TAYLORVILLE MEMORIAL HOSPITAL:
MEMORIAL HEALTH

SCHEDULE OF PROJECT COST AND SOURCES
OF FUNDS FOR PROJECT NO. 18003 AND
INDEPENDENT AUDITOR'S REPORT

For the Period of April 17, 2018 through September 30, 2022

MEMORIAL HEALTH

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INDEPENDENT AUDITOR'S REPORT

Memorial Health
Springfield, Illinois

Opinion

We have audited the accompanying Schedule of Project Cost and Sources of Funds for Project No. 18-003 (Schedule) of Memorial Health (Memorial) for the period from April 17, 2018 (date of certificate of need of permit approval) to September 30, 2022, and the related notes to the Schedule.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the project cost and sources of funds for Project No. 18-003 of Memorial Health for the period from April 17, 2018 (date of certificate of need of permit approval) to September 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Information section of our report. We are required to be independent of Memorial and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Presentation

We draw attention to Note 1 to the Schedule, which describes that the Schedule was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and Title 77 Illinois Administrative Code 1130.770 "Project Completion, Final Realized Costs and Cost Overruns", and is not intended to be a complete presentation of Memorial's sources and uses of funds. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Information

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

In preparing the schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Memorial's ability to continued as a going concern within one year after the date that the schedule is available to be issued.

Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.

- Obtain an understanding of internal control relevant to the audit 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 Memorial's' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Memorial's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Sikich LLP

Springfield, Illinois
December 2, 2022

MEMORIAL HEALTH

SCHEDULE OF PROJECT COST AND SOURCES OF FUNDS FOR PROJECT NO. 18-003

Period from April 17, 2018 (date of certificate of need of permit approval) to September 30, 2022

Description of Costs	Approved Permit Amount	Actual	Variance
Preplanning Costs	$ 683,725	$ 697,162	$ (13,437)
Site Survey and Soil Investigation	224,806	13,311	$ 211,495
Site Preparation	1,454,548	2,182,573	$ (728,025)
New Construction Contracts	36,318,182	37,823,568	$ (1,505,386)
Modernization Contracts	439,044	158,246	$ 280,798
Contingencies	3,697,675	3,941,625	$ (243,950)
Architectural/Engineering Fees	3,050,000	2,260,695	$ 789,305
Consulting and Other Fees	991,849	503,206	$ 488,643
Movable or Other Equipment (not in construction contracts)	5,625,065	5,149,779	$ 475,286
Bond Issuance Expense (project related)	150,000	-	$ 150,000
Net Interest Expense During Construction (project related)	3,200,000	1,423,084	$ 1,776,916
Other Costs To Be Capitalized	4,127,244	2,379,850	$ 1,747,394
Total project costs	**$ 59,962,138**	**$ 56,533,099**	**$ 3,429,039**
Cash and securities	$ 11,992,428	$ 56,533,099	$ (44,540,671)
Bond issues	47,969,710	-	47,969,710
Total sources of funds	**$ 59,962,138**	**$ 56,533,099**	**$ 3,429,039**

(See Notes to Schedule of Project Cost and Sources of Funds for Project No. 18-003)
See accompanying Independent Auditor's Report.

MEMORIAL HEALTH

NOTES TO THE SCHEDULE OF PROJECT COST AND SOURCES OF FUNDS FOR PROJECT NO. 18-003

April 17, 2018 (date of certificate of need of permit approval) to September 30, 2022

1. BASIS OF PRESENTATION

The Schedule was prepared for the purpose of complying with the terms of the Illinois Health Facilities Planning Act 20 ILCS 3960 and Title 77 Illinois Administrative Code 1130.770 “Project Completion, Final Realized Costs and Cost Overruns,” and is not intended to be a complete presentation of Memorial Health’s sources and uses of funds in conformity with accounting principles generally accepted in the United States of America.

The Schedule is presented on the accrual basis of accounting. The amounts presented in the Schedule only relate to Project No. 18-003.

2. USE OF ESTIMATES

The preparation of the Schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions for the budgeted amounts in the Schedule. Actual amounts could differ from those estimates.

3. SUBSEQUENT EVENTS

Management of Memorial Health has evaluated subsequent events through December 2, 2022, which is the date the Schedule was available to be issued, for possible measurement and/or disclosure effects on the Schedule.