

October 27, 2017

BY FEDEX OVERNIGHT MAIL

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

RECEIVED

OCT 30 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

**Re: Report of Final Realized Costs
Project # 12-092
Rehabilitation Institute of Chicago
Permit Amount: \$522,744,866**

Dear Ms. Avery:

This letter is intended to fulfill the requirements of the Illinois Health Facilities Planning Act 20 ILCS 3960 and 77 Illinois Administrative Code 1130.770(d) (5) for the above referenced project. Notification that the project was completed prior to the project completion date identified in the Permit letter was sent via overnight courier to your office on March 28, 2017. On July 12, 2017, the Illinois Health Facilities and Services Review Board approved the Rehabilitation Institute of Chicago's request for permit renewal and renewed the permit until November 1, 2017.

Permit 12-092 was issued by the Illinois Health Facilities and Services Review Board on February 5, 2013, and addressed the discontinuation of a 182-bed rehabilitation hospital located at 345 East Superior Street in Chicago and the establishment of a 242-bed rehabilitation hospital located at 355 East Erie Street (formerly identified as 630 North McClurg Court) in Chicago. The approved project cost was \$522,744,866. The final cost, as documented herein, was \$517,332,266 which was under budget; and the project was completed consistent with all other pertinent parameters and terms of the Permit.

Attached, please find the following:

- certification that the final realized costs identified and itemized in this letter 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;
- a notarized statement, certifying compliance with all terms of the Permit to date, including project cost, square footage, and services to be provided;
- a copy of the final Application and Certification for Payment for the construction contract; and
- an audited financial report of all project costs and sources of funds.

Below is a comparison of the realized project costs and sources of funds to the project costs and sources of funds identified in the Certificate of Need application:

	Approved CON Permit Amount	Actual Project Costs
Project Cost:		
Preplanning Costs	\$ 1,669,800	\$ 1,947,956
Site Survey and Soil Investigation	38,485	47,584
Site Preparation	15,474,988	11,239,439
Off Site Work	405,187	
New Construction Contracts	318,479,967	360,239,387
Contingencies	12,885,915	
Architectural/Engineering Fees	17,120,524	25,171,432
Consulting and Other Fees	46,530,000	34,039,478
Movable and Other Equipment	73,440,000	54,400,282
Bond Issuance Expense (project related)	3,050,000	3,432,859
Net Interest Expense During Construction Period	19,850,000	26,813,849
Fair Market Value of Leased Space or Equipment	<u>13,800,000</u>	
TOTAL USES OF FUNDS	\$ 522,744,866	\$ 517,332,266
Sources of Funds:		
Cash and Securities	61,444,866	70,632,540
Pledges Gifts and Bequests	300,000,000	300,000,000
Bond Issues (project related)	147,500,000	146,699,726
Leases (fair market value)	<u>13,800,000</u>	
TOTAL SOURCES OF FUNDS	\$ 522,744,866	\$ 517,332,266

Should you require any additional information or documentation, please do not hesitate to contact me.

Sincerely,



Edward B. Case
Executive Vice President, CFO

October 27, 2017

Illinois Health Facilities and
Services Review Board
Springfield, Illinois

To Whom It May Concern:

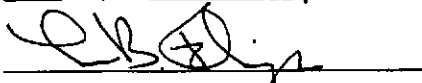
I hereby certify that the final realized costs identified and itemized in the Report of Final Realized Costs for Certificate of Need Permit 12-092 are the total project costs. I further certify that the project has been completed in compliance with all terms of the Permit, including project cost, square footage, and services to be provided.

Sincerely,



Edward B. Case
Executive Vice President, CFO

Subscribed and sworn to before me this
27 day of OCTOBER, 2017.


Notary

APPLICATION AND CERTIFICATE FOR PAYMENT

TO : Rehabilitation Institute of Chicago PROJECT : RIC New Research Hospital APPLICATION NO.: 104
 FROM: Power Construction Company, LLC ARCHITECT : HDR | Gensler PERIOD TO : AUG/31/2017
 PROJECT NO.: 52350 CONTRACT DATE : JUL/28/2011

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY		
Change Order approved in previous months by Owner	Additions	Deductions
TOTAL	430,111,360	8,202,575
APPROVED THIS MONTH	0	820-057 14,026,940
Total Job To Date	430,111,360	22,229,515

Application is made for payment, as shown below, in connection with the Contract

1. ORIGINAL CONTRACT SUM	\$ 1,342,000
2. NET CHANGE BY CHANGE ORDERS	\$ 407,881,845
3. CONTRACT SUM TO DATE	\$ 409,223,845
4. TOTAL COMPLETED & STORED TO DATE	\$ 409,223,845
5. RETAINAGE	\$ 0
6. TOTAL EARNED LESS RETAINAGE	\$ 409,223,845
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (line 6 from prior Certificate)	\$ 403,484,803
8. CURRENT PAYMENT DUE	\$ 5,739,042
9. BALANCE TO FINISH, INCLUDING RETAINAGE	\$ 0

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 herein is now due

Contractor : POWER CONSTRUCTION COMPANY, LLC

State of : Illinois County of : Cook

Subscribed and sworn to before me

This 29th day of September, 2017

By : [Signature] Date SEP/29/2017

Notary Public

[Signature]

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 Work is in accordance with the Contract Documents, and the Contractor is entitled to the payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED.....\$ 5,739,042

ARCHITECT :

By : [Signature] Date : 10/23/17

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.

Rehabilitation Institute, Inc.

Illinois Health Facilities Planning Board, IHFPB
Project #12-092, Project Costs and Sources of
Funds Report for the Period from January 1, 2011,
through July 31, 2017, and Independent Auditors'
Report



Deloitte & Touche LLP
111 S. Wacker Drive
Chicago, IL 60606
USA
Tel: +1 312 486 1000
Fax: +1 312 486 1486
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

To the Finance and Audit Committee of
Rehabilitation Institute, Inc.
Chicago, Illinois

Report on the Financial Statements

We have audited the Project Costs and Sources of Funds Report (the "Report") of the Rehabilitation Institute, Inc. for the period from January 1, 2011, through July 31, 2017, and the related notes to the Report.

Management's Responsibility for the Report

Management is responsible for the preparation and fair presentation of the Report in accordance with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and 77 Illinois Administrative Code 1130.770(d) (5) "Project Completion, Finalized Realized Cost Overruns." Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that are 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 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, Finalized Realized Cost Overruns". 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 the assessment of the risks of material misstatement of the 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 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.

Opinion

In our opinion, the Report referred to above present fairly, in all material respects, the project costs and sources of funds of Rehabilitation Institute of Chicago, Inc. for the period from January 1, 2011, through July 31, 2017, 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, Finalized Realized Cost Overruns."

Restriction on Use

Our report is intended solely for the information and use of the Finance and Audit Committee of Rehabilitation Institute, Inc. 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.

Basis of Accounting

We draw attention to Note 2 of the Report, which describes the basis of accounting. The Report is prepared in accordance with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and 77 Illinois Administrative Code 1130.770(d) (5) "Project Completion, Finalized Realized Cost Overruns," which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Deloitte + Touche LLP

Chicago, Illinois
October 27, 2017

REHABILITATION INSTITUTE, INC.

ILLINOIS HEALTH FACILITIES PLANNING BOARD IHFPB PROJECT #12-092 PROJECT COSTS AND SOURCES OF FUNDS REPORT PERIOD FROM JANUARY 1, 2011, THROUGH JULY 31, 2017

	Approved CON Permit Amounts	Actual Project Costs
Use of Funds:		
Preplanning Costs	\$ 1,669,800	\$ 1,947,956
Site Survey and Soil Investigation	38,485	47,584
Site Preparation	15,474,988	11,239,439
Off-Site Work	405,187	
New Construction Contracts	318,479,967	360,239,386
Contingencies	12,885,915	
Architectural/Engineering Fees	17,120,524	25,171,432
Consulting and Other Fees	46,530,000	34,039,479
Movable and Other Equipment	73,440,000	54,400,282
Bond Issuance Expense (project related)	3,050,000	3,432,859
Net Interest Expense During Construction Period	19,850,000	26,813,849
Fair Market Value of Leased Space or Equipment	13,800,000	
TOTAL USES OF FUNDS	\$ 522,744,866	\$ 517,332,266
Sources of Funds:		
Cash and Securities	\$ 61,444,866	\$ 70,632,540
Pledges Gifts and Bequests	300,000,000	300,000,000
Bond Issues (project related)	147,500,000	146,699,726
Leases (fair market value)	13,800,000	
TOTAL SOURCES OF FUNDS	\$ 522,744,866	\$ 517,332,266

REHABILITATION INSTITUTE, INC.

ILLINOIS HEALTH FACILITIES PLANNING BOARD IHFPB PROJECT #12-092 NOTES TO PROJECT COSTS AND SOURCES OF FUNDS REPORT PERIOD FROM JANUARY 1, 2011, THROUGH JULY 31, 2017

1. Project Costs and Sources of Funds Report (the "Report")

Rehabilitation Institute of Chicago, Inc. was issued a permit to construct a 242-bed rehabilitation hospital located at 355 East Erie Street (formerly identified as 630 North McClurg Court) in Chicago. The approved project cost was \$522,744,866. The final cost, as documented herein, were \$517,332,266 which was \$5,412,600 under budget; and the project was completed consistent with all other pertinent parameters and terms of the Permit.

2. Basis of Presentation

The Report has been prepared in accordance with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and 77 Illinois Administrative Code 1130.770(d) (5) "Project Completion, Finalized Realized Cost Overruns," which is a basis of accounting other than accounting principles generally accepted in the United States of America.

UNION PACIFIC (314) 430-0400
M. RINEHART
SHIRLEY RYAN ABILITY LAB
355 E. ERIE STREET
CHICAGO, IL 60611
UNITED STATES US

SHIP DATE: 20071111
ACTWGT: 2.00 LB
CAD: 9528579/NET13920

BILL SENDER

TO COURTNEY AVERY, ADMINISTRATOR

IL HEALTH FACILITIES & SVCS REV BD

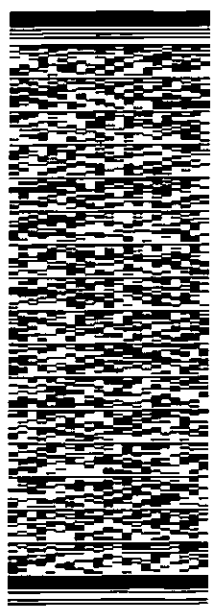
525 W JEFFERSON ST

2ND FL

SPRINGFIELD IL 62761

(217) 782-3516 REF: 0150002

PO. DEPT.



2172117851281ur

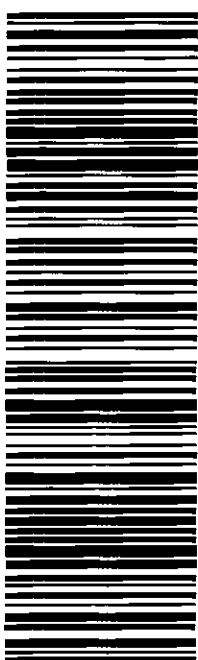
549J4/94FC104C

TRK# 7705 8423 8928
0201

THU - 26 OCT 10:30A
PRIORITY OVERNIGHT

XX SPIA

62761
IL-US STL



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.