



Adventist
Hinsdale Hospital
Keeping you well

AMITA HEALTH

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

VIA FedEx

September 30, 2016

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

**RE: Notice of Project Completion and
Final Realized Cost Report
Adventist Cancer Institute
Hinsdale, Illinois
Project #12-078**

Dear Ms. Avery:

Please be advised that the above-referenced project was completed on May 23, 2016.

The above-referenced Permit was issued by the IHFSRB on February 5, 2013. An alteration to the Permit, limited to a reallocation of space, without alteration to the approved project amount was granted on March 18, 2015; and on April 21, 2015 a Permit Renewal was granted, providing for a June 30, 2016 project completion date.

The project has been completed consistent with the project description, as approved through the March 18, 2015 alteration, and consistent with the Permit renewal. The approved project cost was \$48,004,041; and as confirmed in the attached document, the project was completed for \$47,172,854.

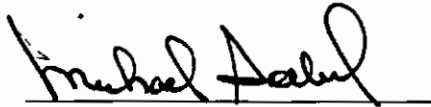
Enclosed are: 1) a comparison the approved costs and funding to those incurred; 2) confirmation of the final payment; 3) a copy of the Final Application and Certification for Payment for the construction component of the project; and 4) an independently audited report of all project costs and sources of funds.

Please be advised that the undersigned hereby certify that:

- the final realized costs, as itemized in the attached documents, represent the total costs required to complete the project and that there are no additional or associated costs or capital expenditures related to the project;
- the project has been completed compliant with all terms of the Permit and its subsequent approved alteration, including project cost, square footage and services to be provided
- all of the identified project costs have been submitted for reimbursement under Title XVIII and XIX; and
- there are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Title XVIII and XIX.

Sincerely,

Michael J. Goebel
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Michael Goebel", is written over a horizontal line.

Notarized:

Attachments

cc: James Today, AVP Construction & Support Services

**Comparison of Approved Project Costs and Sources of Funds
to
Realized Project Costs and Sources of Funds to be Submitted for Reimbursement
under Title XVIII and XIX**

	Approved per Permit	Realized Amount
Project Costs:		
Preplanning Costs	\$45,000	\$38,572
Site Survey & Soil Investigation	\$35,000	\$92,307
Site Preparation	\$1,199,829	\$1,701,010
Off-Site Work		
New Construction Contracts	\$21,842,072	\$19,603,725
Modernization Contracts		
Contingencies	\$1,953,980	--
Architectural/Engineering Fees	\$1,327,020	\$1,976,759
Consulting and Other Fees	\$1,753,535	\$2,035,014
Movable or Other Equipment	\$15,266,939	\$17,130,142
Bond Issuance Expense		
Net Interest Expense During Const.	\$820,008	\$1,046,977
FMV of Leased Space or Equip.		
Other Costs to be Capitalized	\$3,760,658	\$3,548,348
Acquisition of Building or Other Property (excl. land)		
TOTAL PROJECT COST	\$48,004,041	\$47,172,854
Sources of Funds		
Cash and Securities		
Pledges	\$12,000,000	\$6,000,000
Gifts and Bequests		
Bond Issues (project related)	\$36,004,041	\$41,172,854
Mortgages		
Leases (fair market value)		
Government Appropriations		
Grants		
Other Funds and Sources		
TOTAL FUNDS	\$48,004,041	\$47,172,854

ADVENTIST MIDWEST HEALTH

Illinois Health Facilities and Services Review Board

Project #12-078 - Adventist Cancer Institute
Project Cost Report

For the Period February 5, 2013 to May 23, 2016
(With Independent Auditor's Report Thereon)



ADVENTIST MIDWEST HEALTH
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Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of
Adventist Midwest Health and to the
Illinois Health Facilities and Services
Review Board

We have audited the accompanying Project #12-078 - Adventist Cancer Institute Project Cost Report of Adventist Midwest Health for the period February 5, 2013 to May 23, 2016, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this cost report in accordance with accounting principles generally accepted in the United States of America; 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 this cost report 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 cost report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the cost report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the cost 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 cost report.

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 Project #12-078 - Adventist Cancer Institute Project Cost Report referred to above presents fairly, in all material respects, the project costs for Project #12-078 for Adventist Midwest Health's Adventist Cancer Institute for the period February 5, 2013 to May 23, 2016, in accordance with accounting principles generally accepted in the United States of America.

Sikich LLP

Naperville, Illinois
September 21, 2016

ADVENTIST MIDWEST HEALTH

Illinois Health Facilities and Services Review Board

Project #12-078 - Adventist Cancer Institute Project Cost Report

Period from February 5, 2013 to May 23, 2016

	CON Permit	Final Funds Expended	Funds Expended Under (Over) CON Permit
COSTS			
Pre-Planning Costs	\$ 45,000	\$ 38,572	\$ 6,428
Site Survey and Soil Investigation	35,000	92,307	(57,307)
Site Preparation	1,199,829	1,701,010	(501,181)
New Construction Contracts	21,842,072	19,603,725	2,238,347
Contingencies	1,953,980	-	1,953,980
Architectural/Engineering Fees	1,327,020	1,976,759	(649,739)
Consulting and Other Fees	1,753,535	2,035,014	(281,479)
Moveable or Other Equipment	15,266,939	17,130,142	(1,863,203)
Net Interest Expense During Construction	820,008	1,046,977	(226,969)
Other Costs Capitalized	3,760,658	3,548,348	212,310
TOTAL PROJECT COSTS	<u>\$ 48,004,041</u>	<u>\$ 47,172,854</u>	<u>\$ 831,187</u>

ADVENTIST MIDWEST HEALTH

Illinois Health Facilities and Services Review Board

Project #12-078 - Adventist Cancer Institute Project Cost Report

For the Period February 5, 2013 to May 23, 2016

1. DESCRIPTION OF PROJECT

Adventist Midwest Health was issued a permit to establish the Adventist Cancer Institute in Hinsdale, Illinois. The facility includes approximately 54,000 square feet of clinical and nonclinical space, and the facility contains the following services: radiation oncology, medical oncology, diagnostic imaging, pharmacy, laboratory, and exam rooms. The project was approved by the Illinois Health Facilities and Services Review Board on February 5, 2013. Work on the project was initiated on January 1, 2014 with the execution of a contract for construction. The project was originally budgeted at \$48,004,041. However, the actual cost of the project was \$47,172,854, which was \$831,187 less than budgeted. The project was completed on May 23, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The cost report has been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America.

Use of Estimates in the Preparation of the Cost Report

The process of preparing the cost report in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of costs at the date of the cost report. Actual results could differ from those estimates.

Subsequent Events

Subsequent events are events or transactions that occur after the cost report date but before the cost report is issued or available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the cost report, including the estimates inherent in the process of preparing the cost report (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the cost report but arose after that date (that is, nonrecognized subsequent events).

Management has evaluated subsequent events through September 21, 2016, which was the date that the cost report was available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.

ADVENTIST MIDWEST HEALTH
Illinois Health Facilities and Services Review Board
Project #12-078 - Adventist Cancer Institute
Project Cost Report (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capitalized Interest

Interest costs charged to the project amounted to \$1,046,977. Interest was capitalized using a rates ranging from 3.9% to 4.9% per month over the construction period based on the costs completed to date.

AIA® Document G701™ – 2001

Change Order

PROJECT (Name and address):	CHANGE ORDER NUMBER: 017	OWNER: ☒
Hinsdale Hospital - Adventist Cancer Institute	DATE: July 1, 2016	ARCHITECT: ☒
421 East Ogden Avenue		CONTRACTOR: ☒
Hinsdale, IL 60521		FIELD: ☐
TO CONTRACTOR (Name and address):	ARCHITECT'S PROJECT NUMBER: / B&A #: 112238	OTHER: ☐
Bulley & Andrews, LLC	CONTRACT DATE: March 6, 2013	
1755 West Armitage Avenue	CONTRACT FOR: General Construction	
Chicago, IL 60622		

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
 PCI0101 Final Return of Allowance/Contingency Savings... (\$261,071.95)

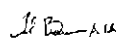
The original Contract Sum was	\$	6,404,103.00
The net change by previously authorized Change Orders	\$	21,682,693.00
The Contract Sum prior to this Change Order was	\$	28,086,796.00
The Contract Sum will be decreased by this Change Order in the amount of	\$	261,071.95
The new Contract Sum including this Change Order will be	\$	27,825,724.05

The Contract Time will be increased by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Earl Swensson Associates, Inc.	Bulley & Andrews, LLC	Hinsdale Hospital
ARCHITECT (Firm name)	CONTRACTOR (Firm name)	OWNER (Firm name)
1033 Demonbreun Street, Suite 800	1755 West Armitage Avenue	120 North Oak Street
Nashville, TN 37203	Chicago, IL 60622	Hinsdale, IL 60521
ADDRESS	ADDRESS	ADDRESS
		
BY (Signature)	BY (Signature)	BY (Signature)
Al Bronner	Scott Hartman	Rebecca Mathis
(Typed name)	(Typed name)	(Typed name)
7/22/16	7/11/16	
DATE	DATE	DATE

BULLEY & ANDREWS

General Contractors Since 1891

1755 West Armitage Avenue
Chicago, IL 60622

Phone: (773) 235-2433
Fax: (773) 235-2471

POTENTIAL CHANGE ITEM

No. PCI0101

Project # 112238

TITLE: Final Return of Allowance/Contingency Savings

DATE: June 14, 2016

PROJECT: Adventist Cancer Institute

REVISED: June 30, 2016

TO: HINSDALE HOSPITAL AHS
120 N OAK ST
HINSDALE, IL 60521-1189

DESCRIPTION OF PROPOSAL

Final return of noted allowance / contingency savings to Owner.

PCI Summary

Phase Code	Vendor	Amount
01000	GENERAL CONDITIONS	\$-66,048.55
01040	PROJECT OVERTIME	\$-30,000.00
01152	SAFETY / FLAGGING	\$-8,707.38
01160	PROTECT FINISHES	\$-10,796.39
01182	TEMPORARY UTILITIES	\$-6,181.66
01520	BOND	\$-74,218.00
01521	SUB GUARD @ 1.5%	\$-7,811.89
06360	INSTALL OWNER FURNISHED EQUIPMENT ALLOW	\$-20,270.50
09661	FLOOR PREP ALLOWANCE	\$-1,499.72
10500	LOCKERS	\$-0.53
81999	GENERAL LIABILITY INSURANCE	\$-595.54
82000	CONTINGENCY	\$-34,941.79
---	SUBTOTAL	\$-261,071.95
---	SUBTOTAL	\$

Total: \$-261,071.95

APPROVAL:

By:

Rebecca Mathis
HINSDALE HOSPITAL AHS

By:

Scott Hartman
Bulley & Andrews LLC

Date:

Date:

BULLEY & ANDREWS
General Contractors Since 1891

September 27, 2016

James Today
Regional Associate Vice President
Amita Health
120 N. Oak Street
Hinsdale, Illinois 60521

RE: Amita Cancer Institute Final Payment

Dear Mr. Today,

Please let this letter serve as a confirmation that Bulley & Andrews, LLC received on August 17, 2016 our final payment for work completed at the Adventist Cancer Institute project. We have been paid in full for services rendered and consider this project closed.

Should you have any questions, please feel free to contact me at 773-235-2433 or via e-mail at shartman@bulley.com

Respectfully,



Scott R. Hartman
Senior Project Manager
Bulley & Andrews, LLC

cc: Ray Wojkovich, Bulley & Andrews, LLC