



Winning the fight against cancer, every day.

February 23, 2016

Via Overnight Carrier

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

Re: Annual Progress Report
Midwestern Regional Medical Center, Inc.
Project #14-055 (the "Project")

RECEIVED

FEB 26 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Dear Ms. Avery:

Midwestern Regional Medical Center, Inc. respectfully submits our first annual progress report on the Project referenced above. On January 27, 2015 the Review Board granted our permit to modernize our hospital in Zion through construction of four (4) additional floors adjacent to our recently constructed bed tower. Since Board approval the Project has progressed well and remains on schedule and within budget.

1. Current status of the Project:
 - Obligation: The Project was timely obligated on May 15, 2015 with the signing of a construction contract with Riley Construction Company.
 - Percentage of the Project finished: Floors 3 – 6 exterior about 95% complete.
 - Components of Project finished All Floors are completed as scheduled with a few pending items and punch list.
 - Components yet to be finished: Installation of equipment; furniture and accessories are yet to be complete.
 - Changes in scope and size: The Project remains substantially in compliance with the scope of the permit as approved by the Review Board. It is within the CON approved budget and has not changed in size or function from the approved CON.
2. Cost:

Cost incurred to December 31, 2015: An itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown below:

Permit No. 14-055

Annual Report

Project #14-055

February 23, 2016

	As of December 31, 2015	Forecast Final	As Reported C.O.N Permit
Preplanning Costs	160,790.28	160,790.28	153,000.00
Site Survey and Soil Investigation	-	-	-
Site Preparation	105,091.69	105,091.69	100,000.00
Off Site Work	-	-	-
New Construction Contracts	6,384,106.95	13,063,880.00	11,910,147.00
Modernization Contracts			
Contingencies			789,773
Architectural/Engineering Fees	865,038	902,596	831,637
Consulting and Other Fees	85,556	162,799	150,000
Movable or Other Equipment (not in construction contracts)	4,998	1,205,129	1,698,409
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
	7,605,581.13	15,600,285.97	15,632,966.00

3. Method of Financing the Project and Sources of Funds:

Project costs will continue to be paid from internal sources secured by Performance Bond. A condition of the Permit was that we supply the promised Performance Bond within 60 days of permit approval. That Performance Bond issued by Fidelity and Deposit Company of Maryland Zurich American Insurance was timely provided to the Board and remains in effect.

4. Anticipated Date of Completion:

We anticipate the Project to be substantially complete by June 2016.

Please contact me at if you have any questions regarding this report.

Sincerely,



Cecilia Taylor
Chief Financial Officer

cc: Philip L. Kaufman, CPA

Robert Klasek

Joe Ourth