

June 22, 2017

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

RECEIVED

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**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 second 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 IHFSRB is dated April 27, 2016. Construction began on March 28, 2016.

The total approved project cost is \$15,276,164. The project scope and financing are consistent with the approved permit. The first annual progress report was delivered on June 2, 2016.

Beloit Health System maintains an "A-" from Fitch Ratings based on their evaluation of BHS's strong operating results, consistent margins and moderate debt burden.

Key Milestones

Since approval, the following has occurred:

- 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.
- Construction has been completed.
- IDPH Life Safety and Operational inspections have taken place and the facility has been licensed (License # 7003209 – Copy Attached)

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

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

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

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

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

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

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

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

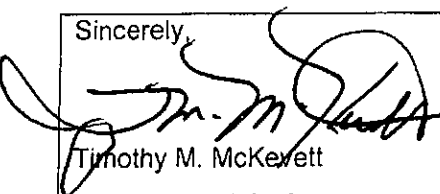
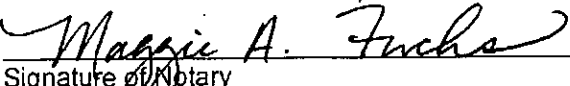
Riverside Terrace
3055 S. Riverside Dr.
Beloit, WI • (608) 365-7222

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

Committed / Expended Funds

Attachment A provides details of funds expended through April 30 compared to the CON projected budget as well as the sources of funding comparison. Committed funds Expenditures through April 30, 2017 are \$14,588,577 or 95.5% of the project budget.

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 <u>22nd</u> day of <u>June</u>, 2017  Signature of Notary Seal
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Attachment: Attachment A – Project Costs and Sources 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
Second Annual Progress Report
Expenditures through April 30, 2017

Project Costs and Sources of Funds			
USE OF FUNDS		CON APPROVED PROJECT	EXPENDED FUNDS AS OF APRIL 30, 2017
Preplanning Costs		70,000	56,909
Site Survey and Soil Investigation		9,000	7,500
Site Preparation		166,400	139,642
Off Site Work		0	0
New Construction Contracts (Bldg. Only}		8,888,089	9,130,705
Modernization Contracts		0	0
Contingencies		888,809	305,346
Architectural/Engineering Fees		839,766	788,406
Consulting and Other Fees		55,720	18,205
Movable or Other Equipment (not in construction contracts)	ASTC	1,786,500	1,781,151
	Other	960,100	927,925
Bond Issuance Expense (project related)		362,000	285,950
Net Interest Expense During Construction (project related)		401,810	279,630
Fair Market Value of Leased Space or Equipment		0	0
Other Costs To Be Capitalized		848,000	837,188
Acquisition of Building or Other Property (excluding land)		0	0
TOTAL USES OF FUNDS		15,276,194	14,588,557

SOURCE OF FUNDS		CON APPROVED PROJECT	EXPENDED FUNDS AS OF APRIL 30, 2017
Cash & Securities		800,000	3,820,816
Pledges		0	0
Gifts and Bequests		0	0
Bond Issues (project related)		14,476,194	10,737,741
Mortgages		0	0
Leases (fair market value)		0	0
Government Appropriations		0	0
Grants		0	0
Other Funds and Sources		0	0
TOTAL SOURCES OF FUNDS		15,276,194	14,588,557