

June 2, 2016

Ms. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

RECEIVED

JUN 07 2016

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report (Section 1 130.760)
NorthPointe Health and Wellness Campus
Project Number 13-072

Dear Ms. Olson,

This first annual progress report summarizes the current status of the Ambulatory Surgery Treatment Center (ASTC) project on our NorthPointe Health and Wellness Campus. The project was approved on June 2, 2015, altered on January 16, 2016, and obligated on March 15, 2016. Our obligation notice to the IHFSB is dated April 27, 2016. Construction began on March 28, 2016. The total approved project cost is \$15,276,164.00. Beloit Health System maintains an "A-" from Fitch Ratings on bond offerings.

Key Milestones

Since approval, the following has been completed:

- Design Development and Construction Drawings were completed.
- IDPH plan review has been completed.
- The project has been bid and construction contracts executed.
- Local jurisdictions have issued required construction permits.
- Contractor has mobilized onsite and the subject construction site has been fenced.
- Construction has begun.

Construction Phase

Through May 30, 2016, the following activities have occurred: (edit and insert general list)

- Required demolition has occurred
- Rough site grading has occurred
- Footages and foundations are installed
- Structural Steel installation is underway

At-Home Healthcare
1904 E. Huebbe Parkway
Beloit, WI • (608) 363-5885

Clinton Clinic
307 Ogden Avenue
Clinton, WI • (608) 676-2206

Janesville Clinic
1321 Creston Park
Janesville, WI • (608) 757-1217

NorthPointe Terrace
5601 E. Rockton Road
Roscoe, IL • (815) 525-4800

Riverside Terrace
3055 S. Riverside Dr.
Beloit, WI • (608) 365-7222

Beloit Clinic
1905 E. Huebbe Parkway
Beloit, WI • (608) 364-2200

Darien Clinic
300 N. Walworth Street
Darien, WI • (262) 882-1151

**NorthPointe Health &
Wellness Campus**
5605 E. Rockton Road
Roscoe, IL • (815) 525-4000

**Occupational Health Sports
& Family Medicine Center**
1650 Lee Lane
Beloit, WI • (608) 362-0211

West Side Clinic
1735 Madison Road
Beloit, WI • (608) 363-7510

The next 90 days of construction will feature:

- Structural Steel framing, decking and concrete decks
- Installation of membrane roofing and asphalt shingles
- Interior mechanical rough ins, metal stud installation and exterior masonry will be underway

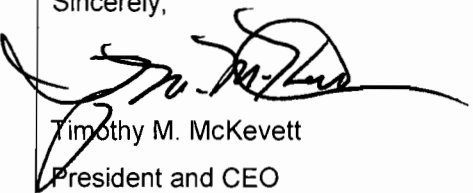
Committed / Expended Funds

Attachment A provides those funds expended through May 15, 2016 compared to the CON projected budget. Committed funds expended through May 15, 2016 are \$1,391,006 or 9.1% of the CON approved project budget.

The project scope and proposed financing is consistent with the approved permit.

Please contact me if you have any questions. I can be reached at 608-365-5685 or by e-mail at tmckevett@beloithealthsystem.org.

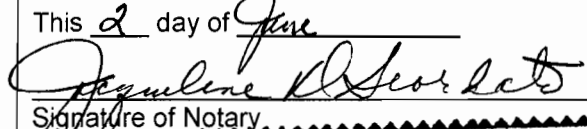
Sincerely,


Timothy M. McKeve
President and CEO
Beloit Health System

Notarization:

Subscribed and sworn to before me

This 2 day of June


Signature of Notary

Seal

JACQUELINE D. SCORDATO
NOTARY PUBLIC
STATE OF WISCONSIN

Attachment: Attachment A – Use of Funds

CC: Courtney R. Avery, Administrator
Mike Constantino, Supervisor, Project Review Section
Thomas McCawley, Vice President
William Groeper, Chief Financial Officer
Ed Parkhurst, PRISM Healthcare Consulting

Attachment A
NorthPointe ASTC Permit 13-072
First Annual Progress Report
Expenditures through May 15, 2016

PROJECT COSTS			
USE OF FUNDS		CON APPROVED PROJECT	EXPENDED FUNDS AS OF MAY 15, 2016
Preplanning Costs		70,000	26,900
Site Survey and Soil Investigation		9,000	13,780
Site Preparation		166,400	39,400
Off Site Work		0	0
New Construction Contracts (Bldg. Only}		8,888,089	634,136
Modernization Contracts		0	0
Contingencies		888,809	0
Architectural/Engineering Fees		839,766	640,535
Consulting and Other Fees		55,720	870
Movable or Other Equipment (not in construction contracts)	ASTC	1,786,500	0
	Other	960,100	0
Bond Issuance Expense (project related)		362,000	0
Net Interest Expense During Construction (project related)		401,810	0
Fair Market Value of Leased Space or Equipment		0	0
Other Costs To Be Capitalized		848,000	35,385
Acquisition of Building or Other Property (excluding land)		0	0
TOTAL USES OF FUNDS		15,276,194	1,391,006