



3040 Salt Creek Lane
Arlington Heights, IL 60005

June 23, 2025

Via Federal Express

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

RECEIVED

JUN 30 2025

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Final Realized Cost Report
Cardiovascular Institute Outpatient Center (Proj. No. 23-029)**

Dear Mr. Kniery:

On behalf of Endeavor Health f/k/a NS EE Holdings, Edward-Elmhurst Healthcare, Edward Hospital, and Edward Health Ventures (the "Permit Holders"), I am writing to submit the final audited cost report for Project No. 230-029. On August 24, 2023, the Chair of the Illinois Health Facilities and Services Review Board approved Permit Holders' application for a certificate of need permit for a three story medical office building located at 10 Martin Avenue, Naperville, Illinois (the "Project").

In connection with the close-out of the project, the Permit Holders submit as Attachment A the cost report audit, which was completed by the independent audit firm, Baker Tilly US, LLP. Note that due to the fact that the construction of the building was undertaken by a third-party developer, Ryan Companies, there is no G702 included in this package.

Pursuant to 77 Ill. Admin. Code §1130.770, the Permit Holders certify the final realized costs, as itemized, are the total costs required to complete the Project and that there are no additional associated costs or capital expenditures related to the Project. I further certify all information submitted in this cost report for the building is true and correct.

If you have any questions or need any additional information related to the project, please feel free to contact Kara Friedman at 312-451-8564 or kfriedman@polsinelli.com.

Sincerely,

Doug Welday
Chief Financial Officer
Endeavor Health

Attachment
cc:

Kara Friedman



3040 Salt Creek Lane
Arlington Heights, IL 60005

Attachment A
Cardiovascular Institute Outpatient Center
Audited Cost Report

June 27, 2025

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

Project:

Permit: #23-029 – Cardiovascular Institute Outpatient Center
Project: Naperville Cardiovascular Center
Permit Holder: Endeavor Health, formally NS-EE Holdings

Audit Objectives and Scope:

Baker Tilly Advisory Group, LP was engaged by Endeavor Health to perform an independent certificate of need cost audit for the 3-story Medical Office Building with housing physician offices and exam rooms in Naperville, Illinois (CON #23-029). The permit was approved by the Illinois Health Facilities and Services Review Board on August 24, 2023, for an amount of \$66,656,255, with a projected completion date of March 31, 2025. The final realized costs of this project is \$50,729,630, which is \$15,926,625, or 24% below the approved permit amount.

The objectives of our engagement were to determine:

- If non-developer charges to be reported to the Illinois Health Facilities and Services Review Board are substantiated by appropriate supporting documentation;
- If non-developer expenses were properly recorded for the project and CON account category;
- If non-developer expenses were properly approved;
- The mathematical accuracy and consistency of invoices;

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 cost associated with the expenses 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 # 23-029.

Project Number: 23-029
Project Title: Naperville Cardiovascular Center
Subject: Final Cost Report
Permit Holder: Endeavor Health
Date: June 27, 2025

Auditor's Responsibility:

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

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

Opinion:

Developer costs related to the CON budget, totaling \$57,948,323, were not subject to audit, per confirmation provided by the State Board on May 28, 2025.

In our opinion, based on our review of \$6,495,872 (86%) in payments made for the Naperville Cardiovascular Center non-developer costs, we confirm that the \$7,536,903 in non-developer CON charges to be reported to the Illinois Health Facilities and Services Review Board by the June 30, 2025, required submission date, were substantiated by comprehensive and appropriate supporting documentation. Our Audit did not identify any material inconsistencies in expenses incurred, paid or recorded.

Sincerely,



Anthony Ollmann, CPA, CCA
Partner

Baker Tilly Advisory Group, LP

Project Number: 23-029
 Project Title: Naperville Cardiovascular Center
 Subject: Final Cost Report
 Permit Holder: Endeavor Health
 Date: June 27, 2025

Category	Projected	Total Costs Incurred as 6/27/2025	Available Balance as of 6/27/2025	Estimated Costs to Completion	Variance From Approved
New Construction	\$ 4,197,387	\$ 5,612,870	\$ (1,415,483)		\$ (1,415,483)
Contingencies	\$ 1,006,496	\$ 489,014	\$ 517,482		\$ 517,482
Architectural/Engineering Fees	\$ 1,524,300	\$ 1,613,685	\$ (89,385)		\$ (89,385)
Fair Market Value of Leased Space	\$ 50,555,390	\$ 34,293,165	\$ 16,262,225		\$ 16,262,225
Other Costs to be Capitalized	\$ 664,750	\$ 1,183,993	\$ (519,243)		\$ (519,243)
Consulting and Other Fees	\$ 627,415	\$ 719,448	\$ (92,033)		\$ (92,033)
Movable or Other Equipment	\$ 3,280,517	\$ 2,017,455	\$ 1,263,062		\$ 1,263,062
Acquisition of Building or Other Property	\$ 4,800,000	\$ 4,800,000	\$ -		\$ -
Total	\$ 66,656,255	\$ 50,729,630	\$ 15,926,625	\$ -	\$ 15,926,625

Cash and Securities	\$ 16,436,465
Pledges	
Gifts and Bequests	
Bond Issues (project related)	
Mortgages	
Leases (fair market value)	\$ 34,293,165
Governmental Appropriations	
Grants	
Other Funds and Sources	
Total Funds	\$ 50,729,630