AdvocateAuroraHealth

Advocate Aurora Health
3075 Highland Parkway
Suite 600
Downers Grove, IL 60515

T (630) 572-9393
F (630) 990-4752
advocateaurorahealth.org

March 8, 2024

Via Overnight Carrier

Ms. Debra Savage, Chairwoman
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Re: Project #14-057 Advocate Christ Medical Center (the "Project")

Project Completion Notice
Advocate Health and Hospitals Corporation, (dba Advocate Christ Medical Center), and Advocate Health Care Network, Construction Project to modernize and expand the existing Trauma Center and Emergency Department.

Dear Ms. Savage:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #14-057, as of February 29, 2024.

The notice of project completion was submitted on January 22, 2024 indicating the project was completed January 22, 2024. The project was completed within the "Completion Date" of February 29, 2024, specified in the permit letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost, square footage, and services.
- The final application and certification for payment.
- The cost audit report from an independent certified public accountant.

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Costs:

USE OF FUNDS	Total Costs Incurred	In Permit	Variance
Preplanning Costs	$ 922,605	$ 931,035	$ 8,430
Site Survey and Soil Investigation	$ 66,639	$ 90,000	$ 23,361
Site Preparation	$ 1,111,530	$ 1,851,908	$ 740,378
Off Site Work	$ 0	$ 0	$ 0
New Construction Contracts	$ 2,486,615	$ 3,214,145	$ 727,530
Modernization Contracts	$ 46,193,447	$ 31,234,659	$ (14,958,788)
Contingencies	$ 0	$ 4,989,389	$ 4,989,389
Architectural/Engineering Fees	$ 4,357,272	$ 3,088,010	$ (1,269,262)
Consulting and Other Fees	$ 3,871,840	$ 5,027,000	$ 1,155,160
Movable or Other Equipment (not in construction contracts)	$ 11,289,485	$ 12,286,000	$ 996,515
Bond Issuance Expense (project related)	$ 120,896	$ 700,650	$ 579,754
Net Interest Expense During Construction (project related)	$ 980,323	$ 9,826,286	$ 8,845,963
Fair Market Value of Leased Space or Equipment	$ 0	$ 0	$ 0
Other Costs To Be Capitalized	$ 11,271,335	$ 12,280,000	$ 1,008,665
Acquisition of Building or Other Property (excluding land)	$ 0	$ 0	$ 0
TOTAL USES OF FUNDS	**$ 82,671,987**	**$ 85,519,082**	**$ 2,847,095**

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Please contact me at (708) 684-1092 or via email at james.kokaska@aah.org if you have any questions regarding this report.

Sincerely,

James Kokaska

James Kokaska
Vice President, Design & Construction
Advocate Health and Hospitals Corporation

CC: Patricia Cameron, Director, Construction Finance Planning
Adam Bloom, Construction Manager, Design and Construction
Myndee Balkan, Director, Health Facility Planning

Subscribed before me on this day:

Notary Public: Maria DeFrank

Seal: MARIA DEFRANK
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
April 19, 2026

NOTARY PUBLIC STATE OF ILLINOIS

Attachments:
Final application and certification for payment
Cost Audit Report – Baker Tilly US, LLP

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: Advocate Health Care
2025 Windsor Drive
Oak Brook, IL 60523

PROJECT: ACMC ED Renovations & Backfill Project Phase II
2025 Windsor Drive
Oak Brook, IL 60523
US

APPLICATION NO.: 59
PERIOD TO : Dec/31/2023
PROJECT NOS.: 1401115
INVOICE NO.: 1401115065
CONTRACT DATE : Mar/05/2018

Distribution to:
☐ OWNER
☐ ARCHITECT
☐ CONTRACTOR
☐
☐

FROM CONTRACTOR: Pepper Construction Company
411 Lake Zurich Road
Barrington, IL 60010-3141

ARCHITECT:

CONTRACT FOR: ACMC ED Renovations & Backfill Project Phase II

APPLICATION AND CERTIFICATE FOR PAYMENT

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

1. ORIGINAL CONTRACT SUM	$	36,468,224.31
2. Net change by change orders	$	5,868,967.19
3. CONTRACT SUM TO DATE (Line1 +/- 2)	$	42,337,191.50
4. TOTAL COMPLETED & STORED TO DATE . . . . (Column G on G703)	$	41,335,673.76
5. RETAINAGE: (Total retainage Column I of G703)	$	0.00
6. TOTAL EARNED LESS RETAINAGE . . . . (Line 4 less Line 5 Total)	$	41,335,673.76
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	$	41,302,676.22
8. CURRENT PAYMENT DUE	$	32,997.54
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	$	1,001,517.74

CHANGE ORDER SUMMARY		ADDITIONS	DEDUCTIONS
Change Order approved in previous months by Owner		5,895,442.19	-26,475.00
APPROVED THIS MONTH			
Number	Date Approved		
	Current Total:	0.00	0.00
Net Change by Change Orders			5,868,967.19

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: Pepper Construction Company

By: Lisa Lewellyn Date: 01/25/2024

State of: IL

County of: Lake

OFFICIAL SEAL
STACY BRIGGS
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES

Subscribed and sworn to before me this 25th day of Jan 2024

Notary Public: Stacy Briggs

My Commission expires:

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..**$** $32,997.54

(Attach explanation If amount certified differs from the amount applied for. Initial figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: [signature] Date: 02/14/2024

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.

Baker Tilly US, LLP
4807 Innovative Ln, PO Box 7398
United States of America

T: +l (608) 249 6622
F: +1(608) 249 8532

bakertilly.com

February 29, 2024

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Project:

Permit: #14-057 – Trauma Center and Emergency Departments
Project: Advocate Christ Medical Center
Permit Holder: Advocate Aurora Health Care

Audit Objectives and Scope:

Baker Tilly US, LLP (Baker Tilly) was engaged by Advocate Aurora Heath Care to perform an independent certificate of need cost audit on the modernization and expansion of the existing Trauma Center and Emergency Departments (CON #14-057). The permit was approved by the State Board on January 27, 2015. On June 30, 2023, a permit renewal was granted, and the project was renewed until February 29, 2024. Included with this letter is the detailed schedule of expenditures by project cost component and certification of the expenditures and sources of funds. The approved permit amount was $85,519,082. The final realized cost of this project is $82,671,987, which is $2,847,095 or 3% below the approved permit amount.

The objectives of our engagement were to determine:

- If charges to be reported to the Illinois Health Facilities and Services Review Board are substantiated by appropriate supporting documentation;
- If expenses were properly recorded for the project and CON account category;
- If expenses were properly approved;
- The mathematical accuracy and consistency of invoices;
- That applicable construction progress payments included accurate application for payment documents and lien waivers (i.e., previous payment calculations), and were properly notarized.

Management's Responsibility:

Management was responsible for the preparation and fair presentation of the attached cost schedule. In addition, Management certifies the following:

- Pursuant to sections 1130.770 of the Illinois Administrative Code, the final realized cost referenced above is the total cost required to complete the project and that there are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Title XVIII or XIX.

- Pursuant to section I 130.770(d)(4), the project referenced above is in compliance and changes in cost and square footage were approved by the Illinois Health Facilities and Services Review Board under Permit # 14-057.

Auditor's Responsibility:

Our responsibility is to express an opinion on the attached schedule based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error.

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, based on our review of $77,399,349 (94%) in payments made for Advocate Christ Medical Center, we confirm that the $82,671,987 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the June 30, 2024, required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our Audit did not identify any material inconsistencies in expenses incurred, paid or recorded.

Sincerely,

Anthony Ollmann

Anthony Ollmann, CPA, CCA
Partner

Baker Tilly US, LLP

Project Number: 14-057
Project Title: Advocate Christ Medical Center
Subject: Final Cost Report
Permit Holder: Advocate Aurora Health Care
Date: February 29, 2024

Category	Projected	Total Costs Incurred as 2/29/2024	Available Balance as of 2/29/2024	Estimated Costs to Completion	Variance From Approved
Preplanning Costs	$ 931,035	$ 922,605	$ 8,430	$ -	$ 8,430
Site Survey and Soil Investigation	$ 90,000	$ 66,639	$ 23,361	$ -	$ 23,361
Site Preparation	$ 1,851,908	$ 1,111,530	$ 740,378	$ -	$ 740,378
Architectural/Engineering Fees	$ 3,088,010	$ 4,357,272	$ (1,269,262)	$ -	$ (1,269,262)
Consulting and Other Fees	$ 5,027,000	$ 3,871,840	$ 1,155,160	$ -	$ 1,155,160
New Construction	$ 3,214,145	$ 2,486,615	$ 727,530	$ -	$ 727,530
Modernization	$ 31,234,659	$ 46,193,447	$ (14,958,788)	$ -	$ (14,958,788)
Movable or Other Equipment	$ 12,286,000	$ 11,289,485	$ 996,515	$ -	$ 996,515
Other Costs to be Capitalized	$ 12,280,000	$ 11,271,335	$ 1,008,665	$ -	$ 1,008,665
Bond Issuance Expense	$ 700,650	$ 120,896	$ 579,754	$ -	$ 579,754
Net Interest Expense	$ 9,826,286	$ 980,323	$ 8,845,963	$ -	$ 8,845,963
Contingencies	$ 4,989,389	$ -	$ 4,989,389	$ -	$ 4,989,389
Total	$ **85,519,082**	$ **82,671,987**	$ **2,847,095**	$ -	$ **2,847,095**

Cash and Securities	$ 74,257,464
Pledges	
Gifts and Bequests	
Revenue Bonds (Series 2015)	$ 8,414,523
Leases (fair market value)	
Governmental Appropriations	
Grants	
Other Funds and Sources	
Total Funds	**$ 82,671,987**