

VIA FEDERAL EXPRESS AND ELECTRONIC MAIL

March 23, 2026

Mr. John P. Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, IL 62761

**Re: Project 22-032: Final Realized Costs Report
Lurie Children's Outpatient Center in Schaumburg
Ann & Robert H. Lurie Children's Hospital of Chicago**

Dear Mr. Kniery:

Pursuant to Illinois Administrative Code Section 1130.770, Ann and Robert H. Lurie Children's Hospital of Chicago ("**Lurie Children's**") is submitting this notice of Final Realized Costs and Project Close-Out for the Project.

The project was approved on November 29, 2022 by the Chairwoman of the Illinois Health Facilities and Services Review Board (the "**Board**") in the amount of \$61,483,000.

1. Current Status of the Project. Per notice provided to the Board on January 8, 2026, the Lurie Children's Outpatient Center in Schaumburg opened to ambulatory infusion and certain therapy patients on August 18, 2025 and to other patients on October 1, 2025. Certain minor construction work was completed on December 31, 2025, which aligns with the permit completion date of December 31, 2025. The project is complete and operational.

2. Project Final Realized Costs.

The total project costs paid to date are the final realized costs of \$55,873,099. The total Project costs are consistent with the total reported in the approved CON permit application. The table of Project Costs and Sources of Funds attached hereto as Attachment A shows the approved line items of spending from the permit application, as well as the actual realized costs per line item.

Attached hereto as Attachment B is the outside independent audit of the project costs conducted by Baker Tilly Advisory Group, LP. The audit report itemizes the capitalized project costs and reflects the final realized costs of \$55,873,099.

The AIA form G702, Application and Certification for Payment, prepared by Skender Construction, LLC, attached hereto as Attachment C is consistent with the line item for construction in the table Project Costs and Sources of Funds.

3. Sources of Funding. The project was funded with cash and securities consistent with the sources of funding identified in the permit application.

We certify that the information reported is the final realized project costs and that there are no additional costs or capitalized expenditures related to the approved project. There is no cost overrun. Lurie Children's is in compliance with the approved permit including project cost, allocated square footage and approved clinical services.

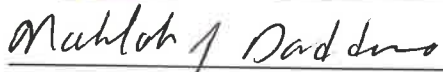
Please contact Ann Sherline, Lurie Children's Senior Associate General Counsel at 312-227-4312 if you have any questions about this report.

Sincerely



Alex P. Miller
Chief Financial Officer

Subscribed and sworn to before me
this 23 day of MARCH, 2026



Signature of Notary Public



Seal

Cc: Mike Constantino, HFSRB,
Ann Sherline, Senior Associate General Counsel,
Ann & Robert H. Lurie Children's Hospital of Chicago
Dan Zorrilla, Director, Real Estate and Construction,
Ann & Robert H. Lurie Children's Hospital of Chicago
Stacey Panek, Director, Design & Construction, Facility Services,
Ann & Robert H. Lurie Children's Hospital of Chicago
Ralph Weber, CON Consultant

ATTACHMENT A

Project Costs and Sources of Funds
(See attached)

ATTACHMENT A

PROJECT COSTS AND SOURCES OF FUNDS

OUTPATIENT CENTER IN SCHAUMBURG

ANN ROBERT H. LURIE CHILDREN'S HOSPITAL OF CHICAGO

AS APPROVED BY HFSRB		FINAL SPENDING	DELTA
USE OF FUNDS	TOTAL	TOTAL	
Preplanning Costs	\$ 794,182	\$ 444,741	\$ 349,441
Site Survey and Soil Investigation	\$ 50,000	\$ 42,085	\$ 7,915
Site Preparation	\$ 3,015,000	\$ 2,237,222	\$ 777,778
Off Site Work	\$ 50,000	\$ -	\$ 50,000
New Construction Contracts	\$ 34,931,800	\$ 36,221,747	\$ (1,289,947)
Modernization Contracts	\$ -	\$ -	\$ -
Contingencies	\$ 3,259,110	\$ 3,259,110	\$ -
Architectural/Engineering Fees			\$ -
- construction	\$ 2,520,600	\$ 2,638,571	\$ (117,971)
- site work	\$ 106,601	\$ 61,073	\$ 45,528
Consulting and Other Fees	\$ 2,448,250	\$ 2,184,876	\$ 263,374
Movable or Other Equipment (not in construction contracts)	\$ 10,926,198	\$ 7,315,553	\$ 3,610,645
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			\$ -
- IT	\$ 2,720,484	\$ 1,090,771	\$ 1,629,713
- artwork	\$ 235,500	\$ 77,439	\$ 158,062
- signage	\$ 425,275	\$ 299,912	\$ 125,363
			\$ -
Acquisition of Building or Other Property (excluding land)			\$ -
TOTAL USES OF FUNDS	\$ 61,483,000	\$ 55,873,099	\$ 5,609,901
SOURCE OF FUNDS	TOTAL	TOTAL	
Cash and Securities	\$ 61,483,000	\$ 55,873,099	\$ 5,609,901
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$ 61,483,000	\$ 55,873,099	\$ 5,609,901

ATTACHMENT B

Outside Independent Audit of Project Costs
(See attached)



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

T: +1 (608) 249 6622

F: +1(608) 249 8532

bakertilly.com

March 17, 2026

Mr. Alex Miller
Chief Financial Officer
Ann & Robert H. Lurie Children's Hospital Chicago
200 E Superior, PO Box 10247572
Chicago, IL 60611

Project:

Permit: #22-032 – Lurie Children's Outpatient Center in Schaumburg, Schaumburg

Project: Lurie Children's Outpatient Center Schaumburg

Permit Holder: Ann & Robert H. Lurie Children's Hospital of Chicago

Audit Objectives and Scope:

Baker Tilly Advisory Group, LP (Baker Tilly) was engaged by Ann & Robert H. Lurie Children's Hospital Chicago to perform an independent certificate of need cost audit on the modernization and expansion of the Lurie Children's Hospital Outpatient Center-Schaumburg (CON #22-032). The permit was approved by the State Board on November 29, 2022. On December 13, 2022, a permit modification was granted, and the total project cost was adjusted from \$55,894,541.00 to \$61,483,000.00. The final realized cost of this project is \$55,873,098.83, which is \$5,609,901.17 or 9.12% below the approved permit amount.

The objectives of our engagement were to determine:

- If charges to be reported to the Illinois Health Facilities and Services Review Board are substantiated by appropriate supporting documentation;
- If expenses were properly recorded for the project and CON account category;
- If expenses were properly approved;
- The mathematical accuracy and consistency of invoices;
- That applicable construction progress payments included accurate application for payment documents and lien waivers (i.e., previous payment calculations) and were properly notarized.

Management's Responsibility:

Management was responsible for the preparation and fair presentation of the attached cost schedule. In addition, Management certifies the following:

- Pursuant to sections 1130.770 of the Illinois Administrative Code, the final realized cost referenced above is the total cost required to complete the project and that there are no additional or associated costs or capital expenditures related to the project which will be submitted for reimbursement under Title XVIII or XIX.
- Pursuant to section 1130.770(d)(4), the project referenced above is in compliance and changes in cost and square footage were approved by the Illinois Health Facilities and Services Review Board under Permit #22-032.

Auditor's Responsibility:

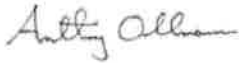
Our responsibility is to express an opinion on the attached schedule based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error.

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

Opinion:

In our opinion, based on our review of \$51,468,959.76 (92%) in payments made for Lurie Children's Outpatient Center Schaumburg, we confirm that the \$55,873,098.83 in CON charges to be reported to the Illinois Health Facilities Services Review Board by the required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our Audit did not identify any material inconsistencies in expenses incurred, paid, or recorded.

Sincerely,



Anthony Ollmann, CCA
Principal

Baker Tilly Advisory Group, LP

Project Number: 22-032
 Project Title: Lurie Children's Hospital Outpatient Center-Schaumburg
 Subject: Final Cost Report
 Permit Holder: Ann & Robert H. Lurie Children's Hospital of Chicago
 Date: March 11, 2026

Category	Projected	Total Costs Incurred as 3/3/2026	Available Balance as of 3/3/2026	Estimated Costs to Completion	Variance From Approved
Preplanning Costs	\$794,182	\$444,741	\$349,441	-	\$349,441
Site Survey and Soil Investigation	\$50,000	\$42,085	\$7,915	-	\$7,915
Site Preparation	\$3,015,000	\$2,237,222	\$777,778	-	\$777,778
Off Site Work	\$50,000	-	\$50,000	-	\$50,000
New Construction Contracts	\$34,931,800	\$36,221,747	(\$1,289,947)	-	(\$1,289,947)
Modernization Contracts	-	-	-	-	-
Contingencies	\$3,259,110	\$3,259,110	-	-	-
Architectural/Engineering Fees	-	-	-	-	-
- Construction	\$2,520,600	\$2,638,571	(\$117,971)	-	(\$117,971)
- Site work	\$106,601	\$61,073	\$45,528	-	\$45,528
Consulting and Other Fees	\$2,448,250	\$2,184,876	\$263,374	-	\$263,374
Movable or Other Equipment (not in construction contracts)	\$10,926,198	\$7,315,553	\$3,610,645	-	\$3,610,645
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	-	-	-	-	-
- IT	\$2,720,484	\$1,090,771	\$1,629,713	-	\$1,629,713
- Artwork	\$235,500	\$77,439	\$158,062	-	\$158,062
- Signage	\$425,275	\$299,912	\$125,363	-	\$125,363
Total	\$61,483,000	\$55,873,099	\$5,609,901	-	\$5,609,901

Cash and Securities \$ 55,873,099
 Pledges
 Gifts and Bequests
 Bond Issues (Project related)
 Mortgages
 Leases (fair market value)
 Governmental Appropriations
 Grants
 Other Funds and Sources

Total Funds \$ 55,873,099

ATTACHMENT C

AIA form G702, Application and Certification for Payment
(See attached)

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

TO: Ann & Robert H. Lurie Children's Hospital
225 E. Chicago Avenue, Box 26
Chicago, IL 60611

PROJECT: Ann & Robert H. Lurie Children's Hospital
1895 Arbor Glen Blvd
Schaumburg, IL 60195

APPLICATION NO.: 18
PERIOD FROM: 1/1/2026
PERIOD TO: 1/31/2026

Distribution to:
☒ OWNER
☒ ARCHITECT
☒ CONTRACTOR

FROM CONTRACTOR: Skender Construction LLC.
1330 W. Fulton, #200
Chicago, IL 60607

VIA (ARCHITECT): HKS, Inc.
125 S. Clark Street, #1100
Chicago, IL 60603

CONTRACT DATE: 3/14/2024
OWNER PROJECT #: 24-02-02
SKENDER PROJECT #:

CONTRACT FOR: General Contracting - Ann & Robert H. Lurie Children's Hospital

CONTRACTOR'S APPLICATION FOR PAYMENT

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

Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM..... \$ 40,051,836.00
2. Net change by Change Orders..... \$ 1,565,551.00
3. CONTRACT SUM TO DATE (Line 1 + 2)..... \$ 41,617,387.00
4. TOTAL COMPLETED & STORED TO DATE..... \$ 41,617,387.00
(Column G on G703)
5. RETAINAGE:
 - a. 0.00% of Completed Work \$ 0.00
(Column D + E on G703)
 - b. 0.00% of Stored Material \$ 0.00
(Column F on G703)

Total Retainage (Line 5a + 5b or Total in Column I of G703) \$ 0.00

6. TOTAL EARNED LESS RETAINAGE..... \$ 41,617,387.00
(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 39,352,747.34

8. CURRENT PAYMENT DUE..... \$ 2,264,639.66

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less line 5) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	1,500,000.00	0.00
Total approved this Month	65,551.00	0.00
TOTALS	1,565,551.00	0.00
NET CHANGES by Change Order	1,565,551.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge,

information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payment received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: 

Martin Barrett, Senior Project Manager

Date: 1/31/2026

State of: _____
County of: _____
Subscribed and sworn to before me this 31st day of January, 2026

Notary Public: 
My Commission expires: 4/15/2029

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED..... \$ 2,264,639.66

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

HKS, Inc.
ARCHITECT: 
This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

