

by FedEX

July 11, 2019

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

**RECEIVED**

JUL 12 2019

**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

RE: Report of Final Realized Costs - Project #15-040  
Rockford Memorial Hospital – Riverside Boulevard Campus  
Medical Clinics Building

Dear Ms. Avery:

Pursuant to 77 Illinois Administrative Code 1130.770, this letter serves as the report of the final realized costs of the above-referenced project. The Permit was issued on November 18, 2015 to establish a new medical clinics building. The approved permit amount was \$73,027,081 and the project completion date was January 7, 2019.

The project was brought to conclusion with the initiating of patient care on January 7, 2019, and the total incurred cost was \$53,374,898.

With the signature below, I hereby certify that the final realized costs, as itemized, are the total costs required to complete the project, and that there are no additional or associated costs or capital expenditures related to the project. Further, I hereby certify that the project has been completed with all terms of the permit to date, including project cost, square footage, and services to be provided.

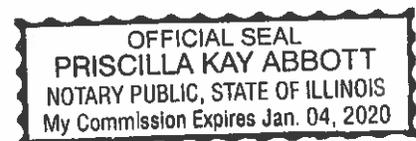
Attached please find a table, comparing the project's costs as identified in the Certificate of Need application to realized costs, an independent audited financial report of all project costs and sources of funds, and the Final Application and Certification for Payment for the construction contract.

Please note that as stated in the annual report which was submitted on December 26, 2018, the legal name of Rockford Memorial Hospital is now "Javon Bea Hospital."

Should you need any additional information, please contact me at (507) 254-9746 or [jbenning@mhemail.org](mailto:jbenning@mhemail.org).

Sincerely,

  
Joanna Benning  
Vice President of Facilities



attachment

Notarized: *Priscilla Kay Abbott - July 11, 2019*

**Odell Hicks & Company LLC**  
Certified Public Accountants

Mercy Health Corporation

Illinois Health Facilities and Services Review Board  
Javon Bea Physician Clinic- Riverside  
IHFSRB Project #15-040  
Project Costs Report

For the Period November 18, 2015 to January 7, 2019

(With Independent Auditor's Report Thereon)

INDEPENDENT AUDITOR'S REPORT

Mercy Health Corporation and the  
Illinois Health Facilities and Services Review Board:

We have audited the accompanying Project Costs Report of Mercy Health Corporation - Javon Bea Physician Clinic- Riverside (Report) which comprise the project costs for the period November 18, 2015 to January 7, 2019 and the related notes.

**Management's Responsibility for the Project Costs Report**

Management is responsible for the preparation and fair presentation of the Report for the purpose of complying with the terms of the Illinois Health Facilities Planning Act; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report 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 entity'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 Report.

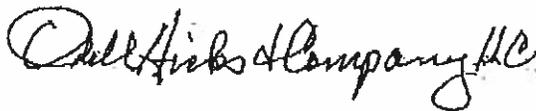
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Odell Hicks & Company LLC**  
Certified Public Accountants

**Opinion**

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act and is not intended to be a complete presentation of Mercy Health Corporation - Javon Bea Physician Clinic- Riverside's 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 Mercy Health Corporation - Javon Bea Physician Clinic- Riverside as of January 7, 2019 and for the period November 18, 2015 to January 7, 2019.



Odell Hicks & Company LLC

Chicago, Illinois  
July 11, 2019

MERCY HEALTH CORPORATION

Illinois Health Facilities and Services Review Board  
Javon Bea Physician Clinic- Riverside  
IHFSRB Project #15-040  
Project Costs Report

For the Period November 18, 2015 to January 7, 2019

	<u>Final Funds Expended</u>
<b>Project Costs</b>	
Preplanning Costs	\$ 67,500
Site Survey and Soil Investigation	678,740
New Construction Contracts	36,622,060
Architectural and Engineering Fees	2,185,958
Consulting and Other Fees	575,128
Movable or Other Equipment	11,269,107
Other Costs Capitalized	<u>532,647</u>
 Total Construction Related	 <u>51,931,140</u>
 Bond Issuance Expense	 364,568
Net Interest Expense During Construction	<u>5,079,190</u>
 Total Finance Related	 <u>5,443,758</u>
 Total Project Costs	 <u>\$ 57,374,898</u>
 <b>Sources of Funds</b>	
Cash and Securities	\$ 11,828,477
Bond Issue	<u>45,546,421</u>
 Total Funds	 <u>\$ 57,374,898</u>

Mercy Health Corporation

Illinois Health Facilities and Services Review Board  
Javon Bea Physician Clinic- Riverside  
IHFSRB Project #15-040  
Project Costs Report

Period November 18, 2015 to January 7, 2019

NOTE 1 – DESCRIPTION OF PROJECT

The project is the establishment of a medical clinics building (MCB) on the RMH-Riverside campus, which will be physically connected to the proposed hospital facility (Project 15-039). Approximately 50% of the space in the medical clinics building will be used as physicians' offices, with the remainder being allocated for a limited scope of outpatient services, administrative functions and support and public areas.

On November 18, 2015, the Illinois Health Facilities and Services Review Board approved the application for permit for the above referenced project. This approval was based upon the substantial conformance with the applicable standards and criteria in the Illinois Health Facilities Planning Act (20 ILCS 3960) and 77 Illinois Administrative Codes 1110 and 1120.

Work for the project was initiated on November 18, 2015. The Certificate of Need (CON) approved total cost for the project was \$68,585,763. An alteration for the project was submitted on July 14, 2016 to increase the total project amount to \$73,027,081. On October 25, 2016, the IHFSRB approved the alteration request. The actual total cost of the project was \$57,374,898, \$15,652,183 less than budgeted.