



1301 Central Street
Evanston, IL 60201
endeavorhealth.org

March 26, 2025

BY EMAIL AND FEDERAL EXPRESS

RECEIVED

MAR 31 2025

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mr. John Kniery
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Glenbrook Hospital, Project # 21-016 Final Report

Dear Mr. Kniery:

This letter constitutes the final report for Glenbrook Hospital's CON permit for Project #21-016, which was approved on September 14, 2021.

Project Completion

The completion date for this project as set forth in the Certificate of Need Permit application is December 31, 2024. The Cardiovascular Institute at Glenbrook Hospital opened on May 13, 2024. At the time that the Glenbrook Hospital Cardiovascular Institute opened, the cardiac cath volumes at Evanston Hospital and Highland Park Hospital were substantially reduced as contemplated in the CON permit application. The cardiac catheterization services at those hospitals are now limited to accommodate only those cases needed to be performed on patients requiring emergency catheterization.

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 \$174,233,280. The Project Costs table below provides an itemized listing showing the Approved Permit Amount and the Final Realized Costs.

| | Approved Permit Amount | Final Realized Costs |
|------------------------------------|------------------------------|----------------------------|
| PROJECT COSTS | | |
| Preplanning Costs | \$3,834,908 | \$3,849,989 |
| Site Survey and Soil Investigation | \$183,458 | \$174,190 |
| Site Preparation | \$4,511,445 | \$4,909,680 |

| | | |
|--|----------------------|----------------------|
| Off Site Work | \$0 | \$0 |
| New Construction Contracts | \$81,941,401 | \$93,067,312 |
| Modernization Contracts | \$3,258,000 | \$3,257,296 |
| Contingencies | \$8,506,830 | \$8,436,027 |
| Architectural/Engineering Fees | \$5,220,188 | \$2,994,911 |
| Consulting and Other Fees | \$4,784,660 | \$4,455,813 |
| Movable or Other Equipment (not in construction contracts) | \$48,020,608 | \$38,399,511 |
| Bond Issuance Expense (project related) | \$760,273 | \$382,610 |
| Net Interest Expense During Construction (project related) | \$5,795,875 | \$4,050,391 |
| Fair Market Value of Leased Space or Equipment | \$0 | \$0 |
| Other Costs To be Capitalized | \$10,259,107 | \$10,255,550 |
| Acquisition of Building or Other Property (excluding land) | \$0 | \$0 |
| ESTIMATED TOTAL PROJECT COSTS | \$177,076,753 | \$174,233,280 |

Method of Financing of the Project

The Project Sources of Funds table below provides a listing of the sources of funding of the project.

| PROJECT SOURCES OF FUNDS | Approved Permit Amount | Actual Expenditures |
|---------------------------------|-------------------------------|----------------------------|
| Cash and Securities | \$5,795,875 | \$59,246,515 |
| Pledges | \$0 | \$0 |
| Gifts and Bequests | \$0 | \$0 |
| Bond Issues (project related) | \$166,280,878 | \$114,986,765 |
| Mortgages | \$0 | \$0 |
| Leases (fair market value) | \$0 | \$0 |
| Governmental Appropriations | \$0 | \$0 |
| Grants | \$0 | \$0 |
| Other Funds & Sources | \$5,000,000 | \$0 |
| TOTAL FUNDS | \$177,076,753 | \$174,233,280 |

Titles XVIII and XIX

This letter certifies that the reported final realized costs 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 that will be submitted for reimbursement under Titles XVIII or XIX.

Certification of Compliance

This letter certifies that the project is in compliance with all of the terms of the associated permit.

Application and Certification for Payment

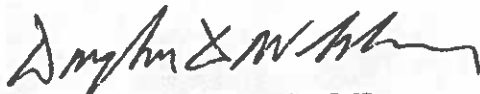
The final AIA Application and Certification for Payment for the construction contract of the project (Form G702) is attached.

Audited Financial Report

An audited financial report of the project's final realized costs and sources of funds completed by the independent firm of Baker Tilly Advisory Group, LP is attached.

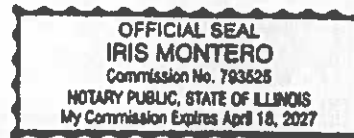
If you have any questions about this project, please feel free to contact me.

Sincerely,



Doug Welday, Chief Financial Officer

Subscribed and sworn before me
this 26th day of March, 2025.



Notary Public

My commission expires: April 18, 2027



Baker Tilly Advisory Group, LP
4807 Innovate Ln, PO Box 7398
Madison, WI 53707-7398
United States of America

T: +1 (808) 249 6622
F: +1 (808) 249 8532

bakertilly.com

March 17, 2025

John Kniery
Administrator
Illinois Health and Services Review Board

Illinois Health Facilities and Services Review Board
525 W. Jefferson, 2nd Floor
Springfield, IL 62761

Project:

Permit: #21-016 – Glenbrook Hospital CVI Expansion
Project: Glenbrook Hospital
Permit Holder: Endeavor Health, formerly NorthShore University HealthSystem

Audit Objectives and Scope:

Baker Tilly Advisory Group, LP was engaged by Endeavor Health to perform an independent certificate of need cost audit on the modernization and expansion of the existing Glenbrook Hospital (CON #21-016). The permit was initially approved by the State Board on September 16, 2021. A revised permit which included bond financing and the related interest costs was subsequently approved on February 14, 2022. The total approved permit amount was \$177,076,753. This letter includes a detailed schedule of expenditures by project cost component and certification of the expenditures and sources of funds. The final realized cost of this project is \$174,233,280, which is \$2,843,473 or 2% 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;
- The mathematical accuracy and consistency of invoices;
- That applicable construction progress payments included accurate application for payment documents, lien waivers, 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 1130.770(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 # 21-016.

Project Number: 21-016
Project Title: Glenbrook Hospital CVI Expansion
Subject: Final Cost Report
Permit Holder: Endeavor Health
Date: March 17, 2025

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 \$158,765,116 (91%) in payments made for the Glenbrook Hospital CVI Expansion, we confirm that the \$174,233,280 in CON charges to be reported to the Illinois Health Facilities and Services Review Board by the March 31, 2025, 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, CPA, CCA
Partner

Baker Tilly Advisory Group, LP

Project Number: 21-016
 Project Title: Glenbrook Hospital CVI Expansion
 Subject: Final Cost Report
 Permit Holder: Endeavor Health
 Date: March 17, 2025

| Category | Projected | Total Costs Incurred as 2/24/2025 | Available Balance as of 2/24/2025 | Estimated Costs to Completion | Variance From Approved |
|------------------------------------|-----------------------|-----------------------------------|-----------------------------------|-------------------------------|------------------------|
| Preplanning Costs | \$ 3,834,908 | \$ 3,849,989 | \$ (15,081) | \$ - | \$ (15,081) |
| Site Survey and Soil Investigation | \$ 183,458 | \$ 174,190 | \$ 9,268 | \$ - | \$ 9,268 |
| Site Preparation | \$ 4,511,445 | \$ 4,909,680 | \$ (398,235) | \$ - | \$ (398,235) |
| New Construction | \$ 81,941,401 | \$ 93,067,312 | \$ (11,125,911) | | \$ (11,125,911) |
| Modernization Contracts | \$ 3,258,000 | \$ 3,257,298 | \$ 704 | | \$ 704 |
| Contingencies | \$ 8,506,830 | \$ 8,438,027 | \$ 70,803 | | \$ 70,803 |
| Architectural/Engineering Fees | \$ 5,220,188 | \$ 2,994,911 | \$ 2,225,277 | \$ - | \$ 2,225,277 |
| Consulting and Other Fees | \$ 4,784,680 | \$ 4,455,813 | \$ 328,847 | \$ - | \$ 328,847 |
| Movable or Other Equipment | \$ 48,020,808 | \$ 38,399,511 | \$ 9,621,097 | \$ - | \$ 9,621,097 |
| Other Costs to be Capitalized | \$ 10,259,107 | \$ 10,255,550 | \$ 3,557 | \$ - | \$ 3,557 |
| Bond Issuance Expense | \$ 760,273 | \$ 382,610 | \$ 377,633 | \$ - | \$ 377,663 |
| Net Interest Expense | \$ 5,795,875 | \$ 4,050,391 | \$ 1,745,484 | \$ - | \$ 1,745,484 |
| | | | | | |
| Total | \$ 177,078,763 | \$ 174,233,280 | \$ 2,843,473 | \$ - | \$ 2,843,473 |
| | | | | | |

Cash and Securities \$ 59,246,515
 Pledges
 Gifts and Bequests
 Bond Issues (project related) 114,986,765
 Mortgages
 Leases (fair market value)
 Governmental Appropriations
 Grants
 Other Funds and Sources

Total Funds \$ 174,233,280

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: NorthShore University HealthSystem
2650 Ridge Avenue
Evanston, IL 60201

PROJECT: NUH - GH Cardiology Addition
2650 Ridge Avenue
Evanston, IL 60201

Page: 1 of 4

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

ARCHITECT:

APPLICATION NO.: 28
PERIOD TO : Oct/31/2024
PROJECT NOS.: 2100489
INVOICE NO.: 2100489034
CONTRACT DATE : Nov/05/2021

Distribution to:
☐ OWNER
☐ ARCHITECT
☐ CONTRACTOR

CONTRACT FOR: NUH - GH Cardiology Addition

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 \$ 102,117,326.00
2. Net change by change orders \$ 17,006,808.75
3. CONTRACT SUM TO DATE (Line 1 +/- 2) \$ 119,124,134.75
4. TOTAL COMPLETED & STORED TO DATE \$ 119,124,134.75

(Column G on G703)

5. RETAINAGE:

- (Total retainage Column I of G703) \$ 0.00
6. TOTAL EARNED LESS RETAINAGE \$ 119,124,134.75
- (Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 112,484,780.08

8. CURRENT PAYMENT DUE

\$ 6,639,354.67

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) \$ 0.00

| CHANGE ORDER SUMMARY | | ADDITIONS | DEDUCTIONS |
|---|---------------|---------------|-------------|
| Change Order approved in previous months by Owner | | 14,934,342.00 | -835,853.00 |
| APPROVED THIS MONTH | | | |
| Number | Date Approved | | |
| 0000022 | Aug/05/2024 | 1,073,242.00 | 0.00 |
| 0000023 | Aug/28/2024 | 2,089,589.00 | 0.00 |
| 0000024 | Oct/10/2024 | | -254,511.25 |
| Current Total: | | 3,162,831.00 | -254,511.25 |
| Net Change by Change Orders | | 17,006,808.75 | |

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 Leavellyn Date: 11/12/2024

State of: IL

County of: Lake

Subscribed and sworn to before
me this 12th day of November 2024

Notary Public: Brandon Vaughn Bickers

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 \$ 6,639,354.67

(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: [Signature]
By: [Signature] Date: 11/13/2024

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.

Note: Costs reflected in the Application and Certification for Payment were categorized in multiple categories within the final cost report in addition to New Construction Contracts, Modernization Contracts and Contingencies.