



O'Fallon, IL
HSHS St. Elizabeth's Hospital

Effingham, IL
HSHS St. Anthony's
Memorial Hospital

Breese, IL
HSHS St. Joseph's Hospital

Greenville, IL
HSHS Holy Family Hospital

Highland, IL
HSHS St. Joseph's Hospital

November 29, 2018

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

RE: Project 14-044
St. Elizabeth's Health Center (MOB)
Finalized Realized Cost Report

Dear Ms. Avery:
Please be advised that the above referenced project has a project completion date of August 31, 2018, pursuant to the permit renewal approved in October 5, 2017, and that the project has been completed.

Enclosed is the Smith Brown Wallace report of final realized project costs of \$24,050,686, which is below the approved permit amount.

Please be advised that the undersigned hereby certify that the final realized 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; and there has been compliance with all terms of the permit to date, including project costs, square footage, services, etc.

Sincerely,

Patti Fischer
President and CEO

CC: Daniel Lawler
Susan Beeler Holloway

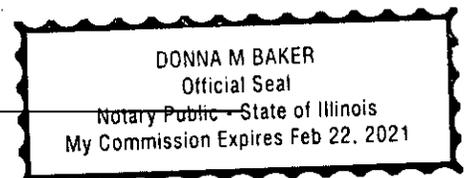
Attachments: Finalized Realized Cost Submittal for Project 14-044
State of Illinois
County of St. Clair

224 West Garfield
Belleville, IL 62220
P.618-234-2120
www.hshs.org

Affiliates of
Hospital Sisters
Health System

This instrument was acknowledged before me on Nov. 29, 2018 by

Notary Public



RECEIVED

NOV 30 2018

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**ST. ELIZABETH'S HOSPITAL OF THE HOSPITAL
SISTERS OF THE THIRD ORDER OF ST. FRANCIS,
HOSPITAL SISTERS SERVICES, INC. AND HOSPITAL
SISTERS HEALTH SYSTEM**

SCHEDULE OF PROJECT COST AND SOURCES OF
FUNDS FOR PROJECT NO. 14-044
WITH
INDEPENDENT AUDITOR'S REPORT

AUGUST 31, 2018

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Independent Auditor's Report

The Board of Directors of
St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis,
Hospital Sisters Services, Inc. and
Hospital Sisters Health System
To the Illinois Health Facilities and Services Review Board

Report on the Schedule

We have audited the Schedule of Project Cost and Sources of Funds for Project No. 14-044 (the "Schedule") of St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Services, Inc. and Hospital Sisters Health System for the period April 21, 2015 through August 31, 2018 and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance 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, Final Realized Costs and Cost Overruns;" this includes 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 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 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 the Company'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 Company'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, pursuant 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, Final Realized Costs and Cost Overruns."

Opinion

In our opinion, the Schedule referred to above, presents fairly, in all material respects, the Project Costs and Sources of Funds for Project No. 14-044 of St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Services, Inc. and Hospital Sisters Health System as of August 31, 2018, in accordance 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, Final Realized Costs and Cost Overruns."

Restricted Use

The report is intended solely for the information and use of the Board of Directors and management of St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Services, Inc. and Hospital Sisters Health System and the Illinois Health Facilities and Service Review Board and is not intended to be and should not be used by anyone other than these specified parties.

Brown Smith Wallace, LLP

St. Louis, Missouri
November 28, 2018

ST. ELIZABETH'S HOSPITAL HSHS

Schedule of Project Cost and Sources of Funds for Project No. 14-044

Period from April 21, 2015 to August 31, 2018

(See Independent Auditor's Report)

	Approved Project Costs/Sources	Actual Project Costs/Sources	Over (Under) Budget
Uses of Funds			
Preplanning costs	\$ 719,932	\$ 371,304	\$ (348,628)
Site survey and soil investigation	33,261	71,343	38,082
Site preparation	2,901,598	1,078,986	(1,822,612)
Off site work	1,082,404	1,463,097	380,693
Architectural/Engineering fees	879,654	632,268	(247,386)
Consulting and other fees	2,023,988	2,282,180	258,192
Moveable or other equipment	5,517,249	4,116,464	(1,400,785)
Bond issue expense (project related)	168,493	-	(168,493)
Net interest expense during construction (project related)	1,519,027	1,119,830	(399,197)
Fair market value of leased space or equipment	13,780,172	10,451,474	(3,328,698)
Other costs to be capitalized	5,617,816	2,461,360	(3,156,456)
Total Uses of Funds	\$ 34,243,594	\$ 24,048,306	\$(10,195,288)
Sources of Funds			
Cash and securities	\$ 9,337,846	\$ 10,265,147	\$ 927,301
Gifts and bequests	299,470	-	(299,470)
Bond issues (project related)	24,606,278	-	(24,606,278)
Other Sources (construction loan proceeds)	-	13,783,159	13,783,159
Total Sources of Funds	\$ 34,243,594	\$ 24,048,306	\$(10,195,288)

ST. ELIZABETH'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, HOSPITAL SISTERS SERVICES, INC. AND HOSPITAL SISTERS HEALTH SYSTEM

Notes to the Schedule

August 31, 2018

Note A - Purpose of the Audit

The accompanying Schedule of Project Cost and Sources of Funds for Project No. 14-044 (the "Schedule") has been prepared in accordance with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770(c)(b) "Project Completion, Final Realized Costs and Cost Overruns." This presentation was prepared for the purpose of complying with the reporting requirements of St. Elizabeth's Hospital of the Hospital Sisters of the Third Order of St. Francis, Hospital Sisters Services, Inc. and Hospital Sisters Health System (the "Co-applicants") for project 14-044 to the Illinois Health Facilities and Services Review Board ("IHFSRB") upon the project's completion and is presented in conformity with accounting principles generally accepted in the United States of America.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Schedule has been prepared and compiled in a manner consistent with the accrual basis such that, whereas necessary, management has made estimates for final payment as of the date of this report. The "Approved Project Costs/Sources" represents the respective amounts approved by the IHFSRB and the "Actual Project Costs/Sources" represent the actual project costs incurred and actual sources used to fund Project No. 14-044.

Use of Estimates

The preparation of the Schedule in conformity with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770(c)(b) "Project Completion, Final Realized Costs and Cost Overruns" requires management to make estimates and assumptions that affect reported amounts of the use of funds during the reporting period.

The primary estimates used by management in the preparation of the Schedule include the allocation of costs incurred that simultaneously benefited both Project No. 14-044 and the concurring Project No. 14-043. Costs were generally allocated between each project based on square footage. The fair market value of leased space was based on the actual direct costs and an allocation of indirect costs incurred by the developer in constructing the building.

ST. ELIZABETH'S HOSPITAL OF THE HOSPITAL SISTERS OF THE THIRD ORDER OF ST. FRANCIS, HOSPITAL SISTERS SERVICES, INC. AND HOSPITAL SISTERS HEALTH SYSTEM

Notes to the Schedule - Continued

August 31, 2018

Note C - Project Description

The project represented by these expenditures was for the relocation of selected hospital services into leased space in an Ambulatory Care Center/Physician Office Building at One St. Elizabeth's Boulevard, O'Fallon, Illinois. The application was filed with the IHFSRB, received on August 26, 2014, approved by IHFSRB on April 21, 2015, and project was deemed substantially complete as of August 31, 2018.

Note D - Subsequent Events

In preparing the Schedule, St. Elizabeth's Hospital HSHS has evaluated events and transactions for potential recognition or disclosure through November 28, 2018, the date the Schedule was available to be issued.