ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Humboldt Park Health Wellness Center
Street Address: Southwest Corner of Division Street and Richmond Avenue
City and Zip Code: Chicago, 60622
County: Cook Health Service Area: 6 Health Planning Area: A-02

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Humboldt Park Health
Street Address: 1044 North Francisco Avenue
City and Zip Code: Chicago, 60622
Name of Registered Agent: Jose R. Sanchez
Registered Agent Street Address: 1044 North Francisco Avenue
Registered Agent City and Zip Code: Chicago, 60622
Name of Chief Executive Officer: Jose R Sanchez
CEO Street Address: 1044 North Francisco Avenue
CEO City and Zip Code: Chicago, 60622
CEO Telephone Number: 773-292-8200

Type of Ownership of Applicants

☒ Non-profit Corporation ☐ Partnership
☐ For-profit Corporation ☐ Governmental
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing.**
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Juan Morado Jr. and Mark J. Silberman
Title: Attorney
Company Name: Benesch Friedlander Coplan and Aronoff LLP
Address: 71 South Wacker Drive, Suite 1600
Telephone Number: 312-212-4967 and 312-212-4952
E-mail Address: JMorado@beneschlaw.com and MSilberman@beneschlaw.com
Fax Number: 312-767-9192

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Christine Raguso
Title: Vice-President of Professional Services
Company Name: Humboldt Park Health
Address: 1044 North Francisco Avenue, Chicago IL 60622
Telephone Number: 773-360-6370
E-mail Address: craguso@hph.care
Fax Number: 773-276-3737

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-**THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]**

Name: Jose R. Sanchez
Title: Chief Executive Officer
Company Name: Humboldt Park Health
Address: 1044 North Francisco Avenue
Telephone Number: 773-292-8200
E-mail Address: jrsanchez@hph.care
Fax Number: 773-276-3737

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Humboldt Park Health
Address of Site Owner: 1044 North Francisco Avenue, Chicago, IL 60622
Street Address or Legal Description of the Site: **Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.**
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee- N/A

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name:
Address:
☐ Non-profit Corporation ☐ Partnership ☐ For-profit Corporation ☐ Governmental ☐ Limited Liability Company ☐ Sole Proprietorship ☐ Other o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. o **Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.**
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.
APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at **www.FEMA.gov** or **www.illinoisfloodmaps.org. This map must be in a readable format**. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 **(http://www.hfsrb.illinois.gov)**. **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

☐ Substantive

☒ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Humboldt Park Health ("HPH") is proposing to establish a Wellness Center consisting of 45,500 GSF on a parcel of real property located at Southwest corner of Division Street and Richmond Avenue. The parcel identification numbers (PINS) associated with the properties where the facility will be constructed include the following: 16-01-130-100-3000, 16-01-130-100-4000, 16-01-130-100-5000, and 16-01-130-100-6000.

This project is classified as non-substantive, in that it does not involve the establishment of any category of services. However, it requires an expenditure in excess of the capital expenditure threshold for the benefit of a healthcare facility, thus making it reviewable by the HFSRB. The HPH Wellness Center will include exercise equipment, swimming facilities, fitness training, space for classes, mind-body programming, a track, access to wellness resource tools, nutritional counseling, community gathering space and 2,000 GSF that will be dedicated to a rehabilitation/sports medicine clinic.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	-	-	-
Site Survey and Soil Investigation	-	-	-
Site Preparation	$14,843	$375,757	$390,600
Off Site Work	-	-	-
New Construction Contracts	$915,619	$19,914,724	$20,830,343
Modernization Contracts	-	-	-
Contingencies	$90,232	$2,284,299	$2,374,531
Architectural/Engineering Fees	$63,631	$1,383,971	$1,447,602
Consulting and Other Fees	$11,326	$246,345	$257,671
Movable or Other Equipment (not in construction contracts)	$36,004	$783,090	$819,094
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	-	-	-
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs to Be Capitalized	-	-	-
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	**$1,131,656**	**$24,988,185**	**$26,119,841**
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$271,656	$4,348,185	$4,619,841
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	-	-	-
Leases (fair market value)	-	-	-
Governmental Appropriations	-	-	-
Grants	$860,000	$20,640,000	$21,500,000
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	**$1,131,656**	**$24,988,185**	**$26,119,841**
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs
Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No
Purchase Price: $_____
Fair Market Value: $_____

The project involves the establishment of a new facility or a new category of service
☐ Yes ☒ No

If yes, provide the dollar amount of all **non-capitalized** operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.

Estimated start-up costs and operating deficit cost is **N/A.**

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

☐ None or not applicable ☐ Preliminary
☒ Schematics ☐ Final Working

Anticipated project completion date (refer to Part 1130.140): December 31, 2022

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

☐ Purchase orders, leases or contracts pertaining to the project have been executed.
☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?
☒ Cancer Registry
☒ APORS
☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
☐ All reports regarding outstanding permits – **N/A**
Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet** (**BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Not Reviewable Space [i.e. non-clinical]: *means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers.* [20 ILCS 3960/3]

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Rehabilitation/ Sports Medicine Clinic	$1,131,656		2,000	2,000			
Total Clinical	$1,131,656		2,000	2,000			
NON-REVIEWABLE							
Wellness Center	$24,988,185						
Total Non-clinical	$24,988,185		43,500	43,500			
TOTAL	**$26,119,841**		**45,500**	**45,500**			
APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

Facility Bed Capacity and Utilization- Not Applicable

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available. Include observation days in the patient day totals for each bed service.** Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME:		**CITY:**			
REPORTING PERIOD DATES:		**From:**		**to:**	
Category of Service	**Authorized Beds**	**Admissions**	**Patient Days**	**Bed Changes**	**Proposed Beds**
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify)					
TOTALS:					

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Humboldt Park Health* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

SIGNATURE

Jose R. Sanchez
PRINTED NAME

President and Chief Executive Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 25 day of APRIL

Signature of Notary

Seal

STATE of Illinois; County of Cook

CASSANDRA G THOMPSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
October 06, 2022

SIGNATURE

THOMAS J. GARVEY
PRINTED NAME

Chief INTERIM Financial Officer
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 28 day of APRIL

Signature of Notary

Seal

State of Illinois
County of Cook

MARILYN CERETTO
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
May 29, 2023

*Insert the EXACT legal name of the applicant

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SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.

2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.

3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.

    a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.

    b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.

    c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.

    d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.

    e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.

4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**

5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.

4. Cite the sources of the documentation.

5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

A) Proposing a project of greater or lesser scope and cost;

B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;

C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and

D) Provide the reasons why the chosen alternative was selected.

2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**

3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**

2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:

    a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.

    b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.

    c. The project involves the conversion of existing space that results in excess square footage.

    d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Rehabilitation/ Sports Medicine Clinic	**2,000 GSF**	**N/A**	**N/A**	**N/A**

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION: NOT APPLICABLE

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	**HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.**	**PROJECTED UTILIZATION**	**STATE STANDARD**	**MEET STANDARD?**
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.

2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.

3. Evidence that the shell space is being constructed due to:

    a. Requirements of governmental or certification agencies; or

    b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.

4. Provide:

    a. Historical utilization for the area for the latest five-year period for which data is available; and

    b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and

3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections DO NOT need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- **Section 1120.120 Availability of Funds − Review Criteria**
- **Section 1120.130 Financial Viability − Review Criteria**
- **Section 1120.140 Economic Feasibility − Review Criteria, subsection (a)**

VII. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [**Indicate the dollar amount to be provided from the following sources]:**

$4,619,841	a) Cash and Securities − statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges − for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests − verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;
_____	d) Debt − a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.

_____	e) Governmental Appropriations − a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
$21,500,000	f) Grants − a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources − verification of the amount and type of any other funds that will be used for the project.
$26,119,841	**TOTAL FUNDS AVAILABLE**
APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

SECTION VIII. 1120.130 - FINANCIAL VIABILITY- NOT APPLICABLE

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:
1. "A" Bond rating or better
2. All the project's capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:	**2019**	**2020**	**2021**	**2022**
Current Ratio	2.2	1.3	1.8	2.0
Net Margin Percentage	-6.8%	1.4%	13.5%	5.0%
Percent Debt to Total Capitalization	0.57	0.53	0.51	0.50
Projected Debt Service Coverage	(0.2)	1.8	3.6	3.0
Days Cash on Hand	121.1	251.3	194.1	201.8
Cushion Ratio	1.5	3.5	2.7	3.0

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or

2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:

A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or

B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

1) That the selected form of debt financing for the project will be at the lowest net cost available;

2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;

3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1) Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE

Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot		Gross Sq. Ft.		Gross Sq. Ft.		Const. $ (A x C)	Mod. $ (B x E)	
	New	Mod.	New	Circ.*	Mod.	Circ.*			
Rehabilitation/ Sports Medicine Clinic	$457.81	-	2,000	-	-	-	$915,619	-	$915,619
Contingency	$45,11	-	-	-	-	-	$90,232	-	$90,232
TOTALS	$502.92	-	2,000	-	-	-	$1,005,851	-	$1,005,851

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, ***including the impact on racial and health care disparities in the community,*** to the extent that it is feasible for an applicant to have such knowledge.

2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.

2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 37.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	**Year**	**Year**	**Year**
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

Charity Care information MUST be furnished for ALL projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.

2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.

3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care must be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

CHARITY CARE			
	Year	**Year**	**Year**
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS ATTACHMENT 39, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: **Humboldt Park Health 1044 North Francisco Avenue, Richmond Avenue, Chicago, Illinois 60622, 773-292-8200**

2. Project Location: **Southwest Corner of Division Street and Richmond Avenue, Chicago, Illinois 60622, Cook County, West Township**
(Address) (City) (State)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (https://msc.fema.gov/portal/home) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the ***Go To NFHL Viewer*** tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.
If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes___ No _X

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.
If the determination is being made by a local official, please complete the following:

FIRM Panel Number:_____ Effective Date:_____

Name of Official:_____ Title:_____

Business/Agency:_____ Address:_____

_____

(City) (State) (ZIP Code) (Telephone Number)

Signature:_____ Date:_____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS

Attachment 1
Type of Ownership of Applicants

Included with this attachment are:

1. The Certificate of Good Standing for Humboldt Park Health.

Attachment 1
Certificate of Good Standing
Humboldt Park Health

File Number 2408-233-4

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

HUMBOLDT PARK HEALTH, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 11, 1935, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

Authentication #: 2209602570 verifiable until 04/06/2023
Authenticate at: http://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 6TH *day of* APRIL *A.D.* 2022 .

Jesse White

SECRETARY OF STATE

Attachment 2
Site Ownership

This site is owned by Humboldt Park Health, an Illinois not for profit corporation. Included as evidence of site ownership is a letter attesting to ownership by Jose R. Sanchez, Chief Executive Officer of Humboldt Park Health.

Attachment 2
Letter Attesting to Site Ownership

HUMBOLDT PARK HEALTH
ADVANCING HEALTH EQUITY

1044 N Francisco Ave
Chicago, IL 60622
773.272.8200
www.HPH.care

April 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Attestation of Site Ownership

Dear Chair Savage,

As representative of Humboldt Park Health, I, Jose R. Sanchez, hereby attest that the site of the proposed Humboldt Park Health Wellness Center, located at Southwest corner of Division Street and Richmond Avenue in Chicago, IL 60622 is owned by Humboldt Park Health. The parcel identification numbers (PINS) associated with the properties where the facility will be constructed include the following: 16-01-130-100-3000, 16-01-130-100-4000, 16-01-130-100-5000, and 16-01-130-100-6000.

Furthermore, I attest that the proposed location for the Humboldt Park Health Wellness Center, located at Southwest corner of Division Street and Richmond Avenue in Chicago, IL is not located in a flood zone.

Sincerely,

José R. Sánchez
President and Chief Executive Officer
Humboldt Park Health

Subscribed and sworn to before me this

28 day of April, 2022.

Notary Public

STATE of Illinois, County of Cook

Seal

CASSANDRA G THOMPSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
October 06, 2022

Attachment 3
Operating Licensee

The proposed Humboldt Park Health Wellness Center does not require licensure by the Illinois Department of Public Health. However, the Wellness Center owner will be Humboldt Park Health, a full-service acute care hospital. Attached as evidence of the owner entity's good standing is a Certificate of Good Standing issued by Illinois Secretary of State.

Attachment 3
Operating Licensee
Certificate of Good Standing for Humboldt Park Health

File Number 2408-233-4

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

HUMBOLDT PARK HEALTH, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JUNE 11, 1935, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.

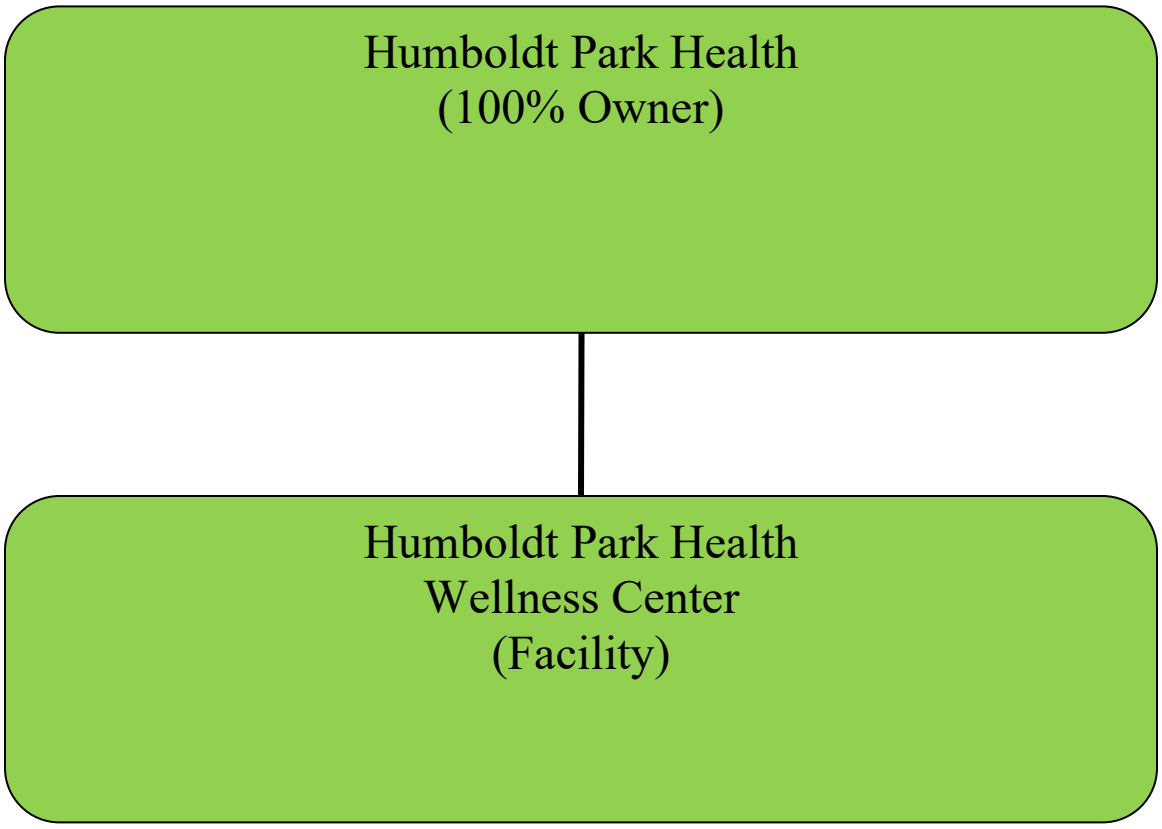
Authentication #: 2209602570 verifiable until 04/06/2023
Authenticate at: http://www.ilsos.gov

In Testimony Whereof, *I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this* 6TH *day of* APRIL *A.D.* 2022 .

Jesse White

SECRETARY OF STATE

Attachment 4
Organizational Chart



Attachment 5
Flood Plain Requirements

HUMBOLDT PARK HEALTH
ADVANCING HEALTH EQUITY

1044 N Francisco Ave
Chicago, IL 60622
773.272.8200
www.HPH.care

April 28, 2022

Debra Savage
Board Chair
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Humboldt Park Health Wellness Center- Flood Plain Requirements

Dear Chair Savage:

As representative of Humboldt Park Health, I, Jose R. Sanchez, hereby affirm that the site of the proposed Humboldt Park Health Wellness Center, complies with Illinois Executive Order #2005-5. The Humboldt Park Wellness Center will be located at Southwest corner of Division Street and Richmond Avenue in Chicago, IL 60622 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

José R. Sánchez
President and Chief Executive Officer
Humboldt Park Health

Attachment 5
Flood Plain Requirements

Attachment 6
Historic Preservation Act Requirements

The applicant submitted a request for determination to the Illinois Department of Natural Resources-Preservation Services Division on April 4, 2022. A final determination was received on May 6, 2022.

ILLINOIS DEPARTMENT OF NATURAL RESOURCES

Illinois Department of
Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

JB Pritzker, Governor
Colleen Callahan, Director

Cook County PLEASE REFER TO: SHPO LOG #020040622
Chicago
SW of Division Street & Richmond Avenue
IHFSRB
*New construction, medical facility - Humboldt Park Health, The Wellness Center

May 6, 2022

Juan Morado
Benesch, Friedlander, Coplan and Aronoff LLP
71 S. Wacker Dr., Suite 1600
Chicago, IL 60606

Dear Mr. Morado:

The Illinois State Historic Preservation Office is required by the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420, as amended, 17 IAC 4180) to review all state funded, permitted or licensed undertakings for their effect on cultural resources. Pursuant to this, we have received information regarding the referenced project for our comment.

Our staff has reviewed the specifications under the state law and assessed the impact of the project as submitted by your office. We have determined, based on the available information, that no significant historic, architectural or archaeological resources are located within the proposed project area.

According to the information you have provided concerning your proposed project, apparently there is no federal involvement in your project. However, please note that the state law is less restrictive than the federal cultural resource laws concerning archaeology. If your project will use federal loans or grants, need federal agency permits, use federal property, or involve assistance from a federal agency, then your project must be reviewed under the National Historic Preservation Act of 1966, as amended. Please notify us immediately if such is the case.

This clearance remains in effect for two (2) years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the IL Human Skeletal Remains Protection Act (20 ILCS 3440).

Please retain this letter in your files as evidence of compliance with the Illinois State Agency Historic Resources Preservation Act.

If further assistance is needed please contact Jeff Kruchten, Chief Archaeologist at 217/785-1279 or Jeffery.kruchten@illinois.gov.

Sincerely,

Carey L. Mayer

Carey L. Mayer , AIA
Deputy State Historic
Preservation Officer

Attachment 6
Historic Preservation Act Requirements

Juan Morado Jr.
71 South Wacker Drive, Suite 1600
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

April 4, 2022

VIA E-MAIL

Jeffrey Krutchen
Chief Archaeologist
Preservation Services Division
Illinois Historic Preservation Office Illinois Department of Natural Resources
1 Natural Resources Way
Springfield, Illinois 62702
Jeffrey.kruchten@illinois.gov
SHPO.Review@illinois.gov

Re: Certificate of Need Application for Humboldt Park Health Wellness Center

Dear Jeffrey:

I am writing on behalf of my client, Humboldt Park Health ("HPH"), to request a review of the project area under Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). HPH is submitting an application for a Certificate of Need from the Illinois Health Facilities and Services Review Board. RCMC is proposing to construct a Wellness center at the Southwest corner of Division Street and Richmond Avenue in Chicago Illinois, 60622.

The proposed Wellness Center will be three stories and will include approximately 2,000 square feet of space that will be built out to operate a rehabilitation and sport medicine clinic. The Wellness Center will include exercise equipment, swimming facilities, fitness training, space for classes, mind-body programming, a track, access to wellness resource tools, nutritional counseling, community gathering space and 2000 GSF that will be dedicated to a rehabilitation/sports medicine clinic. For your reference, we have included pictures of the land where the facility will be constructed and topographic maps (Attachments 1-2) showing the general location of the project.

We respectfully request review of the project area and a determination letter at your earliest convenience. Thank you in advance for all the time and effort that will be going into this review.

Very truly yours,
BENESCH, FRIEDLANDER,
COPLAN & ARONOFF, LLP

Juan Morado, Jr.

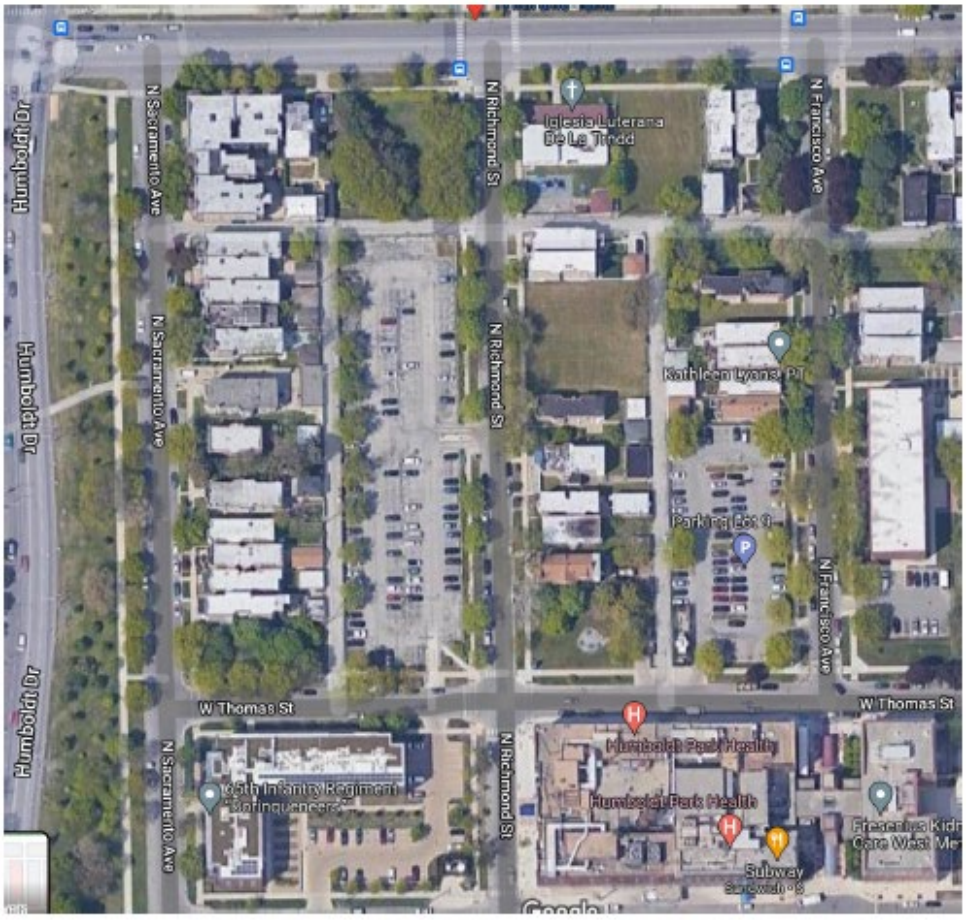
15469591 v2

Attachment 6
Historic Preservation Act Requirements

Humboldt Park Health Wellness Center Topographic Map
(Southwest corner of Division Street and Richmond Avenue, Chicago, Illinois 60622)

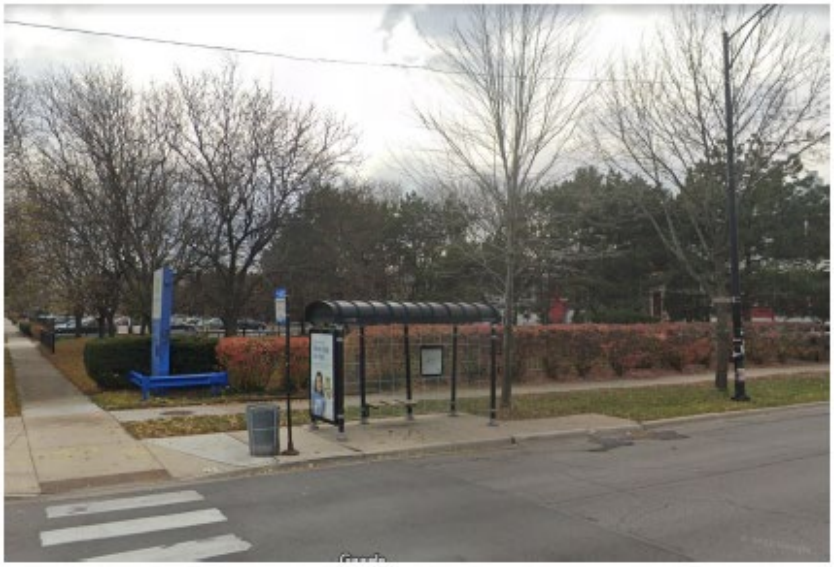
Attachment 6
Historic Preservation Act Requirements

Humboldt Park Health Wellness Aerial Map



Attachment 6
Historic Preservation Act Requirements

Humboldt Park Health Wellness Street View



15469591 v2

Attachment 7
Detailed Project Costs and Sources of Funds

Project Costs and Sources of Funds			
USE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Preplanning Costs	-	-	-
Site Survey and Soil Investigation	-	-	-
Site Preparation	$14,843	$375,757	$390,600
Off Site Work	-	-	-
New Construction Contracts	$915,619	$19,914,724	$20,830,343
Modernization Contracts	-	-	-
Contingencies	$90,232	$2,284,299	$2,374,531
Architectural/Engineering Fees	$63,631	$1,383,971	$1,447,602
Consulting and Other Fees	$11,326	$246,345	$257,671
Movable or Other Equipment (not in construction contracts)	$36,004	$783,090	$819,094
Bond Issuance Expense (project related)	-	-	-
Net Interest Expense During Construction (project related)	-	-	-
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs to Be Capitalized	-	-	-
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	$1,131,656	$24,988,185	$26,119,841
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	$271,656	$4,348,185	$4,619,841
Pledges	-	-	-
Gifts and Bequests	-	-	-
Bond Issues (project related)	-	-	-
Mortgages	-	-	-
Leases (fair market value)	-	-	-
Governmental Appropriations	-	-	-
Grants	$860,000	$20,640,000	$21,500,000
Other Funds and Sources	-	-	-
TOTAL SOURCES OF FUNDS	**$1,131,656**	**$24,988,185**	**$26,119,841**

Attachment 7
Detailed Project Costs and Sources of Funds

PROJECT COSTS AND SOURCES OF FUNDS (cont'd)		
Site Preparation	• Site Grading- $150,000 • Site Utilities- $100,000 • Landscaping- $60,000 • Miscellaneous- $20,600 • Site Survey Investigation-$60,000	$390,600
New Construction Costs	• General Contractor cost, material, and labor cost	$20,830,343
Contingences	• Unforeseen events related to constructions costs.	$2,374,531
Architectural/Engineering Fees	• A/E Site Plans Preparation, Review Process	$1,447,602
Consulting and Other Fees	• CON and Permit Related Fees- $60,000 • Interior Signage- $20,000 • System testing- $50,000 • Insurance- $75,000 • Builder Permit Fees- $45,000 • Miscellaneous/Other $2,671	$257,671
Moveable or Other Equipment (not in construction contracts)	• Exercise Equipment- $480,000 • Security System- $45,000 • IT Equipment, Data Closet, AV Equipment- $124,094 • Furniture- $215,000	$819,094
Total Uses of Funds	**$26,119,841**	**$26,119,841**

Preplanning Costs- There are no preplanning costs associated with the project.

Site Preparation and Site Survey- The clinical site preparation and site survey costs are estimated to be $14,483, which is approximately 1.48% of the construction and contingency costs.

New Construction Contracts- The proposed project will be constructed on an existing city lot with no current structures located on it. The project building costs are based on national architectural and construction standards and adjusted to compensate for several factors. As reported by Crain's Chicago Business, Jones Lang LaSalle, a Chicago based real estate service firm conducted a nation study of construction costs and found that construction costs in the Chicagoland area were 19.4 higher than the national average, and third highest in the nation. Coupled with the unexpected increases in labor and raw material costs due to the COVID-19 pandemic. The clinical construction costs are estimated to be $915,619 or $457.81 per clinical square foot.

Contingencies- The Project's contingencies costs are designed to allow the construction team an amount of funding for unforeseeable event related to construction. Clinical construction costs for contingencies are estimated to be $90,232 or 9.8% percent of projected clinical new construction costs.

Architectural/Engineering Fees- The clinical project cost for architectural/engineering fees are projected to be $63,631 or 6.9% of the new construction and contingencies costs.

Consulting and Other Fees- The Project's consulting fees are primarily comprised of various project-related fees, additional state/local fees, and other CON related costs.

Moveable Equipment Costs- The moveable equipment costs are necessary for the operation of the sports medicine/ rehabilitation space.

Other Costs that are to be Capitalized- The Project has no other costs to be capitalized.

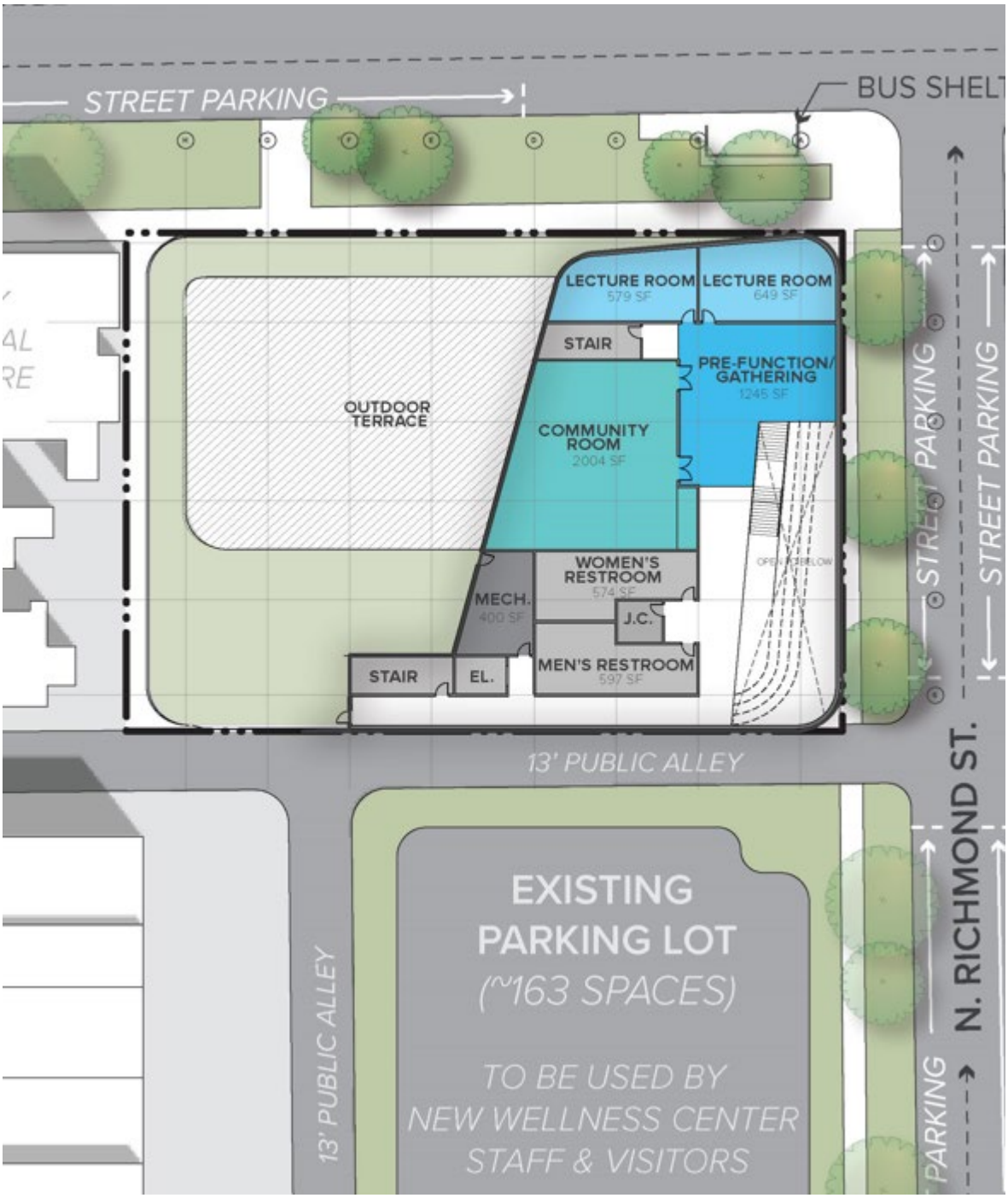
Attachment 8
Project Status and Completion Schedules

The proposed project plans are still at a schematic stage. The proposed project completion date is December 31, 2023. Financial commitment for the project will occur following permit issuance, but in accordance with HFSRB regulations.

Attachment 9
Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
Rehabilitation/ Sports Medicine Clinic	$1,131,656		2,000	2,000			
Total Clinical	$1,131,656		2,000	2,000			
NON-REVIEWABLE							
Wellness Center	$24,988,185						
Total Non-clinical	$24,988,185		43,500	43,500			
TOTAL	**$26,119,841**		**45,500**	**45,500**			

Attachment 9
Cost Space Requirements



Attachment 9
Cost Space Requirements

Attachment 9
Cost Space Requirements

Attachment 11
Background of the Applicant

The following information is provided to illustrate the qualifications, background and character of the Applicants, and to assure the Health Facilities and Services Review Board that the proposed Wellness Center will provide a proper standard of health care services for the community.

Humboldt Park Health

1. The proposed project is brought forth by Humboldt Park Health. The ownership of Humboldt Park Health Wellness Center is reflected in Attachment 4.

1. Humboldt Park Health has direct ownership interest in a full service acute care hospital operating under the same name in Illinois. The applicant certifies that there have been no adverse actions taken during the three (3) years prior to filing of this application. A letter certifying to the above information is included at Attachment 11.

2.We have included a letter authorizing access to the HFSRB and IDPH to verify information contained in the application at Attachment 11.

Attachment 11
Background of the Applicant

For over 128 years, Humboldt Park Health (HPH) has provided healthcare for marginalized populations, effectively promoting more equitable access to care for communities that suffer significant health disparities. Designated by the State of Illinois as a safety net hospital, the facility supports the surrounding community and is committed to providing high quality, affordable and compassionate health services by partnering with our patients and their families, its employees and physicians. HPH is a community anchor that improves health outcomes for all patients, regardless of their circumstances, needs or identities and focuses on making health equity tangible with improvements that give under-served communities better access to quality healthcare.

HPH is a 200-bed full-service community teaching hospital that provides a full range of multidisciplinary services including:

- Acute inpatient care,
- Comprehensive Level Emergency Department
- Diagnostic services,
- Outpatient services including a behavioral health clinic,
- Substance Abuse Clinic,
- Individual, Group, and Family Counseling,
- Case Management services,
- Professional Office Building with full-service primary and specialty care
- Community clinics; and
- Mobile Pediatric Care-A-Van and Pediatric Mobile Dental Program.

HPH embraces its role as the primary community health care provider, and the proposed project is the next evolution in their ongoing goal to treat and cure disease and to promote wellness through health education, prevention and early intervention.

HPH Wellness Center

Attachment 11
Background of the Applicant

The HPH Wellness Center project is part of the first phase of HPH's Wellness District Master Plan that was crafted with community input to ensure the needs and desires of the residents and businesses are considered. The Wellness District Plan is part of the hospital's commitment to directly addressing social determinants of health to improve the lives of the community in general and its patient population. The HPH Wellness Center is a community-centric design of excellence, and the project scope of work will include over 45,500 square feet of space. The Wellness Center will be located on the northern edges of the Wellness District, bordered by Richmond Street to the East and Division Street to the North. This location was chosen because it's on Division Street between the Puerto Rican flags of the corridor, now proudly known and called the Puerto Rican town, reinforcing the Puerto Rican and Latino culture in the area. The site is contiguous with the historic Jensen Formal Garden in Humboldt Park.

HPH also recognizes the unique opportunity to promote our economic growth in the community through the development of this project, HPH intends to reach a minimum goal of utilizing 55% certified minority owned business (MBE) and 20% certified women owned business (WBE) participation. Additionally, HPH will ensure a robust local/apprenticeship hiring initiative with the selected general contractor.

Attachment 11
Background of the Applicant

HUMBOLDT PARK HEALTH
ADVANCING HEALTH EQUITY

1044 N Francisco Ave
Chicago, IL 60622
773.272.8200
www.HPH.care

April 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Certification and Authorization

Dear Chair Savage,
As representative of Humboldt Park Health, I, Jose R. Sanchez, give authorization to the Health Facilities and Services Review Board and the Illinois Department of Public Health (IDPH) to access documents necessary to verify the information submitted including, but not limited to: official records of IDPH or other state agencies, the licensing or certification records of other states, and the records of nationally recognized accreditation organizations.

I further verify that, Humboldt Park Health, has ownership interest in the Humboldt Park Health located at 1044 North Francisco Avenue, Chicago, IL, 60622. The facility has had no adverse actions to report for the past three (3) years.

I hereby certify this is true and based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

José R. Sánchez
President and Chief Executive Officer
Humboldt Park Health

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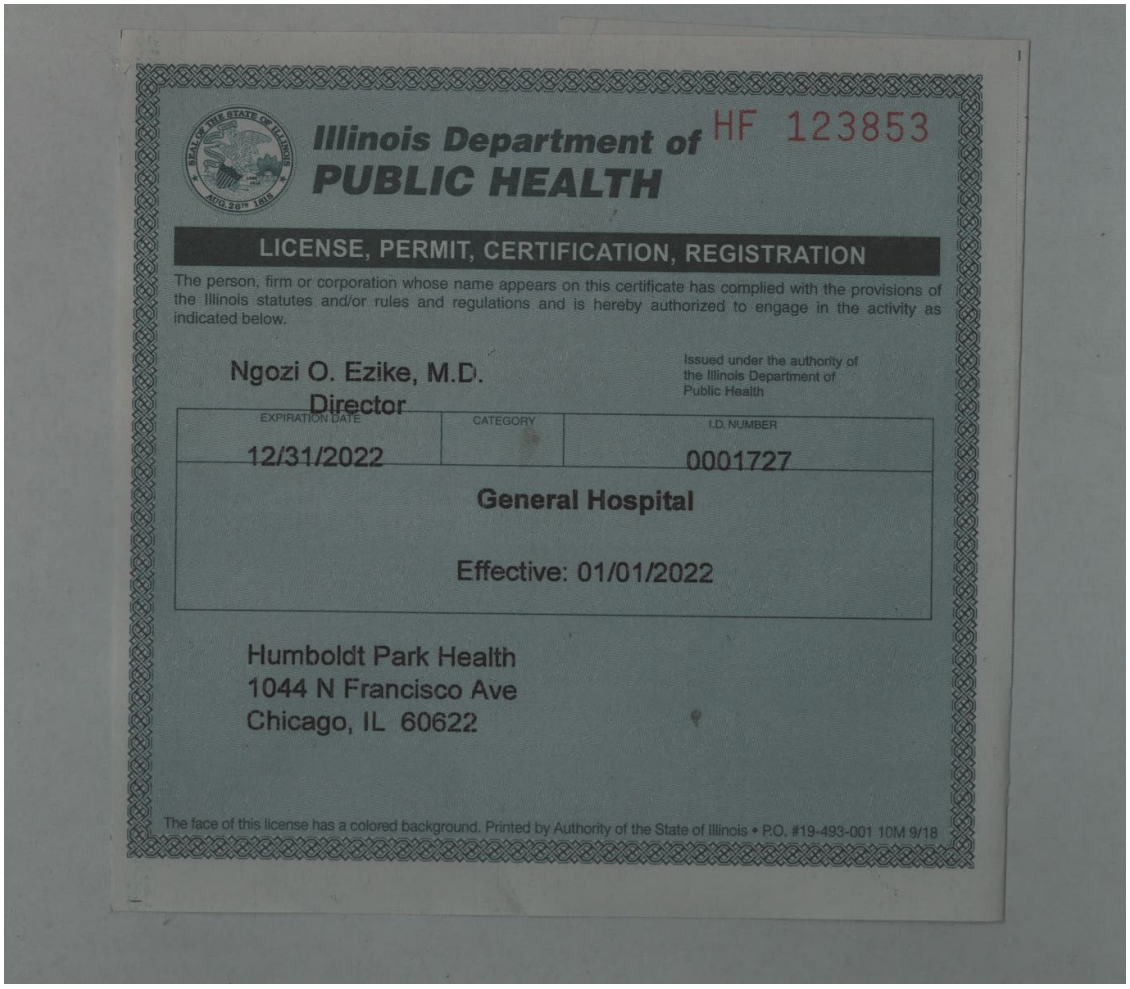

Illinois Department of PUBLIC HEALTH

HF 123853

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Ngozi O. Ezike, M.D.
Director

Issued under the authority of the Illinois Department of Public Health

EXPIRATION DATE	CATEGORY	I.D. NUMBER
12/31/2022		0001727

General Hospital

Effective: 01/01/2022

Humboldt Park Health
1044 N Francisco Ave
Chicago, IL 60622

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Attachment 12
Purpose of the Project

Community wellness centers can be an incredible catalyst for health care systems seeking to provide essential access to comprehensive preventive and primary care in underserved communities. A robust community based wellness center can address disparities by ensuring equitable access to health care knowledge and preventive strategies to shift patient outcomes positively. It also creates a sense of ownership and agency in the healthcare relationship that has, too often, been an impediment to preventive healthcare.

The HPH Wellness Center is a transformative project for one of the city's historical and largest Latino communities, Humboldt Park. It will be a cornerstone in the community focused on wellness, education, employment, and economic growth in the neighborhood. The ultimate goal of the facility will be to provide access to wellness options and fosters healthy outcomes for community members to avoid hospitalization and use of the hospital itself. Studies have demonstrated that community health providers that operate wellness center like the one proposed in this project which uses a patient centered model allows for patient to have improved health outcomes and can reduce trips to the hospital's emergency room. Preventive care has been shown to helpful in monitoring chronic conditions that patients face, can lower a facility's overall medical costs and reduce hospital stays.

The HPH Wellness Center will serve as a place to improve the health of community members by extending the hospital's continuum of care with offerings such as the following:

- Exercise Equipment,
- Swimming facilities,
- Individual and Group fitness training and exercise classes,
- Mind-body programming,
- Indoor track,
- Access to wellness resource tools,
- Nutritional counseling,
- Rehabilitation/sports medicine clinic; and
- Community gathering spaces including an outdoor open-air deck that provides ample community space for events and gatherings.

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Purpose of the Project

The HPH Wellness Center is poised to be the hub of physical fitness, health education and information for Humboldt Park residents as well as aims to improve outcomes for chronic diseases such as obesity, heart diseases, diabetes and mental health through disease management and prevention. As fundamentally important as having access to quality healthcare for treatment of significant disease, avoidance and prevention are key to promoting long term communal healthcare.

The clinical component of this project includes the sport medicine and rehabilitation clinic that will be located in the facility. Sports medicine focuses on working with patients who are recovering from injuries related to sports, exercise or other physical activities. The HPH Wellness Center will have experts on hand for consultation on injuries or if community members are looking to improve fitness and reach athletic goals. Sport medicine specialists may have a variety of backgrounds, ranging from orthopaedics and exercise physiology to emergency medicine.

Through both the hospital and the proposed HPH Wellness center, community members and patients will have increase access to the following types of healthcare professionals:

- Exercise physiologists
- Occupational therapists
- Orthopaedic specialists
- Physiatrists
- Physical therapists
- Sports medicine specialists

The HPH Wellness Center will have 2,000 GSF designed for rehabilitation and allow for recently discharged patients to perform rehab, outpatient rehabilitation, and train patient for in-home rehabilitation. Some of the conditions that may be treated at the HPH Wellness Center sports medicine/rehabilitation clinic include:

- Achilles Tendinitis
- Achilles Tendon Rupture
- Anterior Cruciate Ligament (ACL) Tear
- Arthritis
- Back, Neck and Spine
- Baseball-Related Shoulder Injuries
- Bone Spurs
- Calcaneal Apophysitis (Sever's Disease)
- Carpal Tunnel Syndrome
- Cartilage Wear
- Clavicle Fracture
- Compartment Syndrome
- Concussion
- Elbow Medial Collateral Ligament Mcl Tears
- Foot and Ankle
- Baseball Elbow
- Hand, Wrist and Elbow
- Iliotibial Band Friction Syndrome
- Impingement Syndrome
- Jamming Of The Finger
- Knee Cartilage Defect
- Knee, Foot and Ankle Injuries
- Labral Hip Tear
- Muscle Strains
- Osgood-Schlatter Disease

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Purpose of the Project

- Osteoarthritis of the Knee
- Osteochondral Injuries
- Patellar Instability
- Patellar Tendon Rupture
- Patellofemoral Pain Syndrome
- Plantar Fasciitis
- Posterior Cruciate Ligament Ruptures
- Rotator Cuff Tear
- Rotator Cuff Tendinitis
- Scaphoid (Navicular) Fractures of the Hand and Wrist
- Shin Splints
- Shoulder Bursitis
- Shoulder Instability
- Sports Injury
- Sports Physicals
- Sprains
- Tendon Injuries
- Tennis Elbow
- Torn Meniscus
- Trauma
- Trochanteric Bursitis
- Ulnar Collateral Ligament
- Wrist Fractures

One of the most impactful ways to reduce healthcare costs is to reduce the need for healthcare services through education, wellness, avoidance, and prevention. This project is designed to exemplify those principles.

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Purpose of the Project

March 2018 | Issue Brief

Community Health Centers: Growing Importance in a Changing Health Care System

Sara Rosenbaum, Jennifer Tolbert, Jessica Sharac, Peter Shin, Rachel Gunsalus, Julia Zur

Executive Summary

Community health centers are a key component of our health care system, providing essential access to comprehensive primary care in underserved communities. The health center program has experienced significant growth over time, particularly since the enactment of the Affordable Care Act (ACA), which expanded coverage options for many low-income health center patients and provided increased funding for health centers through the Community Health Center Fund (CHCF). With the enhanced ACA funding, health centers have expanded their service delivery capacity to meet the growing demand for care among new and existing patients. Drawing on federal health center data from 2016 and the Health Center Patient Survey from 2009 and 2014, this brief describes health centers and their patients in 2016 and examines changes in access to care and utilization of services by health center patients following implementation of the ACA coverage expansions in 2014. Key findings include:

- **Health centers are an important source of primary care for Medicaid and uninsured patients.** In 2016, health centers served 25.9 million patients at over 10,400 urban and rural locations. Just under half (49%) of health center patients were covered by Medicaid and nearly a quarter (23%) were uninsured. Nationally, one in six Medicaid enrollees received care at a health center.
- **Medicaid and Federal Section 330 grant funds account for the majority of health center revenues.** Medicaid is the largest source of funding for health centers, accounting for 43% of total health center revenue. Federal grants represent the next largest source of funding at 19%. These federal grant funds support care to uninsured and underinsured patients and enable health centers to provide services not covered by other payers. Health centers in states that did not expand Medicaid under the ACA are more reliant on federal grant funds. For these health centers, federal grant funding accounts for over a quarter of total revenues.
- **Health centers in Medicaid expansion states have greater operational capacity and serve more patients than health centers in non-expansion states.** State decisions on the Medicaid expansion have had service delivery implications for health centers. Health centers in Medicaid expansion states reported higher Medicaid revenues on average and higher revenues overall than health centers in non-expansion states. These higher revenues enabled health centers in expansion states to serve over a quarter more patients and provide nearly 50% more patient visits. Health centers in expansion states also employed more staff on average and were more likely to provide a broader array of services, including mental health, substance use disorder, and vision services.

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Filling the need for trusted information on national health issues, the Kaiser Family Foundation is a nonprofit organization based in San Francisco, California.

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- **The ability of health center patients to access needed care improved following implementation of the ACA coverage expansions.** Despite concerns raised by policy experts that the ACA coverage expansions would lead to an inability to get needed care and longer waits for care, fewer health center patients reported facing barriers to care in 2014 compared to 2009. The share of patients reporting an inability to obtain needed medical care dropped by one-third (from 23% to 15%) and the share reporting a delay in getting needed care dropped by over a quarter. Patients reported similar improvements in access to dental care, and these improvements occurred for both Medicaid and uninsured patients.
- **Utilization of certain preventive services by health center patients increased.** Along with improvements in accessing needed care, health center patients also reported increased utilization of certain preventive services, including flu shots and physical exams. Over half of adult health center patients said they received a flu shot in 2014, up from just 39% in 2009. Nearly 7 in 10 reported receiving a physical exam in 2014 compared to 63% in 2009. Uninsured patients were also significantly more likely to have received a dental exam in 2014 than in 2009 (42% vs. 33%).

Introduction

Community health centers play an increasingly important role in the US health care system. Launched in 1965 as a small experiment in bringing comprehensive primary care to rural and urban medically underserved communities, health centers have grown steadily over five decades following studies showing their effectiveness, not only in creating access to health care but in improving health on a community-wide basis.[1] Today's health centers offer a wide range of services spanning a full spectrum of care for conditions that can be successfully managed in community settings. Services found at health centers range from basic preventive medical and dental care to advanced treatment for serious and chronic physical and mental health conditions.

This issue brief provides a 2016 snapshot of health center patients and operations, including the services they furnish, their staffing, and their financial characteristics. It also examines changes in access to care and utilization of services by health center patients following the implementation of the coverage expansions through the Affordable Care Act (ACA) in 2014.

Findings

National Profile of Health Centers

Health centers serve a large and diverse patient population. In 2016, federally-funded community health centers served 25.9 million children and adults—more than one in twelve people—in over 10,400 urban and rural locations. An additional 58 community health centers supported with state and local funding cared for more than 738,000 patients.[2]

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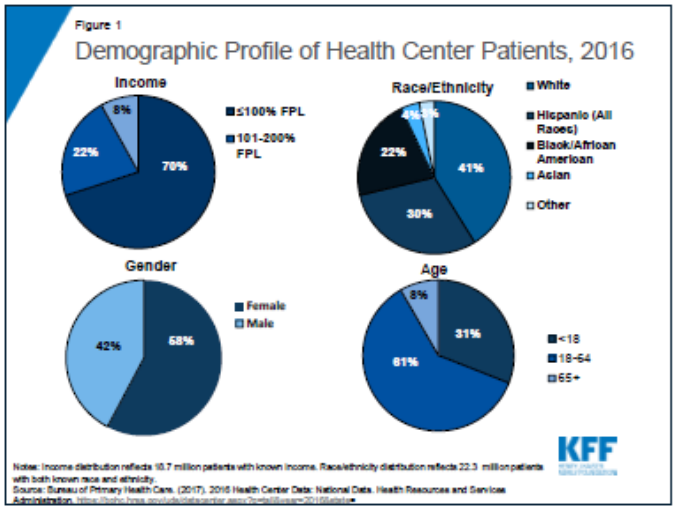
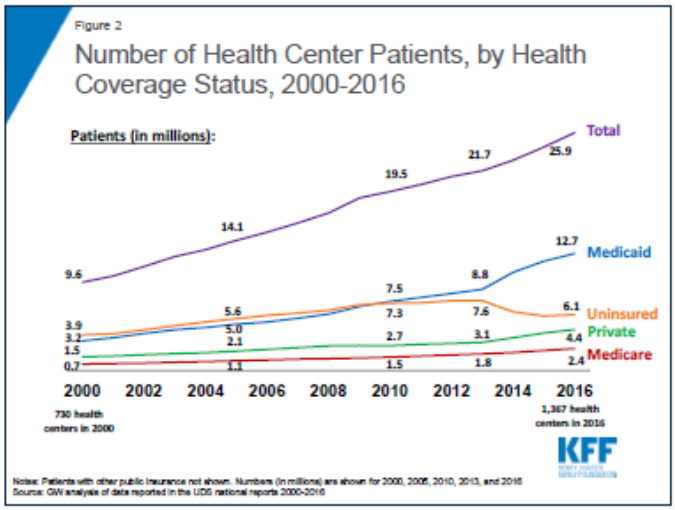
The demographic profile of health center patients reflects how health centers, authorized under Section 330 of the Public Health Service Act, serve communities in need. By law, health centers must operate in or serve communities considered medically underserved because of elevated poverty and health risks and a shortage of primary health care providers. In 2016, over nine in ten (92%) health center patients had income at or below 200% of the federal poverty level, including 70% who had incomes at or below 100% of the federal poverty level or $20,780 for a family of three in mainland U.S. in 2018[3] (Figure 1). Because racial/ethnic minority Americans are more likely to live in medically underserved areas, they represent a greater share of health center patients. In 2016, nearly six in ten health center patients were from racial or ethnic minority groups, while only 41% of patients were non-Hispanic White. Hispanics comprised 30% of all patients, Black/African American patients represented 22%, and 7% were other races, including Asians and American Indian and Alaska Natives. The majority of health center patients were female and working-age adults; however, 31% of health center patients were children under 18, reflecting the important role health centers play in providing access to care for poor children and their families.



Growth in the number of health centers over time has led to a substantial increase in the number of patients who receive care at health centers. Since 2000, the number of health centers has increased from 730 to 1,367 in 2016. At the same time, the number of patients served surged from 9.6 million in 2000 to 25.9 million in 2016 (Figure 2). While the number of patients has grown steadily since 2000, the pace of growth for patients with health coverage, especially those with Medicaid,



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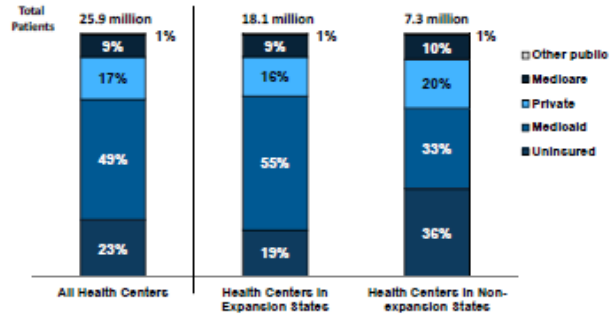
increased following the implementation of the ACA in 2014. In contrast, the number of uninsured patients nearly doubled from 2000 to 2010 and then fell in the wake of implementation of the ACA.

Nearly half of health center patients overall are covered by Medicaid. Medicaid is the most important source of health coverage for health center patients. In 2016, 49% of patients were covered by Medicaid (Figure 3). Another 17% had private insurance, including coverage through the Marketplaces, while 9% had Medicare. Despite increases in coverage from the ACA, 23% of health center patients were uninsured in 2016.

Figure 3

Health Coverage of Health Center Patients, by State Medicaid Expansion Status, 2016



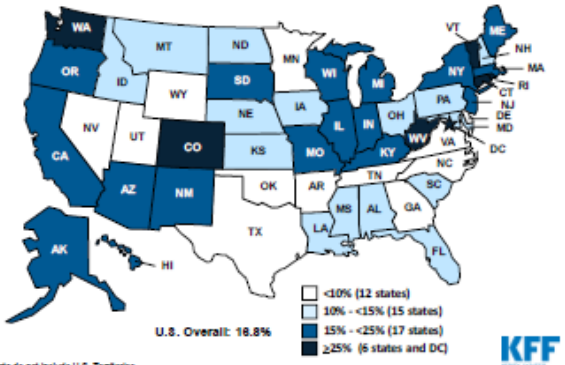
Note: Percentages may not sum to 100% due to rounding. State Medicaid expansion status as of 2016.
SOURCE: Bureau of Primary Health Care, (2017). 2016 Health Center Data: National Data. Health Resources and Services Administration.; GW analysis of 2016 data

Furthermore, health centers represent a key source of health care for Medicaid patients. In 23 states and the District of Columbia, health centers serve at least 15% of the population with Medicaid or Children's Health Insurance Program (CHIP) coverage, and in six states and the District of Columbia, more than one in four people with Medicaid use health centers (Figure 4). Nationally, one in six Medicaid enrollees receives care through a health center.[4]

Coverage of health center patients differs in Medicaid expansion and non-expansion states. State Medicaid expansion decisions affect the coverage of health center patients. In states that expanded Medicaid, over eight in ten patients have health coverage, and over half are covered by Medicaid. In contrast, less than two-thirds of health center patients in non-expansion states have health coverage, and only one-third has Medicaid coverage (Figure 3). A slightly higher share of patients in non-expansion states has private coverage (20% vs. 16%). However, because marketplace subsidies are not available to individuals with

Figure 4

Proportion of Medicaid/CHIP Enrollees Receiving Care at Health Centers, 2016



Notes: Data do not include U.S. Territories.
Source: GW analysis of 2016 UDS data (numerator) and CMS Medicaid/CHIP enrollment numbers for December 2016 (denominator) https://www.medicaid.gov/medicaid/program-information/downloads/updated-december-2016-enrollment-data.pdf (updated February 2017).

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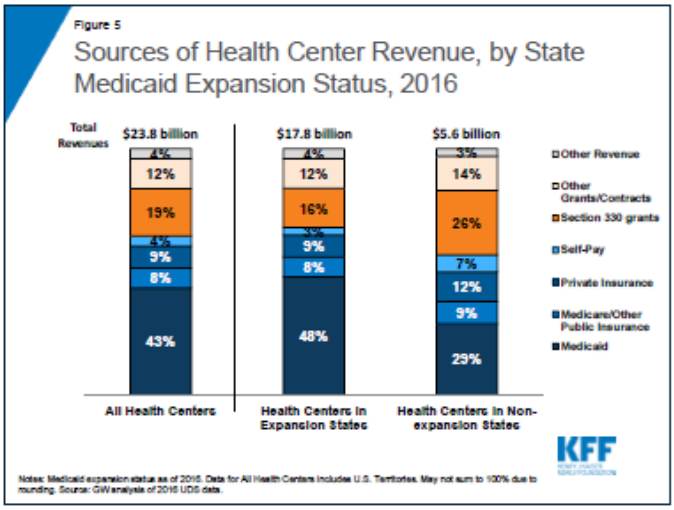
income below 100% FPL, which leaves millions of poor adults in the Medicaid coverage gap, health center patients in non-expansion states are more likely to be uninsured than those in expansion states. In 2016, over one in three health center patients in non-expansion states was uninsured compared to less than one in five in expansion states.

Medicaid and Federal 330 grants account for the majority of health center revenues. Health centers depend on a number of revenue sources, but revenue from Medicaid and federal Section 330 grant funds dominate. Medicaid represents the single largest source of funding, accounting for 43% of total health center revenues in 2016 (Figure 5). Federal Section 330 grants, funded through a combination of annual appropriations and the Community Health Center Fund,[5] represent the next largest source of revenue at 19%. These federal grants make it possible for health centers to reach uninsured populations and to offer services for which there is no source of insurance coverage, such as adult dental care, covered under Medicaid on a comprehensive basis in only 15 states in 2016.[6] Grant funding also supports health centers' obligation to discount their charges in accordance with patients' ability to pay (a legal requirement of the health center program). Critical not only for uninsured patients, but also for those enrolled in private insurance plans that have large deductibles and other out-of-pocket costs, these discounts ensure access to affordable care for health center patients.

Figure 5

Sources of Health Center Revenue, by State Medicaid Expansion Status, 2016



Notes: Medicaid expansion status as of 2016. Data for All Health Centers includes U.S. Territories. May not sum to 100% due to rounding. Source: GW analysis of 2016 UDS data.

Health centers in Medicaid expansion states have higher revenue and greater operational capacity than those in non-expansion states. In 2016, average revenues for health centers in Medicaid expansion states were over 60% higher than for health centers in non-expansion states ($20.1 million vs. $12.4 million). The primary sources of those revenues also differ. Medicaid is a more important source of funding in expansion states, accounting for 48% of health center revenue compared to 29% of revenues in non-expansion states. By contrast, health centers in non-expansion states are more reliant on Section 330 grant funding to support their operations. These grant funds represent over a quarter of total revenues in non-expansion states compared to 16% in expansion states.

The higher revenue available to health centers in Medicaid expansion states translates into significantly higher average number of patients served, increased number of delivery sites, larger staffs, and a broader range of services provided (Table 1). In 2016, health centers in expansion states served 20,471 patients compared to 16,143 patients at health centers in non-expansion states and provided 49% more

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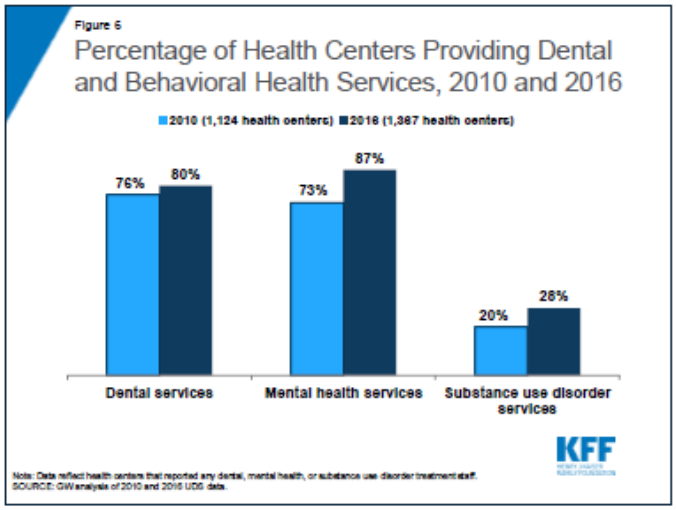
clinic visits (86,045 vs. 57,913). In addition, they employed 170 full-time equivalent (FTE) staff compared to 118 FTE staff at health centers in non-expansion states. Health centers in expansion states were also more likely to provide substance use disorder and/or mental health services and vision care services than health centers in non-expansion states.

Table 1: Health Center Profile, by State Medicaid Expansion Status in 2016

Health Center Profile	Medicaid Expansion States	Non-expansion States
Health Center Characteristics (averages)		
Total Revenues*	$20.1 million	$12.4 million
Number of delivery sites*	8	7
Patients*	20,471	16,143
Patient visits*	86,045	57,931
Total staff (FTE)*	170	118
Share of Health Centers Offering the Following Services		
Substance use disorder and/or mental health services*	91%	79%
Dental services	81%	79%
Vision care services*	27%	18%

SOURCE: GW analysis of 2016 UDS data.
* Difference between Medicaid expansion and non-expansion states is significant at p<.05.

Health centers provide a range of services to meet patient needs. In 2016, health centers reported 104 million patient visits. Of these visits, over two-thirds (68%) were medical care visits, and 14% were dental care visits (Table 2). Mental health and substance use disorder services accounted for nearly 10% of all patient visits that year, while assistance in enabling access to other necessary care accounted for 6% of all visits. Over the years, the mix of health center services also has changed, reflecting both the evolution of the health center program and changing patient needs. In 2010, 76% of health centers offered dental care; by 2016, the share had grown to 80%. The proportion of health centers offering mental health services grew from 73% to 87% over this time period, while the proportion offering substance use disorder services increased to over one in four (28%) by 2016, up from 20% in 2010 (Figure 6). The share of health centers providing addiction treatment services is likely higher as the 28% reported here only includes those health centers with



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staff dedicated to treating substance use disorders; it does not include health centers that do not have dedicated staff, but where primary care physicians are providing medication-assisted treatment or other addiction treatment services.

Health centers are major employers in their communities. In 2016, health centers employed 207,656 FTE staff. These staff included 12,419 physicians, 60,035 nurse practitioners, physician assistants, nurses, and other medical services personnel, 16,142 dental professionals, 20,497 staff furnishing enabling services, and 10,355 staff providing mental health and substance use disorder services, including treatment for opioid addiction.[7] In addition, health insurance enrollment assistance always has been a basic requirement for all health centers; in 2016, health centers employed 4,535 eligibility assistance workers.[8] Since 2013, health center eligibility workers have assisted more than 12 million community residents with insurance enrollment.[9]

The National Health Service Corps (NHSC), which provides scholarship and loan repayment assistance to support training of primary health care medical and dental professionals, represents a key source of health center staffing. There are currently 8,153 FTE providers employed by the NHSC[10] and community health centers account for about half of NHSC sites.[11] According to HRSA estimates, NHSC assignees account for 19% of clinical staff working at health centers.[12]

Table 2: Patient Visits by Type of Service, 2010–2016

Patient Visits	2010	2016
Total visits	77 million	104 million
Medical care	73%	68%
Dental care	12%	14%
Mental health services	6%	8%
Substance use disorder services	1%	1%
Vision/other professional services	2%	3%
Enabling services	6%	6%

SOURCE: GW analysis of 2010 and 2016 UDS data.

Access to Care for Health Center Patients

Following implementation of the ACA, fewer health center patients reported they could not get the care they needed. Leading up to the implementation of the ACA's coverage expansions in 2014, many experts expressed concern over whether primary care providers, especially safety net providers, had the capacity to ensure access to care for the millions of people who would gain coverage through the expansion of Medicaid and the Marketplaces. They feared that while low-income adults might gain coverage, they would face long wait times or other barriers to getting needed care. Recently released data from the Health Center Patient Survey from 2014 indicates that health center patients experienced fewer barriers to accessing needed care following the coverage expansions in 2014 compared to 2009. Specifically, between 2009 and 2014, the proportion of nonelderly adult health center patients reporting an inability to obtain medical and dental care declined significantly, from 23% to 15% for medical care and

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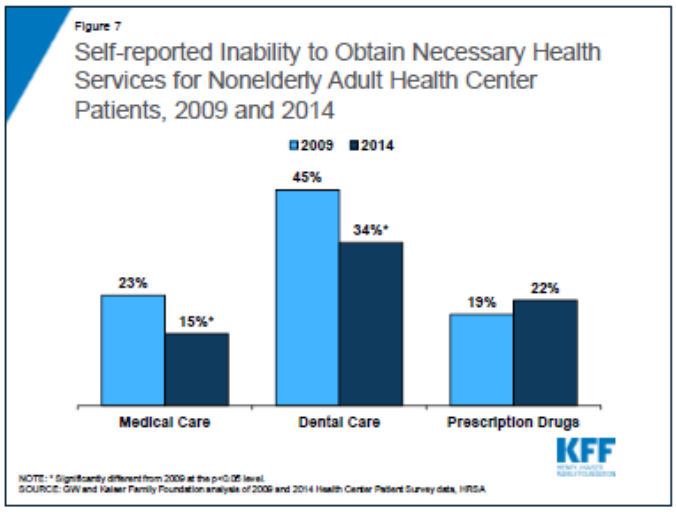
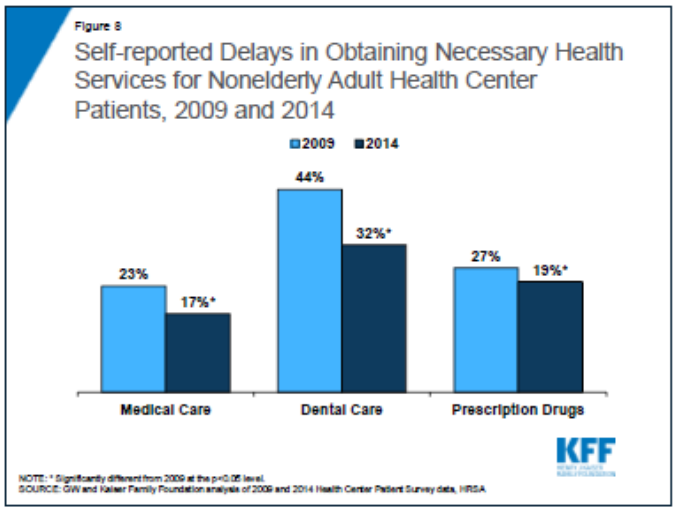
45% to 34% for dental care (Figure 7). The share reporting they could not access needed prescription drugs increased slightly; however, this change was not significant.

Examining these trends by patient health insurance status reveals that the share of uninsured patients reporting an inability to get medical services dropped by nearly half from 37% in 2009 to 20% in 2014 (Appendix Table 1). This significant improvement in the ability of uninsured patients to access medical care may be the result of efforts by health centers to expand their capacity with funding made available by the ACA. This finding also underscores the importance of federal grant funding in supporting health centers' commitment to serving uninsured patients. While Medicaid patients did not experience the same degree of improvement in their ability to access medical services, they were less likely than uninsured patients to report inability to access care (14% vs. 20% in 2014). However, Medicaid patients experienced significant improvements in access to dental care.



The share of patients reporting delays in getting needed health care services also declined, but some health center patients continue to face challenges in getting the care they need. Increases in insurance coverage through the ACA also did not result in longer wait times for health services, as some policymakers feared. From 2009 to 2014, the proportion of health center patients reporting delays in obtaining needed medical and dental



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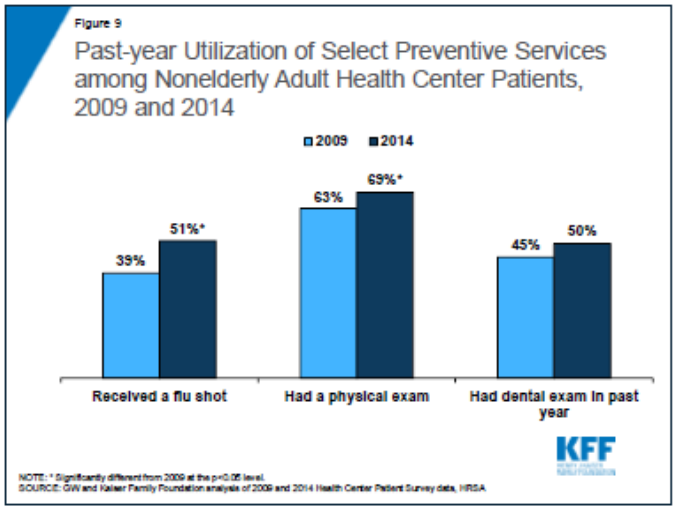
care and prescription drugs also declined (Figure 8). However, despite improvements in coverage, in the first year of full implementation of health reform some health center patients continued to face challenges getting needed care in a timely manner, possibly because of a surge in people seeking care as insurance reforms rapidly took effect. These challenges were particularly prominent in the case of dental care, with roughly a third of patients reporting an inability to obtain care and a third reporting delays in obtaining care. Additionally, over one in five health center patients reported not being able to get needed prescription drugs in 2014. This barrier may result from restrictive drug formularies, particularly for Marketplace plans, but also for Medicaid in some states.

Utilization of preventive services increased among health center patients from 2009 to 2014. Health center patients in 2014 were more likely than those in 2009 to report having received a flu shot and having had a physical exam during the previous year (Figure 9). Uninsured patients were also significantly more likely to have had a physical exam and a dental exam in 2014 than in 2009 (Appendix Table 2). These changes are likely a reflection of increases in insurance coverage, which not only facilitates access to many necessary services but also increases health centers' capacity to provide both physical and dental health care to all patients, regardless of their insurance status.



Emerging Opportunities and Challenges

In a rapidly changing health care environment, important opportunities and challenges for health centers continue to emerge. Health centers reach 26 million people, but more than 90 million live in medically underserved communities.[13] As the principal program for anchoring primary health care in underserved communities, continued growth in the health center program will broaden access to care in these communities, particularly given the strong evidence of the role of primary health care in a high performing health system. However, growth depends on steady, reliable revenue in order to hire staff, to expand the range of services offered, and to add hours and locations. Given the communities in which health centers operate, Medicaid and federal section 330 grants represent the two most important sources of revenue.

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The recent delay in extending the Community Health Center Fund (CHCF), which provides 70% of all grant funding on which health centers rely in order to support the cost of uncovered services and populations, underscores the impact funding uncertainty can have on the ability of health centers to serve their patients. The CHCF expired on September 30, 2017 and was not renewed until February 9, 2018. Preliminary data from a 2018 survey of community health centers revealed that health centers had begun taking a number of actions in response to the funding delay, and many more were considering actions.[14] Nearly two-thirds reported they had or would institute a hiring freeze and 57% said they would lay off staff. Six in ten reported they were canceling or delaying capital projects and other investments and nearly four in ten said they were considering eliminating or reducing dental health and mental health services. With the CHCF reauthorized for two years, it is likely that many health centers will halt or reverse these decisions; however, their responses highlight the challenge funding uncertainty poses to the ability of health centers to sustain their operations.

Looking ahead, the resolution of the funding cliff is important, but it is also relatively short-term. Preventing future cliffs that have a disruptive effect on essential health center operations will help sustain the program over time and better ensure stability within the primary care system, a crucial dimension of access and quality. One approach under discussion would extend the period of funding for health centers and the National Health Service Corps similar to the 10-year funding approach now established for CHIP. This strategy could enable health centers to make long-term operational decisions without concern over whether funding would be available from one year to the next.

State decisions on the ACA Medicaid expansion have also had a significant effect on the capacity of health centers to serve low-income communities. Health centers in states that expanded Medicaid have more sites, serve more patients, and are more likely to provide behavioral health and vision services than health centers in non-expansion states. The service delivery implications of 18 states opting not to expand Medicaid continue to limit health center capacity.

Finally, increasing access to care remains a key focus for health centers. Findings from the Health Center Patient Survey indicate that access to needed care for health center patients improved overall in the immediate period following implementation of the ACA. Increases in insurance coverage among health center patients, along with enhanced investment in the health center program, contributed to improvements in the ability of patients to get the care they need and in reduced delays in obtaining needed care. Access to preventive services, including annual physicals and flu shots, also improved. However, some patients continue to face barriers to care, particularly uninsured patients. Maintaining recent coverage gains through the Medicaid expansion and the Marketplaces and continued stable funding for health centers are important to ensuring patients in medically underserved and rural communities can access the care they need.

Additional funding support for this brief was provided to the George Washington University by the RCHN Community Health Foundation.

Attachment 12
Purpose of the Project

Methods

The data sources that informed this analysis include the federal Uniform Data System (UDS) as well as the Health Center Patient Survey. The UDS collects detailed data from health centers annually, including patient demographics, services provided, clinical processes and outcomes, patients' use of services, costs, and revenues. The data presented in this brief were collected in 2016, the most recent year for which data are available. Analyses by Medicaid expansion status were based upon states' status by the end of 2016, when 19 states[15] had not yet adopted the Medicaid expansion. Analyses by Medicaid expansion do not include data on health centers in US territories.

The Health Center Patient Survey (HCPS) provides patient-level data on a number of measures, including sociodemographic characteristics, health conditions, health behaviors, access to and utilization of health care services, and satisfaction with health care services. HCPS data are collected every five years using in-person, one-on-one interviews and provide a nationally representative overview of patients who receive care at health centers. The data presented in this brief were drawn from 2009 and 2014, the first year of available data following implementation of the ACA coverage expansions. The analysis is restricted to nonelderly adults (age 18-64), the subset of patients most affected by the Medicaid expansion.

In both years of the HCPS, all participants were asked whether they or their doctor believed they needed various types of health services, including medical care, dental care, and prescription medication. They were also asked whether they were unable to obtain or delayed in obtaining these services. This treatment could have been delivered by the health center or by another health care provider. Participants were also asked about past-year health services utilization for a number of measures, including flu shots, physical exams, and dental exams.

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Appendix

Appendix Table 1: Share of Patients Reporting Problems Obtaining Health Services, 2009 and 2014

	All Health Center Patients		Patients with Medicaid		Uninsured Patients	
	2009	2014	2009	2014	2009	2014
Inability to obtain necessary care						
Medical care	23%	15%*	17%	14%	37%	20%*
Dental care	45%	34%	45%	30%*	50%	50%
Prescription drugs	19%	22%	16%	19%	27%	29%
Delays in obtaining necessary care						
Medical care	23%	17%*	20%	17%	30%	20%
Dental care	44%	32%*	44%	28%	48%	43%
Prescription drugs	27%	24%	25%	22%	31%	30%

* Difference between 2009 and 2014 is significant at p<.05.
SOURCE: GW and Kaiser Family Foundation analysis of 2009 and 2014 Health Center Patient Survey Data

Appendix Table 2: Share of Patients Receiving Certain Preventive Health Services, 2009 and 2014

	All Health Center Patients		Patients with Medicaid		Uninsured Patients	
	2009	2014	2009	2014	2009	2014
Received a flu shot	39%	51%*	46%	55%	33%	39%
Had a physical exam	63%	69%*	72%	70%*	52%	66%*
Had a dental exam in past year	45%	50%	58%	53%	33%	42%*

* Difference between 2009 and 2014 is significant at p<.05.
SOURCE: GW and Kaiser Family Foundation analysis of 2009 and 2014 Health Center Patient Survey Data

Attachment 12
Purpose of the Project

Endnotes

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[14] Kaiser Family Foundation, How Are Health Centers Responding to the Funding Delay? (2018), available at https://www.kff.org/medicaid/fact-sheet/how-are-health-centers-responding-to-the-funding-delay/

[15] AL, FL, GA, ID, KS, ME, MS, MO, NE, NC, OK, SC, SD, TN, TX, UT, VA, WI, WY; Maine has since decided to expand but was counted as a non-expansion state in this analysis. Louisiana expanded in July 2016 and is counted as a Medicaid expansion state in this analysis.

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Purpose of the Project

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Why Community Health Is Important for Public Health

May 21, 2020

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Purpose of the Project

A young first-time mother receives at-home nurse visits as part of a community outreach program. A weekly clinic targeting high diabetes rates helps a struggling man with diabetes gain nutritional control and reduce symptoms. These success stories illustrate how improving quality of life in communities is an essential part of public health.

The public health worker's goal in community-focused care is to enhance healthcare services and patient outcomes in targeted populations. By applying public health theory on a local, personalized level, community health providers can cater services to a specific demographic and bring a sense of wellness to communities that would otherwise lack proper access to care.

Community health programs address disparities by ensuring equitable access to health resources. Such disparities include living in an isolated rural area with limited healthcare providers or being unable to afford health insurance. Community health centers often serve as the primary care provider in communities where health equity is limited by socioeconomic factors.

Those seeking to apply public health principles to address a local population's needs must understand the area's unique characteristics. This allows them to interact dynamically with community members and create a lasting positive impact on the population.

What Is Community Health?

Community health is the collective well-being of community members. In addition to living in the same neighborhood or region, these populations often share health characteristics, ethnicities, and socioeconomic conditions.

For instance, some low-income communities might experience high obesity rates due to limited availability of nutritious foods in local grocery stores. This places them in an area commonly known as a food desert.

In addition, a population might be exposed to contaminants from a nearby plant or waste facility. Community health programs improve access to preventive health care services, engage citizens in care decisions, and seek out lower medical costs.

Community Health Elements

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Community Health Elements

Public health professionals engaged in community health identify how variables related to socioeconomic status — such as income levels, nutrition, crime, and transportation resources — impact people. They also determine how the community's medical and educational resources contribute to residents' lifestyles and what improvements are called for. Key elements of community health include:

- Identifying top public health concerns within the specific geographic area, such as environmental and social factors that affect healthy life choices.
- Developing an intervention plan to address resource gaps in the community, such as establishing community health centers, mobile clinics, and outreach programs.
- Educating residents on the benefits of preventive care and healthy behaviors to facilitate life changes.
- Providing essential services such as screenings, social support, and counseling.
- Helping residents gain access to resources such as affordable medical, dental, and mental health care services; insurance (Medicare or Medicaid enrollment); translation and transportation services; or housing, food, and education.
- Reducing the need for expensive emergency care and hospitalizations.
- Advocating for improved care for at-risk populations to state and federal policymakers.
- Working with other community agencies to address the area's mental, physical, cultural, and social characteristics, including nutrition, housing, and transportation.

Community Health Goals

The goal of a community health provider is to offer comprehensive services that grant communities direct and immediate access to essential resources, including medical, dental, pharmacy, and mental health care. By educating area residents on what resources are available and giving them the tools to access care, public health workers empower people to take control of their own health.

Community public health initiatives focus on identifying specific geographic areas with high levels of need and helping those communities overcome barriers to living healthier lives. Community members' average lifespans can differ by 20 to 30 years based on

inequities that restrict access to healthy food, affordable health care, and mental health support, according to the American Public Health Association.

Community health professionals form strong bonds with citizens, as well as area he care and social services providers. This enables them to complete essential tasks, such

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as uncovering regional health risks, educating local residents on healthy behaviors, or establishing community health resources to close gaps in care.

Community health differs from the similar concept of population health management, which considers a population's health outcomes based on a wider range of factors beyond just geography. Hospitals use population health management tactics to improve chronic disease management or to avoid readmissions.

Why Community Health Is Important

About half of Americans suffer from chronic health conditions. Many do not get proper care due to socioeconomic factors beyond their control. An elderly diabetic without a driver's license and no family nearby, a pregnant woman with toxemia living more than 50 miles from a hospital—both are at high risk in a medical emergency. This makes community health resources all the more important.

Addressing Health Disparities

Healthcare disparities can be especially prevalent in rural and low-income communities where hospitals have closed down and physician shortages exist. More than 7,000 primary care, 6,000 dental, and 5,500 mental health shortage areas currently exist in the U.S., according to the Health Resources & Services Administration (HRSA).

These populations may be exposed to higher levels of poverty, homelessness, substance abuse, and other risk factors. When a community health system that takes the community's unique characteristics into account is put into place to address unmet needs, the community's overall quality of care can be vastly improved.

Lowering Healthcare Costs

Community health is an important element of health reform efforts that aim to lower national healthcare expenses. The cost of healthcare in the U.S. represents more than 17 percent of GDP, a much higher percentage than in any other industrialized nation, according to the Organisation for Economic Co-Operation and Development. About one-third of this spending goes toward hospital care, so costs might drop if the U.S. model of

care shifts toward more affordable outpatient care facilities such as community health clinics.

Community health providers operate under a patient-centered care model, involving patients in care decisions. This model allows providers to steer patients away from costly

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Purpose of the Project

trips to the emergency room and help them avoid relapses.

Enacting Public Health Initiatives

Community health resources have become essential assets in public health initiatives such as combating the opioid crisis and stemming the HIV epidemic. Opioid deaths in the U.S. have surpassed homicides and traffic fatalities, and community health centers are on the front line of federal efforts to reduce preventable drug overdose deaths.

These clinics are also working to decrease the estimated 38,000 preventable HIV infections that occur in the U.S. each year. The holistic model of community care allows practitioners to treat and prevent a multitude of conditions simultaneously.

Community Health Services and Resources

Community health services providers want to change the model of care from treating illness to maintaining wellness. This challenge is addressed by tackling patients' well-being in a comprehensive way and not just band-aiding ailments that will soon resurface without proper preventive and maintenance care.

By combining medical, oral health, mental health, substance abuse, and pharmacy care with support services including health education, transportation to appointments, and bilingual staff, community health resource providers make sure that access to care is not restricted by geographic, economic, or cultural barriers, according to the HRSA.

Community Health Centers

Federally funded community health centers (CHCs) provide affordable healthcare options to more than 28 million people in towns and cities across the U.S. The clinics are designed to improve access to primary care services regardless of whether patients have insurance, speak languages other than English, or live in remote areas.

These centers often target groups facing health disparities and limited care resources, including patients living in poverty, rural residents, veterans, and the homeless. Clinics typically use a sliding scale for fees and provide care even when patients cannot pay.

Typical services include:

- Preventive and primary care services (including medical and dental checkups and

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Purpose of the Project

condition management)
- Disease prevention (vaccinations, anti-smoking programs, and obesity screenings)
- Patient education (nutritional counseling, injury prevention, and disease information)
- Mental health services (screenings and counseling)
- Substance abuse treatment

By providing comprehensive preventive care and helping patients monitor chronic conditions, CHCs serve to lower medical costs by reducing expensive emergency department visits and hospital stays. Many of these clinics operate as patient-centered medical homes (PCMHs). According to the National Association of Community Health Centers, some 1,400 CHC organizations (operating 12,000 sites) generate $24 billion in savings for the U.S. healthcare system each year.

Most CHCs receive federal grant funding under the Health Center Program, which aims to improve health care for vulnerable populations. Many CHCs also receive funding and operational support from state agencies and nonprofit charitable organizations.

Public Outreach Programs

Public outreach campaigns include direct medical care programs along with educational materials, advertisements, and social media posts that encourage healthy lifestyles. Some organizations operate mobile and pop-up clinics that offer disease prevention programs within the community. To extend public education into all aspects of the community, health workers will often partner with local political systems, social work agencies, and schools.

Community Mental Health Centers

What is community mental health? In the U.S., mental health disorders often go untreated. Community health centers are providing frontline services in the behavioral health arena. The demand for behavioral health-focused community clinics is strong. Substance-abuse treatment centers are also being established at a growing rate as many regions across the nation struggle to reduce overdose deaths.

A Medicare-designated community mental health center is defined as providing screening, outpatient therapy, rehabilitation, day treatment, and 24-hour emergency services to chronically ill patients or those recently discharged from inpatient care. States also oversee mental health resources.

Careers in Community Health

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Public health workers are engaged in a broad scope of activities, including research, education, program development, program management, medical care, and charitable aid. Roles can range from leadership positions to frontline caregivers. Professionals seeking careers in community health might work in medical, educational, government, corporate, or nonprofit settings.

Community Health Worker

A community health worker is defined by the U.S. Bureau of Labor Statistics (BLS) as someone who assists communities and individuals in adopting healthy behaviors. Job duties include outreach on behalf of medical organizations and implementing community health programs. Community health workers are also involved in basic medical screenings or care; informal counseling; research; and health education and advocacy.

Community health professionals serve as a bridge between community members and medical and social service providers, and often live in the community. To promote healthy behaviors, a community health worker might focus on helping people get better access to not only medical resources but also to transportation, housing, and nutrition, as well.

In addition, a community health worker develops cultural sensitivity and establishes relationships with local residents to create trust. Such workers also need to balance activities in client advocacy, public education, and medical service provision.

The occupational category of health educators and community health workers is expected to grow 11 percent between 2018 and 2028, according to the BLS. This is faster than the average of all occupations.

The BLS also reports the median annual salary of a community health worker is about

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health center takes overall responsibility for the organization's goals and accomplishments. A director improves access to care in the community, identifying and filling gaps in care services, and reducing emergency medical care through preventive measures.

Skills that foster establishing rapport with community members are especially important

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for program directors. Program directors must have strong leadership, communication, and management skills, in addition to a foundation in public health advocacy.

Research Analyst

A researcher career in the community health field entails gathering information about health issues and risks for specific geographic areas or populations. Researchers collect essential information on socioeconomic conditions, health disparities, and community health resources' effectiveness through data evaluation and direct interaction with local residents.

A researcher might investigate environmental hazards, infectious disease risks, or other regional threats. Community research analysts provide statistical reports and environmental evaluations to help administrators create innovative health advocacy and improvement programs.

Medical Professional

An education or early career in community health sciences can form a solid foundation for a career in medicine as a physician, psychiatrist, or nurse practitioner, and might even lead the health professional to practice in an at-risk geographic area. A community health worker might also go on to become a hospital administrator or government health official.

Earn a Master of Public Health Degree and Help Communities Grow

Establishing public health programs that cater to targeted populations enables public health professionals to improve the quality of care for all communities. In order to develop effective community health programs, professionals must develop strong competencies in evaluating health environments, understanding local cultures, identifying disparities, strategizing interventions, and creating trusting relationships with local residents and officials. Such skills require a high level of dedication and tenacity.

Pursuing an Online Master of Public Health (MPH) degree from Tulane University's School of Public Health and Tropical Medicine emboldens students to apply transformative health equity principles and innovative solution-building skills to empower communities in need. MPH students gain a passion for equality and the drive to enact change for vulnerable populations. By covering topics including physical health, mental health, disease management, biostatistics, leadership, and social justice, the MPH program enables graduates to cultivate healthier communities around the globe.

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Recommended Readings

What Is Environmental Justice? An Introduction to Fair Treatment

Healthcare Analytics: A New Frontier for Public Health

Advocating for LGBTQ Health Access

Sources

American Journal of Accountable Care, "Creating Clarity: Distinguishing Between Community and Population Health

American Public Health Organization, Healthiest Cities & Counties Challenge

Bureau of Labor Statistics Occupational Employment Statistics, Occupational Employment and Wages, May 2018: 21-1094 Community Health Workers

Bureau of Labor Statistics Occupational Outlook Handbook, Health Educators and Community Health Workers

Centers for Disease Control and Prevention, Chronic Disease: A Significant Public Health Threat

Centers for Medicare & Medicaid Services, "National Health Expenditures 2018 Highlights"

Health Resources & Services Administration, Health Workforce Shortage Areas

Health Resources & Services Administration, "HRSA Health Center Program 2019 Fact Sheet"

HIV.gov, U.S. Statistics, Fast Facts

Louisiana Department of Health, Community Mental Health Center

Louisiana Department of Health, Office of Behavioral Health — Mental Health Services

National Association of Community Health Centers, What Is a Community Health Ce

National Institutes of Health, Role of Community Health Workers

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Office of Disease Prevention and Health Promotion, Stories From the Field

Organisation for Economic Co-Operation and Development, Health Expenditure

Tulane University, Community Health Sciences

Tulane University, Master of Public Health

Tulane University, "Opioids: A Public Health Crisis"

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Attachment 13
Alternatives to the Project

Alternatives

1. Not Move Forward With Project (Cost: There would be no cost associated with not moving forward with the project.

This option would not solve the existing problem and could, potentially, exacerbate some of the concerns raised in this application. It would also allow those avoidable conditions that can be minimized through wellness and prevention to unnecessarily fester. That is why this alternative is not being pursued.

2. Propose a project of greater or lesser scope than proposed (Cost: Depending on the size reduction, the applicant would expect a reduction or increase commensurate with the facility's altered size)

A smaller facility was contemplated by the applicant but did not allow for the full spectrum of services that are able to be offered by the facility as proposed. The facility was not able to be designed larger than proposed as there are limitations imposed by the site itself and City of Chicago zoning and building requirements. If this is worth doing, which we firmly believe it is, it is worth doing right. For these reasons, this alternative was rejected.

3. Pursue a Joint Venture with Another Provider (Cost: The cost of the project as proposed would remain the same, although the portion to be paid by HPH would be reduced.)

Humboldt Park Health is a safety net hospital located in the City of Chicago and is unaffiliated with other healthcare systems. When the opportunity arose to obtain both state and city resources to improve health outcomes for community members and the facility's patients, HPH was able to move forward with the project without seeking a partner for fiscal support related to the project. Moreover, this project being promoted and maintained from within this community and for the benefit of this community seemed sufficient value add to warrant the project as proposed. For those reasons, this alternative was rejected.

4. Project as proposed

The purpose of the HPH Wellness Center is to proactively address social determinants of health to improve the overall health of the community and seek to educate and reduce unnecessary emergency department visits. For all of the reasons outlined above and within the Purpose of the Project, this was the alternative selected.

Attachment 14
Size of the Project

The square footage identified in this application for the proposed project includes 45,500 GSF for the entire building. The clinical component which will contain a sports medicine/rehabilitation clinic will account for 2,000 GSF of the total build's space. There is no state standard for such space. The project is necessary, not excessive, and consistent with the standards identified in Appendix B of 77 Illinois Admin Code Section 1110, as documented below.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	**PROPOSED BGSF/DGSF**	**STATE STANDARD**	**DIFFERENCE**	**MET STANDARD?**
Rehabilitation/ Sports Medicine Clinic	**2,000 GSF**	**N/A**	**N/A**	**N/A**

Attachment 16
Unfinished or Shell Space

NOT APPLICABLE- The proposed project does not include plans for shell space.

Attachment 17
Assurances

NOT APPLICABLE- The proposed project does not include plans for shell space.

Attachment 33
Availability of Funds

The total estimated project cost is $26,119,841. The Applicant/Licensee will fund the project costs with two grants and either fundraise or pay directly for the balance of the project costs which are $4,619,841. One grant will come from the State of Illinois Capital Development Board in the amount of $19,000,000 and another grant will come from the City of Chicago in the amount of $2,500,000. Enclosed is a copy of the grant agreement between the State of Illinois Capital Development Board and Humboldt Park Health and copy of the application submitted to the City of Chicago.

Attachment 33
Availability of Funds

GRANT AGREEMENT

BETWEEN
THE STATE OF ILLINOIS, CAPITAL DEVELOPMENT BOARD
AND
HUMBOLDT PARK HEALTH

The Capital Development Board (CDB) (Grantor), with its principal office at 401 S Spring St, 3rd Floor Stratton Building, Springfield, Illinois 62705, and Humboldt Park Health (Grantee), with its principal office at 1044 N Francisco Ave, Chicago, Illinois 60622 and payment address (if different than principal office) at same, hereby enter into this Grant Agreement (Agreement). Grantor and Grantee are collectively referred to herein as "Parties" or individually as a "Party."

PART ONE – THE UNIFORM TERMS
RECITALS

WHEREAS, it is the intent of the Parties to perform consistent with all Exhibits and attachments hereto and pursuant to the duties and responsibilities imposed by Grantor under the laws of the state of Illinois and in accordance with the terms, conditions and provisions hereof.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained herein, and for other good and valuable consideration, the value, receipt and sufficiency of which are acknowledged, the Parties hereto agree as follows:

ARTICLE I
AWARD AND GRANTEE-SPECIFIC INFORMATION AND CERTIFICATION

1.1. DUNS Number; SAM Registration; Nature of Entity. Under penalties of perjury, Grantee certifies that 067458018 is Grantee's correct DUNS Number, that N/A is Grantee's correct UEI, if applicable, that 361564290 is Grantee's correct FEIN or Social Security Number, and that Grantee has an active State registration and SAM registration. Grantee is doing business as a (check one):

- ☐ Individual
- ☐ Sole Proprietorship
- ☐ Partnership
- ☒ Corporation (includes Not for Profit)
- ☐ Medical Corporation
- ☐ Governmental Unit
- ☐ Estate or Trust
- ☐ Pharmacy-Non Corporate
- ☐ Pharmacy/Funeral Home/Cemetery Corp.
- ☐ Tax Exempt
- ☐ Limited Liability Company (select applicable tax classification)
  - ☐ P = partnership
  - ☐ C = corporation

If Grantee has not received a payment from the state of Illinois in the last two years, Grantee must submit a W-9 tax form with this Agreement.

1.2. Amount of Agreement. Grant Funds (check one)) ☒ shall not exceed or ☐ are estimated to be $19,000,000, of which $0 are federal funds. Grantee agrees to accept Grantor's payment as specified in the Exhibits and attachments incorporated herein as part of this Agreement.

1.3. Identification Numbers. If applicable, the Federal Award Identification Number (FAIN) is N/A, the

Attachment 33
Availability of Funds

Agreement No. 900-010-340

federal awarding agency is N/A, and the Federal Award date is N/A. If applicable, the Assistance Listing Program Title is N/A and Assistance Listing Number is N/A. The Catalog of State Financial Assistance (CSFA) Number is 511-00-2611. The State Award Identification Number is 2611-30835.

1.4. Term. This Agreement shall be effective on 12/01/2021 and shall expire on 11/30/2026, unless terminated pursuant to this Agreement.

1.5. Certification. Grantee certifies under oath that (1) all representations made in this Agreement are true and correct and (2) all Grant Funds awarded pursuant to this Agreement shall be used only for the purpose(s) described herein. Grantee acknowledges that the Award is made solely upon this certification and that any false statements, misrepresentations, or material omissions shall be the basis for immediate termination of this Agreement and repayment of all Grant Funds.

1.6. Signatures. In witness whereof, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

CAPITAL DEVELOPMENT BOARD

By: Jim Underwood / Kathryn Mott
Signature of Executive Director

By: N/A
Signature of Designee

Date: 12/21/21

Printed Name: Jim Underwood

Printed Title: Executive Director

By: Paula Sorensen
Signature of First Other Approver, if Applicable

Date: 12/17/21

Printed Name: Paula Sorensen

Printed Title: Chief Fiscal Officer
Other Approver

By: Amy Romano
Signature of Second Other Approver, if Applicable

Date: 12/21/21

Printed Name: Amy Romano

Printed Title: General Counsel
Second Other Approver

HUMBOLDT PARK HEALTH

By: [signature]
Signature of Authorized Representative

Date: 12-15-21

Printed Name: JOSE R SANCHEZ

Printed Title: PRESIDENT/CEO

E-mail: jrsanchez@hphcares

State of Illinois
GRANT AGREEMENT FISCAL YEAR 2021 /
2 5 20

Attachment 33
Availability of Funds

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ARTICLE II
REQUIRED REPRESENTATIONS

2.1. Standing and Authority. Grantee warrants that:

(a) Grantee is duly organized, validly existing and in good standing, if applicable, under the laws of the state in which it was incorporated or organized.

(b) Grantee has the requisite power and authority to execute and deliver this Agreement and all documents to be executed by it in connection with this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

(c) If Grantee is organized under the laws of another jurisdiction, Grantee warrants that it is also duly qualified to do business in Illinois and, if applicable, is in good standing with the Illinois Secretary of State.

(d) The execution and delivery of this Agreement, and the other documents to be executed by Grantee in connection with this Agreement, and the performance by Grantee of its obligations hereunder have been duly authorized by all necessary entity action.

(e) This Agreement and all other documents related to this Agreement, including the Uniform Grant Application, the Exhibits and attachments to which Grantee is a party constitute the legal, valid and binding obligations of Grantee enforceable against Grantee in accordance with their respective terms.

2.2. Compliance with Internal Revenue Code. Grantee certifies that it does and will comply with all provisions of the federal Internal Revenue Code (26 USC 1), the Illinois Income Tax Act (35 ILCS 5), and all rules promulgated thereunder, including withholding provisions and timely deposits of employee taxes and unemployment insurance taxes.

2.3. Compliance with Federal Funding Accountability and Transparency Act of 2006. Grantee certifies that it does and will comply with the reporting requirements of the Federal Funding Accountability and Transparency Act of 2006 (P.L. 109-282) (FFATA) with respect to Federal Awards greater than or equal to $30,000. A FFATA sub-award report must be filed by the end of the month following the month in which the award was made.

2.4. Compliance with Uniform Grant Rules (2 CFR Part 200). Grantee certifies that it shall adhere to the applicable Uniform Administrative Requirements, Cost Principles, and Audit Requirements, which are published in Title 2, Part 200 of the Code of Federal Regulations, and are incorporated herein by reference. *See* 44 Ill. Admin. Code 7000.40(c)(1)(A).

2.5. Compliance with Registration Requirements. Grantee certifies that it: (i) is registered with the federal SAM; (ii) is in good standing with the Illinois Secretary of State, if applicable; (iii) have a valid DUNS Number; (iv) have a valid UEI, if applicable; and (v) have successfully completed the annual registration and prequalification through the Grantee Portal. It is Grantee's responsibility to remain current with these registrations and requirements. If Grantee's status with regard to any of these requirements change, or the certifications made in and information provided in the Uniform Grant Application changes, Grantee must notify the Grantor in accordance with ARTICLE XVIII.

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ARTICLE III
DEFINITIONS

3.1. Definitions. Capitalized words and phrases used in this Agreement have the following meanings:

"2 CFR Part 200" means the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published in Title 2, Part 200 of the Code of Federal Regulations.

"Agreement" or "Grant Agreement" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Allocable Costs" means costs allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Costs allocable to a specific Program may not be shifted to other Programs in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by the terms of this Agreement, or for other reasons of convenience.

"Allowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Assistance Listings" has the same meaning as in 2 CFR 200.1.

"Assistance Listing Number" has the same meaning as in 2 CFR 200.1

"Assistance Listing Program Title" has the same meaning as in 2 CFR 200.1.

"Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Budget Period" has the same meaning as in 2 CFR 200.1.

"Catalog of State Financial Assistance" or "CSFA" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Close-out Report" means a report from the Grantee allowing the Grantor to determine whether all applicable administrative actions and required work have been completed, and therefore closeout actions can commence.

"Conflict of Interest" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Consolidated Year-End Financial Report" or "CYEFR" means a financial information presentation in which the assets, equity, liabilities, and operating accounts of an entity and its subsidiaries are combined (after eliminating all inter-entity transactions) and shown as belonging to a single reporting entity.

"Cost Allocation Plan" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Direct Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Disallowed Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"DUNS Number" means a unique nine-digit identification number provided by Dun & Bradstreet for each physical location of Grantee's organization.

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"FAIN" means the Federal Award Identification Number.

"FFATA" or "Federal Funding Accountability and Transparency Act" has the same meaning as in 31 USC 6101; P.L. 110-252.

"Financial Assistance" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Fixed-Rate" has the same meaning as in 44 Ill. Admin. Code 7000.30. "Fixed-Rate" is in contrast to fee-for-service, 44 Ill. Admin. Code 7000.30.

"GATU" means the Grant Accountability and Transparency Unit of GOMB.

"Generally Accepted Accounting Principles" or "GAAP" has the same meaning as in 2 CFR 200.1.

"GOMB" means the Illinois Governor's Office of Management and Budget.

"Grant Funds" means the Financial Assistance made available to Grantee through this Agreement.

"Grantee Portal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Improper Payment" has the same meaning as in 2 CFR 200.1.

"Indirect Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Indirect Cost Rate" means a device for determining in a reasonable manner the proportion of indirect costs each Program should bear. It is a ratio (expressed as a percentage) of the Indirect Costs to a Direct Cost base. If reimbursement of Indirect Costs is allowable under an Award, Grantor will not reimburse those Indirect Costs unless Grantee has established an Indirect Cost Rate covering the applicable activities and period of time, unless Indirect Costs are reimbursed at a fixed rate.

"Indirect Cost Rate Proposal" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Net Revenue" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Net Revenue" is synonymous with "Profit."

"Nonprofit Organization" has the same meaning as in 2 CFR 200.1.

"Notice of Award" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"OMB" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Obligations" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Period of Performance" has the same meaning as in 2 CFR 200.1.

"Prior Approval" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Profit" means an entity's total revenue less its operating expenses, interest paid, depreciation, and taxes. "Profit" is synonymous with "Net Revenue."

"Program" means the services to be provided pursuant to this Agreement.

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"Program Costs" means all Allowable Costs incurred by Grantee and the value of the contributions made by third parties in accomplishing the objectives of the Award during the Term of this Agreement.

"Related Parties" has the meaning set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 850-10-20.

"SAM" means the federal System for Award Management (SAM); which is the federal repository into which an entity must provide information required for the conduct of business as a recipient. 2 CFR 25 Appendix A (1)(C)(1).

"State" means the State of Illinois.

"Term" has the meaning set forth in Paragraph 1.4.

"Unallowable Costs" has the same meaning as in 44 Ill. Admin. Code 7000.30.

"Unique Entity Identifier" or "UEI" means the unique identifier assigned to the Grantee or to subrecipients by SAM.

ARTICLE IV
PAYMENT

4.1. Availability of Appropriation; Sufficiency of Funds. This Agreement is contingent upon and subject to the availability of sufficient funds. Grantor may terminate or suspend this Agreement, in whole or in part, without penalty or further payment being required, if (i) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (ii) the Governor or Grantor reserves funds, or (iii) the Governor or Grantor determines that funds will not or may not be available for payment. Grantor shall provide notice, in writing, to Grantee of any such funding failure and its election to terminate or suspend this Agreement as soon as practicable. Any suspension or termination pursuant to this Section will be effective upon the date of the written notice unless otherwise indicated.

4.2. Pre-Award Costs. Pre-award costs are not permitted unless specifically authorized by the Grantor in Exhibit A, PART TWO or PART THREE of this Agreement. If they are authorized, pre-award costs must be charged to the initial Budget Period of the Award, unless otherwise specified by the Grantor. 2 CFR 200.458.

4.3. Return of Grant Funds. Any Grant Funds remaining that are not expended or legally obligated by Grantee, including those funds obligated pursuant to ARTICLE XVII, at the end of the Agreement period, or in the case of capital improvement Awards at the end of the time period Grant Funds are available for expenditure or obligation, shall be returned to Grantor within forty-five (45) days. A Grantee who is required to reimburse Grant Funds and who enters into a deferred payment plan for the purpose of satisfying a past due debt, shall be required to pay interest on such debt as required by Section 10.2 of the Illinois State Collection Act of 1986. 30 ILCS 210; 44 Ill. Admin. Code 7000.450(c). In addition, as required by 44 Ill. Admin. Code 7000.440(b)(2), unless granted a written extension, Grantee must liquidate all obligations incurred under the Award at the end of the period of performance.

4.4. Cash Management Improvement Act of 1990. Unless notified otherwise in PART TWO or PART THREE, federal funds received under this Agreement shall be managed in accordance with the Cash Management Improvement Act of 1990 (31 USC 6501 *et seq.*) and any other applicable federal laws or regulations. See 2 CFR 200.305; 44 Ill. Admin. Code 7000.120.

4.5. Payments to Third Parties. Grantee agrees to hold harmless Grantor when Grantor acts in good faith

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to redirect all or a portion of any Grantee payment to a third party. Grantor will be deemed to have acted in good faith if it is in possession of information that indicates Grantee authorized Grantor to intercept or redirect payments to a third party or when so ordered by a court of competent jurisdiction.

4.6. Modifications to Estimated Amount. If the Agreement amount is established on an estimated basis, then it may be increased by mutual agreement at any time during the Term. Grantor may decrease the estimated amount of this Agreement at any time during the Term if (i) Grantor believes Grantee will not use the funds during the Term, (ii) Grantor believes Grantee has used funds in a manner that was not authorized by this Agreement, (iii) sufficient funds for this Agreement have not been appropriated or otherwise made available to the Grantor by the State or the federal funding source, (iv) the Governor or Grantor reserves funds, or (v) the Governor or Grantor determines that funds will or may not be available for payment. Grantee will be notified, in writing, of any adjustment of the estimated amount of this Agreement. In the event of such reduction, services provided by Grantee under **Exhibit A** may be reduced accordingly. Grantee shall be paid for work satisfactorily performed prior to the date of the notice regarding adjustment. 2 CFR 200.308.

4.7. Interest.

(a) All interest earned on Grant Funds held by a Grantee shall be treated in accordance with 2 CFR 200.305(b)(9), unless otherwise provided in **PART TWO** or **PART THREE**. Any amount due shall be remitted annually in accordance with 2 CFR 200.305(b)(9) or to the Grantor, as applicable.

(b) Grant Funds shall be placed in an insured account, whenever possible, that bears interest, unless exempted under 2 CFR 200.305(b)(8).

4.8. Timely Billing Required. Grantee must submit any payment request to Grantor within fifteen (15) days of the end of the quarter, unless another billing schedule is specified in **PART TWO**, **PART THREE** or **Exhibit C**. Failure to submit such payment request timely will render the amounts billed an unallowable cost which Grantor cannot reimburse. In the event that Grantee is unable, for good cause, to submit its payment request timely, Grantee shall timely notify Grantor and may request an extension of time to submit the payment request. Grantor's approval of Grantee's request for an extension shall not be unreasonably withheld.

4.9. Certification. Pursuant to 2 CFR 200.415, each invoice and report submitted by Grantee (or sub-grantee) must contain the following certification by an official authorized to legally bind the Grantee (or sub-grantee):

> By signing this report [or payment request or both], I certify to the best of my knowledge and belief that the report [or payment request] is true, complete, and accurate; that the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the State or federal pass-through award; and that supporting documentation has been submitted as required by the grant agreement. I acknowledge that approval for any other expenditure described herein shall be considered conditional subject to further review and verification in accordance with the monitoring and records retention provisions of the grant agreement. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812; 30 ILCS 708/120).

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ARTICLE V
SCOPE OF GRANT ACTIVITIES/PURPOSE OF GRANT

5.1. Scope of Grant Activities/Purpose of Grant. Grantee will conduct the Grant Activities or provide the services as described in the Exhibits and attachments, including Exhibit A (Project Description) and Exhibit B (Deliverables), incorporated herein and in accordance with all terms and conditions set forth herein and all applicable administrative rules. In addition, the State's Notice of Award is incorporated herein by reference. All Grantor-specific provisions and programmatic reporting required under this Agreement are described in PART TWO (The Grantor-Specific Terms). All Project-specific provisions and reporting required under this Agreement are described in PART THREE.

5.2. Scope Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Scope revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308. All requests for Scope revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval. *See* 2 CFR 200.308.

5.3. Specific Conditions. If applicable, specific conditions required after a risk assessment will be included in Exhibit G. Grantee shall adhere to the specific conditions listed therein.

ARTICLE VI
BUDGET

6.1. Budget. The Budget is a schedule of anticipated grant expenditures that is approved by Grantor for carrying out the purposes of the Award. When Grantee or third parties support a portion of expenses associated with the Award, the Budget includes the non-federal as well as the federal share (and State share if applicable) of grant expenses. The Budget submitted by Grantee at application, or a revised Budget subsequently submitted and approved by Grantor, is considered final and is incorporated herein by reference.

6.2. Budget Revisions. Grantee shall obtain Prior Approval from Grantor whenever a Budget revision is necessary for one or more of the reasons enumerated in 2 CFR 200.308 or 44 Ill. Admin. Code 7000.370(b). All requests for Budget revisions that require Grantor approval shall be signed by Grantee's authorized representative and submitted to Grantor for approval. Expenditure of funds under a requested revision is prohibited and will not be reimbursed if expended before Grantor gives written approval.

6.3. Discretionary and Non-discretionary Line Item Transfers. Discretionary and non-discretionary line item transfers may only be made in accordance with 2 CFR 200.308 and 44 Ill. Admin. Code 7000.370. Neither discretionary nor non-discretionary line item transfers may result in an increase to the total amount of Grant Funds in the Budget unless Prior Approval is obtained from Grantor.

6.4. Notification. Within thirty (30) calendar days from the date of receipt of the request for Budget revisions, Grantor will review the request and notify Grantee whether the Budget revision has been approved, denied, or the date upon which a decision will be reached.

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ARTICLE VII
ALLOWABLE COSTS

7.1. Allowability of Costs; Cost Allocation Methods. The allowability of costs and cost allocation methods for work performed under this Agreement shall be determined in accordance with 2 CFR 200 Subpart E and Appendices III, IV, and V.

7.2. Indirect Cost Rate Submission.

(a) All Grantees must make an Indirect Cost Rate election in the Grantee Portal, even grantees that do not charge or expect to charge Indirect Costs. 44 Ill. Admin. Code 7000.420(d).

i. Waived and de minimis Indirect Cost Rate elections will remain in effect until the Grantee elects a different option.

(b) A Grantee must submit an Indirect Cost Rate Proposal in accordance with federal regulations, in a format prescribed by Grantor. For Grantees who have never negotiated an Indirect Cost Rate before, the Indirect Cost Rate Proposal must be submitted for approval no later than three months after the effective date of the Award. For Grantees who have previously negotiated an Indirect Cost Rate, the Indirect Cost Rate Proposal must be submitted for approval within 180 days of the Grantee's fiscal year end, as dictated in the applicable appendices, such as:

i. Appendix V and VII to 2 CFR Part 200 governs Indirect Cost Rate Proposals for state and local governments,
ii. Appendix III to 2 CFR Part 200 governs Indirect Cost Rate Proposals for public and private institutions of higher education,
iii. Appendix IV to 2 CFR Part 200 governs Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, and
iv. Appendix V to 2 CFR Part 200 governs state/Local Governmentwide Central Service Cost Allocation Plans.

(c) A Grantee who has a current, applicable rate negotiated by a cognizant federal agency shall provide to Grantor a copy of its Indirect Cost Rate acceptance letter from the federal government and a copy of all documentation regarding the allocation methodology for costs used to negotiate that rate, e.g., without limitation, the cost policy statement or disclosure narrative statement. Grantor will accept that Indirect Cost Rate, up to any statutory, rule-based or programmatic limit.

(d) A Grantee who does not have a current negotiated rate, may elect to charge a de minimis rate of 10% of modified total direct costs which may be used indefinitely. No documentation is required to justify the 10% de minimis Indirect Cost Rate. 2 CFR 200.414(f).

7.3. Transfer of Costs. Cost transfers between Grants, whether as a means to compensate for cost overruns or for other reasons, are unallowable. *See* 2 CFR 200.451.

7.4. Higher Education Cost Principles. The federal cost principles that apply to public and private institutions of higher education are set forth in 2 CFR 200 Subpart E and Appendix III.

7.5. Nonprofit Organizations Cost Principles. The federal cost principles that apply to Nonprofit Organizations that are not institutions of higher education are set forth in 2 CFR 200 Subpart E, unless exempt under 2 CFR 200 Appendix VIII.

7.6. Government Cost Principles. The federal cost principles that apply to state, local and federally-recognized Indian tribal governments are set forth in 2 CFR Part 200 Subpart E, Appendix V, and Appendix VII.

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7.7. Commercial Organization Cost Principles. The federal cost principles and procedures for cost analysis and the determination, negotiation and allowance of costs that apply to commercial organizations are set forth in 48 CFR Part 31.

7.8. Financial Management Standards. The financial management systems of Grantee must meet the following standards:

(a) **Accounting System.** Grantee organizations must have an accounting system that provides accurate, current, and complete disclosure of all financial transactions related to each state- and federally-funded Program. Accounting records must contain information pertaining to state and federal pass-through awards, authorizations, obligations, unobligated balances, assets, outlays, and income. These records must be maintained on a current basis and balanced at least quarterly. Cash contributions to the Program from third parties must be accounted for in the general ledger with other Grant Funds. Third party in-kind (non-cash) contributions are not required to be recorded in the general ledger, but must be under accounting control, possibly through the use of a memorandum ledger. To comply with 2 CFR 200.305(b)(7)(i) and 30 ILCS 708/520, Grantee shall use reasonable efforts to ensure that funding streams are delineated within Grantee's accounting system. *See* 2 CFR 200.302.

(b) **Source Documentation.** Accounting records must be supported by such source documentation as canceled checks, bank statements, invoices, paid bills, donor letters, time and attendance records, activity reports, travel reports, contractual and consultant agreements, and subaward documentation. All supporting documentation should be clearly identified with the Award and general ledger accounts which are to be charged or credited.

i. The documentation standards for salary charges to grants are prescribed by 2 CFR 200.430, and in the cost principles applicable to the entity's organization (Paragraphs 7.4 through 7.7).
ii. If records do not meet the standards in 2 CFR 200.430, then Grantor may notify Grantee in PART TWO, PART THREE or Exhibit G of the requirement to submit Personnel activity reports. *See* 2 CFR 200.430(i)(8). Personnel activity reports shall account on an after-the-fact basis for one hundred percent (100%) of the employee's actual time, separately indicating the time spent on the grant, other grants or projects, vacation or sick leave, and administrative time, if applicable. The reports must be signed by the employee, approved by the appropriate official, and coincide with a pay period. These time records should be used to record the distribution of salary costs to the appropriate accounts no less frequently than quarterly.
iii. Formal agreements with independent contractors, such as consultants, must include a description of the services to be performed, the period of performance, the fee and method of payment, an itemization of travel and other costs which are chargeable to the agreement, and the signatures of both the contractor and an appropriate official of Grantee.
iv. If third party in-kind (non-cash) contributions are used for Grant purposes, the valuation of these contributions must be supported with adequate documentation.

(c) **Internal Control.** Effective control and accountability must be maintained for all cash, real and personal property, and other assets. Grantee must adequately safeguard all such property and must provide assurance that it is used solely for authorized purposes. Grantee must also have systems in place that provide reasonable assurance that the information is accurate, allowable, and compliant with the terms and conditions of this Agreement. 2 CFR 200.303.

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(d) **Budget Control**. Records of expenditures must be maintained for each Award by the cost categories of the approved Budget (including indirect costs that are charged to the Award), and actual expenditures are to be compared with Budgeted amounts at least quarterly.

(e) **Cash Management**. Requests for advance payment shall be limited to Grantee's immediate cash needs. Grantee must have written procedures to minimize the time elapsing between the receipt and the disbursement of Grant Funds to avoid having excess funds on hand. 2 CFR 200.305.

7.9. Federal Requirements. All Awards, whether funded in whole or in part with either federal or State funds, are subject to federal requirements and regulations, including but not limited to 2 CFR Part 200, 44 Ill. Admin. Code 7000.30(b) and the Financial Management Standards in Paragraph 7.8.

7.10. Profits. It is not permitted for any person or entity to earn a Profit from an Award. *See, e.g.*, 2 CFR 200.400(g); *see also* 30 ILCS 708/60(a)(7).

7.11. Management of Program Income. Grantee is encouraged to earn income to defray program costs where appropriate, subject to 2 CFR 200.307.

ARTICLE VIII
REQUIRED CERTIFICATIONS

8.1. Certifications. Grantee, its officers, and directors shall be responsible for compliance with the enumerated certifications to the extent that the certifications apply to Grantee.

(a) **Bribery.** Grantee certifies that it has not been convicted of bribery or attempting to bribe an officer or employee of the state of Illinois, nor made an admission of guilt of such conduct which is a matter of record (30 ILCS 500/50-5).

(b) **Bid Rigging.** Grantee certifies that it has not been barred from contracting with a unit of state or local government as a result of a violation of Paragraph 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, respectively).

(c) **Debt to State.** Grantee certifies that neither it, nor its affiliate(s), is/are barred from receiving an Award because Grantee, or its affiliate(s), is/are delinquent in the payment of any debt to the State, unless Grantee, or its affiliate(s), has/have entered into a deferred payment plan to pay off the debt, and Grantee acknowledges Grantor may declare the Agreement void if the certification is false (30 ILCS 500/50-11).

(d) **Educational Loan.** Grantee certifies that it is not barred from receiving State agreements as a result of default on an educational loan (5 ILCS 385/1 *et seq.*).

(e) **International Boycott.** Grantee certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provision of the U.S. Export Administration Act of 1979 (50 USC Appendix 2401 *et seq.*) or the regulations of the U.S. Department of Commerce promulgated under that Act (15 CFR Parts 730 through 774).

(f) **Dues and Fees.** Grantee certifies that it is not prohibited from receiving an Award because it pays dues or fees on behalf of its employees or agents, or subsidizes or otherwise reimburses them for payment of their dues or fees to any club which unlawfully discriminates (775 ILCS 25/1 *et seq.*).

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(g) **Pro-Children Act.** Grantee certifies that it is in compliance with the Pro-Children Act of 2001 in that it prohibits smoking in any portion of its facility used for the provision of health, day care, early childhood development services, education or library services to children under the age of eighteen (18), which services are supported by federal or state government assistance (except such portions of the facilities which are used for inpatient substance abuse treatment) (20 USC 7181-7184).

(h) **Drug-Free Workplace.** If Grantee is not an individual, Grantee certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. 30 ILCS 580/3. If Grantee is an individual and this Agreement is valued at more than $5,000, Grantee certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the Agreement. 30 ILCS 580/4. Grantee further certifies that it is in compliance with the government-wide requirements for a drug-free workplace as set forth in 41 USC 8102.

(i) **Motor Voter Law.** Grantee certifies that it is in full compliance with the terms and provisions of the National Voter Registration Act of 1993 (52 USC 20501 *et seq.*).

(j) **Clean Air Act and Clean Water Act.** Grantee certifies that it is in compliance with all applicable standards, order or regulations issued pursuant to the Clean Air Act (42 USC §7401 *et seq.*) and the Federal Water Pollution Control Act, as amended (33 USC 1251 *et seq.*).

(k) **Debarment.** Grantee certifies that it is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement by any federal department or agency 2 CFR 200.205(a), or by the State (*See* 30 ILCS 708/25(6)(G)).

(l) **Non-procurement Debarment and Suspension.** Grantee certifies that it is in compliance with Subpart C of 2 CFR Part 180 as supplemented by 2 CFR Part 376, Subpart C.

(m) **Grant for the Construction of Fixed Works.** Grantee certifies that all Programs for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall be subject to the Prevailing Wage Act (820 ILCS 130/0.01 *et seq.*) unless the provisions of that Act exempt its application. In the construction of the Program, Grantee shall comply with the requirements of the Prevailing Wage Act including, but not limited to, inserting into all contracts for such construction a stipulation to the effect that not less than the prevailing rate of wages as applicable to the Program shall be paid to all laborers, workers, and mechanics performing work under the Award and requiring all bonds of contractors to include a provision as will guarantee the faithful performance of such prevailing wage clause as provided by contract.

(n) **Health Insurance Portability and Accountability Act.** Grantee certifies that it is in compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law No. 104-191, 45 CFR Parts 160, 162 and 164, and the Social Security Act, 42 USC 1320d-2 through 1320d-7, in that it may not use or disclose protected health information other than as permitted or required by law and agrees to use appropriate safeguards to prevent use or disclosure of the protected health information. Grantee shall maintain, for a minimum of six (6) years, all protected health information.

(o) **Criminal Convictions.** Grantee certifies that neither it nor any officer, director, partner or other managerial agent of Grantee has been convicted of a felony under the Sarbanes-Oxley Act of 2002, nor a Class 3 or Class 2 felony under Illinois Securities Law of 1953, or that at least five (5) years have passed since the date of the conviction. Grantee further certifies that it is not barred from receiving an Award under 30 ILCS 500/50-10.5, and acknowledges that Grantor shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).

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(p) **Forced Labor Act.** Grantee certifies that it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).

(q) **Illinois Use Tax.** Grantee certifies in accordance with 30 ILCS 500/50-12 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(r) **Environmental Protection Act Violations.** Grantee certifies in accordance with 30 ILCS 500/50-14 that it is not barred from receiving an Award under this Paragraph. Grantee acknowledges that this Agreement may be declared void if this certification is false.

(s) **Goods from Child Labor Act.** Grantee certifies that no foreign-made equipment, materials, or supplies furnished to the State under this Agreement have been produced in whole or in part by the labor of any child under the age of twelve (12) (30 ILCS 584).

(t) **Federal Funding Accountability and Transparency Act of 2006.** Grantee certifies that it is in compliance with the terms and requirements of 31 USC 6101.

(u) **Illinois Works Review Panel.** For Awards made for public works projects, as defined in the Illinois Works Jobs Program Act, Grantee certifies that it and any contractor(s) or sub-contractor(s) that performs work using funds from this Award, shall, upon reasonable notice, appear before and respond to requests for information from the Illinois Works Review Panel. 30 ILCS 559/20-25(d).

ARTICLE IX
CRIMINAL DISCLOSURE

9.1. Mandatory Criminal Disclosures. Grantee shall continue to disclose to Grantor all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this Award. *See* 30 ILCS 708/40. Additionally, if Grantee receives over $10 million in total Financial Assistance, funded by either State or federal funds, during the period of this Award, Grantee must maintain the currency of information reported to SAM regarding civil, criminal or administrative proceedings as required by 2 CFR 200.113 and Appendix XII of 2 CFR Part 200, and 30 ILCS 708/40.

ARTICLE X
UNLAWFUL DISCRIMINATION

10.1. Compliance with Nondiscrimination Laws. Grantee, its employees and subcontractors under subcontract made pursuant to this Agreement, shall comply with all applicable provisions of state and federal laws and regulations pertaining to nondiscrimination, sexual harassment and equal employment opportunity including, but not limited to, the following laws and regulations and all subsequent amendments thereto:

(a) The Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*), including, without limitation, 44 Ill. Admin. Code Part 750, which is incorporated herein;

(b) The Public Works Employment Discrimination Act (775 ILCS 10/1 *et seq.*);

(c) The United States Civil Rights Act of 1964 (as amended) (42 USC 2000a- and 2000h-6). (*See also* guidelines to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin

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Discrimination Affecting Limited English Proficient Persons [Federal Register: February 18, 2002 (Volume 67, Number 13, Pages 2671-2685)]);

(d) Section 504 of the Rehabilitation Act of 1973 (29 USC 794);

(e) The Americans with Disabilities Act of 1990 (as amended) (42 USC 12101 *et seq.*); and

(f) The Age Discrimination Act (42 USC 6101 *et seq.*).

ARTICLE XI
LOBBYING

11.1. Improper Influence. Grantee certifies that no Grant Funds have been paid or will be paid by or on behalf of Grantee to any person for influencing or attempting to influence an officer or employee of any government agency, a member of Congress or Illinois General Assembly, an officer or employee of Congress or Illinois General Assembly, or an employee of a member of Congress or Illinois General Assembly in connection with the awarding of any agreement, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment or modification of any agreement, grant, loan or cooperative agreement. 31 USC 1352. Additionally, Grantee certifies that it has filed the required certification under the Byrd Anti-Lobbying Amendment (31 USC 1352), if applicable.

11.2. Federal Form LLL. If any funds, other than federally-appropriated funds, were paid or will be paid to any person for influencing or attempting to influence any of the above persons in connection with this Agreement, the undersigned must also complete and submit Federal Form LLL, Disclosure of Lobbying Activities Form, in accordance with its instructions.

11.3. Lobbying Costs. Grantee certifies that it is in compliance with the restrictions on lobbying set forth in 2 CFR 200.450. For any Indirect Costs associated with this Agreement, total lobbying costs shall be separately identified in the Program Budget, and thereafter treated as other Unallowable Costs.

11.4. Procurement Lobbying. Grantee warrants and certifies that it and, to the best of its knowledge, its sub-grantees have complied and will comply with Executive Order No. 1 (2007) (EO 1-2007). EO 1-2007 generally prohibits Grantees and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments, if that procurement may result in a contract valued at over $25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

11.5. Subawards. Grantee must include the language of this ARTICLE XI in the award documents for any subawards made pursuant to this Award at all tiers. All sub-awardees are also subject to certification and disclosure. Pursuant to Appendix II(I) to 2 CFR Part 200, Grantee shall forward all disclosures by contractors regarding this certification to Grantor.

11.6. Certification. This certification is a material representation of fact upon which reliance was placed to enter into this transaction and is a prerequisite for this transaction, pursuant to 31 USC 1352. Any person who fails to file the required certifications shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

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ARTICLE XII
MAINTENANCE AND ACCESSIBILITY OF RECORDS; MONITORING

12.1. Records Retention. Grantee shall maintain for three (3) years from the date of submission of the final expenditure report, adequate books, all financial records and, supporting documents, statistical records, and all other records pertinent to this Award, adequate to comply with 2 CFR 200.334, unless a different retention period is specified in 2 CFR 200.334 or 44 Ill. Admin. Code 7000.430(a) and (b). If any litigation, claim or audit is started before the expiration of the retention period, the records must be retained until all litigation, claims or audit exceptions involving the records have been resolved and final action taken.

12.2. Accessibility of Records. Grantee, in compliance with 2 CFR 200.337 and 44 Ill. Admin. Code 7000.430(e), shall make books, records, related papers, supporting documentation and personnel relevant to this Agreement available to authorized Grantor representatives, the Illinois Auditor General, Illinois Attorney General, any Executive Inspector General, the Grantor's Inspector General, federal authorities, any person identified in 2 CFR 200.337, and any other person as may be authorized by Grantor (including auditors), by the state of Illinois or by federal statute. Grantee shall cooperate fully in any such audit or inquiry.

12.3. Failure to Maintain Books and Records. Failure to maintain books, records and supporting documentation, as described in this ARTICLE XII, shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records and supporting documentation are not available to support disbursement.

12.4. Monitoring and Access to Information. Grantee must monitor its activities to assure compliance with applicable state and federal requirements and to assure its performance expectations are being achieved. Grantor shall monitor the activities of Grantee to assure compliance with all requirements and performance expectations of the award. Grantee shall timely submit all financial and performance reports, and shall supply, upon Grantor's request, documents and information relevant to the Award. Grantor may make site visits as warranted by program needs. *See* 2 CFR 200.329 and 200.332. Additional monitoring requirements may be in PART TWO or PART THREE.

ARTICLE XIII
FINANCIAL REPORTING REQUIREMENTS

13.1. Required Periodic Financial Reports. Grantee agrees to submit financial reports as requested and in the format required by Grantor. Grantee shall file quarterly reports with Grantor describing the expenditure(s) of the funds related thereto, unless more frequent reporting is required by the Grantee pursuant to specific award conditions. 2 CFR 200.208. Unless so specified, the first of such reports shall cover the first three months after the Award begins, and reports must be submitted no later than the due date(s) specified in PART TWO or PART THREE, unless additional information regarding required financial reports is set forth in Exhibit G. Failure to submit the required financial reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*; 2 CFR 208(b)(3) and 200.328. Any report required by 30 ILCS 708/125 may be detailed in PART TWO or PART THREE.

13.2. Close-out Reports.

(a) Grantee shall submit a Close-out Report no later than the due date specified in PART TWO or PART THREE following the end of the period of performance for this Agreement or Agreement termination. The format of this Close-out Report shall follow a format prescribed by Grantor. 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b).

(b) If an audit or review of Grantee occurs and results in adjustments after Grantee submits a Close-out Report, Grantee will submit a new Close-out Report based on audit adjustments, and immediately

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submit a refund to Grantor, if applicable. 2 CFR 200.345.

13.3. Effect of Failure to Comply. Failure to comply with reporting requirements shall result in the withholding of funds, the return of Improper Payments or Unallowable Costs, will be considered a material breach of this Agreement and may be the basis to recover Grant Funds. Grantee's failure to comply with this ARTICLE XIII, ARTICLE XIV, or ARTICLE XV shall be considered prima facie evidence of a breach and may be admitted as such, without further proof, into evidence in an administrative proceeding before Grantor, or in any other legal proceeding. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for policy and consequences for failure to comply. 44 Ill. Admin. Code 7000.80.

ARTICLE XIV
PERFORMANCE REPORTING REQUIREMENTS

14.1. Required Periodic Performance Reports. Grantee agrees to submit Performance Reports as requested and in the format required by Grantor. Performance Measures listed in **Exhibit E** must be reported quarterly, unless otherwise specified in **PART TWO**, **PART THREE** or **Exhibit G**. Unless so specified, the first of such reports shall cover the first three months after the Award begins. If Grantee is not required to report performance quarterly, then Grantee must submit a Performance Report at least annually. Pursuant to 2 CFR 200.208, specific conditions may be imposed requiring Grantee to report more frequently based on the risk assessment or the merit-based review of the application. In such cases, Grantor shall notify Grantee of same in **Exhibit G**. Pursuant to 2 CFR 200.329 and 44 Ill. Admin. Code 7000.410(b)(2), periodic Performance Reports shall be submitted no later than the due date(s) specified in **PART TWO** or **PART THREE**. For certain construction-related Awards, such reports may be exempted as identified in **PART TWO** or **PART THREE**. 2 CFR 200.329. Failure to submit such required Performance Reports may cause a delay or suspension of funding. 30 ILCS 705/1 *et seq.*

14.2. Close-out Performance Reports. Grantee agrees to submit a Close-out Performance Report, in the format required by Grantor, no later than the due date specified in **PART TWO** or **PART THREE** following the end of the period of performance or Agreement termination. *See* 2 CFR 200.344; 44 Ill. Admin. Code 7000.440(b)(1).

14.3. Content of Performance Reports. Pursuant to 2 CFR 200.329(b) and (c), all Performance Reports must relate the financial data and accomplishments to the performance goals and objectives of this Award and also include the following: a comparison of actual accomplishments to the objectives of the award established for the period; where the accomplishments can be quantified, a computation of the cost and demonstration of cost effective practices (e.g., through unit cost data); performance trend data and analysis if required; and reasons why established goals were not met, if appropriate. Appendices may be used to include additional supportive documentation. Additional content and format guidelines for the Performance Reports will be determined by Grantor contingent on the Award's statutory, regulatory and administrative requirements, and are included in **PART TWO** or **PART THREE** of this Agreement.

14.4. Performance Standards. Grantee shall perform in accordance with the Performance Standards set forth in **Exhibit F**. *See* 2 CFR 200.301 and 200.210.

ARTICLE XV
AUDIT REQUIREMENTS

15.1. Audits. Grantee shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and Subpart F of 2 CFR Part 200, and the audit rules and policies set forth by the Governor's Office of Management and Budget. *See* 30 ILCS 708/65(c); 44 Ill. Admin. Code 7000.90.

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15.2. Consolidated Year-End Financial Reports (CYEFR). All grantees are required to complete and submit a CYEFR through the Grantee Portal. The CYEFR is a required schedule in the Grantee's audit report if the Grantee is required to complete and submit an audit report as set forth herein.

(a) This Paragraph 15.2 applies to all Grantees, unless exempted pursuant to a federal or state statute or regulation, which is identified in PART TWO or PART THREE.

(b) The CYEFR must cover the same period as the Audited Financial Statements, if required, and must be submitted in accordance with the audit schedule at 44 Ill. Admin. Code 7000.90. If Audited Financial Statements are not required, however, then the CYEFR must cover the Grantee's fiscal year and must be submitted within 6 months of the Grantee's fiscal year-end.

(c) CYEFRs must include an in relation to opinion from the auditor of the financial statements included in the CYEFR.

(d) CYEFRs shall follow a format prescribed by Grantor.

15.3. Entities That Are Not "For-Profit".

(a) This Paragraph applies to Grantees that are not "for-profit" entities.

(b) Single and Program-Specific Audits. If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards combined), Grantee must have a single audit or program-specific audit conducted for that year as required by 2 CFR 200.501 and other applicable sections of Subpart F of 2 CFR Part 200. The audit report packet must be completed as described in 2 CFR 200.512 (single audit) or 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90(h)(1) and the current GATA audit manual and submitted to the Federal Audit Clearinghouse, as required by 2 CFR 200.512. The results of peer and external quality control reviews, management letters, AU-C 265 communications and the Consolidated Year-End Financial Report(s) must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(c) Financial Statement Audit. If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards, Grantee is subject to the following audit requirements:

i. If, during its fiscal year, Grantee expends $500,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS). Grantee may be subject to additional requirements in PART TWO, PART THREE or Exhibit G based on the Grantee's risk profile.
ii. If, during its fiscal year, Grantee expends less than $500,000 in Federal and state Awards, singularly or in any combination, from all sources, but expends $300,000 or more in Federal and state Awards, singularly or in any combination, from all sources, Grantee must have a financial statement audit conducted in accordance with the Generally Accepted Auditing Standards (GAAS).
iii. If Grantee is a Local Education Agency (as defined in 34 CFR 77.1), Grantee shall have a financial statement audit conducted in accordance with GAGAS, as required by 23 Ill. Admin. Code 100.110, regardless of the dollar amount of expenditures of Federal and state Awards.

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iv. If Grantee does not meet the requirements in subsections 15.3(b) and 15.3(c)(i-iii) but is required to have a financial statement audit conducted based on other regulatory requirements, Grantee must submit those audits for review.

v. Grantee must submit its financial statement audit report packet, as set forth in 44 Ill. Admin. Code 7000.90(h)(2) and the current GATA audit manual, to the Grantee Portal within the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) 6 months after the end of the Grantee's audit period.

15.4. "For-Profit" Entities.

(a) This Paragraph applies to Grantees that are "for-profit" entities.

(b) Program-Specific Audit. If, during its fiscal year, Grantee expends $750,000 or more in Federal Awards (direct federal and federal pass-through awards), from all sources, Grantee is required to have a program-specific audit conducted in accordance with 2 CFR 200.507. The auditor must audit Federal programs with Federal Awards expended that, in the aggregate, cover at least 50 percent (0.50) of total Federal Awards expended. The audit report packet must be completed as described in 2 CFR 200.507 (program-specific audit), 44 Ill. Admin. Code 7000.90 and the current GATA audit manual, and must be submitted to the Grantee Portal. The due date of all required submissions set forth in this Paragraph is the earlier of (i) 30 calendar days after receipt of the auditor's report(s) or (ii) nine (9) months after the end of the Grantee's audit period.

(c) Financial Statement Audit. If, during its fiscal year, Grantee expends less than $750,000 in Federal Awards and state Awards, singularly or in any combination, from all sources, Grantee must follow all of the audit requirements in Paragraphs 15.3(c)(i)-(v), above.

(d) Publicly-Traded Entities. If Grantee is a publicly-traded company, Grantee is not subject to the single audit or program-specific audit requirements, but is required to submit its annual audit conducted in accordance with its regulatory requirements.

15.5. Performance of Audits. For those organizations required to submit an independent audit report, the audit is to be conducted by a Certified Public Accountant or Certified Public Accounting Firm licensed in the state of Illinois or in accordance with Section 5.2 of the Illinois Public Accounting Act (225 ILCS 450/5.2). For all audits required to be performed subject to Generally Accepted Government Auditing standards or Generally Accepted Auditing standards, Grantee shall request and maintain on file a copy of the auditor's most recent peer review report and acceptance letter. Grantee shall follow procedures prescribed by Grantor for the preparation and submission of audit reports and any related documents.

15.6. Delinquent Reports. Grantee should refer to the State of Illinois Grantee Compliance Enforcement System for the policy and consequences for late reporting. 44 Ill. Admin. Code 7000.80.

ARTICLE XVI
TERMINATION; SUSPENSION; NON-COMPLIANCE

16.1. Termination.

(a) This Agreement may be terminated, in whole or in part, by either Party for any or no reason upon thirty (30) calendar days' prior written notice to the other Party. If terminated by the Grantee, Grantee must include the reasons for such termination, the effective date, and, in the case of a partial termination, the portion to be terminated. If Grantor determines in the case of a partial termination that the reduced or

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i. Grantor expressly authorizes them in the notice of suspension or termination; and
ii. The costs result from obligations properly incurred before the effective date of suspension or termination, are not in anticipation of the suspension or termination, and the costs would be allowable if the Agreement was not suspended or terminated. 2 CFR 200.343.

16.6. Close-out of Terminated Agreements. If this Agreement is terminated, in whole or in part, the Parties shall comply with all close-out and post-termination requirements of this Agreement. 2 CFR 200.340(d).

ARTICLE XVII
SUBCONTRACTS/SUB-GRANTS

17.1. Sub-recipients/Delegation. Grantee may not subcontract nor sub-grant any portion of this Agreement nor delegate any duties hereunder without Prior Approval of Grantor. The requirement for Prior Approval is satisfied if the subcontractor or sub-grantee has been identified in the Uniform Grant Application, such as, without limitation, a Project Description, and Grantor has approved. Grantee must notify any potential sub-recipient that the sub-recipient shall obtain and provide to the Grantee a Unique Entity Identifier prior to receiving a subaward. 2 CFR 25.300.

17.2. Application of Terms. Grantee shall advise any sub-grantee of funds awarded through this Agreement of the requirements imposed on them by federal and state laws and regulations, and the provisions of this Agreement. The terms of this Agreement shall apply to all subawards authorized in accordance with Paragraph 17.1. 2 CFR 200.101(b)(2).

17.3. Liability as Guaranty. Grantee shall be liable as guarantor for any Grant Funds it obligates to a sub-grantee or sub-contractor pursuant to Paragraph 17.1 in the event the Grantor determines the funds were either misspent or are being improperly held and the sub-grantee or sub-contractor is insolvent or otherwise fails to return the funds. 2 CFR 200.345; 30 ILCS 705/6; 44 Ill. Admin. Code 7000.450(a).

ARTICLE XVIII
NOTICE OF CHANGE

18.1. Notice of Change. Grantee shall notify the Grantor if there is a change in Grantee's legal status, federal employer identification number (FEIN), DUNS Number, UEI, SAM registration status, Related Parties, senior management or address. *See* 30 ILCS 708/60(a). If the change is anticipated, Grantee shall give thirty (30) days' prior written notice to Grantor. If the change is unanticipated, Grantee shall give notice as soon as practicable thereafter. Grantor reserves the right to take any and all appropriate action as a result of such change(s).

18.2. Failure to Provide Notification. Grantee shall hold harmless Grantor for any acts or omissions of Grantor resulting from Grantee's failure to notify Grantor of these changes.

18.3. Notice of Impact. Grantee shall immediately notify Grantor of any event that may have a material impact on Grantee's ability to perform this Agreement.

18.4. Circumstances Affecting Performance; Notice. In the event Grantee becomes a party to any litigation, investigation or transaction that may reasonably be considered to have a material impact on Grantee's ability to perform under this Agreement, Grantee shall notify Grantor, in writing, within five (5) calendar days of determining such litigation or transaction may reasonably be considered to have a material impact on the Grantee's ability to perform under this Agreement.

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modified portion of the Award will not accomplish the purposes for which the Award was made, Grantor may terminate the Agreement in its entirety. 2 CFR 200.340(a)(4).

(b) This Agreement may be terminated, in whole or in part, by Grantor without advance notice:

i. Pursuant to a funding failure under Paragraph 4.1;
ii. If Grantee fails to comply with the terms and conditions of this or any Award, application or proposal, including any applicable rules or regulations, or has made a false representation in connection with the receipt of this or any Grant;
iii. If the Award no longer effectuates the program goals or agency priorities as set forth in **Exhibit A, PART TWO** or **PART THREE**; or
iv. If Grantee breaches this Agreement and either (1) fails to cure such breach within 15 calendar days' written notice thereof, or (2) if such cure would require longer than 15 calendar days and the Grantee has failed to commence such cure within 15 calendar days' written notice thereof. In the event that Grantor terminates this Agreement as a result of the breach of the Agreement by Grantee, Grantee shall be paid for work satisfactorily performed prior to the date of termination.

16.2. Suspension. Grantor may suspend this Agreement, in whole or in part, pursuant to a funding failure under Paragraph 4.1 or if the Grantee fails to comply with terms and conditions of this or any Award. If suspension is due to Grantee's failure to comply, Grantor may withhold further payment and prohibit Grantee from incurring additional obligations pending corrective action by Grantee or a decision to terminate this Agreement by Grantor. Grantor may determine to allow necessary and proper costs that Grantee could not reasonably avoid during the period of suspension.

16.3. Non-compliance. If Grantee fails to comply with the U.S. Constitution, applicable statutes, regulations or the terms and conditions of this or any Award, Grantor may impose additional conditions on Grantee, as described in 2 CFR 200.208. If Grantor determines that non-compliance cannot be remedied by imposing additional conditions, Grantor may take one or more of the actions described in 2 CFR 200.339. The Parties shall follow all Grantor policies and procedures regarding non-compliance, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 44 Ill. Admin. Code 7000.80 and 7000.260.

16.4. Objection. If Grantor suspends or terminates this Agreement, in whole or in part, for cause, or takes any other action in response to Grantee's non-compliance, Grantee may avail itself of any opportunities to object and challenge such suspension, termination or other action by Grantor in accordance with any applicable processes and procedures, including, but not limited to, the procedures set forth in the State of Illinois Grantee Compliance Enforcement System. 2 CFR 200.342; 44 Ill. Admin. Code 7000.80 and 7000.260.

16.5. Effects of Suspension and Termination.

(a) Grantor may credit Grantee for expenditures incurred in the performance of authorized services under this Agreement prior to the effective date of a suspension or termination.

(b) Grantee shall not incur any costs or obligations that require the use of these Grant Funds after the effective date of a suspension or termination, and shall cancel as many outstanding obligations as possible.

(c) Costs to Grantee resulting from obligations incurred by Grantee during a suspension or after termination of the Agreement are not allowable unless:

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18.5. Effect of Failure to Provide Notice. Failure to provide the notice described in Paragraph 18.4 shall be grounds for immediate termination of this Agreement and any costs incurred after notice should have been given shall be disallowed.

ARTICLE XIX
STRUCTURAL REORGANIZATION AND RECONSTITUTION OF BOARD MEMBERSHIP

19.1. Effect of Reorganization. Grantee acknowledges that this Agreement is made by and between Grantor and Grantee, as Grantee is currently organized and constituted. No promise or undertaking made hereunder is an assurance that Grantor agrees to continue this Agreement, or any license related thereto, should Grantee significantly reorganize or otherwise substantially change the character of its corporate structure, business structure or governance structure. Grantee agrees that it will give Grantor prior notice of any such action or changes significantly affecting its overall structure or management makeup (for example, a merger or a corporate restructuring), and will provide any and all reasonable documentation necessary for Grantor to review the proposed transaction including financial records and corporate and shareholder minutes of any corporation which may be involved. This ARTICLE XIX does not require Grantee to report on minor changes in the makeup of its board membership. Nevertheless, PART TWO or PART THREE may impose further restrictions. Failure to comply with this ARTICLE XIX shall constitute a material breach of this Agreement.

ARTICLE XX
AGREEMENTS WITH OTHER STATE AGENCIES

20.1. Copies upon Request. Grantee shall, upon request by Grantor, provide Grantor with copies of contracts or other agreements to which Grantee is a party with any other State agency.

ARTICLE XXI
CONFLICT OF INTEREST

21.1. Required Disclosures. Grantee must immediately disclose in writing any potential or actual Conflict of Interest to the Grantor. 2 CFR 200.113 and 30 ILCS 708/35.

21.2. Prohibited Payments. Grantee agrees that payments made by Grantor under this Agreement will not be used to compensate, directly or indirectly, any person: (1) currently holding an elective office in this State including, but not limited to, a seat in the General Assembly, or (2) employed by an office or agency of the state of Illinois whose annual compensation is in excess of sixty percent (60%) of the Governor's annual salary, or $106,447.20 (30 ILCS 500/50-13).

21.3. Request for Exemption. Grantee may request written approval from Grantor for an exemption from Paragraph 21.2. Grantee acknowledges that Grantor is under no obligation to provide such exemption and that Grantor may, if an exemption is granted, grant such exemption subject to such additional terms and conditions as Grantor may require.

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ARTICLE XXII
EQUIPMENT OR PROPERTY

22.1. Transfer of Equipment. Grantor shall have the right to require that Grantee transfer to Grantor any equipment, including title thereto, purchased in whole or in part with Grantor funds, if Grantor determines that Grantee has not met the conditions of 2 CFR 200.439. Grantor shall notify Grantee in writing should Grantor require the transfer of such equipment. Upon such notification by Grantor, and upon receipt or delivery of such equipment by Grantor, Grantee will be deemed to have transferred the equipment to Grantor as if Grantee had executed a bill of sale therefor.

22.2. Prohibition against Disposition/Encumbrance. The Grantee is prohibited from, and may not sell, transfer, encumber (other than original financing) or otherwise dispose of said equipment, material, or real property during the Grant Term without Prior Approval of Grantor. Any real property acquired using Grant Funds must comply with the requirements of 2 CFR 200.311.

22.3. Equipment and Procurement. Grantee must comply with the uniform standards set forth in 2 CFR 200.310–200.316 governing the management and disposition of property which cost was supported by Grant Funds. Any waiver from such compliance must be granted by either the President's Office of Management and Budget, the Governor's Office of Management and Budget, or both, depending on the source of the Grant Funds used. Additionally, Grantee must comply with the standards set forth in 2 CFR 200.317-200.326 for use in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Grant Funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable federal and state statutes and executive orders.

22.4. Equipment Instructions. Grantee must obtain disposition instructions from Grantor when equipment, purchased in whole or in part with Grant Funds, are no longer needed for their original purpose. Notwithstanding anything to the contrary contained within this Agreement, Grantor may require transfer of any equipment to Grantor or a third party for any reason, including, without limitation, if Grantor terminates the Award or Grantee no longer conducts Award activities. The Grantee shall properly maintain, track, use, store and insure the equipment according to applicable best practices, manufacturer's guidelines, federal and state laws or rules, and Grantor requirements stated herein.

22.5. Domestic Preferences for Procurements. In accordance with 2 CFR 200.322, as appropriate and to the extent consistent with law, the Grantee should, to the greatest extent practicable under this Award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this paragraph must be included in all subawards and in all contracts and purchase orders for work or products under this Award.

ARTICLE XXIII
PROMOTIONAL MATERIALS; PRIOR NOTIFICATION

23.1. Publications, Announcements, etc. Use of Grant Funds for promotions is subject to the prohibitions for advertising or public relations costs in 2 CFR 200.421(e). In the event that Grantor funds are used in whole or in part to produce any written publications, announcements, reports, flyers, brochures or other written materials, Grantee shall obtain Prior Approval for the use of those funds (2 CFR 200.467) and agrees to include in these publications, announcements, reports, flyers, brochures and all other such material, the phrase "Funding provided in whole or in part by the [Grantor]." Exceptions to this requirement must be requested, in writing, from Grantor and will be considered authorized only upon written notice thereof to Grantee.

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23.2. Prior Notification/Release of Information. Grantee agrees to notify Grantor ten (10) days prior to issuing public announcements or press releases concerning work performed pursuant to this Agreement, or funded in whole or in part by this Agreement, and to cooperate with Grantor in joint or coordinated releases of information.

ARTICLE XXIV
INSURANCE

24.1. Purchase and Maintenance of Insurance. Grantee shall maintain in full force and effect during the Term of this Agreement casualty and bodily injury insurance, as well as insurance sufficient to cover the replacement cost of any and all real or personal property, or both, purchased or, otherwise acquired, or improved in whole or in part, with funds disbursed pursuant to this Agreement. 2 CFR 200.310. Additional insurance requirements may be detailed in **PART TWO** or **PART THREE**.

24.2. Claims. If a claim is submitted for real or personal property, or both, purchased in whole with funds from this Agreement and such claim results in the recovery of money, such money recovered shall be surrendered to Grantor.

ARTICLE XXV
LAWSUITS AND INDEMNIFICATION

25.1. Independent Contractor. Grantee is an independent contractor under this Agreement and neither Grantee nor any employee or agent of Grantee is an employee of Grantor and do not acquire any employment rights with Grantor or the state of Illinois by virtue of this Agreement. Grantee will provide the agreed services and achieve the specified results free from the direction or control of Grantor as to the means and methods of performance. Grantee will be required to provide its own equipment and supplies necessary to conduct its business; provided, however, that in the event, for its convenience or otherwise, Grantor makes any such equipment or supplies available to Grantee, Grantee's use of such equipment or supplies provided by Grantor pursuant to this Agreement shall be strictly limited to official Grantor or state of Illinois business and not for any other purpose, including any personal benefit or gain.

25.2. Indemnification. To the extent permitted by law, Grantee agrees to hold harmless Grantor against any and all liability, loss, damage, cost or expenses, including attorneys' fees, arising from the intentional torts, negligence or breach of contract of Grantee, with the exception of acts performed in conformance with an explicit, written directive of Grantor. Indemnification by Grantor will be governed by the State Employee Indemnification Act (5 ILCS 350/1 *et seq.*) as interpreted by the Illinois Attorney General. Grantor makes no representation that Grantee, an independent contractor, will qualify or be eligible for indemnification under said Act.

ARTICLE XXVI
MISCELLANEOUS

26.1. Gift Ban. Grantee is prohibited from giving gifts to State employees pursuant to the State Officials and Employees Ethics Act (5 ILCS 430/10-10) and Executive Order 15-09.

26.2. Access to Internet. Grantee must have Internet access. Internet access may be either dial-up or high-speed. Grantee must maintain, at a minimum, one business e-mail address that will be the primary receiving point for all e-mail correspondence from Grantor. Grantee may list additional e-mail addresses at any time during the Term of this Agreement. The additional addresses may be for a specific department or division of Grantee or for specific

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employees of Grantee. Grantee must notify Grantor of any e-mail address changes within five (5) business days from the effective date of the change.

26.3. Exhibits and Attachments. Exhibits A through G, PART TWO, PART THREE, if applicable, and all other exhibits and attachments hereto are incorporated herein in their entirety.

26.4. Assignment Prohibited. Grantee acknowledges that this Agreement may not be sold, assigned, or transferred in any manner by Grantee, to include an assignment of Grantee's rights to receive payment hereunder, and that any actual or attempted sale, assignment, or transfer by Grantee without the Prior Approval of Grantor in writing shall render this Agreement null, void and of no further effect.

26.5. Amendments. This Agreement may be modified or amended at any time during its Term by mutual consent of the Parties, expressed in writing and signed by the Parties.

26.6. Severability. If any provision of this Agreement is declared invalid, its other provisions shall not be affected thereby.

26.7. No Waiver. No failure of Grantor to assert any right or remedy hereunder will act as a waiver of right to assert such right or remedy at a later time or constitute a course of business upon which Grantee may rely for the purpose of denial of such a right or remedy to Grantor.

26.8. Applicable Law; Claims. This Agreement and all subsequent amendments thereto, if any, shall be governed and construed in accordance with the laws of the state of Illinois. Any claim against Grantor arising out of this Agreement must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1 *et seq.* Grantor does not waive sovereign immunity by entering into this Agreement.

26.9. Compliance with Law. This Agreement and Grantee's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and State laws, including, without limitation, federal regulations, State administrative rules, including 44 Ill. Admin. Code 7000, and any and all license requirements or professional certification provisions.

26.10. Compliance with Confidentiality Laws. If applicable, Grantee shall comply with applicable state and federal statutes, federal regulations and Grantor administrative rules regarding confidential records or other information obtained by Grantee concerning persons served under this Agreement. The records and information shall be protected by Grantee from unauthorized disclosure.

26.11. Compliance with Freedom of Information Act. Upon request, Grantee shall make available to Grantor all documents in its possession that Grantor deems necessary to comply with requests made under the Freedom of Information Act. (5 ILCS 140/7(2)).

26.12. Precedence.

(a) Except as set forth in subparagraph (b), below, the following rules of precedence are controlling for this Agreement: In the event there is a conflict between this Agreement and any of the exhibits or attachments hereto, this Agreement shall control. In the event there is a conflict between PART ONE and PART TWO or PART THREE of this Agreement, PART ONE shall control. In the event there is a conflict between PART TWO and PART THREE of this Agreement, PART TWO shall control. In the event there is a conflict between this Agreement and relevant statute(s) or rule(s), the relevant statute(s) or rule(s) shall control.

(b) Notwithstanding the provisions in subparagraph (a), above, if a relevant federal or state statute(s) or rule(s) requires an exception to this Agreement's provisions, or an exception to a requirement in

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this Agreement is granted by GATU, such exceptions must be noted in PART TWO or PART THREE, and in such cases, those requirements control.

26.13. Illinois Grant Funds Recovery Act. In the event of a conflict between the Illinois Grant Funds Recovery Act and the Grant Accountability and Transparency Act, the provisions of the Grant Accountability and Transparency Act shall control. 30 ILCS 708/80.

26.14. Headings. Article and other headings contained in this Agreement are for reference purposes only and are not intended to define or limit the scope, extent or intent of this Agreement or any provision hereof.

26.15. Entire Agreement. Grantee and Grantor acknowledge that this Agreement constitutes the entire agreement between them and that no promises, terms, or conditions not recited, incorporated or referenced herein, including prior agreements or oral discussions, shall be binding upon either Grantee or Grantor.

26.16. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be considered to be one and the same agreement, binding on all Parties hereto, notwithstanding that all Parties are not signatories to the same counterpart. Duplicated signatures, signatures transmitted via facsimile, or signatures contained in a Portable Document Format (PDF) document shall be deemed original for all purposes.

26.17. Attorney Fees and Costs. If Grantor prevails in any proceeding to enforce the terms of this Agreement, including any administrative hearing pursuant to the Grant Funds Recovery Act or the Grant Accountability and Transparency Act, the Grantor has the right to recover reasonable attorneys' fees, costs and expenses associated with such proceedings.

26.18. Continuing Responsibilities. The termination or expiration of this Agreement does not affect: (a) the right of the Grantor to disallow costs and recover funds based on a later audit or other review; (b) the obligation of the Grantee to return any funds due as a result of later refunds, corrections or other transactions, including, without limitation, final Indirect Cost Rate adjustments and those funds obligated pursuant to ARTICLE XVII; (c) the Consolidated Year-End Financial Report; (d) audit requirements established in ARTICLE XV; (e) property management and disposition requirements established in 2 CFR 200.310 through 2 CFR 200.316 and ARTICLE XXII; or (f) records related requirements pursuant to ARTICLE XII. 44 Ill. Admin. Code 7000.450.

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EXHIBIT A

PROJECT DESCRIPTION

A.1 Scope. The scope of the project in this Agreement is as follows:

Construction of a 3 story Wellness Center, to include:

- Entrance: lobby with gathering spaces plus coffee shop.
- Ground floor: a pool, locker room, and office facilities.
- Second floor: fitness areas, an indoor track, and education rooms for nutrition and wellness education classes.
- Third floor: community space and a community room that overlooks Humboldt Park.
- Deck: outdoor open-air deck providing space for events and gatherings.

A.2 State Share. The maximum State Share is nineteen million dollars ($19,000,000). Grantee shall be responsible for all project costs in excess of the maximum State Share. If the total approved, allowable project costs are less than the maximum State Share, the grant amount will be reduced so as not to exceed the total allowable project costs.

A.3 Source of Funds. The grant is funded through PA 101-0638 from the Capital Development Fund and is subject to reappropriation.

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EXHIBIT B
DELIVERABLES OR MILESTONES

B.1 Milestones. In accordance with the terms of this Agreement, Grantee must submit pay requests and other documentation outlined in Exhibit C after completion of the following milestones:

1. upon execution of this Agreement,
2. upon bid award and CDB's acceptance of supplemental documents,
3. upon construction reaching 25% completion,
4. upon construction reaching 50% completion, and
5. upon substantial completion of construction.

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EXHIBIT C
PAYMENT

Grantee shall receive a maximum of $19,000,000 under this Agreement.

C.1 Processing Payments. Grantor will process pay requests upon receipt and approval of all required documentation.

C.2 Payment Schedule. The following payment schedule is based on the maximum State share. The payment schedule amounts will change if the total project cost decreases as described in Exhibit A. Each of the following construction milestones must be achieved prior to Grantee submitting the pay request.

Execution of Agreement	10%	$1,900,000
Upon Bid Award and CDB acceptance of supplemental documents	20%	$3,800,000
Construction reaching 25% completion	25%	$4,750,000
Construction reaching 50% completion	35%	$6,650,000
Substantial Completion	10%	$1,900,000

C.3 Second Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Second Payment:

- Signed copy of the architect/engineer's contract.
- Summary of all bids received.
- Summary of all bids awarded, including any alternate bids that were awarded.
- Copy of invoices for any other relevant expenses incurred prior to bidding (survey work, soil borings, topos, etc.).
- Signed copy of construction manager's contract, if applicable, including the total fee to be paid.
- Signed copies of any other contracts awarded.
- Documentation of FEP requirements (completed 4105 and 665s).
- Signed Project Labor Agreement, if applicable.
- Completed Illinois Works Jobs Program Act Apprenticeship Initiative Budget Supplement, if applicable.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Compliance with agreed reporting requirements.

C.4 Third Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Third Payment:

- All partial and final lien waivers for Minority-Owned Business Enterprises (MBEs) and Woman-Owned Business Enterprises (WBEs) to date.
- Certification from the architect/engineer that construction has reached 25 percent completion.
- Signed copies of any additional contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Copies of documentation of other expenses incurred relating to the project, including change orders and modifications to existing contracts.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Continued compliance with all reporting requirements.

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C.5 Fourth Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Fourth payment:

- All additional partial and final lien waivers for Minority-Owned Business Enterprises (MBEs) and Woman-Owned Business Enterprises (WBEs) to date.
- Certification from the architect/engineer that construction has reached 50 percent completion.
- Signed copies of any additional contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Copies of documentation of other expenses incurred relating to the project, including change orders and modifications to existing contracts.
- Completed and signed construction verification form. The verification form will be provided to Grantee by Grantor upon receipt of the request for payment.
- Continued compliance with all reporting requirements.

C.6 Fifth and Final Pay Request. Grantee shall submit the following documentation to Grantor with their request for the Fifth and Final Payment:

- Signed certification from the architect/engineer that the project is substantially complete.
- Signed copies of any remaining contracts awarded, not previously submitted.
- Listing of additional bids received, not previously submitted.
- Final certification form letter (will be issued by CDB upon receipt of signed certification from the architect that the project is substantially complete).
- Completed and signed construction verification form and final pay-out form. The verification form will be provided to Grantee by CDB upon receipt of the request for payment.
- Documentation of Fair Employment Practices requirements for final payment (final lien waivers).
- Completed Illinois Works Jobs Program Act Apprenticeship Initiative Certification.
- Continued compliance with all reporting requirements.

C.7 Additional Documentation. Grantor may request additional documentation at any time to substantiate project costs. Any costs not adequately substantiated will not be included in the State share as identified in Paragraph A.2.

C.8 Expenditures Prior to Grant Agreement. Notwithstanding the above, in the event that Grantee incurred expenses related to the grant award prior to the execution of this Agreement but within the term of this Agreement, as identified in Paragraph 1.4, Grantee must submit to Grantor a report that accounts for eligible grant expenditures and project activities from the effective date of the grant up to and including the date of execution of this Agreement. **Grantee shall submit the report to Grantor within 30 calendar days of execution of this Agreement.** Only those expenses that are reasonable, allowable, and in furtherance of the purpose of the grant award shall be reimbursed. Grantor must approve the report prior to issuing any payment to Grantee.

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EXHIBIT D
CONTACT INFORMATION

CONTACT FOR NOTIFICATION:

Unless specified elsewhere, all notices required or desired to be sent by either Party shall be sent to the persons listed below.

GRANTOR CONTACT

Name: Natalie Lambert
Title: Grant Analyst
Address: 401 S Spring St, 3rd Fl Stratton Bldg.
Phone: 217-720-1595
TTY#: 217-524-4449
Fax#: 217-524-0565
E-mail Address: natalie.lambert2@illinois.gov

GRANTEE CONTACT

Name: Jose R. Sanchez
Title: President/CEO
Address: 1044 N Francisco, Chicago, IL 60622
Phone: 773-292-8204
TTY #:
Fax #: 773-278-3531
E-mail Address: jrsanchez@hph.care
Additional Information:

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EXHIBIT E

PERFORMANCE MEASURES

E.1 Performance Reports. Grantee must provide quarterly reports outlining the progress of project and identifying significant developments, as well as any problems, delays, or adverse conditions, including any corrective action taken or planned. Grantee shall submit the reports on a form provided by Grantor. Grantee shall submit performance reports to Grantor on the following schedule:

- April 30 for the period from January 1 to March 31
- July 30 for the period from April 1 to June 30
- October 30 for the period from July 1 to September 30
- January 30 for the period from October 1 to December 31

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EXHIBIT F

PERFORMANCE STANDARDS

F.1 Contracts for Procurement. The Grantee may enter into contracts to accomplish the procurement required to complete the scope of the project described in this Agreement and shall manage and administer the design and construction work on the project as may be appropriate and in accordance with this Agreement.

F.2 Bidding Deadline. All construction contracts for the project must be awarded no later than two (2) years after the effective date of this Agreement.

F.3 Project Completion. All obligations in this Agreement, including any close-out obligations, must be completed during the Agreement term specified in Paragraph 1.4.

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EXHIBIT G

SPECIFIC CONDITIONS

Grantor may remove (or reduce) a Specific Condition included in this Exhibit G by providing written notice to the Grantee, in accordance with established procedures for removing a Specific Condition.

G.1 Additional Financial Reporting. Grantee shall submit the reports required in Paragraph 13.1 above monthly for at least the first year of the grant term. Reporting requirements may be adjusted after Grantee's annual risk assessment. Grantor will notify Grantee by written amendment to this Agreement if there is a change in the frequency of reporting.

G.2 Corrective Action Plan Review. Grantor shall review the implementation of corrective action related to Grantee's most recently accepted (FY19) audit.

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PART TWO – THE GRANTOR-SPECIFIC TERMS

In addition to the uniform requirements in PART ONE, the Grantor has the following additional requirements for its Grantee:

Article XXVII
ADDITONAL REQUIRMENTS

27.1 Timely Billing Required. Grantee must submit any payment request after completion of the payment milestones identified in Exhibit C. Grantee is not required to submit pay requests at the end of each quarter as indicated in Paragraph 4.7 of this Agreement.

27.2. Business Enterprise for Minorities, Women, and Persons with Disabilities Act. For this project, Grantee agrees to endeavor to meet a goal of at least 25 percent of the grant funds being awarded to minority and woman owned businesses, with 20 percent being awarded to minority owned businesses and 5 percent being awarded to woman owned businesses. Grantee agrees to coordinate the meeting of these goals with Grantor's Fair Employment Practices Unit and to provide documentation of its good faith efforts to meet those percentages in the event that the goals are not met.

27.3 Additional Legal Requirements.

(a) All project procurements shall be in accordance with applicable law, including but not limited to 2 CFR Part 200.

(b) Grantee agrees to comply with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575), the Illinois Accessibility Code (71 Ill. Admin. Code 400), and the Employee Classification Act (820 ILCS 185).

(c) Grantee agrees to comply in all respects with the Illinois State Agency Historic Resources Act (20 ILCS 3420) and the Archaeological and Paleontological Resources Protection Act (20 ILCS 3435) and hereby accepts the assignment of any duties Grantor has or may have under the Acts.

(d) Grantee agrees to comply in all respects with Executive Order 2006-05, Construction Activities in Special Flood Hazard Areas, if applicable.
(www.illinois.gov/Government/ExecOrders/Documents/2006/execorder2006-5.pdf)

(e) If the Grantee's project(s) and/or land development(s) fall under the requirements of the Farmland Preservation Act (505 ILCS 75), the Interagency Wetland Policy Act of 1989 (20 ILCS 830), the Illinois Natural Areas Preservation Act (525 ILCS 30), and/or the Illinois Endangered Species Protection Act (520 ILCS 10), Grantee hereby accepts the assignment of any duties Grantor has or may have under those, and prior to beginning any construction, Grantee shall provide Grantor with proof of compliance. In the alternative, Grantee certifies that the project(s) and/or land development(s) is not impacted by the statutes identified herein.

(f) Grantee agrees to comply with Prohibition on Use of Grant Funds for Prohibited Political Activities in the Illinois Grant Funds Recovery Act (30 ILCS 705/4.3).

(g) All contracts for the construction of fixed works which are financed in whole or in part with funds provided by this Agreement shall include a project labor agreement. Each such project labor

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agreement shall comply with the requirements of Section 25 of the Project Labor Agreements Act (30 ILCS 571/25).

(h) Grantee agrees to comply with the Illinois Works Jobs Program Act Apprenticeship Initiative (30 ILCS 559/20-20).

i. Applicable Goal: The Illinois Works Jobs Program Act Apprenticeship Initiative goal for this Project is that apprentices will perform either 10% of the total labor hours actually worked in each prevailing wage classification or 10% of the estimated labor hours in each prevailing wage classification, whichever is less.
ii. Budget Supplement: Grantee shall submit the Illinois Works Jobs Program Act Apprenticeship Initiative Budget Supplement as identified in the Payment Milestones in Exhibit C. The Budget Supplement shall contain a complete and thorough estimate of all the labor hours for the project, broken down by prevailing wage category.
iii. Reporting Requirements: Grantee shall submit quarterly reports of the hourly workforce utilization including all apprenticeship hours using Illinois Works Apprenticeship Initiative Reporting Forms. Reports shall be submitted on the dates provided in Exhibit E.
iv. Reduction or Waiver of Goal: If, at any point during the project, Grantee determines that the apprenticeship goal for any prevailing wage classification may not be met, Grantee shall submit a request for a reduction or waiver of that particular goal, indicating why the goal may not be met. Grantee shall include all documentation supporting the request.
v. Certification of Completion: Upon completion of the work set forth in this Agreement, Grantee shall submit a certification demonstrating that the 10% apprenticeship goal has been met or that Grantee received a reduction or waiver of the 10% apprenticeship goal for each prevailing wage classification. In the event that work on the project extends beyond the term of this Agreement, Grantee shall submit an additional certification upon completion of all project work.

27.4 Bonding Requirements. If Grantee does not have established procedures and contractual provisions requiring construction contractors to provide bonds, Grantor encourages Grantee to require construction contractors to obtain a bid bond in the amount of ten percent of the bid, a performance bond in the full amount of the bid, and a separate labor and materials payment bond in the full amount of the bid.

27.5 Retainage. Grantor encourages the following policy for retainage on construction contracts to ensure timely payments to contractors: "Retainage, 10 percent of the contract sum, may be reduced to 5 percent of the contract sum on all portions of work after completion of the work equals to 50 percent of the contract sum upon written request by the contractor and written approval of the Grantee and the contractor's surety. Retention may not be reduced if the contract is behind the approved schedule, including extension or substantial claims are outstanding against the contractor or for other causes related to nonperformance."

27.6 Prohibition on Administrative Costs. Grant funds shall not be spent for Grantee's administrative costs and expenses, whether incurred as an officer, employee, or on a contractual basis. Indirect Costs may not be charged to the Award. All expenses must be bondable capital improvements.

27.7 Earned Interest. When interest is earned on grant funds held by Grantee, up to $500 per year in interest may be retained by Grantee for administrative expenses related to the project. Any other interest earned on grant funds held by the Grantee shall be spent on project eligible expenditures. Grantee shall certify to Grantor annually the amount by which any earned interest exceeds $500 and shall provide an accounting for the expenditure of such interest annually unless more frequent accounting is requested by Grantor.

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27.8 Use and Ownership of Facility. Grantee must comply with the requirements of 2 CFR 200.311 for any real property acquired or improved using Grant Funds.

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DPD
Department of Planning and Development

Universal Financial Incentives Application

The **Universal Financial Incentives Application** contains all information and materials necessary to submit a request for the following financial incentives from the City of Chicago Department of Planning and Development (DPD):

Chicago Recovery Plan Development Grants

APPLICATION INSTRUCTIONS

1) **DOWNLOAD** the application on your computer.
2) **COMPLETE** all required fields. Populate optional fields as needed.
3) **ATTACH** all supporting documentation using the 'ATTACH' buttons.
4) **SAVE** the completed application with attachments.
5) **SUBMIT** via the 'SUBMIT' button or email to FID_Intake@cityofchicago.org.

After submitting the application, you will receive confirmation from DPD that it has been received. DPD staff will review the application and may send you a letter identifying application deficiencies and/or additional documentation needed to determine the project's suitability for a financial incentive.

This application MUST be submitted in full and include all, required, supporting documentation. Failure to provide required information in a complete and accurate manner will delay processing your application.

DPD reserves the right to reject, or halt processing, incomplete applications.

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DPD Department of Planning and Development

I. APPLICANT CONTACT INFORMATION

First Name: Jose
Last Name: Sanchez
Email Address: jrsanchez@hph.care
Phone Number: (773) 292-8205

Residential Address

Street Number: 1044
Direction: N
Name: Francisco
Type: Ave
Apt/Unit/#:
Zip Code: 60622

II. APPLICANT BUSINESS INFORMATION

Business Name: Humboldt Park Health

Business Address

Street Number: 1044
Direction: N
Name: Francisco
Type: Ave
Suite/Unit/#:
Zip Code: 60622

III. APPLICANT PROJECT INFORMATION

Select the Applicant's relationship to the project. Property Owner (Lessor)

Project Site Address

Street Number(s) [enter all numbers, as applicable]: 2933-2947
Suite/Unit/#:
Direction: W
Name: Division
Type: St
Zip Code: 60622

Provide the 14-digit Property Identification Numbers (PINs) for ALL properties comprising the project site, below:

1	6	0	1	3	0	1	0	0	2	0	0	0	0
1	6	0	1	3	0	1	0	0	3	0	0	0	0
1	6	0	1	3	0	1	0	0	4	0	0	0	0
1	6	0	1	3	0	1	0	0	5	0	0	0	0
1	6	0	1	3	0	1	0	0	6	0	0	0	0

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Select and attach the type of site control the Applicant has for the project site.

Deed for project location in Applicant's name.

Attach Site Control Doc. *[PDF, JPG or PNG only]*

If the project will occupy property that has been vacant and unused for at least 24 continuous months, answer (A) - (F):

A) Was the vacant or abandoned property purchased for value, or currently under contract?

(•) Yes Date Purchased: 03/24/1995 Expected Closing Date:

( ) No

B) Provide the date the subject property was last occupied prior to purchase for value.

Attach information (e.g. utility statement) demonstrating that the property was vacant, and indicate the vacancy duration.

Attach Vacancy Doc. *[PDF, JPG or PNG only]*

C) Provide the name of person who last occupied the property prior to purchase for value.

First Name Chicago Title Land Trust Company Last Name

D) Provide the name of the purchaser of the vacant or abandoned property.

First Name Humboldt Park Health Last Name

E) Provide the name of the seller of the vacant or abandoned property.

First Name Trust # 118418 Last Name

F) Define the relationship of the purchaser of the property to the seller of the property.

None

IV. FINANCIAL INCENTIVE INFORMATION

Select the type of development that best describes your proposed project.

Construction of a new structure OR building addition.

Select the financial incentive that is being requested for the proposed project.

Chicago Recovery Plan Development Grant

If interested in a Cook County Property Tax Incentive, select the type of incentive and the incentive Class.

Tax Incentive Type: Tax Incentive Class:

If the Property Tax Incentive has been filed with the Cook County Assessor, please enter the date:

V. PROJECT SITE CURRENT CONDITIONS

Attach current photos of the site, as well as the interior and exterior of all existing structures.

Attach Site Photos *[PDF, JPG or PNG only]*

Provide the current, total land area and structural area of the project property. Enter 0 if there are no structures on the site.

Total Land SF (property) 21,929 Total Building SF 0

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Provide the total area of all current uses on the project property. Enter 0 if the use does not apply to your project.

Retail SF: 0 | Industrial SF: 0 | Office SF: 0

Hotel SF: 0 | Residential SF: 0 | #Market Rate Units: 0 | # Affordable Units: 0

Provide a brief description of the current, physical conditions of the project site and all existing structures, including any significant issues - confirmed or perceived (i.e. environmental contamination, failing roof, etc.).

The current condition of the property mostly includes a vacant parcel. It also includes two unoccupied residential buildings, owned by Humboldt Park Health, that are adjacent to the vacant parcel and will be demolished in the near future resulting in the entire site being vacant. The attached depicts the current and physical conditions of the vacant parcel and the 2 existing structures. Currently there are no confirmed or perceived issues with the site.

VI. PROJECT SITE FUTURE CONDITIONS

Provide the proposed, total land area and structural area of the project property.

Total Land SF (property): 21,929 | Total Building SF: 45,500

Provide the total area of all proposed uses on the project property. Enter 0 if the use does not apply to your project.

Retail SF: 43,500 | Industrial SF: 0 | Office SF: 2,500

Hotel SF: 0 | Residential SF: 0 | # Market Rate Units: 0 | # Affordable Units: 0

Provide a detailed narrative of the proposed project scope of work and description of the completed project.

The new HPH Wellness Center is a community-centric design of excellence and the project scope of work will include over 45,000 square feet of space. The Wellness Center will be located on the northern edges of the Wellness District, bordered by Richmond Street to the East and Division Street to the North. This location was chosen because it's on Division Street between the Puerto Rican flags of the corridor, now proudly known and called the Puerto Rican town, reinforcing the Puerto Rican and Latino culture in the area. The site is contiguous with the historic Jensen Formal Garden in Humboldt Park.

The new design for Humboldt Park Health Wellness Center will promote healthy lifestyles while aiming to be a beacon of health and wellness for the entire campus, as well as the entire community. While always being in a nearly invisible location, the hospital campus has kept it's legacy of over 100 years and has always been such a formidable part of Humboldt Park. This legacy remains as we realize that the recent campus name change from Norwegian American Hospital to Humboldt Park Health is one that has to mean more than just a name change. Our team strongly believes that architecture has a chance to reinforce an organization's brand, and with that, reflect the core principles and mission of the organization. One of these principles being health equity, which is something that prevails with the approach to this building design. The form speaks to wellness in all aspects of the program inside, and reflects the idea that the building can breathe and be informed by it's environment. In addition, the new design has a chance to create a very important physical and visual link between the Humboldt Park Health hospital and the Humboldt Park community, including the park right across the street from our site.

The Wellness Center's scope of work includes:
- Ground floor: Features lobby, pool, rehabilitation/sports medicine clinic, locker room and kids club for parents to safely have a place for their children while they are using the wellness center.
- Second floor: Features fitness areas, mind and body studio and an indoor walking/running track.
- Third floor: Features a community space and a community room that overlooks Humboldt Park. There also are rooms that provide an opportunity for nutrition and wellness education classes to serve the community. And lastly there is an outdoor open-air deck that provides ample community space for events and gatherings.

Please see attached renderings of the conceptual design of the Wellness Center.

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VII. PROJECT READINES$ & FEA$IBILITY

Provide the following information for your proposed project:

Construction Start Date 09/01/2022 Construction Completion Date 11/27/2023 Occupancy Date 12/31/2023

Attach all design and construction documents you are able to provide for the proposed project.
Accepted documents include, but are not limited to, contractor estimates, site plans and architectural elevations. All projects seeking financial incentives should incorporate and reflect the City's Draft Neighborhood Design Guidelines.

Attach Design & Construction Docs. *[PDF, JPEG or PNG only]*

Complete and submit the Developer Input Form (*Step 4: Submit an Application - NOF Large Grants*).
Download and save the form to your computer. When complete, email the form to FID_Intake@cityofchicago.org with the subject line: [Applicant Contact Name] Developer Input Form.

Attach all documentation to substantiate the sources of funds being used to finance the project.
Accepted documents include bank account statements (account numbers redacted); loan term sheets; signed and notarized letters indicating gifts of funds; and formal commitments of funds from other sources, e.g. tax credits. Commitment letters for other funding sources must clearly specify the nature and terms of the obligations.

Attach Financial Docs. *[PDF, JPG or PNG only]*

Provide a detailed statement that accurately and completely explains why your project needs financial assistance, including reasons why the project would have unacceptable returns without the incentive.

HPH is a safety net hospital and as such it is our mission to care for those City residents who are the most marginalized and vulnerable. Our community census tract is 2409 and the median household income is $40,515 which is slightly lower than all our surrounding census tracts. Living in poverty creates barriers to access to housing, health care, healthy food, transportation, and opportunities for physical activity.

Our population payer mix is 30% Medicare and 55% Medicaid. We see and care for indigent and undocumented patients which results in higher charity care which is a significant expense to the budget. Therefore we have to be a low cost provider due to low government reimbursement. And because our reimbursement is minimal, there is no ability to cost shift to commercial payors so additional revenue sources are needed.

HPH has secured a $19M grant from the State of Illinois to be used towards the construction of the Wellness Center. HPH is committed to securing the additional funds to complete the project through a variety of different funding sources.

The Recovery Grant would secure all the necessary funding to complete this landmark project and be a major contributor to ensuring that we continue to aid in building health equity and address solutions to the social determinants of health for the Humboldt Park Community. If we did not receive this allocation of funds, we would have to utilize Hospital funds which would deplete our ability to invest in patient care programs for our community.

VIII. PROJECT IMPACT

Select the occupant(s) of the project upon completion. Attach supporting documentation, if necessary.

Only the Applicant.

Attach LOIs or Tenant Leases *[PDF, JPG or PNG only]*

List the names of the businesses/organizations expected to occupy the project upon completion.

Humboldt Park Health

Attachment 33
Availability of Funds

Describe the project occupants, including the type of business or organization, and the commercial services or cultural assets that will be offered, if applicable.

For over 128 years, as a safety net hospital, Humboldt Park Health has provided healthcare for marginalized populations, effectively promoting more equitable access to care for communities that suffer significant health disparities and have been committed to providing high quality, affordable and compassionate health services by partnering with our patients and their families, its employees and physicians. HPH is a community based anchor that improves health outcomes for all patients, regardless of their circumstances, needs or identities and focuses on making health equity tangible with improvements that give under-served communities better access to quality healthcare.

HPH is a 200 bed community teaching hospital that provides a full range of multidisciplinary services including: acute inpatient care, emergency services, diagnostic services, outpatient, primary and specialty care in a full-service professional office building, community clinics and Mobile Pediatric Care-A-Van and Pediatric Mobile Dental Program. HPH believes that its role as the primary community health care provider is to treat and cure disease and to promote wellness through health education, prevention and early intervention.

Of a special note is our recent addition of our multidisciplinary outpatient behavioral health clinic that provides; psychiatric evaluation and assessment; substance abuse evaluation and assessment; individual counseling; group counseling; family counseling; medication education and management and case management.

The Wellness Center project is Phase One of HPH's Wellness District Master Plan and is founded by community input to insure the needs of the residents and businesses are considered. The Wellness Center will serve as a place to improve the health of community members by extending our hospital's continuum of care with offerings such as workout and swimming facilities, fitness training, exercise classes, mind-body programming, a track, access to wellness resource tools, nutritional counseling, rehabilitation/sports medicine clinic and community gathering spaces. The Wellness Center is poised to be the hub of physical fitness, health education and information for Humboldt Park residents as well as aims to improve outcomes for chronic diseases such as obesity, heart diseases, diabetes and mental health through disease management and prevention.

Identify and describe the intended, positive impacts the project will have on the community and environment, including information about the population likely to benefit from these impacts. Include in your description how your project will utilize local talents, capacities and institutions to strengthen and contribute to the community.

The Wellness Center is a multi-faceted transformative project to create a cornerstone in the community focused on wellness, education, employment, and economic growth in the neighborhood. Connecting with our community by providing access to wellness options and quality care fosters healthy outcomes. Developing a medically integrated Wellness Center that gives community members the chance to engage in education, wellbeing activities, and exercise will nurture a positive relationship between the health system and the community, as well as:

- Enhance the community's image overall.
- Support the delivery of trusted coordinated care from a well-known community resource.
- Improve the health status of the communities we serve.
- Provide a "hub" or center for community health education.
- Serve as an essential wellness benefit for the public.

The proposed project will further contribute to our ongoing work in the community. The following are awards and milestones we have recently received.

1. Upper Midwest Telehealth Resource Center Broadband Award recognition for leadership in using Telehealth to care for underserved populations. – December 7, 2020
2. IHF Beyond the Call of Duty Award for proactively responding with outstanding and innovative actions in facing the COVID-19 pandemic. – December 7, 2020
3. Transformational Change of Name from Norwegian American Hospital to Humboldt Park Health and public affirmation to Advancing Health Equity. – January 2021 (NBC News)
4. Transformational Change of Name from Norwegian American Hospital to Humboldt Park Health and public affirmation to Advancing Health Equity. – January 2021 (Sun-Times)
5. Opening of HPH COVID Clinic. – February 2021
6. Excellence for quality of care with opening of new COVID Clinic and hospital's novel treatment of long-haulers. – February 2021 (Univision)
7. Excellence for quality of care with opening of new COVID Clinic and hospital's novel treatment of long-haulers. – February 2021 (ABC News)
8. COVID Vaccine Community Outreach – May 18, 2021
9. "Advancing Health Equity in Humboldt Park" by Dr. Abha Agrawal, Chief Medical Officer, Humboldt Park Health – July 2021 (Chicago Medicine Magazine)

Recognizing the incredible opportunity we have to promote our Community economically through this project, HPH intends to reach a minimum goal of 55%MBE and 20%WBE participation as well as ensure a robust local/apprenticeship hiring initiative with our general contractor.

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Attachment 33
Availability of Funds

IX. CITY POLICY ACKNOWLEDGEMENT

The Applicant acknowledges that, if the project being submitted is approved for the requested incentive, the applicant will be required to comply with the City of Chicago Construction Compliance Policies:

- ☑ Use of Minority and Women Business Enterprises (MBE and WBE)
- ☑ Illinois Prevailing Wage Requirements
- ☑ City of Chicago Residency Requirements
- ☑ Employment Plan / Employer Personal Needs Assessment
- ☑ Affordable Requirements Ordinance
- ☑ Incentive Performance Measures

X. VOLUNTARY APPLICANT INFORMATION (Not Required)

How do you identify? (Select all that apply. Your responses will not affect the City's consideration of this application.)

- ☐ Female
- ☐ Gender Non-Conforming
- ☐ Male
- ☐ Nonbinary
- ☐ Transgender
- ☐ Other

- ☐ Asian or Pacific Islander
- ☐ Black or African-American
- ☐ Hispanic or Latino/Latina/Latinx
- ☐ Native American or Alaskan Native
- ☐ White or Caucasian
- ☐ Other

XI. SUPPORTING DOCUMENTATION CHECKLIST

Applicants must submit the following documentation to be considered for a financial incentive:

- ☑ a) Documentation demonstrating site control for the project.
- ☑ b) Current photos of the project site, and the interior and exterior of all existing structures.
- ☑ c) Design and construction documents, including, but not limited to, site plans, contractor estimates and/or architectural elevations.
- ☑ d) Completed Developer Input Form.
- ☑ e) Documentation of all financial commitments to substantiate the sources of funds identified in the application.
- ☑ f) LOI(s) or lease(s) of three (3) or more years for all tenants who will occupy the project upon completion.
- ☑ g) If relevant, information (e.g. utility statement) demonstrating that the project property was vacant, and indicate the vacancy duration.

XII. SUBMIT

All applicants are required to undergo a scofflaw review by the City's Department of Finance to determine if they owe debt to the City of Chicago. Those who owe outstanding debt to the City and/or are delinquent on property tax payments are required to either pay the debt(s) in full, or enter into a payment plan, prior to receiving City funds.

By submitting this application, the Applicant certifies that the information herein is true and correct, and that they have read and understand the City's scofflaw requirements. Submitting false information will result in the forfeiture of eligibility for financial incentives.

SUBMIT

Attachment 34
Financial Viability

All the project's capital expenditures will be completely funded through the aforementioned grants or through internal resources. Enclosed with this attachment is the most recently available audited financial statement for Humboldt Park Health and financial viability ratios for the healthcare facility.

Attachment 34
Financial Viability Ratios

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:	**2019**	**2020**	**2021**	**2022**
Current Ratio	2.2	1.3	1.8	2.0
Net Margin Percentage	-6.8%	1.4%	13.5%	5.0%
Percent Debt to Total Capitalization	0.57	0.53	0.51	0.50
Projected Debt Service Coverage	(0.2)	1.8	3.6	3.0
Days Cash on Hand	121.1	251.3	194.1	201.8
Cushion Ratio	1.5	3.5	2.7	3.0

	2019	2020	2021	Projection	Methodology
Current Assets	$ 55,756,844	$ 91,867,219	$ 80,929,051	$ 90,581,845	
Current Liabilities	$ 25,048,591	$ 69,510,050	$ 43,894,319	$ 45,475,341	
Current Ratio	**2.23**	**1.32**	**1.84**	**2.0**	*Current Assets/Current Liabilities*
Net Income	$ (7,775,019)	$ 1,786,182	$ 19,153,204	$ 6,918,470	
Revenue	$ 113,510,399	$ 125,197,437	$ 141,525,149	$ 137,249,224	
Net Margin Percentage	**-6.85%**	**1.43%**	**13.53%**	**5.04%**	*Net Income/Revenue*
Long Term Debt	$ 26,326,463	$ 23,299,103	$ 23,405,239	$ 23,373,900	
Unrestricted Investments	$ 19,944,182	$ 20,565,804	$ 22,250,014	$ 23,440,976	
Percent Debt to Total Capitalization	**0.57**	**0.53**	**0.51**	**0.50**	*Long Term Debt/(Long Term Debt + Unrestricted Investments)*
Income Available	$ (871,670)	$ 8,353,423	$ 15,143,623	$ 11,635,962	
Annual Debt Service Requirement	$ 5,137,713	$ 4,656,002	$ 4,219,456	$ 3,901,776	
Projected Debt Service Coverage	**(0.17)**	**1.79**	**3.59**	**3.0**	*Income Available/Annual Debt Service Requirement*
Cash & Cash Equivalents	$ 18,997,937	$ 61,818,073	$ 40,716,914	$ 46,386,260	
Unrestricted Investments	$ 19,944,182	$ 20,565,804	$ 22,250,014	$ 23,440,976	
Operating Expenses	$ 121,285,418	$ 123,411,255	$ 122,371,945	$ 130,330,756	
Depreciation Expenses	$ 3,883,519	$ 3,738,334	$ 3,983,818	$ 4,035,578	
Days Cash on Hand	**121.07**	**251.27**	**194.13**	**201.80**	*Cash/(Operating Expenses - Depreciation Expense/365)*
Cash & Cash Equivalents	$ 18,997,937	$ 61,818,073	$ 40,716,914	$ 46,386,260	
Unrestricted Investments	$ 19,944,182	$ 20,565,804	$ 22,250,014	$ 23,440,976	
Long Term Debt	$ 26,326,463	$ 23,299,103	$ 23,405,239	$ 23,373,900	
Cushion Ratio	**1.48**	**3.54**	**2.69**	**3.0**	*Cash/Long Term Debt*

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidated Financial Report
with Additional Information
September 30, 2021

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

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Attachment 34
Audited Financial Statement for Humboldt Park Health

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Independent Auditor's Report

To the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Humboldt Park Health, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated balance sheet as of September 30, 2021 and 2020 and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 consolidated financial statements 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 consolidated financial statements.

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, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Humboldt Park Health, Inc. and Subsidiaries as of September 30, 2021 and 2020 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Attachment 34
Audited Financial Statement for Humboldt Park Health

To the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2022 on our consideration of Humboldt Park Health, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Humboldt Park Health, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Plante & Moran, PLLC

January 26, 2022

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidated Balance Sheet

September 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 40,716,914	$ 61,818,073
Investments (Note 6)	22,250,014	20,565,804
Patient accounts receivable (Note 3)	10,474,380	9,467,972
Insurance recoveries receivable (Note 10)	1,020,683	881,443
Estimated third-party payor settlements receivable	-	68,549
Inventory	2,333,206	2,061,585
Other current assets	3,059,581	3,003,793
Assets limited as to use (Note 6)	1,074,273	-
Total current assets	80,929,051	97,867,219
Assets Limited as to Use (Note 6)	6,215,141	1,825,830
Property and Equipment - Net (Note 7)	46,034,192	37,949,841
Other Assets		
Insurance recoveries receivable (Note 10)	3,307,199	3,459,118
Land held for future use	1,189,446	1,189,446
Investments in joint ventures (Note 15)	511,238	498,480
Other noncurrent assets	3,137,020	1,340,346
Total other assets	8,144,903	6,487,390
Total assets	$ 141,323,287	$ 144,130,280
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 12,431,143	$ 12,820,994
Current portion of long-term debt (Note 8)	650,000	3,075,004
Estimated third-party payor settlements payable	2,089,783	3,140,076
Current portion of accrued professional liability (Note 10)	2,823,960	2,942,203
Deferred grant revenue	3,598,771	500,000
Accrued liabilities and other:		
Accrued compensation	5,204,558	5,072,729
Accrued compensated absences	2,276,462	2,555,976
Accrued professional and other liability claims	235,795	741,624
Medicare advance payments (Note 19)	7,327,462	9,100,000
Deferred CARES Act Provider Relief Fund revenue (Note 19)	6,630,122	28,876,731
Other accrued liabilities	626,263	684,713
Total current liabilities	43,894,319	69,510,050
Long-term Debt - Net of current portion (Note 8)	23,405,239	23,299,103
Other Liabilities		
Accrued pension and postretirement benefit obligations (Note 11)	1,736,528	1,425,012
Accrued professional liability, less current portion (Note 10)	11,291,808	11,502,776
Asset retirement obligations	2,408,717	2,500,682
Other long-term liabilities	2,257,020	1,333,561
Total liabilities	84,993,631	109,571,184
Net Assets		
Without donor restrictions	51,592,647	30,933,342
With donor restrictions (Note 16)	4,737,009	3,625,754
Total net assets	56,329,656	34,559,096
Total liabilities and net assets	$ 141,323,287	$ 144,130,280

See notes to consolidated financial statements. 3

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidated Statement of Operations

Years Ended September 30, 2021 and 2020

	2021	2020
Unrestricted Revenue, Gains, and Other Support		
Patient service revenue (Note 4)	$ 72,375,401	$ 71,392,603
Medicaid hospital assessment and ACA access payments (Note 4)	43,891,145	39,436,714
Other operating revenue	640,461	3,369,558
Grant revenue	23,701,589	9,927,950
Net assets released from restrictions - Used for operations	916,553	1,070,612
Total unrestricted revenue, gains, and other support	141,525,149	125,197,437
Expenses		
Salaries and wages	56,190,607	58,083,468
Supplies and drugs	10,515,894	11,347,122
Employee benefits and payroll taxes	9,636,411	10,375,833
Professional services and consultant fees	13,370,587	13,933,723
Insurance	4,666,087	3,830,385
Utilities	1,720,056	1,783,708
Other	12,121,807	10,780,065
Depreciation (Note 7)	3,983,818	3,738,334
Interest expense	1,613,288	1,827,867
Medicaid hospital assessment tax (Note 4)	8,553,390	7,710,750
Total expenses (Note 13)	122,371,945	123,411,255
Operating Income	19,153,204	1,786,182
Nonoperating Income (Expense)		
Gain on investments in joint ventures (Note 15)	282,761	117,161
Investment income (Note 6)	1,751,352	728,925
Other expense - Net	(1,600,913)	(204,260)
Total nonoperating income	433,200	641,826
Excess of Revenue Over Expenses	19,586,404	2,428,008
Pension-related Changes, Other Than Net Periodic Pension Cost (Note 11)	1,072,901	(1,721,578)
Increase in Net Assets without Donor Restrictions	**$ 20,659,305**	**$ 706,430**

See notes to consolidated financial statements. 4

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidated Statement of Changes in Net Assets

Years Ended September 30, 2021 and 2020

	2021	2020
Net Assets without Donor Restrictions		
Excess of revenue over expenses	$ 19,586,404	$ 2,428,008
Pension-related changes, other than net periodic pension cost	1,072,901	(1,721,578)
Increase in net assets without donor restrictions	20,659,305	706,430
Net Assets with Donor Restrictions		
Restricted contributions	2,027,808	1,700,803
Net assets released from restrictions	(916,553)	(1,070,612)
Increase in net assets with donor restrictions	1,111,255	630,191
Increase in Net Assets	21,770,560	1,336,621
Net Assets - Beginning of year	34,559,096	33,222,475
Net Assets - End of year	**$ 56,329,656**	**$ 34,559,096**

See notes to consolidated financial statements. 5

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

Years Ended September 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	$ 21,770,560	$ 1,336,621
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Depreciation	3,983,818	3,738,334
Amortization of bond discount and debt issuance costs	367,502	47,642
Change on investment in joint venture	(12,758)	(117,161)
Net change in unrealized (gains) losses on investments	(977,008)	88,826
Pension - Changes other than net periodic pension costs	(1,072,901)	1,721,578
Gain on disposal of equipment	(45,000)	-
Change in fair value of interest rate swap	(485,825)	61,081
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Patient accounts receivable	(1,006,408)	1,370,022
Estimated third-party payor settlements	(981,744)	1,899,645
Other current assets	(55,788)	(206,438)
Inventory	(271,621)	(405,213)
Accounts payable, accrued expenses, and other liabilities	(196,753)	6,160,395
Deferred grant revenue	3,098,771	(1,000,000)
Accrued professional liability	(316,532)	(626,814)
CARES Act Provider Relief funding	(22,246,609)	28,876,731
Medicare accelerated payments	(1,772,538)	9,100,000
Net cash and cash equivalents (used in) provided by operating activities	(220,834)	52,045,249
Cash Flows from Investing Activities		
Purchase of property and equipment	(12,068,169)	(5,495,107)
Proceeds from disposition of property and equipment	45,000	-
Purchases of investments and assets limited as to use	(7,996,617)	(735,680)
Proceeds from sales of investments and assets limited as to use	1,825,831	45,676
Net cash and cash equivalents used in investing activities	(18,193,955)	(6,185,111)
Cash Flows from Financing Activities		
Proceeds from long-term debt	25,255,900	-
Principal payments on long-term debt	(27,002,908)	(3,040,002)
Debt issuance costs	(939,362)	-
Net cash and cash equivalents used in financing activities	(2,686,370)	(3,040,002)
Net (Decrease) Increase in Cash and Cash Equivalents	(21,101,159)	42,820,136
Cash and Cash Equivalents - Beginning of year	61,818,073	18,997,937
Cash and Cash Equivalents - End of year	**$ 40,716,914**	**$ 61,818,073**
Supplemental Cash Flow Information - Cash paid for interest	$ 1,390,700	$ 1,807,033

See notes to consolidated financial statements. 6

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 1 - Nature of Business

Humboldt Park Health, Inc. (HPH or the "Hospital") is a 200-licensed-bed acute-care facility whose purpose is to provide health care services to residents of the northwest Chicago area. Humboldt Park Health is one of several safety net hospitals located in Chicago, which has a high population of Medicaid and uninsured patients. Humboldt Park Health, Inc. is the parent company of the following subsidiaries:

Humboldt Park Health Foundation (the "Foundation") solicits contributions to support health care and other related activities of the Hospital and its affiliates.

Humboldt Park Health Community Pharmacy, Inc. (HPCHP) operates the outpatient pharmacy located in the Hospital.

Humboldt Park Health, Inc. is the sole corporate member of the Foundation and the sole stockholder of the HPCHP. Humboldt Park Health, Inc. and the Foundation are Illinois not-for-profit organizations. HPCHP is an Illinois taxable corporation.

Humboldt Park Health, Inc. was previously known as Norwegian America Hospital, Inc. Similarly, Humboldt Park Health Foundation was previously known as the Norwegian American Hospital Foundation, and Humboldt Park Health Community Pharmacy, Inc. was previously known as Centennial Medical Management Corporation, Inc. The names of HPH, the Foundation, and HPCHP were all changed during the fiscal year ended September 30, 2021.

Note 2 - Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of Humboldt Park Health, Inc. and its subsidiaries, the Foundation and HPCHP (collectively, the "Organization"). All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include cash and investments in highly liquid investments with an original maturity of three months or less when purchased, excluding those amounts included in assets limited as to use or restricted by board designation.

Throughout the year, cash balances held in the bank may exceed the federal depository insurance limit. The Organization's cash is only insured up to the federal depository insurance limit.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheet. Investment income or loss for securities (including unrealized and realized gains and losses on investments, interest, and dividends) is included in excess of revenue over expenses as nonoperating income unless the income or loss is restricted by donor or law.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheet.

Investments - Equity Method

Investments in jointly owned companies and other investees in which the Hospital has a 20 to 50 percent interest or otherwise exercises significant influence are carried at cost, adjusted for the Hospital's proportionate share of their undistributed earnings or losses.

The Hospital is a 50 percent owner of Humboldt Park Health Partners, Inc. Area physicians comprise the remaining owners of the company. Its primary purpose is to obtain and manage contracts with health maintenance organizations, preferred provider organizations, and other health care payors on behalf of its members (see Note 15 for additional information).

Accounts Receivable

Accounts receivable for patients, insurance companies, and governmental agencies are based on gross charges, reduced by explicit price concessions provided to third-party payors, discounts provided to qualifying individuals as part of our financial assistance policy, and implicit price concessions provided primarily to self-pay patients. Estimates for explicit price concessions are based on provider contracts, payment terms for relevant prospective payment systems, and historical experience adjusted for economic conditions and other trends affecting the Hospital's ability to collect outstanding amounts.

For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records significant implicit price concessions in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible.

Inventories

Inventories, which consist of supplies and drugs, are stated at lower of cost or net realizable value, determined on a first-in, first-out basis.

Assets Limited as to Use

Assets limited to use include assets held by trustees in connection with designation under a bond agreement.

Property and Equipment

Property and equipment amounts are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The amount of interest expense capitalized during the years ended September 30, 2021 and 2020 was not significant to the consolidated financial statements. Repair and maintenance costs are charged to expense as incurred.

Deferred Bond Issuance Costs

Costs incurred in connection with the issuance or refinancing of long-term debt are deferred and amortized over the term of the related financing (see Note 8).

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 2 - Significant Accounting Policies (Continued)

Professional and Other Liability Insurance

The provision for accrued professional liability includes estimates of the ultimate cost for claims, including litigation and settlement expenses, for incidents of potential improper professional service and other liability claims occurring during the year, as well as those claims that have not been reported at year end. The expected amount of insurance recoveries is recorded as a receivable. The receivable and provision are actuarially determined.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Revenue Recognition - Net Patient Service Revenue

Net patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed or the patient is discharged from the facility. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the hospital receiving inpatient acute-care services or patients receiving services in an outpatient setting or other clinical settings. The Organization measures the performance obligation from admission into the hospital or the commencement of an outpatient services or other visit to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services or other visit.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute-care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period. For some contracts, the Organization recognizes revenue before its right to some or all consideration becomes unconditional, which results in the Hospital recording contract assets. For the years ended September 30, 2021 and 2020, contract assets were not significant.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 2 - Significant Accounting Policies (Continued)

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on historical collection experience with this class of patients.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. The Organization also provides services to uninsured patients and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. For the years ended September 30, 2021 and 2020, changes in the estimates of implicit price concessions, discounts, and contractual adjustments for performance obligations satisfied in prior years were not significant. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided implicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Hospital expects to collect based on its collection history with those patients.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, the Organization does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Charity care is determined based on established policies, using patient income and assets to determine payment ability. The amount reflects the cost of free or discounted health services, net of contributions and other revenue received, as direct assistance for the provision of charity care. The estimated cost of providing charity services is based on data derived from the Organization's cost accounting system. The Organization estimates that it provided $5,110,000 and $6,330,000 of services to indigent patients during the years ended September 30, 2021 and 2020, respectively.

Grant Revenue

Grant revenue received is considered a nonexchange transaction and is recognized as the conditions of the grants have been met. Grant funding received in advance of conditions being met is recorded as deferred revenue.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the contributions are received are reported as contributions without donor restrictions in the accompanying financial statements.

The Organization reports gifts of property and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as net assets with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports the expiration of donor restrictions when the assets are placed in service.

Excess of Revenue Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenue over expenses, consistent with industry practice, include pension-related changes other than net periodic benefit cost and contributions of long-lived assets (including assets acquired using contributions that, by donor restrictions, were to be used for the purposes of acquiring such assets).

Accounting for Conditional Asset Retirement Obligation

The Hospital has considered its legal obligation to report asset retirement activities, such as asbestos removal, on its existing properties. The Hospital has calculated the present value of the asset retirement obligation, and the amount has been recognized as a liability on the consolidated balance sheet within other liabilities. The Hospital's conditional asset retirement obligation was approximately $2,409,000 and $2,501,000 at September 30, 2021 and 2020, respectively. The Hospital removed asbestos at a cost totaling approximately $92,000 and $146,000 during the years ended September 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in Note 13. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function; therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation, are based on total square footage. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Federal Income Tax

The Internal Revenue Service has ruled that the Hospital and the Foundation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no tax provision is reflected in the consolidated financial statements relating to these organizations.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)

HPHCP is a taxable corporation. The entity files income tax returns based on its taxable income. The entity has net operating loss carryforwards (NOL) on its filed tax returns in 2021 and 2020; therefore, during 2021 and 2020, federal income taxes were not significant. At September 30, 2021, HPHCP has an NOL of approximately $924,000 that expires in varying amounts through 2041. The deferred tax asset at September 30, 2021 and 2020 totaled approximately $194,000 and $291,000, respectively. Management has evaluated the available evidence about future taxable income and other possible sources of realization of deferred tax assets and has recorded a valuation allowance against the entire NOL. The valuation allowance reduces deferred tax assets to an amount that represents management's best estimate of the amount of such deferred tax assets that will be realized.

Upcoming Accounting Pronouncement

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. In accordance with ASU No. 2020-05, which deferred the adoption of ASU No. 2016-02, the new lease guidance will be effective for the Organization's year ending September 30, 2023 and will be applied using one of two retrospective application methods. The expected impact on the consolidated balance sheet is a significant increase in long-term assets and lease liabilities. The effects on the results of operations are not expected to be significant, as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including January 26, 2022, which is the date the consolidated financial statements were available to be issued.

Note 3 - Patient Accounts Receivable

The Organization grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The composition of receivables from patients and third-party payors was as follows:

	2021	2020
Medicaid/Medicaid HMO	45 %	33 %
Medicare/Medicare HMO	20	20
Managed-care programs	21	22
Commercial	5	5
Self-pay	9	20
Total	100 %	100 %

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 4 - Patient Service Revenue

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangement with major third-party payors follows:

- **Medicare** - The Organization is paid for inpatient acute-care and outpatient care services rendered to Medicare program beneficiaries under prospectively determined rates per discharge or procedure (prospective payment systems). These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient nonacute services and defined capital and medical education costs related to Medicare beneficiaries are paid based upon either a cost-reimbursement method or established fee screens or a combination thereof.

- **Medicaid** - Inpatient acute-care services rendered to Medicaid program beneficiaries are also paid at prospectively determined rates per discharge. Outpatient services are reimbursed based on established fee screens. The prospectively determined rates are not subject to retroactive adjustment. The Organization also receives incremental Medicaid reimbursement for specific programs and services at the discretion of the State of Illinois Medicaid program. Medicaid reimbursement may be subject to periodic adjustment, as well as to changes in existing payment levels and rates, based on the amount of funding available to the Medicaid program.

  The amount of additional reimbursement from the Illinois Medicaid program that will be made to hospitals in the future is uncertain, and future legislative changes to reimbursements provided to hospitals could have a material adverse effect on the Hospital's operating results.

  During the year ended September 30, 2015, the Illinois Department of Healthcare and Family Services (HFS) was granted approval by the Centers for Medicare & Medicaid Services (CMS) to increase the current hospital access payments to account for new enrollees who are eligible under the Affordable Care Act (ACA). The Organization recognized approximately $1,229,000 and $1,942,000 in ACA access payments for the years ended September 30, 2021 and 2020, respectively.

- **Medicaid Hospital Tax Assessment Program** - The Organization participates in the State of Illinois hospital tax assessment program, which is administered by the Illinois Department of Public Aid. For the years ended September 30, 2021 and 2020, the Organization has recorded approximately $42,662,000 and $37,494,000, respectively, in hospital assessment reimbursement revenue and paid approximately $8,553,000 and $7,711,000, respectively, in hospital assessment tax expense.

- **Blue Cross/Blue Shield** - The Organization also participates as a provider of health care services under a reimbursement agreement with Blue Cross/Blue Shield. The provisions of the agreement stipulate that services will be reimbursed at a tentative reimbursement rate and that final reimbursement for these services is determined after the submission of an annual cost report by the Hospital and a review by Blue Cross/Blue Shield.

- **Other Third-party Payors** - The Organization has also entered into agreements with certain commercial carriers, health maintenance organizations, and preferred provider organizations. The basis for reimbursement to the Organization under these agreements is discounts from established charges, prospectively determined rates per discharge, and prospectively determined daily rates.

Cost report settlements result from the adjustment of interim payments to final reimbursement under the Medicare and Blue Cross/Blue Shield programs that are subject to audit by fiscal intermediaries. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. For the years ended September 30, 2021 and 2020, cost report settlement changes reflecting amounts received in excess of recorded amounts or repaid recorded in patient service revenue were not significant.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 4 - Patient Service Revenue (Continued)

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Hospital's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available) or as years are settled or are no longer subject to such audits, reviews, and investigations.

The Hospital has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors and service lines. The following tables provide details of these factors.

The composition of patient care service revenue by primary payor for the years ended September 30 is as follows:

	2021	2020
Payors:		
Medicare	$ 18,108,212	$ 18,850,204
Medicaid	5,864,720	5,805,189
Commercial	670,143	1,287,941
HMO/PPO	7,339,404	5,948,387
Medicaid HMO	29,458,177	28,499,091
Medicare HMO	9,050,639	9,399,819
Self-pay	643,942	240,914
HPHCP	1,240,164	1,361,058
Total	$ 72,375,401	$ 71,392,603
Major service lines:		
Hospital inpatient	$ 52,499,164	$ 49,000,462
Hospital outpatient	15,675,909	16,645,869
Clinic/Other	4,200,328	5,746,272
Total	$ 72,375,401	$ 71,392,603

The Hospital recognized patient service revenue over time, as patients simultaneously receive and consume benefits provided as care is administered. Total patient service revenue recognized over time was approximately $72,375,401 and $71,392,603 for the years ended September 30, 2021 and 2020, respectively.

Note 5 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the consolidated financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at September 30, 2021 and 2020 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

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Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 5 - Fair Value Measurements (Continued)

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

	Assets Measured at Fair Value on a Recurring Basis at September 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2021
Investments and Assets Whose Use is Limited				
Mutual funds:				
Marketable equity securities:				
U.S.	$ 2,604,632	$ -	$ -	$ 2,604,632
International	3,384,166	-	-	3,384,166
Fixed-income securities	14,780,453	-	-	14,780,453
Real estate	98,775	-	-	98,775
Money market funds	7,467,238	-	-	7,467,238
Total investments	$ 28,335,264	$ -	$ -	$ 28,335,264

	Assets Measured at Fair Value on a Recurring Basis at September 30, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2020
Investments and Assets Whose Use is Limited				
Mutual funds:				
Marketable equity securities:				
U.S.	$ 2,141,035	$ -	$ -	$ 2,141,035
International	4,207,009	-	-	4,207,009
Fixed-income securities	12,942,737	-	-	12,942,737
Real estate	77,799	-	-	77,799
Money market funds	1,827,083	-	-	1,827,083
Total investments	$ 21,195,663	$ -	$ -	$ 21,195,663

Excluded from the tables above are cash held in depository accounts of $1,204,164 and $1,195,971 for the years ended September 30, 2021 and 2020, respectively.

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Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 6 - Investments and Assets Limited as to Use

The composition of the investments and assets limited as to use at September 30 is as follows:

	2021	2020
Cash and cash equivalents	$ 8,671,402	$ 3,023,054
Mutual funds	20,868,026	19,368,580
Total	$ 29,539,428	$ 22,391,634

Investments and assets limited as to use at September 30 are designated as follows:

	2021	2020
Externally designated under debt agreement	$ 7,289,414	$ 1,825,830
Undesignated	22,250,014	20,565,804
Total	$ 29,539,428	$ 22,391,634

The total investment return (including returns on cash) amounted to $1,751,352 for the year ended September 30, 2021, which includes $977,008 of unrealized gains. Total investment return (including returns on cash) amounted to $728,925 for the year ended September 30, 2020, which includes $88,826 of unrealized losses.

Note 7 - Property and Equipment

The cost of property, plant, and equipment and depreciable lives are summarized as follows as of September 30:

	2021	2020	Depreciable Life - Years
Land	$ 4,842,334	$ 4,842,334	-
Land improvements	3,717,813	3,689,647	7-40
Buildings	82,341,067	74,462,131	2-10
Equipment	67,797,312	63,886,498	3-5
Construction in progress	9,053,014	8,799,751	-
Total cost	167,751,540	155,680,361	
Accumulated depreciation	121,717,348	117,730,520	
Net property and equipment	$ 46,034,192	$ 37,949,841	

Depreciation expense on property and equipment totaled $3,983,818 and $3,738,334 in 2021 and 2020, respectively.

Construction in progress at September 30, 2021 consists principally of cost associated with the renovation projects and costs incurred related to an update of the Hospital's electronic medical record system. Remaining commitments related to construction in progress at September 30, 2021 are approximately $2.8 million and relate to the electronic medical record system upgrade.

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Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 8 - Long-term Debt

The following is a summary of long-term debt at September 30:

	2021	2020
Illinois Finance Authority Revenue Bonds, Series 2008, with principal payments due annually on September 15 in varying amounts and interest due on March 15 and September 15 of each year at rates ranging from 5.65 to 7.75 percent through September 2038	$ -	$ 17,220,000
In July 2018, the Hospital entered into a term loan with a bank. The loan has an interest rate of the London Interbank Offered Rate (LIBOR) plus 2 percent (an effective interest rate of 2.155 percent at September 30, 2020) and required monthly principal payments of $50,000, plus interest, until final maturity in July 2023	-	3,700,000
In July 2018, the Hospital entered into a term loan with a bank. The loan has an interest rate of LIBOR plus 2 percent (an effective interest rate of 2.155 percent as of September 30, 2020) and requires monthly principal payments of $166,667, plus interest, until final maturity in July 2023	-	5,833,325
Housing and Urban Development (HUD) note payable, with payments of $126,708 due monthly for principal and interest at a rate of 3.52 percent through April 2046	24,991,076	-
Unamortized bond discount	-	(179,761)
Unamortized debt issuance costs	(935,837)	(199,457)
Long-term debt less unamortized discount less unamortized/premium and debt issuance costs	24,055,239	26,374,107
Less current portion	650,000	3,075,004
Long-term portion	$ 23,405,239	$ 23,299,103

In August 2008, the Illinois Finance Authority, on behalf of the Hospital, issued $23,950,000 of fixed-rate Revenue Bonds, Series 2008 (the "Series 2008 Bonds"). The Series 2008 Bonds' proceeds, together with other available funds, were used to refund the outstanding principal amounts of certain bonds in the amount of $3,467,000; to pay or reimburse the Hospital for the payment of the costs of acquiring, constructing, and equipping certain of the Hospital's health care facilities; to fund a debt service reserve fund for the benefit of the Series 2008 Bonds; and to pay certain expenses incurred in connection with the issuance of the Series 2008 Bonds. The Series 2008 Bonds were secured by substantially all assets of the Hospital. As a provision of the Master Trust Indenture, the Hospital had executed a mortgage with respect to certain real and personal property and had granted a security interest in its gross revenue, as defined in the Master Trust Indenture.

The Series 2008 Bonds were subject to redemption at the option of the Hospital at intervals throughout the redemption period. Up to $4,500,000 of the outstanding bonds was subject to optional redemption beginning on September 15, 2009 through September 15, 2015. All of these bonds was redeemed as of September 30, 2015. Up to $5,000,000 of the outstanding bonds was subject to optional redemption beginning on September 15, 2018 through September 15, 2028. The remaining bonds were subject to optional redemption beginning on September 15, 2020 through the final maturity date in 2038. The redemption prices, if these options were exercised, ranged from 105 percent of par to 100 percent of par, depending on the early redemption date.

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Audited Financial Statement for Humboldt Park Health

Note 8 - Long-term Debt (Continued)

The Series 2008 Bonds were issued pursuant to a Master Trust Indenture, dated August 15, 2008, which contain various covenants, including the establishment of a debt service reserve fund, the achievement of specified financial ratios, maintenance of minimum levels of unrestricted cash on hand, and limitations on additional debt.

The Hospital was in compliance with all covenants at September 30, 2020. The term loans and the Series 2008 bonds were repaid in full during 2021.

On March 25, 2021, the Hospital entered into a note payable as a refinancing transaction with an original amount of $25,255,900, of which $24,991,076 is outstanding at September 30, 2021. The note payable is insured by the U.S. Department of Housing and Urban Development (HUD) under Section 242 of the National Housing Act. Under the Section 242 program, the Hospital is required to fund a mortgage reserve fund and other escrows. At September 30, 2021, these funds had a balance of $7,289,414 and are included in assets limited as to use on the consolidated balance sheet. The note is collateralized by a first mortgage on hospital property and an assignment of leases, rents, and revenue of the Hospital. Prepayment of the note is not permitted prior to May 1, 2031. The terms of the agreements require quarterly financial reporting measures, as well as audited financial statements to be prepared.

Scheduled principal repayments on long-term debt are as follows:

Years Ending September	Amount
2022	$ 650,000
2023	675,000
2024	700,000
2025	724,000
2026	750,000
Thereafter	21,492,076
Total	$ 24,991,076

Note 9 - Derivatives

The Organization is exposed to certain risks in the normal course of its business operations. The main risks are those relating to the variability of future earnings and cash flows, which are managed through the use of derivatives. All derivative financial instruments are reported in the consolidated balance sheet at fair value. As part of the debt refinance described in Note 8, all derivative agreements were terminated during the year ended September 30, 2021.

Derivative Instruments and Hedging Activities

The derivative instruments used by the Organization are interest rate swap agreements that are used to essentially convert payments of variable-rate interest on long-term debt to fixed-rate interest. The variable interest rate on the debt generally exposed the Organization to variability in cash flows in rising or declining interest rate environments. The interest rate swaps reduce the variability of the cash flow of the debt.

Objectives and Strategies

The Organization, at times, uses variable-rate debt to finance its operations. The debt obligations expose the Organization to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, management entered into interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 9 - Derivatives (Continued)

By using derivative financial instruments to hedge exposure to changes in interest rates, the Organization exposed itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counterparty owes the Organization, which creates credit risk for the Organization. When the fair value of a derivative contract is negative, the Organization owes the counterparty; therefore, it does not pose a credit risk. The Organization minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Risk Management Policies

The Organization assesses interest rate risk by continually identifying and monitoring changes in interest rate exposure that may adversely impact expected future cash flows and by evaluating hedging opportunities. The Organization maintains risk management control systems to monitor interest rate risk attributable to both the Organization's outstanding or forecasted debt obligations, as well as the Organization's offsetting hedge positions. The risk management control systems involve the use of analytical techniques, including cash flow sensitivity analysis, to estimate the expected impact of changes in interest rates on the Organization's future cash flows.

The Organization does not use derivative instruments for speculative investment purposes.

Transactions

Consistent with its interest rate risk management objectives, in July 2018, the Organization entered into two interest rate swap agreements. Under the first interest rate swap contract, the Organization paid a fixed rate equal to 3.06 percent. In return, the Organization received a variable interest rate equal to the one-month LIBOR, reset monthly. The interest rate swap matures on July 30, 2023. The notional principal amount of the interest rate swap agreement was $5,833,000 at September 30, 2020.

The second interest rate swap contract had an effective date of July 31, 2018. Under the second interest rate swap contract, the Organization pays a fixed rate equal to 3.105 percent. In return, the Organization received a variable interest rate equal to the one-month LIBOR, reset monthly. The interest rate swap matures on July 30, 2023. The notional principal amount of the interest rate swap agreement was $3,700,000 at September 30, 2020.

The fair value of the swap agreements was a liability of $485,825 at September 30, 2020 and was reported within other long-term liabilities on the accompanying consolidated balance sheet.

The Organization does not record the interest rate swaps using hedge accounting; therefore, all changes in fair value, including the accrued interest, are included in nonoperating expense in the consolidated statement of operations. The unrealized loss on the change in fair value of the interest rate swaps included in nonoperating expense for the years ended September 30, 2021 and 2020 was $282,494 and $61,081, respectively.

For 2021, net settlements of the interest rate swaps were $85,197 and are included in interest expense on the accompanying consolidated statement of operations. For 2020, net settlements of the interest rate swaps were $202,191 and are included in interest expense on the accompanying consolidated statement of operations.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 10 - Professional and Other Liability Insurance

Effective January 1, 2009, the Organization is self-insured for general and professional liability claims up to specified amounts per claim. The program covers claims and expenses on an occurrence basis for hospital professional and general liability exposures associated with the Organization for claims occurring on or after January 1, 2009. The program also has tail liability for claims and expenses for hospital professional and general liability exposures associated with the Hospital for claims reported on or after January 1, 2009 for claims occurring prior to January 1, 2009 with a retroactive date of January 1, 2003. The Hospital currently maintains a commercial excess policy above its program limits. The program is currently responsible for $5,000,000 per occurrence with a $15,000,000 annual aggregate for professional liability and $2,000,000 per occurrence, with a $15,000,000 annual aggregate for general liability of the program.

The accrual for self-insured professional liability of approximately $14,116,000 and $14,445,000 for the years ended September 30, 2021 and 2020, respectively, is included in the accrued professional liability accounts on the consolidated balance sheet. The amount is determined by assessing asserted and unasserted claims identified by management's incident reporting system and is estimated by an independent consulting actuary based on industry data and the Hospital's own historical reporting patterns using a discount rate of 4.75 percent in 2021 and 2020. If accrued losses had not been discounted, the estimated liability would be approximately $3,958,000 and $4,261,000 higher than the amounts recorded on the consolidated balance sheet as of September 30, 2021 and 2020, respectively. Although the ultimate settlement of these accruals may vary from these estimates, management believes that the amounts provided in the consolidated financial statements are adequate. Insurance recoveries are expected to satisfy a portion of these liabilities; therefore, to the extent that the Organization is indemnified for these liabilities, the Hospital recognized an insurance receivable of approximately $4,328,000 and $4,341,000 for the years ended September 30, 2021 and 2020, respectively, included in current assets and other assets on the consolidated balance sheet.

The Organization has established its risk management program and claims-handling procedures in accordance with guidelines issued by the United States Department of Health and Human Services.

Note 11 - Pension Plan

The Hospital sponsors a noncontributory defined benefit pension plan (the "Plan"), which provides certain pension benefits, as defined in the plan agreement, and covers substantially all employees of the Hospital. It is the Hospital's policy to contribute amounts to the Plan sufficient to meet the minimum requirements set forth in the Employee Retirement Income Security Act of 1974, plus additional amounts as the Hospital may determine to be appropriate from time to time.

Effective September 30, 2003, the Plan was frozen. Plan participants will continue to vest in their frozen accrued benefits. Plan participants will no longer earn future service credit. The measurement dates used to determine the benefit obligations and fair value of plan assets were September 30, 2021 and 2020.

Plan contributions and the actuarial present value of accumulated plan benefits are prepared based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the consolidated financial statements.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 11 - Pension Plan (Continued)

Information relative to the Hospital's pension plan benefit obligation and funded status at September 30 is as follows:

Obligations and Funded Status

	Pension Benefits	
	2021	2020
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 40,415,561	$ 38,302,675
Interest cost	1,168,217	1,382,350
Actuarial loss	1,029,603	3,527,243
Benefits paid	(2,771,857)	(2,796,707)
Other	(1,888,534)	-
Benefit obligation at end of year	37,952,990	40,415,561
Change in plan assets:		
Fair value of plan assets at beginning of year	38,990,549	38,774,139
Actual return on plan assets	1,886,304	3,013,117
Other	(1,888,534)	-
Benefits paid	(2,771,857)	(2,796,707)
Fair value of plan assets at end of year	36,216,462	38,990,549
Funded status at end of year	$ (1,736,528)	$ (1,425,012)

Amounts recognized in the consolidated balance sheet consist of the following:

	Pension Benefits	
	2021	2020
Noncurrent liabilities - Funded status	$ (1,736,528)	$ (1,425,012)

Included in net assets without donor restrictions are the following amounts that have not yet been recognized in net periodic benefit cost:

	Pension Benefits	
	2021	2020
Accumulated net actuarial losses	$ 18,930,130	$ 20,003,031

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 11 - Pension Plan (Continued)

The components of net periodic benefit cost and other amounts recognized in net assets without donor restrictions for the years ended September 30 are as follows:

	Pension Benefits	
	2021	2020
Net Periodic Benefit Cost		
Interest cost	$ 1,168,217	$ 1,382,350
Expected return on plan assets	(1,452,910)	(1,838,378)
Amortization of net losses	727,174	630,926
Other	941,936	-
Total	1,384,417	174,898
Other Changes in Plan Assets and Benefit Obligations Recognized Outside Excess of Revenue Over Expenses		
Amortization of net actuarial loss	(727,174)	(630,926)
Net actuarial gain arising during the year	596,209	2,352,504
Other	(941,936)	-
Total recognized outside excess of revenue over expenses	(1,072,901)	1,721,578
Total recognized in net periodic benefit cost and excess of revenue over expenses	$ 311,516	$ 1,896,476

Assumptions

	Pension Benefits	
	2021	2020
Discount rate	2.65	3.00
Rate of compensation increase	0	0

Weighted-average assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	Pension Benefits	
	2021	2020
Discount rate	3.00%	3.75%
Expected long-term return on plan assets	4.25	5.50
Rate of compensation increase	0	0

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Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 11 - Pension Plan (Continued)

Pension Plan Assets

The expected long-term rate of return on plan assets is based on historical and projected rates of return for current and planned asset categories in the Plan's investment portfolio. Assumed projected rates of return for each asset category are selected after analyzing historical experience and future expectations of the returns and volatility for assets of that category using benchmark rates. Based on the target asset allocation amount of the asset categories, the overall expected rate of return for the portfolio is developed and adjusted for historical and expected experience of active portfolio management results compared to benchmark returns and for the effect of expenses of plan assets.

	Target	2021	2020
Mutual funds:			
Equity securities	24.00 %	25.00 %	17.00 %
Debt securities	74.00	74.00	82.00
Other	2.00	1.00	1.00
Total	100.00 %	100.00 %	100.00 %

The fair values of the Organization's pension plan assets at September 30, 2021 and 2020 by asset classes are as follows:

	Fair Value Measurements at September 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds				
Marketable equity securities:				
U.S. based	$ 5,832,439	$ -	$ -	$ 5,832,439
International	3,103,677	-	-	3,103,677
Fixed income	26,910,537	-	-	26,910,537
Real estate	369,809	-	-	369,809
Total	$ 36,216,462	$ -	$ -	$ 36,216,462

	Fair Value Measurements at September 30, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual Funds				
Marketable equity securities:				
U.S. based	$ 4,144,968	$ -	$ -	$ 4,144,968
International	2,668,465	-	-	2,668,465
Fixed income	31,787,766	-	-	31,787,766
Real estate	389,350	-	-	389,350
Total	$ 38,990,549	$ -	$ -	$ 38,990,549

The tables above present information about the pension plan assets measured at fair value at September 30, 2021 and 2020 and the valuation techniques used by the Organization to determine those fair values.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 11 - Pension Plan (Continued)

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Plan has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each plan asset.

The Hospital's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the end of the reporting period. For the years ended September 30, 2021 and 2020, there were no transfers between levels.

Contributions

The Organization does not expect to make any contributions to the Plan during the year ending September 30, 2022.

Benefits expected to be paid by the Plan during the ensuing five years and thereafter are as follows:

Years Ending	Pension Benefits
2022	$ 2,900,000
2023	2,700,000
2024	2,510,000
2025	2,360,000
2026	2,240,000
2027-2031	10,210,000

Note 12 - Retirement Plan

The Organization has a 403(b) plan (the "403(b) Plan"), which is available to substantially all employees who meet certain requirements as to age and tenure of employment. The Organization may elect to make a matching contribution of 50 percent of the employee's elective deferrals for the 403(b) Plan's year, up to 4 percent of the employee's compensation, and may elect to make other discretionary contributions to the 403(b) Plan. During the years ended September 30, 2021 and 2020, the Hospital elected to make the matching contribution to the 403(b) Plan. The Hospital recorded approximately $540,000 and $402,000 of contributions as employee benefits expense in the years ended September 30, 2021 and 2020, respectively.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 13 - Functional Expenses

The Organization is a general acute-care facility that provides inpatient and outpatient health care services to patients in the northwest Chicago area. Expenses related to providing these services for the years ended September 30, 2021 and 2020 are functionally allocated as follows:

	2021	2020
Program:		
Salaries and wages	$ 42,646,156	$ 42,065,119
Employee benefits and payroll taxes	6,827,237	7,247,570
Supplies and drugs	10,067,687	11,280,552
Professional services and consultant fees	9,486,136	10,358,689
Other	6,297,412	5,666,362
Depreciation	1,844,103	1,730,466
Medicaid hospital assessment tax	8,553,390	7,710,750
Total program	85,722,121	86,059,508
Management and general:		
Salaries and wages	13,391,831	15,825,952
Employee benefits and payroll taxes	2,809,174	3,128,263
Supplies and drugs	448,207	66,570
Professional services and consultant fees	3,884,451	3,575,034
Insurance	4,666,087	3,830,385
Utilities	1,720,056	1,783,708
Other	5,824,395	5,113,703
Depreciation	2,139,715	2,007,868
Interest expense	1,613,288	1,827,867
Total management and general	36,497,204	37,159,350
Fundraising - Salaries and wages	152,620	192,397
Total	$ 122,371,945	$ 123,411,255

Note 14 - Liquidity and Availability of Resources

The Organization's financial assets available within one year of September 30 for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	$ 40,716,914	$ 61,818,073
Investments	22,250,014	20,565,804
Accounts receivable	10,474,380	9,467,972
Estimated third-party payor settlements receivable	-	68,549
Other receivables (within other current assets)	1,382,670	1,969,065
Total	$ 74,823,978	$ 93,889,463

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated balance sheet date.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 15 - Investments Using the Equity Method

The Hospital has a joint venture arrangement with Humboldt Park Health Partners, Inc. (HPHP), which includes a 50 percent interest in the entity as of September 30, 2021 and 2020. This investment, which totaled $511,238 and $498,480 as of September 30, 2021 and 2020, respectively, is accounted for under the equity method and is included in investments in joint ventures in the accompanying consolidated balance sheet.

The following is a summary of financial position and results of operations (unaudited) relating to the HPHP joint venture as of and for the nine months ended September 30, 2021 and 2020:

	2021	2020
Assets	$ 1,324,494	$ 1,423,695
Liabilities	$ 302,019	$ 426,737
Net assets	$ 1,022,475	$ 996,958
Net income	$ 194,486	$ 376,703

Note 16 - Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes at September 30, 2021 and 2020:

	2021	2020
Foundation's Care-A-Van program	$ 1,599,316	$ 949,463
Other operating purposes	3,137,693	2,676,291
Total net assets with donor restrictions	$ 4,737,009	$ 3,625,754

Note 17 - Operating Leases

The Organization is obligated under certain operating leases, primarily for medical equipment. The leases require monthly payments ranging from approximately $8,200 to $19,000 and expire at various times through September 2027. Total rental expense for the years ended September 30, 2021 and 2020 was approximately $724,000 and $562,000, respectively.

The following is a schedule of future minimum lease payments under operating leases that have initial or remaining lease terms in excess of one year:

Years Ending September 30	Amount
2022	$ 428,288
2023	260,177
2024	155,072
2025	155,072
2026	155,072
Thereafter	155,072
Total	$ 1,308,753

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 18 - Commitments and Contingencies

Litigation

The Organization is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such matters will not have a material effect on the Organization's consolidated financial statements.

Regulatory Investigations

The U.S. Department of Justice, other federal agencies, and the Illinois Department of Public Aid routinely conduct regulatory investigations and compliance audits of health care providers. The Organization is subject to these regulatory efforts. Compliance with such laws and regulations is extremely complex and subject to future government review and interpretation. Violations may result in significant regulatory action, including fines and penalties, or at least a reasonable possibility of such action, which may have a material impact. However, management is currently unaware of any regulatory matters that are expected to have a material effect on the Organization's consolidated financial statements.

Regulatory Environment, Including Fraud and Abuse Matters

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Organization is in compliance with fraud and abuse, as well as other applicable governmental laws and regulations.

Property and Sales Tax Exemption

On June 14, 2012, the governor of Illinois signed into law legislation that governs property and sales tax exemption for not-for-profit hospitals. The law took effect on the date it was signed. Under the law, in order to maintain its property and sales tax exemption, the value of specified services and activities of a not-for-profit hospital must equal or exceed the estimated value of the hospital's property tax liability, as determined under a formula in the law. The specified services are those that address the health care needs of low-income or underserved individuals or relieve the burden of government with regard to health care services and include the cost of free or discounted services provided pursuant to the hospital's financial assistance policy, other unreimbursed costs of addressing the health needs of low-income and underserved individuals, direct or indirect financial or in-kind subsidies of state and local governments, the unreimbursed cost of treating Medicaid and other means-tested program recipients, the unreimbursed cost of treating dual-eligible Medicare/Medicaid patients, and other activities that the Illinois Department of Revenue determines relieve the burden of government or address the health of low-income or underserved individuals. Management believes that the Organization meets the requirements under the law to maintain its property and sales tax exemption and has timely filed all required forms with the State of Illinois.

Attachment 34
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Humboldt Park Health, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2021 and 2020

Note 19 - COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals in the United States and worldwide. In response, the United States federal government and individual state and local governments have implemented measures to combat the outbreak that have impacted health care business operations. During the second and third quarters of fiscal year 2020 and into 2021, the Organization's operations were significantly impacted, as shelter-in-place orders and government mandates to suspend elective procedures reduced volumes significantly during the period. The Organization moved to mitigate the impact by reducing variable operating expenses, eliminating and delaying capital expenditures, and actively managing cash balances.

Enacted on March 27, 2020 by the federal government, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was established, which authorizes $100 billion to be administered through grants and other mechanisms to hospitals, public entities, not-for-profit entities, and Medicare- and Medicaid-enrolled suppliers and institutional providers. The purpose of these funds is to reimburse providers for lost revenue attributable to the coronavirus pandemic, such as forgone revenue from canceled procedures, and to provide support for related health care expenses, such as constructing temporary structures or emergency operation centers; retrofitting facilities; purchasing medical supplies and equipment, including personal protective equipment and testing supplies; and increasing workforce. Further, these relief funds ensure uninsured patients are receiving testing and treatment for COVID-19.

In April 2020, the U.S. Department of Health and Human Services (HHS) began making payments to health care providers from the $100 billion appropriation from the CARES Act and $75 billion from the Paycheck Protection Program and Health Care Enhancement Act. These are payments to health care providers that will not need to be repaid as long as the Organization complies with certain terms and conditions outlined by HHS. To date, the Organization has received approximately $36.3 million of payments as part of general and targeted distributions of the CARES Act Provider Relief Fund. Additionally, subsequent to September 30, 2021, the Organization received approximately $2.9 million of phase 4 funding under the Provider Relief Fund. The Organization has also received additional funding from other governmental sources for use in response to the COVID-19 pandemic.

The Organization relied upon guidance issued by HHS through the date the financial statements were available to be issued. The terms and conditions first require the health care provider to identify health care-related expenses attributed to COVID-19 that no other source has reimbursed or is obligated to reimburse. If those expenses do not exceed the funding received, the health care provider then applies the funds to patient care lost revenue. HHS' June 11, 2021 notice, *Post-Payment Notice of Reporting Requirements*, provided health care providers three options to calculate patient care lost revenue. To determine the total distributions to be recognized as revenue as of September 30, 2021 and 2020, the Organization totaled unreimbursed expenses attributed to COVID-19 and calculated patient care lost revenue. The Organization determined lost revenue by utilizing a combination of comparing actual patient service revenue to the budgeted patient service revenue for the first three quarters of the calendar year and actual patient service revenue to actual patient service revenue for the final quarter of the calendar year. This approach to calculating lost revenue is considered an alternative methodology by HHS. HHS has indicated that all health care providers seeking to use an alternative methodology for calculating lost revenue attributed to COVID-19 will face the increased likelihood of an audit by HHS.

During the years ended September 30, 2021 and 2020, the Organization recognized funding of approximately $22.2 and $7.4 million, respectively, from the Provider Relief Fund, for which it has met the conditions and restrictions as contribution revenue for COVID-19, in the accompanying consolidated statement of operations. The Organization also recorded funding of approximately $6.6 and $28.9 million from the Provider Relief Fund as a liability on the consolidated balance sheet, for which the conditions and restrictions have not been met as of September 30, 2021 and 2020, respectively.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Note 19 - COVID-19 Pandemic (Continued)

The initial estimate of the recognition of revenue related to the Provider Relief Fund was based upon guidance issued by HHS as of the date the consolidated financial statements were available to be issued for the year ended September 30, 2020. Subsequent to that period, HHS issued additional guidance to calculate lost revenue. These changes to the estimate are recorded prospectively as adjustments to contribution revenue for COVID-19. The new guidance would not have materially changed the amount of contribution revenue recorded during the year ended September 30, 2020.

HHS' June 11, 2021 notice, *Post-Payment Notice of Reporting Requirements*, provided health care providers with additional guidance on the deadline for the use of funds received. For any payments received between April 10, 2020 and June 30, 2020, providers had until June 30, 2021 to use funds received. For payments received between July 1, 2020 and December 31, 2020, providers had until December 31, 2021 to use the funds; for payments received between January 1, 2021 and June 30, 2021, providers have until June 30, 2022 to use the funds; and for payments received between July 1, 2021 and December 31, 2021, providers have until December 31, 2022 to use the funds.

HHS' requirements for the uses of the CARES Act funds are subject to change and are open to interpretation and clarification; therefore, there may be changes in the amounts recognized as contribution revenue for COVID-19 during the years ended September 30, 2021 and 2020. Any changes in amounts recognized as a result of new guidance, interpretation, or clarification will be recognized in the period in which the change occurred.

Medicare Accelerated Payments

The Organization requested accelerated Medicare payments, as provided for in the CARES Act, which allows for eligible health care facilities to request up to 6 months of accelerated Medicare payments for acute-care hospitals. The repayment terms of accelerated payments began one year after the first payment was issued and are initially recouped at 25 percent of the Medicare payments to the Organization for 11 months. After 11 months, the recoupment will increase to 50 percent of the Medicare payments to the Organization for 6 additional months (or until all amounts are repaid). Any unapplied accelerated payment amounts that are unpaid after this 17-month period are due to CMS, plus interest at a rate of 4 percent on the outstanding balance. During 2020, the Organization received $9.1 million of accelerated payments. During 2021, the Organization repaid approximately $1.8 million and has approximately $7.3 million remaining as a current liability on the consolidated balance sheet as of September 30, 2021.

Attachment 34
Audited Financial Statement for Humboldt Park Health

Additional Information

Attachment 34
Audited Financial Statement for Humboldt Park Health

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Independent Auditor's Report on Additional Information

To the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

We have audited the consolidated financial statements of Humboldt Park Health, Inc. and Subsidiaries as of and for the years ended September 30, 2021 and 2020 and have issued our report thereon dated January 26, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

January 26, 2022

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidating Balance Sheet

September 30, 2021

	Humboldt Park Health, Inc.	Humboldt Park Health Community Pharmacy, Inc.	Humboldt Park Health Foundation	Eliminating Entries	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 38,130,302	$ 330,130	$ 2,256,482	$ -	$ 40,716,914
Investments	19,190,428	-	3,059,586	-	22,250,014
Patient accounts receivable	10,441,829	32,551	-	-	10,474,380
Due from affiliates	247,513	795	-	(248,308)	-
Insurance recoveries receivable	1,020,883	-	-	-	1,020,883
Inventory	2,199,275	133,931	-	-	2,333,206
Assets limited as to use	1,074,273	-	-	-	1,074,273
Other current assets	2,244,079	-	815,502	-	3,059,581
Total current assets	74,548,382	497,407	6,131,570	(248,308)	80,929,051
Assets Limited as to Use	6,215,141	-	-	-	6,215,141
Property and Equipment - Net	46,032,771	1,421	-	-	46,034,192
Other Assets					
Insurance recoveries receivable	3,307,199	-	-	-	3,307,199
Land held for future use	1,189,446	-	-	-	1,189,446
Investment in subsidiaries	6,333,699	-	-	(6,333,699)	-
Investments in joint ventures	511,238	-	-	-	511,238
Other noncurrent assets	3,137,020	-	-	-	3,137,020
Total other assets	14,478,602	-	-	(6,333,699)	8,144,903
Total assets	$ 141,274,896	$ 498,828	$ 6,131,570	$ (6,582,007)	$ 141,323,287

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidating Balance Sheet (Continued)

September 30, 2021

	Humboldt Park Health, Inc.	Humboldt Park Health Community Pharmacy, Inc.	Humboldt Park Health Foundation	Eliminating Entries	Total
Liabilities and Net Assets					
Current Liabilities					
Accounts payable	$ 12,385,973	$ 205,565	$ 87,813	$ (248,308)	$ 12,431,143
Current portion of long-term debt	650,000	-	-	-	650,000
Estimated third-party payor settlements payable	2,089,783	-	-	-	2,089,783
Current portion of accrued professional liability	2,823,960	-	-	-	2,823,960
Deferred grant revenue	3,598,771	-	-	-	3,598,771
Accrued liabilities and other:					
Accrued compensation	5,204,558	-	-	-	5,204,558
Accrued compensated absences	2,276,462	-	-	-	2,276,462
Accrued professional and other liability claims	235,795	-	-	-	235,795
Medicare advance payments	7,327,462	-	-	-	7,327,462
Deferred CARES Act Provider Relief Fund revenue	6,830,122	-	-	-	6,830,122
Other accrued liabilities	623,042	3,221	-	-	626,263
Total current liabilities	43,845,928	208,886	87,813	(248,308)	43,894,319
Long-term Debt - Net of current portion	23,405,239	-	-	-	23,405,239
Other Liabilities					
Accrued pension and postretirement benefit obligations	1,736,528	-	-	-	1,736,528
Accrued professional liability, less current portion	11,291,808	-	-	-	11,291,808
Asset retirement obligations	2,408,717	-	-	-	2,408,717
Other long-term liabilities	2,257,020	-	-	-	2,257,020
Total liabilities	84,945,240	208,886	87,813	(248,308)	84,993,631
Net Assets					
Without donor restrictions	50,185,899	-	1,406,748	-	51,592,647
With donor restrictions	6,143,757	-	4,637,009	(6,043,757)	4,737,009
HPCHP accumulated deficit	-	(3,435,058)	-	3,435,058	-
HPCHP common stock	-	3,725,000	-	(3,725,000)	-
Total net assets	56,329,656	289,942	6,043,757	(6,333,699)	56,329,656
Total liabilities and net assets	$ 141,274,896	$ 498,828	$ 6,131,570	$ (6,582,007)	$ 141,323,287

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health, Inc. and Subsidiaries

Consolidating Statement of Operations

Year Ended September 30, 2021

	Humboldt Park Health, Inc.	Humboldt Park Health Community Pharmacy, Inc.	Humboldt Park Health Foundation	Eliminating Entries	Total
Unrestricted Revenue, Gains, and Other Support					
Net patient service revenue	$ 71,128,237	$ 1,247,164	$ -	$ -	$ 72,375,401
Medicaid hospital assessment and ACA access payments	43,891,145	-	-	-	43,891,145
Other operating revenue	1,070,296	(7,000)	870,658	(1,293,493)	640,461
Grant revenue	23,701,589	-	-	-	23,701,589
Net assets released from restrictions - Used for operations	916,553	-	-	-	916,553
Total unrestricted revenue, gains, and other support	140,707,820	1,240,164	870,658	(1,293,493)	141,525,149
Expenses					
Salaries and wages	55,863,541	147,416	179,650	-	56,190,607
Employee benefits and payroll taxes	9,613,224	23,530	(343)	-	9,636,411
Supplies and drugs	9,777,827	734,883	3,184	-	10,515,894
Professional services and consultant fees	13,292,946	33,743	69,532	(25,634)	13,370,587
Insurance	4,666,087	-	-	-	4,666,087
Utilities	1,720,056	-	-	-	1,720,056
Other	12,869,111	124,784	395,771	(1,267,859)	12,121,807
Depreciation	3,983,709	109	-	-	3,983,818
Interest expense	1,613,288	-	-	-	1,613,288
Medicaid hospital assessment tax	8,553,390	-	-	-	8,553,390
Total expenses	121,953,179	1,064,465	647,794	(1,293,493)	122,371,945
Operating Income	18,754,641	175,699	222,864	-	19,153,204
Nonoperating Income (Expense)					
Gain on investments in joint ventures	458,460	-	-	(175,699)	282,761
Investment income	1,443,955	-	307,397	-	1,751,352
Other expense - Net	(1,600,913)	-	-	-	(1,600,913)
Total nonoperating income	301,502	-	307,397	(175,699)	433,200
Excess of Revenue Over Expenses	19,056,143	175,699	530,261	(175,699)	19,586,404
Pension-related Changes, Other Than Net Periodic Pension Cost	1,072,901	-	-	-	1,072,901
Increase in Net Assets without Donor Restrictions	$ 20,129,044	$ 175,699	$ 530,261	$ (175,699)	$ 20,659,305

Attachment 34
Audited Financial Statement for Humboldt Park Health

Plante & Moran, PLLC
Suite 900
200 N. Martingale Rd.
Schaumburg, IL 60173-2044
Tel: 847.697.6161
Fax: 847.697.6176
plantemoran.com

Independent Auditor's Report on Additional Schedule

To the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

We have audited the consolidated financial statements of Humboldt Park Health, Inc. and Subsidiaries as of and for the years ended September 30, 2021 and 2020 and have issued our report thereon dated January 26, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated year end information (financial report) for the fiscal year ended September 30, 2021 is presented for the purpose of additional analysis, as required by the State of Illinois, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements.

Plante & Moran, PLLC

January 26, 2022

Attachment 34
Audited Financial Statement for Humboldt Park Health

Humboldt Park Health

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended September 30, 2021

CSFA Number	Program Name	State	Federal	Other	Total
444 - 26 - 1747	SOR Hospital Screening and Warm Handoff	$ -	$ 397,751	$ -	$ 397,751
	All other costs not allocated	-	-	121,555,428	121,555,428
	Totals	$ -	$ 397,751	$ 121,555,428	$ 121,953,179

Attachment 34
Audited Financial Statement for Humboldt Park Health

plante moran

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Humboldt Park Health, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated balance sheet as of September 30, 2021 and the related consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated January 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Attachment 34
Audited Financial Statement for Humboldt Park Health

To Management and the Board of Trustees
Humboldt Park Health, Inc. and Subsidiaries

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

January 26, 2022

Attachment 36
Economic Feasibility

HUMBOLDT PARK HEALTH
ADVANCING HEALTH EQUITY

1044 N Francisco Ave
Chicago, IL 60622
773.272.8200
www.HPH.care

April 28, 2022

Debra Savage
Board Chair
Illinois Health Facilities and Service Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RE: Humboldt Park Health Wellness Center
Ill. Admin. Code Section 1120.120(a) Available Funds Certification
Ill. Admin. Code Section 1120.140(a) Reasonableness of Financing Arrangements

Dear Chair Savage:

As representative of Humboldt Park Health, I, Jose R. Sanchez, attest that the project costs will be $23,745,310. Humboldt Park Health ("HPH"), will fund a portion of the construction of the project from internal cash resources including cash and equivalents. The facility also executed a grant agreement with the Illinois Capital Development Board for the proposed project in the amount of $19,000,000 and has applied for an been informed of an award from the City of Chicago for a grant of $2,500,000. HPH has sufficient and readily accessible internal resources to fund obligations required by the Project, and to fully fund their other ongoing obligations.

I certify that our analysis of the funding options for this project reflected that the funding strategy outlined herein is the lowest net cost option available.

Sincerely,

José R. Sánchez
President and Chief Executive Officer
Humboldt Park Health

Subscribed and sworn to before me this

28 day of April, 2022.

Notary Public

STATE of Illinois: County of Cook

Seal

CASSANDRA G THOMPSON
OFFICIAL SEAL
Notary Public, State of Illinois
My Commission Expires
October 06, 2022

Attachment 37
Economic Feasibility

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. $ (A x C)	Mod. $ (B x E)	
Rehabilitation/ Sports Medicine Clinic	$457.81	-	2,000	-	-	-	$915,619	-	$915,619
Contingency	$45,11	-	-	-	-	-	$90,232	-	$90,232
TOTALS	$502,92	-	2,000	-	-	-	$1,005,851	-	$1,005,851

Attachment 38
Safety Net Impact Statement
Humboldt Park Health

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	**2018**	**2019**	**2020**
Inpatient	786	768	379
Outpatient	7,382	7,382	10,614
Total	**8,168**	**8,150**	**10,993**
Charity (cost in dollars)			
Inpatient	$2,804,849	$3,700,863	$1,477,436
Outpatient	$3,039,518	$3,612,908	$2,703,109
Total	**$5,844,367**	**$7,313,771**	**$4,180,545**
MEDICAID			
Medicaid (# of patients)	**2018**	**2019**	**2020**
Inpatient	3,351	3,293	3,067
Outpatient	31,654	30,928	29,907
Total	35,005	34,221	32,974
Medicaid (revenue)			
Inpatient	$49,620,122	$61,769,509	$54,589,790
Outpatient	$9,018,965	$8,761,717	$9,086,162
Total	$58,639,087	$70,531,226	$63,675,952

Attachment 38
Charity Care Information
Humboldt Park Health

CHARITY CARE			
Charity (# of patients)	**2018**	**2019**	**2020**
Inpatient	786	768	379
Outpatient	7,382	7,382	10,614
Total	**8,168**	**8,150**	**10,993**
Charity (cost in dollars)			
Inpatient	$2,804,849	$3,700,863	$1,477,436
Outpatient	$3,039,518	$3,612,908	$2,703,109
Total	**$5,844,367**	**$7,313,771**	**$4,180,545**

Attachment 39
Flood Plain Information

HUMBOLDT PARK HEALTH
ADVANCING HEALTH EQUITY

1044 N Francisco Ave
Chicago, IL 60622
773.272.8200
www.HPH.care

April 28, 2022

Debra Savage
Board Chair
Health Facilities and Services Review Board
525 W Jefferson Street, Floor 2
Springfield, IL 62761

Re: Humboldt Park Health Wellness Center- Flood Plain Requirements

Dear Chair Savage:

As representative of Humboldt Park Health, I, Jose R. Sanchez, hereby affirm that the site of the proposed Humboldt Park Health Wellness Center, complies with Illinois Executive Order #2005-5. The Humboldt Park Wellness Center will be located at Southwest corner of Division Street and Richmond Avenue in Chicago, IL 60622 is not located in a flood plain, as evidence please find enclosed a map from the Federal Emergency Management Agency ("FEMA").

I hereby certify this true and is based upon my personal knowledge under penalty of perjury and in accordance with 735 ILCS 5/1-109.

Sincerely,

José R. Sánchez
President and Chief Executive Officer
Humboldt Park Health

Attachment 39
Flood Plain Information

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS