

by FedEx

July 11, 2019

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, IL 62761

RECEIVED

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

RE: Report of Final Realized Costs - Project #15-039
Rockford Memorial Hospital – Riverside Boulevard Campus

Dear Ms. Avery:

Pursuant to 77 Illinois Administrative Code 1130.770, this letter serves as the report of the final realized costs of the above-referenced project. The Permit was issued on November 18, 2015 to establish a new hospital. The approved permit amount was \$435,145,346 and the project completion date was January 5, 2019.

The project was brought to conclusion with the initiating of patient care on January 5, 2019, and the total incurred cost was \$414,686,615.

With the signature below, I hereby certify that the final realized costs, as itemized, 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. Further, I hereby certify that the project has been completed with all terms of the permit to date, including project cost, square footage, and services to be provided.

Attached please find a table, comparing the project's costs as identified in the Certificate of Need application to realized costs, an independent audited financial report of all project costs and sources of funds, and the Final Application and Certification for Payment for the construction contract.

Please note that as stated in the annual report which was submitted on December 26, 2018, the legal name of Rockford Memorial Hospital is now "Javon Bea Hospital."

Should you need any additional information, please contact me at (507) 254-9746 or jbenning@mhemail.org.

Sincerely,


Joanna Benning
Vice President of Facilities



attachment

Notarized:  - July 11, 2019

Odell Hicks & Company LLC
Certified Public Accountants

Mercy Health Corporation
Illinois Health Facilities and Services Review Board
Javon Bea Hospital - Riverside
IHFSRB Project #15-039
Project Costs Report
For the Period November 18, 2015 to January 5, 2019
(With Independent Auditor's Report Thereon)

INDEPENDENT AUDITOR'S REPORT

Mercy Health Corporation and the
Illinois Health Facilities and Services Review Board:

We have audited the accompanying Project Costs Report of Mercy Health Corporation - Javon Bea Hospital- Riverside (Report) which comprise the project costs for the period November 18, 2015 to January 5, 2019 and the related notes.

Management's Responsibility for the Project Costs Report

Management is responsible for the preparation and fair presentation of the Report for the purpose of complying with the terms of the Illinois Health Facilities Planning Act; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that is 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 of the Report in accordance with auditing standards generally accepted in the United States of America. 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 assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making these 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.

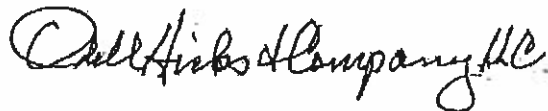
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Odell Hicks & Company LLC
Certified Public Accountants

Opinion

The accompanying Report was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act and is not intended to be a complete presentation of Mercy Health Corporation - Javon Bea Hospital- Riverside's financial position in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Report referred to above presents fairly, in all material respects and in accordance with the aforementioned guidelines, the project costs of Mercy Health Corporation - Javon Bea Hospital- Riverside as of January 5, 2019 and for the period November 18, 2015 to January 5, 2019.

A handwritten signature in black ink that reads "Odell Hicks & Company LLC". The signature is written in a cursive, flowing style.

Odell Hicks & Company LLC

Chicago, Illinois
July 11, 2019

MERCY HEALTH CORPORATION

Illinois Health Facilities and Services Review Board
Javon Bea Hospital - Riverside
IHFSRB Project #15-039
Project Costs Report

For the Period November 18, 2015 to January 5, 2019

	Final Funds Expended
Project Costs	
Preplanning Costs	\$ 382,500
Site Survey and Soil Investigation	236,247
New Construction Contracts	295,975,211
Architectural and Engineering Fees	15,033,357
Consulting and Other Fees	3,748,353
Movable or Other Equipment	64,560,847
Other Costs Capitalized	3,018,333
Total Construction Related	382,954,848
Bond Issuance Expense	2,949,689
Net Interest Expense During Construction	28,782,078
Total Finance Related	31,731,767
Total Project Costs	\$ 414,686,615
Sources of Funds	
Cash and Securities	\$ 46,174,664
Bond Issue	368,511,951
Total Funds	\$ 414,686,615

Mercy Health Corporation

Illinois Health Facilities and Services Review Board

Javon Bea Hospital - Riverside

IHF SRB Project #15-039

Project Costs Report

Period November 18, 2015 to January 5, 2019

NOTE 1 – DESCRIPTION OF PROJECT

The project is the establishment of a second hospital campus, which will include Medical/Surgical, Obstetrics, Pediatrics, and ICU beds, a regional NICU, a Level I Trauma Center, a convenient care center, a wide scope of outpatient services, and hospital support services. Upon completion of the project, the applicants will operate two hospital campuses that have a common licensee, Board and Medical Staff. For purposes of the CON applications, Rockford Memorial Hospital's current location will be referred to as the RMH Rockton Avenue Campus, or RMH Rockton Avenue. The second hospital facility will be referred to as the RMH Riverside Boulevard Campus or RMH-Riverside. The legal name of Rockford Memorial Hospital is now Javon Bea Hospital which was registered with the Illinois Secretary of State on September 27, 2018.

RMH-Riverside is located immediately to the southeast of the intersection of 1-90/39 and East Riverside Boulevard in Rockford Township, Winnebago County, Illinois.

On November 18, 2015, the Illinois Health Facilities and Services Review Board approved the application for permit for project 15-039. This approval was based upon the substantial conformance with the applicable standards and criteria in the Illinois Health Facilities Planning Act (20 ILCS 3960) and 77 Illinois Administrative Codes 1110 and 1120.

Work for the project was initiated on November 18, 2015. The Certificate of Need (CON) approved total cost for the project was \$407,195,769. An alteration for the project was submitted on July 14, 2016 to increase the total project amount to \$435,145,346. On October 25, 2016, the IHF SRB approved the alteration request. The actual total cost of the project was \$414,686,615, \$20,421,293 less than budgeted.