ 690,293
Fair Market Value of Leased Space or Equipment	\$0	-
Other Costs to be Capitalized	\$150,000	\$ 66,000
Acquisition of Building or Other Property (excluding land)	\$0	-
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$ 52,725,760</b>	<b>\$ 40,894,204</b>

SOURCE OF FUNDS	APPROVED TOTAL COSTS PER CON PERMIT	TOTAL PROJECT COSTS EXPENDED
Cash and Securities	\$16,225,760	\$ 4,394,204
Pledges	\$0	\$0
Gifts and Bequests	\$0	\$0
Bond Issues (project related)	\$36,500,000	\$ 36,500,000
Mortgages (loans)	\$0	\$0
Leases (fair market value)	\$0	\$0
Governmental Appropriations	\$0	\$0
Grants	\$0	\$0
Other Funds and Sources-Line of Credit from Commercial Bank	\$0	-
<b>TOTAL FUNDS</b>	<b>\$ 52,725,760</b>	<b>\$ 40,894,204</b>

# APPLICATION AND CERTIFICATE FOR PAYMENT

# AIA DOCUMENT G702

Invoice #: 50284

**To Owner:** Rush Copley Medical Center  
2000 S. Ogden Avenue  
Aurora, IL 60504

**Project:** 15-1256 Rush-Copley Surgery Expansion

**Application No:** 38

**Distribution to:**

Owner  
 Architect  
 Contractor

**Period:** 05/01/2019 - 07/31/2019

**Project Number:** 15-1256

**From Contractor:** Leopardo Companies, Inc. Via Architect Anderson Mikos Architects Ltd  
5200 Prairie Stone Parkway 1111 22nd Street, Suite #315  
Hoffman Estates, IL 60192 Oak Brook, IL 60523

**Contract Date:** 05/11/2015

**Client Reference:**

## CONTRACTOR'S APPLICATION FOR PAYMENT

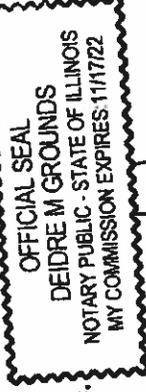
Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. Original Contract Sum .....	\$ 30,625,753.00
2. Net Change By Change Orders .....	\$ 613,399.00
3. Contract Sum To Date .....	\$ 31,239,152.00
4. Total Completed and Stored To Date .....	\$ 31,239,152.00
5. Retainage:	
a. 0.00% of Completed Work .....	\$ 0.00
b. 0% of Stored Material .....	\$ 0.00
Total Retainage (Lines 5a + 5b) .....	\$ 0.00
6. Total Earned Less Retainage .....	\$ 31,239,152.00
(Line 4 Less Line 5 Total)	
7. Less Previous Certificates For Payment .....	\$ 30,568,096.46
(Line 6 from prior Certificate)	
8. Current Payment Due .....	\$ 671,055.54
9. Balance To Finish, Including Retainage .....	\$ 0.00
(Line 3 Less Line 6)	

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous month by Owner	601,233.00	-17,500.00
Total Approved this Month	29,666.00	0.00
<b>TOTALS</b>	<b>630,899.00</b>	<b>-17,500.00</b>
Net Changes By Change Order	613,399.00	

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.

**CONTRACTOR:** Leopardo Companies, Inc.



**By:** *[Signature]* Date: 7/3/2019

State of: Illinois County of: Cook

Subscribed and sworn to before me on 31<sup>st</sup> day of July 2019

Notary Public: *[Signature]*

My Commission expires: 11/17/2022

## 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.

**AMOUNT CERTIFIED** \$ 671,055.54

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

**ARCHITECT:** *[Signature]* Date: 9/2/19

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.

**Owner:** (if applicable)

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

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# Copley Memorial Hospital, Inc.

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**Schedule of Project Cost and Sources of Funds For  
Project No. 14-028, Modernization and Expansion  
Period from October 7, 2014 (date of certificate of need  
permit approval) to October 1, 2019**

# **Copley Memorial Hospital, Inc.**

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## **Independent Auditor's Report**

To the Board of Directors  
Copley Memorial Hospital, Inc.

We have audited the accompanying Schedule of Project Cost and Sources of Funds for Project No. 14-028 (the "Schedule") of Copley Memorial Hospital, Inc. (Copley Memorial Hospital) covering costs related to the Modernization and Expansion for the period of October 7, 2014 through October 1, 2019 and the related notes.

### ***Management's Responsibility for the Schedule of Project Cost and Sources of Funds***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with a basis of accounting prescribed by Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770(d)(5) "Project Completion, Finalized Realized Costs Overruns." This includes determining that the other comprehensive basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

### ***Auditor's 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 of 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 auditor's 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 Copley Memorial Hospital'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 Copley Memorial Hospital'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 of Project Cost and Sources of Funds for Project No. 14-028 Related to the Modernization and Expansion referred to on page 4 presents fairly the total costs incurred by Copley Memorial Hospital for the period of October 7, 2014 through October 1, 2019, in all material respects, based on the criteria established in the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770(d)(5) "Project Completion, Finalized Realized Costs Overruns."

Board of Directors  
Copley Memorial Hospital, Inc.

***Basis of Presentation***

We draw attention to Note 2 to the Schedule, which describes that the Schedule was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770(d)(5) "Project Completion, Finalized Realized Costs Overruns," which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Restriction of Use***

Our report is intended solely for the information and use of Copley Memorial Hospital, Inc.; Rush-Copley Medical Center; Rush University Medical Center; 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.

*Plante & Moran, PLLC*

Southfield, Michigan  
October 31, 2019

## Copley Memorial Hospital, Inc.

Schedule of Project Costs and Sources of Funds for Project No. 14-028  
 Period from October 7, 2014 (date of certificate of need permit approval) to October 1, 2019

Description of Costs	Approved Permit		Variance
	Amount	Actual Costs	
Preplanning Costs	\$ 263,000	\$ 214,039	\$ 48,961
Soft Costs Geotech Test/Consultant- soils testing	45,000	30,000	15,000
Site Preparation- (Footprint)	649,020	639,274	9,746
Off-Site work- (External to footprint)	1,433,604	1,429,320	4,284
New Construction Contracts- Surgical Addition and Main Entranc	21,016,012	21,016,012	-
Modernization- Surgical Addition and Main Entrance	6,359,207	6,359,207	-
Total Contingency Costs	2,735,927	2,047,395	688,532
Soft Costs Professional fees	2,308,505	2,238,406	70,099
Soft Costs Consulting Fees/ Building	1,489,876	1,247,090	242,786
Furniture Furnishings Equipment	6,744,464	3,769,013	2,975,451
Technology/Information systems	1,500,000	896,155	603,845
Other Costs to be Capitalized	150,000	66,000	84,000
LOC/Bond expense	890,700	252,000	638,700
Interest expense	7,140,445	690,293	6,450,152
<b>Total Project Costs</b>	<b>\$ 52,725,760</b>	<b>\$ 40,894,204</b>	<b>\$ 11,831,556</b>
Cash and Securities	\$ 16,225,760	\$ 4,394,204	\$ 11,831,556
Tax Exempt Revenue Bonds	36,500,000	36,500,000	-
<b>Total Sources of Funds</b>	<b>\$ 52,725,760</b>	<b>\$ 40,894,204</b>	<b>\$ 11,831,556</b>

See notes to Schedule of Project Costs and Sources of Funds for Project No. 14-028

## **Copley Memorial Hospital, Inc.**

Notes to Schedule of Project Costs and Sources of Funds for Project No. 14-028  
Period from October 7, 2014 (date of certificate of need permit approval) to October 1, 2019

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### **Note 1. Description of Project**

The Illinois Health Facilities and Services Review Board (HFSRB) approved Project No. 14-028 Copley Memorial Hospital Aurora (the "Project") on October 7, 2014, and issued a permit in the amount of \$52,725,760 to applicant Copley Memorial Hospital, Inc., Rush-Copley Medical Center, Inc. and Rush University Medical Center with an anticipated completion date of December 31, 2018. On December 15, 2018, HFSRB approved a permit extension to December 31, 2019. The Project was completed on October 1, 2019.

The project purpose was to modernize and expand the surgical suite, replace and expand PACU Recovery Phase I, modernize and expand surgical prep Phase II recovery stations, replace inpatient endoscopy, and modernize central sterile supply. In addition non clinical areas were modernized including new construction of the main entrance and public lobby, renovation of the chapel and improvements to the mechanical infrastructure.

### **Note 2. Basis of Presentation**

The Schedule was prepared for the purposes of complying with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and Title 77 Administrative Code 1130.770 "Project Completion, Final Realized Costs and Cost Overruns", and is not intended to be a complete presentation of Copley Memorial Hospital's sources and uses of funds, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, the Schedule is not intended to be a complete presentation of Copley Memorial Hospital's sources and uses of funds in conformity with accounting principles generally accepted in the United State of America.

The Schedule is presented on the accrual basis of accounting. The amounts presented in the Schedule only related to Project No. 14-028.

### **Note 3. Subsequent Events**

Management of Copley Memorial Hospital has evaluated events for possible measurement and/or disclosure effects on the Schedule through October 31, 2019.