CARLE FOUNDATION HOSPITAL
611 W. Park Street | Urbana, Illinois 61801

Carle

BY FEDERAL EXPRESS

Ms. Courtney Avery
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED
JUN 24 2019
HEALTH FACILITIES & SERVICES REVIEW BOARD

RE: Carle Foundation Hospital, Project # 16-045 and E-060-16 Final Report

Dear Ms. Avery:

Below is the final report for Carle Foundation Hospital's CON permit for project 16-045, which was approved on January 24, 2017. Certificate of Exemption E-060-16 was also approved in conjunction with this project.

Project Completion

As previously reported, Champaign SurgiCenter has begun operations in its current location. The project completion date of record is June 30, 2019.

Cost Report and Supporting Documentation

In compliance with Section 1130.770 of the Board rules, this letter and its enclosures contain the supporting documentation relating to project completion and the related costs and sources of funds.

Itemization of Project Costs and Sources of Funds

Total project costs were $32,692,535. The Project Costs table below provides an itemized listing showing the Approved Permit Amount and the Final Realized Costs.

PROJECT COSTS	Approved Permit Amount	Final Realized Costs
Preplanning Costs	$509,556	$219,182
Site Survey and Soil Investigation	$219,350	$0
Site Preparation	$2,728,500	$323,970
Off Site Work	$1,324,253	$0
New Construction Contracts	$17,221,650	$22,495,254
Modernization Contracts	$0	$0
Contingencies	$1,401,857	$20,514
Architectural/Engineering Fees	$1,424,450	$1,302,765
Consulting and Other Fees	$342,400	$102,587
Movable or Other Equipment (not in construction contracts)	$5,831,500	$7,148,636
Bond Issuance Expense (project related)	$560,883	$192,059

reflects the new construction contracts allocated to the relocation of Champaign SurgiCenter as itemized in the purchase order.

Audited Financial Report

An audited financial report of the project's final realized costs and sources of funds completed by the independent firm of KPMG, LLP is attached.

If you have any questions or concerns about this project, please feel free to contact Collin Anderson at 217-902-5521.

Sincerely,

Dennis Hesch
Executive Vice President and System Chief Financial Officer

Cc: Mr. Michael Constantino, Ms. Kara Friedman

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APPLICATION AND CERTIFICATE FOR PAYMENT

Invoice #: 59054

To Owner: Carle Foundation Hospital
611 W Park Street

Urbana, IL 61801

Project: 517021- Carle Foundation Hospital
Ambulatory Surgery Center

Application No. : 18

Period To: 3/15/2019

Distribution to :
- [ ] Owner
- [ ] Architect
- [ ] Contractor
- [ ]
- [ ]

From Contractor: Berglund Construction
8410 S South Chicago Avenue
Chicago, IL 60617

Via Architect: Eckenhoff Saunders Architects, Inc. (ESA)
130 E Randolph, Suite 1850
Chicago IL 60601

Project Nos:

Contract For:

Contract Date:

CONTRACTOR'S APPLICATION FOR PAYMENT

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

1. Original Contract Sum		$29,768,932.00
2. Net Change By Change Order		-$236,421.00
3. Contract Sum To Date		$29,532,511.00
4. Total Completed and Stored To Date		$29,532,511.00
5. Retainage:		
a. 0.00% of Completed Work	$0.00	
b. 0.00% of Stored Material	$0.00	
Total Retainage		$0.00
6. Total Earned Less Retainage		$29,532,511.00
7. Less Previous Certificates For Payments		$27,848,238.00
8. Current Payment Due		$1,684,273.00
9. Balance To Finish, Plus Retainage		$0.00

CHANGE ORDER SUMMARY	Additions	Deductions
Total changes approved in previous months by Owner	$0.00	$515,349.00
Total Approved this Month	$278,928.00	$0.00
TOTALS	$278,928.00	$515,349.00
Net Changes By Change Order	-$236,421.00	

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: Berglund Construction

By: DocuSigned by: Kevin Geschwender C8C7AF3A9FC5409... Date: 5/3/2019

State of: Indiana County of: Porter

Subscribed and sworn to before me this 3rd day of May, 2019

Notary Public: Amy Bryn Wilsens

My Commission expires: 8-29-26

AMY BRYNN WILSENS
NOTARY PUBLIC
STATE OF INDIANA
MY COMMISSION EXPIRES AUG. 29, 2026
Commission Number NP0715550

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 the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED $ 1,684,273.00

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

ARCHITECT:

By:______________________ Date:__________

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.

KPMG

THE CARLE FOUNDATION
URBANA, ILLINOIS

Illinois Health Facilities Planning Board
IHFPB Project #16-045

Project Costs and Sources of Funds Report

Period from January 4, 2017 through May 31, 2019

(With Independent Auditors' Report Thereon)

KPMG

KPMG LLP
Aon Center
Suite 5600
200 East Randolph Drive
Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Trustees
The Carle Foundation
Urbana, Illinois:

Report on the Financial Statements

We have audited the accompanying Schedule of Project Costs and Sources of Funds Report (the Report) of The Carle Foundation (Carle), for the period January 4, 2017 through May 31, 2019.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Report in accordance with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770 (d)(5) "Project Completion, Finalized Realized Cost Overruns"; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Report that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Report based on our audit. We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the Report, whether due to fraud or error. In making those 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, pursuant with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770 (d)(5) "Project Completion, Finalized Realized Cost Overruns."

Opinion

In our opinion, the Report referred to above present fairly, in all material respects, the project costs and sources of funds of The Carle Foundation for the period January 4, 2017 through May 31, 2019, in accordance with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770 (d)(5) "Project Completion, Finalized Realized Cost Overruns."

KPMG

Restriction on Use

This report is intended solely for the information and use of the Board of Trustees and management of Carle and the Illinois Health Facilities and Services Review Board, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Chicago, Illinois
June 13, 2019

THE CARLE FOUNDATION
URBANA, ILLINOIS

Illinois Health Facilities Planning Board
IHFPB Project #16-045

Schedule of Project Costs and Sources of Funds (the Schedule)

Period from January 4, 2017 through May 31, 2019

		Total project costs and sources of funds		
		CON Permit	Actual project costs	Over (under) budget
Use of funds:				
Preplanning costs	$	509,556	219,182	(290,374)
Site survey and soil investigation		219,350	—	(219,350)
Site preparation		2,728,500	323,970	(2,404,530)
Off-site work		1,324,253	—	(1,324,253)
New construction contracts		17,221,650	22,495,254	5,273,604
Contingencies		1,401,857	20,514	(1,381,343)
Architectural and engineering fees		1,424,450	1,302,765	(121,685)
Consulting and other fees		342,400	102,587	(239,813)
Movable or other equipment		5,831,500	7,148,636	1,317,136
Bond issuance expense		560,883	192,059	(368,824)
Net interest expense		589,099	589,099	—
Other costs to be capitalized		1,100,969	298,469	(802,500)
Rounding		2	—	(2)
Total uses of funds	$	33,254,469	32,692,535	(561,934)
Source of funds:				
Cash and securities	$	10,710,700	14,444,607	3,733,907
Bond issues		22,245,300	17,949,459	(4,295,841)
Other funds and sources		298,469	298,469	—
Total sources of funds	$	33,254,469	32,692,535	(561,934)

See accompanying notes to schedule of project costs and sources of funds report.

THE CARLE FOUNDATION
URBANA, ILLINOIS

Illinois Health Facilities Planning Board
IHFBP Project #16-045

Notes to Schedule of Project Costs and Sources of Funds Report

Period from January 4, 2017 through May 31, 2019

(1) Purpose of the Audit

The accompanying schedule of project costs and sources of funds for Project #16-045 (the Schedule) has been prepared in accordance with the guidelines and terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and the 77 Illinois Administrative Code 1130.770 (d) (5) "Project Completion, Finalized Realized Cost Overruns." This presentation was prepared for the purpose of complying with the reporting requirements of The Carle Foundation (Carle) for Project #16-045 to the Illinois Health Facilities and Services Review Board (IHFSRB) and to the Board of Trustees of Carle upon the project's completion.

(2) Summary of Significant Accounting Policies

The Schedule has been prepared and compiled in a manner consistent with an accrual basis such that whereas necessary, management has made estimates for the final payment as of the date of this report. The "Approved Project Costs/Sources" present the respective amounts approved by the IHFSRB and the "Actual Project Costs/Sources" represent the respective actual project costs incurred and actual sources used to fund Project #16-045.

(3) Project Costs and Sources of Funds Report

Carle was issued a permit to construct a replacement Ambulatory Surgical Treatment Center (ASTC). The application was filed with the IHFSRB on October 26, 2016 and approved at a public hearing on January 24, 2017. Actual total costs for Project #16-045 were $32,692,535, which was $561,934 under budget.

Other costs to be capitalized of $298,469 represents the approximate net book value of the assets determined at the time of CON application submission that were transferred to the new ambulatory surgery center. This amount is offset by a corresponding project source of funds, other funds, and sources of $298,469 in the accompanying schedule of project costs and sources of funds.