

BY FEDERAL EXPRESS

Ms. Courtney Avery
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED
NOV 27 2019
HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Carle Foundation Hospital, Project # 17-011 Final Report

Dear Ms. Avery:

Below is the final report for Carle Foundation Hospital's CON permit for project 17-011. The CON permit for this building was approved on June 20, 2017.

Project Completion

The project completion date of record is August 31, 2019.

Cost Report and Supporting Documentation

In compliance with Section 1130.770 of the Illinois Health Facilities and Services Review Board rules, this letter and its enclosures contain the supporting documentation as required relating to project completion and the associated costs and sources of funds.

Itemization of Project Costs and Sources of Funds

Total project costs were \$66,254,634. The Project Costs table below provides an itemized listing showing the Approved Permit Amount and the Final Realized Costs.

	Approved Permit Amount	Cost Incurred to Date
PROJECT COSTS		
Preplanning Costs	\$256,494	\$587,792
Site Survey and Soil Investigation	\$51,299	\$0
Site Preparation	\$4,616,893	\$7,523,081
Off Site Work	\$512,988	\$0
New Construction Contracts	\$44,116,981	\$46,697,749
Modernization Contracts	\$0	\$0
Contingencies	\$4,765,660	\$0
Architectural/Engineering Fees	\$3,180,527	\$2,510,695
Consulting and Other Fees	\$1,025,976	\$262,424
Movable or Other Equipment (not in construction contracts)	\$6,155,858	\$6,024,681
Bond Issuance Expense (project related)	\$1,456,886	\$269,514
Net Interest Expense During Construction (project related)	\$512,988	\$531,249

Fair Market Value of Leased Space or Equipment	\$0	\$0
Other Costs To be Capitalized	\$1,847,449	\$1,847,449
Acquisition of Building or Other Property (excluding land)	\$0	\$0
ESTIMATED TOTAL PROJECT COSTS	\$68,500,00	\$66,254,634

Method of Financing of the Project

The Project Sources of Funds table below provides a listing of the sources of funding of the project.

PROJECT SOURCES OF FUNDS	Original Amount	Funds Expended to Date
Cash and Securities	\$36,652,551	\$39,120,280
Pledges	\$0	\$0
Gifts and Bequests	\$0	\$0
Bond Issues (project related)	\$30,000,000	\$25,286,905
Mortgages	\$0	\$0
Leases (fair market value)	\$0	\$0
Governmental Appropriations	\$0	\$0
Grants	\$0	\$0
Other Funds and Sources	\$1,847,449	\$1,847,449
TOTAL FUNDS	\$68,500,000	\$66,254,634

Please note that the internal cash management policies of the permit holder are such that cash outlays were sometimes made for this project, which were subsequently submitted for reimbursement from bond funds. When that occurs, the line items on the project are adjusted accordingly. Therefore, there may be differences in the figures above when compared to prior annual report data.

Titles XVIII and XIX

This letter certifies that the reported final realized costs 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 that will be submitted for reimbursement under Titles XVIII or XIX.

Certification of Compliance

This letter certifies that the project is in compliance with all of the terms of the associated permit.

Application and Certification for Payment

The final AIA Applications and Certifications for Payment for the construction contracts of the project (Form G702) are attached. Please note that the contract sum on the G702s is less than the New Construction Contracts amount above because some costs for generators and other items to be shared with the adjacent ASTC were included in the ASTC’s construction contract. The amount

above reflects the new construction contracts allocated to the medical office buildings as itemized in the purchase order.

Audited Financial Report

An audited financial report of the project's final realized costs and sources of funds completed by the independent firm of KPMG, LLP is attached.

If you have any questions or concerns about this project, please feel free to contact Collin Anderson at 217-902-5521.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Hesch", written in a cursive style.

Dennis Hesch
Executive Vice President and System Chief Financial Officer

Cc: Mr. Michael Constantino, Ms. Kara Friedman



**THE CARLE FOUNDATION
URBANA, ILLINOIS**

**Illinois Health Facilities Planning Board
IHFPB Project #17-011**

Project Costs and Sources of Funds Report

Period from June 20, 2017 through September 30, 2019

(With Independent Auditors' Report Thereon)



Basis of Accounting

We draw attention to Note (1) of the Report, which describes the basis of accounting. As described in Note (1), of the Report, the Report is prepared by The Carle Foundation on the basis of the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1110 and 1120, which is a basis of accounting other than U.S. generally accepted accounting principles, to meet the requirements of the Illinois Health Facilities and Services Review Board. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of The Carle Foundation 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.

KPMG LLP

Chicago, Illinois
November 21, 2019

**THE CARLE FOUNDATION
URBANA, ILLINOIS**

Illinois Health Facilities Planning Board
IHFBP Project #17-011

Notes to Schedule of Project Costs and Sources of Funds Report
Period from June 20, 2017 through September 30, 2019

(1) Purpose of the Audit

The accompanying Schedule of Project Costs and Sources of Funds for Project #17-011 (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 (d) (5) "Project Completion, Finalized Realized Cost Overruns." This presentation was prepared for the purpose of complying with the reporting requirements of The Carle Foundation for Project #17-011 to the Illinois Health Facilities and Services Review Board (IHFSRB) and to the Board of Trustees of Carle upon the project's completion.

(2) Summary of Significant Accounting Policies

The Schedule has been prepared and compiled in a manner consistent with an accrual basis of accounting such that whereas necessary, management has made estimates for the final payment as of the date of this report. The "Approved Project Costs/Sources" present the respective amounts approved by the IHFSRB and the "Actual Project Costs/Sources" represent the respective actual project costs incurred and actual sources used to fund Project #17-011.

(3) Project Costs and Sources of Funds Report

The Carle Foundation was issued a permit to construct an outpatient medical office building (MOB) to accommodate physician medical offices and exam rooms, offering an array of physician related ancillary services. The application was filed with the IHFSRB on March 24, 2017 and approved at a public hearing on June 20, 2017. Actual total costs for Project #17-011 were \$66,254,634, which was \$2,245,366 under the Certificate of Need Permit budget.

Other Costs to be Capitalized of \$1,847,449 represents the approximate net book value of the assets determined at the time of CON application submission that were transferred to the new ambulatory surgery center. This amount was offset by a corresponding Project Source of Funds, Other Funds and Sources of \$1,847,449 in the accompanying Schedule of Project Costs and Sources of Funds.

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 59177

To Owner: Carle Foundation Hospital
 611 W Park Street
 Urbana, IL 61801

Project: 517022- Carle Foundation Hospital
 Specialty Medical Office Building

Application No.: 22

Period To: 10/31/2019

From Contractor: Berglund Construction
 8410 S South Chicago Avenue
 Chicago, IL 60617

Via Architect: Eckenhoff Saunders Architects, Inc. (ESA)
 130 E Randolph, Suite 1850
 Chicago IL 60601

Contract No.: _____

Distribution to:
 Owner
 Architect
 Contractor

Contract Fee:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Confirmation Sheet is attached.

1. Original Contract Sum \$20,501,323.00
2. Net Change By Change Order \$4,603,023.00
3. Contract Sum To Date \$25,104,346.00
4. Total Completed and Stored To Date \$25,104,346.00
5. Retainage:
 - a. 0.00% of Completed Work \$0.00
 - b. 0.00% of Stored Material \$0.00
 Total Retainage \$0.00
6. Total Earned Less Retainage \$25,104,346.00
7. Less Previous Certificates For Payments \$24,450,033.00
8. Current Payment Due \$654,313.00
9. Balance To Finish, Plus Retainage \$0.00

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 payments herein is now due.

CONTRACTOR: Berglund Construction

Declassified by: Kevin G. Suvender Date: 11/11/2019
 Commission Number NP0715550

State of Illinois
 Subscribed and sworn to before me this 11th day of November, 2019
 Notary Public: [Signature]
 My Commission Expires 11/11/2019

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 \$ 654,313.00

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

ARCHITECT:

By: _____ Date: _____

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.

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$4,572,112.00	\$0.00
Total Approved this Month	\$82,490.00	\$1,579.00
TOTALS	\$4,604,602.00	\$1,579.00
Net Changes By Change Order	\$4,603,023.00	

APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 59178

To Owner: **Carle Foundation Hospital** Project: **517023- Carle Foundation Hospital**
611 W Park Street **Christie Clinic Medical Office Bldg**
 Urbana, IL 61801

From Contractor: **Berglund Construction** Via Architect: **Eckenhoff Saunders Architects, Inc. (ESA)**
8410 S South Chicago Avenue **130 E Randolph, Suite 1850**
Chicago, IL 60617 **Chicago IL 60601**

Contract Fax: _____

Application No.: **22** Period To: _____

Distribution to:
 Owner Architect
 Contractor

CONTRACTOR'S APPLICATION FOR PAYMENT

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

- 1. Original Contract Sum \$19,895,432.00
- 2. Net Change By Change Order \$1,886,619.00
- 3. Contract Sum To Date \$21,562,051.00
- 4. Total Completed and Stored To Date \$21,562,051.00

5. Retainage:
- a. 0.00% of Completed Work \$0.00
 - b. 0.00% of Stored Material \$0.00

Total Retainage \$0.00

6. Total Earned Less Retainage \$21,562,051.00

7. Less Previous Certificates For Payments \$21,371,862.00

8. Current Payment Due \$190,189.00

9. Balance To Finish, Plus Retainage \$0.00

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	\$1,670,068.00	\$0.00
Total Approved this Month	\$0.00	\$3,449.00
TOTALS	\$1,670,068.00	\$3,449.00
Net Changes By Change Order	\$1,666,619.00	

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 hereath is now due.

CONTRACTOR: **Berglund Construction**

Decalsigned by: *Kevin Gschwend* Date: 11/19/2019

State of *Indiana* County of *Porter*
 Subscribed and sworn to before me this *19th* day of *November* 20*19*
 Notary Public: *Amy Bynum Wilens*
 My Commission expires: *November 2019*

AMY BRYNN WILSENS
NOTARY PUBLIC
STATE OF INDIANA
 MY COMMISSION EXPIRES AUG. 29, 2024

AMOUNT CERTIFIED \$ **190,189.00**

(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: _____

By: _____ Date: _____

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.