

MID-ILLINOIS MEDICAL DISTRICT

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2009

MID-ILLINOIS MEDICAL DISTRICT
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

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MID-ILLINOIS MEDICAL DISTRICT
COMPLIANCE EXAMINATION
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DISTRICT OFFICIALS

| | |
|---------------------------------|-------------------|
| President | Mr. Michael Boer |
| Vice President (as of 7/5/07) | Ms. LuAnn Johnson |
| Vice President (through 7/4/07) | Mr. David Bitzer |
| Treasurer | Ms. Amanda Cagwin |
| Secretary | Mr. Mitch Johnson |

COMMISSIONERS

| | |
|--------------------------------|----------------------|
| Commissioner | Mr. Michael Boer |
| Commissioner | Mr. Mitch Johnson |
| Commissioner (as of 1/16/08) | Ms. Charlotte Warren |
| Commissioner (as of 12/18/08) | Mr. Robert Ritz |
| Commissioner | Ms. LuAnn Johnson |
| Commissioner (as of 8/21/08) | Mr. Rex Brown |
| Commissioner (as of 10/16/08) | Ms. Virginia Cooper |
| Commissioner (as of 5/15/08) | Mr. Jack Mazzotti |
| Commissioner | Mr. Tom McLaughlin |
| Commissioner (as of 11/15/07) | Mr. Bradley Schaive |
| Commissioner | Mr. Elvin Zook |
| Commissioner (through 5/15/08) | Mr. John Short |

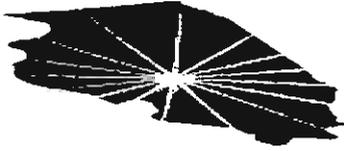
MID-ILLINOIS MEDICAL DISTRICT
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

COMMISSIONERS (Continued)

| | |
|---------------------------------|------------------|
| Commissioner (through 7/4/07) | Mr. David Bitzer |
| Commissioner (through 12/20/07) | Mr. Donald Ross |

District office is located at:

C/O SIU-SM ITECH
PO Box 19680
Springfield, IL 62794-9680



Mid-Illinois Medical District

130 W. Mason Street • Springfield, Illinois 62702 • 217-527-3908
www.midillinoismedicaldistrict.org

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

April 13, 2010

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Mid-Illinois Medical District (District). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the District's compliance with the following assertions during the two-year period ended June 30, 2009. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2008, the District has materially complied with the assertions below.

- A. The District received no State appropriations or grants, maintained no funds or assets, and incurred no expenditures.
- B. The District has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours very truly,

Mid-Illinois Medical District

Michael Boer, President

Amanda Cagwin, Treasurer

MID-ILLINOIS MEDICAL DISTRICT
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

| <u>Number of</u> | <u>Current</u> | <u>Prior</u> |
|--|----------------|---------------|
| <u>Findings</u> | <u>Report</u> | <u>Report</u> |
| Findings | 0 | 0 |
| Repeated findings | 0 | 0 |
| Prior recommendations implemented or not repeated | 0 | 0 |

There were no findings noted during our testing.

EXIT CONFERENCE

The Mid-Illinois Medical District waived an exit conference in correspondence dated March 22, 2010.

SPRINGFIELD OFFICE:

ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

**INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE, ON
INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY
INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the Mid-Illinois Medical District's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2009. The management of the Mid-Illinois Medical District is responsible for compliance with these requirements. During the two years ended June 30, 2009 the Mid-Illinois Medical District management asserted they received no State appropriations or grants, maintained no funds or assets, and incurred no expenditures. Our responsibility is to express an opinion on the Mid-Illinois Medical District's compliance based on our examination.

- A. The Mid-Illinois Medical District has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Mid-Illinois Medical District's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Mid-Illinois Medical District's compliance with specified requirements.

In our opinion, the Mid-Illinois Medical District complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009.

Internal Control

The management of the Mid-Illinois Medical District is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Mid-Illinois Medical District's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Mid-Illinois Medical District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mid-Illinois Medical District's internal control over compliance.

A *deficiency* in an entity's internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

There were no immaterial findings that have been excluded from this report.

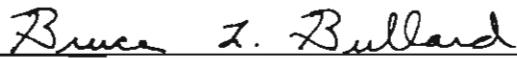
Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2008 and the 2009 Supplementary Information for State Compliance Purposes. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2007 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, agency management, and Mid-Illinois

Medical District members and is not intended to be and should not be used by anyone other than these specified parties.



BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

April 13, 2010

MID-ILLINOIS MEDICAL DISTRICT
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Analysis of Operations:

District Functions and Planning Program

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2008 and 2009 Supplementary Information for State Compliance Purposes. However, the accountants do not express an opinion on the supplementary information.

The auditors have not applied procedures to the 2007 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

MID-ILLINOIS MEDICAL DISTRICT
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2009

DISTRICT FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

The Mid-Illinois Medical District (District) was created January 3, 2003 as the Illinois Medical District Commission at Springfield. In FY08, Public Act 95-693 changed the Commission's name to the Mid-Illinois Medical District. The Mid-Illinois Medical District Act (Act) (70 ILCS 925 et seq.) provides the powers and duties of the District. The purpose of the District is to attract and retain academic centers of excellence, viable health care facilities, medical research facilities, emerging high technology enterprises, and other facilities and uses as permitted by the Act. Pursuant to the Act, the District has the following statutory powers:

- a. To plan, construct, acquire, develop, operate, expand, maintain and/or contract health care facilities and other ancillary or related facilities including but not limited to; hospitals, sanitariums, clinics, laboratories or any other institutions, buildings, or structures.
- b. To preserve the proper surroundings for a medical center and related technology center in order to attract, stabilize, and retain within the District hospitals, clinics, research facilities, educational facilities, or other facilities.
- c. To exercise the right to sell, convey, transfer, or lease, all at fair market value, any title or interest in real property owned by it to any person or persons.
- d. To secure grants, loans or appropriations from the State of Illinois, the Federal government, any State or Federal agency or instrumentality, any unit or local government, or any other person or entity to be used for any of the purposes of the District.
- e. To collect assessments or fees from entities that enter into such a contract for District enhancement and improvements, common area shared services, shared facilities or other activities or expenditures.
- f. To acquire the fee simple title to real property lying within the District and personal property required for its purposes, by gift, purchase, or otherwise.
- g. To provide relocation assistance to persons and entities displaced by the District's acquisition of property and improvement of the District.

MID-ILLINOIS MEDICAL DISTRICT
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2009

FUNCTIONS (Continued)

- h. To issue revenue bonds in its corporate capacity to be payable from the revenues derived from the operation of the institutions or buildings owned, leased, or operated by or on behalf of the District.
- i. To prepare and approve a comprehensive master plan for the orderly development and management of all property within the District.
- j. To establish an advisory council consisting of two representatives, appointed by the Mayor of Springfield, to review and make recommendations to the District with respect to the comprehensive Master Plan.
- k. To exercise the right to use all money received as rentals for the purposes of planning, acquisition, and development of property within the District, for the operation, maintenance, and improvement of property of the District, and for all purposes and powers set forth in the Act.

COMMISSIONERS

The District is made up of eleven members, six appointed by the Governor with the advice and consent of the Senate, four appointed by the Mayor of Springfield with the advice and consent of the Springfield City Council, and one appointed by the Chairperson of the County Board of Sangamon County. Mr. Michael Boer was elected President on June 25, 2003 and has served as President from that time forward.

The District members at June 30, 2009 were:

Appointed by the Governor

LuAnn Johnson, Vice President
Rex Brown, Commissioner
Virginia Cooper, Commissioner
Jack Mazzotti, Commissioner
Tom McLaughlin, Commissioner
Bradley Schaive, Commissioner

MID-ILLINOIS MEDICAL DISTRICT
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2009

FUNCTIONS (Continued)

Appointed by the Mayor of Springfield

Michael Boer, President
Mitch Johnson, Secretary
Charlotte Warren, Commissioner
Robert Ritz, Commissioner

Appointed by the Chairperson of the County Board of Sangamon County

Elvin Zook, Commissioner

PLANNING PROGRAM

The Mid-Illinois Medical District meets as necessary, usually once a month to conduct business and to discuss various planning and marketing strategies. The Master Plan was approved unanimously by the District and the District's Advisory Counsel in November 2005 and now serves as the official guide for future District development activity. The District's strategic goals include increasing and enhancing awareness of the District through implementation of portions of the District's new marketing plan. The District also plans to initiate, invite, define, and leverage relationships among other entities that possess resources, vision and determination to partner with the District in the accomplishment of the District's purposes, and to establish capacity to facilitate new development within the District.

The Mid-Illinois Medical District received no State appropriations or grants, maintained no funds or assets, and incurred no expenditures during FY08 and FY09. The District is seeking State appropriations and received a Federal grant totaling \$170,000 in early FY10.