



**GENERATIONS AT APPLEWOOD**  
Rehabilitation & Skilled Nursing

Via Overnight Courier

June 29, 2017

**RECEIVED**

JUL 03 2017

**HEALTH FACILITIES  
SERVICES REVIEW BOARD**

Ms. Courtney Avery, Administrator  
**Health Facilities and Services Review Board**  
**Illinois Department of Public Health**  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**Re:** Permit #15-008, Applewood Rehabilitation Center; (the "Project")  
Annual Progress Report

Dear Ms. Avery:

On June 2, 2015 the Illinois Health Facilities and Services Review Board granted a permit to Applewood Rehabilitation Center for the major modernization of an existing facility with new construction and addition of 30 private nursing beds. The addition will include a new entrance to house administrative functions for the facility, 30 private resident rooms with individual toilet rooms that include private showers, a dining room for the added residents, country store, and an Internet café/ ice cream shop. Also, therapy will be a part of the addition to provide in-house therapy services. There will be a kitchen addition to service the entire facility and an expansion to the existing dining room for the existing residents. Also, included is the modernization and renovation to the nurses' stations, family rooms, offices and the existing dining room, as well as reclaiming 7 rooms.

I am writing this letter to comply with section 1130.760 (Annual Progress Reports) of the 77 Illinois Administrative Code.

**Current Status:**

The Project is under construction. The contractor mobilized on site in the second half of 2016. The Project is 20% complete.

**Financial Commitment**

We timely obligated the Project on July 19, 2016 with the signing of the construction contract.

21020 Kostner Ave., Matteson, IL 60443  
Phone: 708-747-1300 Fax: 847-747-6282  
[www.GenerationsApplewood.com](http://www.GenerationsApplewood.com)



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**Project Costs:**

Appended herein (**EXHIBIT A**) is a project cost and sources of funds chart illustrating the approved line items and the corresponding expenditures that have been made per line item. We anticipate that we will need to seek a permit alteration to increase the permit amount.

**Project Financing:**

The method and sources of funds have not changed as originally approved and remains a combination of debt and equity. All funds to date have been paid from operating funds, retained earnings, and draws on the mortgage financing in place.

**Project Completion:**

As stated in the permit letter the Project completion date is December 31, 2017. However, delays caused by the permit process, weather and phasing will likely cause us to request a permit renewal.

Should you have any questions or concerns, please do not hesitate to contact me on behalf of the Applicant.

Sincerely,

Kirsten (Barrish) Schloss (VP Physical Plant and  
Dietary Services)  
Applewood Property, LLC  
Applewood Rehabilitation Center, LLC

**ENCLOSURES**

## ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

## Project Costs and Source of Funds

<u>USE OF FUNDS</u>	<u>Cost</u>	<u>Expended To Date</u>	<u>percent expended</u>
Preplanning Costs		44,365	0%
Site Survey & Soil Investigation	17,500.00	8,800	50%
Site Preparation	100,000.00	27,306	27%
Off Site Work (Permits)	24,407.00	210,092	861%
New Construction Contracts	6,429,094.00	1,535,412	24%
Modernization Contracts	1,804,809.00	431,029	24%
Contingencies	213,791.00		0%
Architectural/Engineering Fees	667,660.00	581,628	87%
Consulting and Other Fees	80,000.00	26,775	33%
Moveable or Other Equipment (not in construction contracts)			0%
Bond/Debt Issuance Expense (project related)	85,516.00	152,461	178%
Net Interest Expense During Construction (project related)			0%
Fair Market Value of Leased Equipment			0%
Other Costs to be Capitalized	847,550.00		0%
<b>TOTAL USE OF FUNDS</b>	<b>10,270,327.00</b>	<b>3,017,868</b>	
<u>SOURCE OF FUNDS</u>	<u>Total</u>	<u>To Date</u>	
Cash and Securities	1,270,327.00	1,024,531	
Mortgages	9,000,000.00	1,993,337	
Leases (fair market value)			
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,270,327.00</b>	<b>3,017,868</b>	