

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**FINANCIAL AUDIT AND COMPLIANCE EXAMINATION**  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
**FOR THE YEAR ENDED JUNE 30, 2006**

**Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois**

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION  
FOR THE YEAR ENDED JUNE 30, 2006**

**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents	1
Agency Officials	2
Management Assertion Letter	3
Compliance Report	
Summary	5
Auditors' Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	7
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	12
Schedule of Findings and Questioned Costs	
Summary of Auditors' Results	14
Current Findings – Federal	15
Prior Findings Not Repeated	17
Financial Statement Report	
Summary	18
Independent Auditors' Report	19
Basic Financial Statements	
Statement of Net Assets	21
Statement of Revenues, Expenditures, and Changes in Net Assets	22
Statement of Cash Flows	23
Notes to the Basic Financial Statements	24
Supplementary Information for State Compliance Purposes	
Summary	29
Fiscal Schedules and Analysis	
Schedule of Expenditures of Federal Awards	30
Notes to the Schedule of Expenditures of Federal Awards	30
Comparative Schedule of Receipts, Disbursements and Cash Balances – Locally Held Funds	31
Schedule of Changes in State Property	32
Comparative Schedule of Expenditures – Locally Held Funds	33
Comparative Schedule of Revenue – Locally Held Funds	33
Analysis of Significant Variations in Expenditures	34
Analysis of Significant Variations in Revenue	34
Analysis of Significant Account Balances	35
Analysis of Accounts Receivable	35
Analysis of Operations	
Agency Functions and Planning Program	36
Average Number of Employees	37
Illinois Grants and Other Programs (Unaudited)	37
Agreements with the Illinois Medical District Commission	37
Schedule of Federal and Nonfederal Expenditures	37
Service Efforts and Accomplishment (Unaudited)	38

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION  
FOR THE YEAR ENDED JUNE 30, 2006**

**AGENCY OFFICIALS**

Executive Director	Samuel Pruett
Chief Fiscal Officer (7/1/05 to 10/12/06)	Paula Philbrook
Chief Fiscal Officer (10/13/06 to 11/9/06)	Vacant
Interim Legal Counsel	Kenneth Scheiwe

Agency offices are located at:

2201 W. Campbell Park Drive, Suite 1  
Chicago, IL 60612

Fiscal offices are located at:

600 South Hoyne Avenue  
Chicago, IL 60612



CHICAGO TECHNOLOGY PARK

November 9, 2006

Nykiel, Carlin & Co., Ltd.  
Certified Public Accountants  
200 East Court Street, Suite 608  
Kankakee, IL 60901

Ladies and Gentlemen:

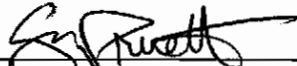
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Chicago Technology Park Corporation. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Chicago Technology Park Corporation's compliance with the following assertions during the year ended June 30, 2006. Based on this evaluation, we assert that during the year ended June 30, 2006 the Chicago Technology Park Corporation has materially complied with the assertions below.

- A. The Chicago Technology Park Corporation has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Chicago Technology Park Corporation has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Chicago Technology Park Corporation has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Chicago Technology Park Corporation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

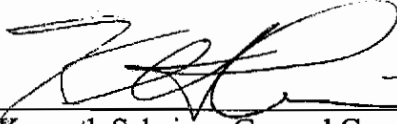
E. The money or negotiable securities or similar assets handled by the Chicago Technology Park Corporation on behalf of the State or held in trust by the Chicago Technology Park Corporation have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Chicago Technology Park Corporation



Samuel W. Pruett, Executive Director



Kenneth Scheiwe, General Counsel

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION  
FOR THE YEAR ENDED JUNE 30, 2006**

**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.

**AUDITORS' REPORTS**

The Independent Accountants' Report on State Compliance, on Internal Control Over State 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>This Report</u>	<u>Prior Report</u>
Findings	2	-0-
Repeated findings	-0-	-0-
Prior recommendations implemented or not repeated	-0-	-0-

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)		
06-1	15	Financial Status Reports Inaccurate and Not Filed Timely
06-2	16	Inadequate Documentation for Federal Program Cost Sharing

**Prior Findings Not Repeated**

There were no prior findings.

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION  
FOR THE YEAR ENDED JUNE 30, 2006**

**COMPLIANCE REPORT**

**SUMMARY (continued)**

**EXIT CONFERENCE**

The Chicago Technology Park Corporation's management waived holding an exit conference. Responses to the recommendations were provided by Samuel Pruett, Executive Director, on January 31, 2007.

**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

Board of Directors of  
Chicago Technology Park Corporation

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Chicago Technology Park Corporation'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 year ended June 30, 2006. The management of the Chicago Technology Park Corporation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Chicago Technology Park Corporation's compliance based on our examination.

- A. The Chicago Technology Park Corporation has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Chicago Technology Park Corporation has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Chicago Technology Park Corporation has complied, in all material respects, with applicable laws and regulations, including the State Uniform Accounting System, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Chicago Technology Park Corporation are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Chicago Technology Park Corporation on behalf of the State or held in trust by the Chicago Technology Park Corporation have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted 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 Chicago Technology Park Corporation's compliance with those requirements 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 Chicago Technology Park Corporation's compliance with specified requirements.

In our opinion, the Chicago Technology Park Corporation has complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings and questioned costs as findings 06-1 and 06-2. There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

#### Internal Control

The management of the Chicago Technology Park Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Chicago Technology Park Corporation's internal control over compliance with the aforementioned requirements in order to determine 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General which are described in the accompanying schedule of findings and questioned costs as findings 06-1 and 06-2. There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

#### Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the Chicago Technology Park Corporation, a component unit of the Illinois Medical District Commission, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. 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 and is not a required part of the basic financial statements of the Chicago Technology Park Corporation. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "Unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Chicago Technology Park Corporation's basic financial statements for the year ended June 30, 2005. In our report dated October 20, 2005, we expressed unqualified opinions on the respective financial statements of the governmental activities and each major fund. In our opinion, the 2005 Supplementary Information for State Compliance Purposes, except for the portion marked "Unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Directors and Agency management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nykiel, Carlin & Co., Ltd.*

NYKIEL, CARLIN & CO., LTD.

Kankakee, Illinois  
November 9, 2006

**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**

Honorable William G. Holland  
Auditor General  
State of Illinois

Board of Directors of  
Chicago Technology Park Corporation

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the Chicago Technology Park Corporation, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 9, 2006. We conducted our audit 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Chicago Technology Park Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Chicago Technology Park Corporation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-1 and 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the Chicago Technology Park Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 06-1 and 06-2.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Directors, Agency management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Nykiel, Carlin & Co., Ltd.*

NYKIEL, CARLIN & CO., LTD.

Kankakee, Illinois  
November 9, 2006

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

Board of Directors of  
Chicago Technology Park Corporation

Compliance

We have audited the compliance of the Chicago Technology Park Corporation with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The Chicago Technology Park Corporation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Chicago Technology Park Corporation's management. Our responsibility is to express an opinion on the Chicago Technology Park Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Chicago Technology Park Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Chicago Technology Park Corporation's compliance with those requirements.

In our opinion, the Chicago Technology Park Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2006. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-1 and 06-2.

Internal Control Over Compliance

The management of the Chicago Technology Park Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Chicago Technology Park Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to

determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Chicago Technology Park Corporation's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-1 and 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that could be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Directors, Agency management, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

*Nykiel, Carlin & Co., Ltd.*

NYKIEL, CARLIN & CO., LTD.

Kankakee, Illinois  
November 9, 2006

**CHICAGO TECHNOLOGY PARK CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Reportable condition(s) identified that are not considered to be material weakness(es)?  Yes  None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA No.</u>
WIA Pilots, Demonstrations, and Research Projects	17.261

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**II. FINANCIAL STATEMENT FINDINGS**

See Findings 06-1 and 06-2

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

See Findings 06-1 and 06-2

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**CURRENT FINDINGS – FEDERAL**

**06-1 FINDING: FINANCIAL STATUS REPORTS INACCURATE AND NOT FILED TIMELY**

**Federal Department: U.S. Department of Labor  
CFDA Numbers: 17.261  
Program Name: WIA Pilots, Demonstrations, and Research Projects  
Questioned Cost: None**

The Chicago Technology Park Corporation filed an inaccurate financial status report with the U.S. Department of Labor. In addition, the Agency did not file its Financial Status Reports (SF 269) in a timely manner.

Exceptions noted during our audit included the following:

- The Financial Status Report (SF 269) filed by the Agency for the fourth quarter of Fiscal Year 2006 does not reconcile to the Agency's accounting records.
- Three of the four Financial Status Reports (SF 269) filed by the Agency for the Fiscal Year 2006 were filed between one to 58 days late.

The grant agreement between the Chicago Technology Park Corporation (grantee) and the U.S. Department of Labor states that the grantee shall submit quarterly Financial Status Reports within 30 days after the end of each calendar quarter. It also states, these reports shall include program outlays (expenditures) and program income on an accrual basis.

Agency officials stated that they were not aware that the reports were submitted late or that the records did not reconcile to the Agency's records.

Failure to file accurate Financial Status Reports in a timely manner results in a lack of proper accountability and may jeopardize future Federal funding. (Finding Code No. 06-1)

**RECOMMENDATION**

We recommend that the Agency improve procedures to ensure that accurate Financial Status Reports are filed in a timely manner. We further recommend that the Agency correct the inaccurate report noted above.

**AGENCY RESPONSE**

The Chicago Technology Park Corporation agrees with the finding. The Chicago Technology Park Corporation will take adequate steps to improve the controls over and timeliness of its financial reporting.



**CHICAGO TECHNOLOGY PARK CORPORATION  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**CURRENT FINDINGS – FEDERAL**

**06-2 FINDING: INADEQUATE DOCUMENTATION FOR FEDERAL PROGRAM COST SHARING**

**Federal Department:** U.S. Department of Labor

**CFDA Numbers:** 17.261

**Program Name:** WIA Pilots, Demonstrations, and Research Projects

**Questioned Cost:** The undocumented matching is not reported as a questioned cost at this time because the Department of Labor has indicated that the Agency has until the end of the project period (December 31, 2007) to provide its match.

The Chicago Technology Park Corporation (Agency) could not provide supporting documentation for certain expenditures recorded as matching expenditures to this federal program.

During our audit we requested documentation for certain charges totaling \$41,386 that were recorded as part of Agency's cost sharing for this federal program. The Agency was unable to provide supporting documentation for these three transactions.

OMB Circular A-110, *Uniform Administration Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Section 23 (a) states, that all contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing when such contributions are verifiable from the recipient's records.

Agency officials stated that they could not locate the documentation related to the transactions.

Failure to maintain proper documentation of amounts claimed for matching results in a lack of proper accountability, a possible refunding of Federal funds to the appropriate Federal Agency, and may jeopardize future Federal funding. (Finding Code No. 06-02)

**RECOMMENDATION**

We recommend that the Agency improve control procedures to ensure that appropriate documentation is maintained for all amounts claimed as matching.

**AGENCY RESPONSE**

The Chicago Technology Park Corporation agrees with the finding. The Chicago Technology Park Corporation will take adequate steps to improve the controls over its accounting records to ensure the records are maintained in accordance with Generally Accepted Accounting Principles and federally mandated accounting policies and procedures.

**CHICAGO TECHNOLOGY PARK CORPORATION  
FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**PRIOR FINDINGS NOT REPEATED**

There were no prior findings.

**CHICAGO TECHNOLOGY PARK CORPORATION  
FOR THE YEAR ENDED JUNE 30, 2006**

**FINANCIAL STATEMENT REPORT**

**SUMMARY**

The audit of the accompanying basic financial statements of the Chicago Technology Park Corporation was performed by Nykiel, Carlin & Co., Ltd.

Based on their audit, the auditors expressed an unqualified opinion on the Chicago Technology Park Corporation's basic financial statements.

## INDEPENDENT AUDITORS' REPORT

Honorable William G. Holland  
Auditor General  
State of Illinois

Board of Directors of  
Chicago Technology Park Corporation

As Special Assistant Auditors for the Auditor General, we have audited the accompanying basic financial statements of the Chicago Technology Park Corporation, a component unit of the State of Illinois, Illinois Medical District Commission, as of and for the year ended June 30, 2006, as listed in the Table of Contents. These financial statements are the responsibility of the Chicago Technology Park Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 9, the Chicago Technology Park Corporation has changed the method of presentation of its financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chicago Technology Park Corporation, as of June 30, 2006, and the respective changes in net assets and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 9, 2006 on our consideration of the Chicago Technology Park Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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* and should be considered in assessing the results of our audit.

The Chicago Technology Park Corporation has not presented a management's discussion and analysis or budgetary comparison information that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming an opinion on the Chicago Technology Park Corporation's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Nykiel, Carlin & Co., Ltd.*

NYKIEL, CARLIN & CO., LTD.

Kankakee, Illinois  
November 9, 2006

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

	JUNE 30, 2006
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 82,280
Accounts receivable	531,181
Due from other state agencies	94
Other assets	554,531
Total Current Assets	1,168,086
Non-current Assets	
Capital assets, net of accumulated depreciation	8,251
Total Assets	1,176,337
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	540,884
Wages and benefits payable	2,559
Accrued vacation and sick time payable	3,518
Total Current Liabilities	546,961
<b>NET ASSETS</b>	
Net assets	
Invested in capital assets, net of related debt	8,251
Restricted:	
Expendable for grant activities	621,125
Total Net Assets	\$ 629,376

The accompanying notes are an integral part of the financial statements.

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	2006
<b>OPERATING REVENUES:</b>	
Federal Grants and Contracts	\$ 1,152,353
State Grants and Contracts	175,000
Other Revenue	250,718
Total Operating Revenues	1,578,071
<b>OPERATING EXPENSES</b>	
Grant program activities	1,097,996
Depreciation	2,754
Total Operating Expenses	1,100,750
Operating Income	477,321
<b>NON-OPERATING REVENUES:</b>	
Interest income	306
Total Non-Operating Revenues	306
Change in Net Assets	477,627
<b>NET ASSETS</b>	
Beginning of the year	151,749
End of the year	\$ 629,376

The accompanying notes are an integral part of the financial statements.

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Grants and Contracts	\$ 839,065
Payments to Suppliers	(900,695)
Payments to Employees	(178,128)
Other Revenues	250,718
Net Cash Provided by Operating Activities	10,960
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>	
Purchase of Capital Assets	(11,005)
Net Cash Used by Capital Financing Activities	(11,005)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest income	306
Net Cash Provided by Investing Activities	306
<b>NET INCREASE IN CASH</b>	261
<b>CASH</b>	
Beginning of the year	82,019
End of the year	\$ 82,280
<b>RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 477,321
Adjustments to reconcile operating income to net cash provided by operating activities:	
Non-cash expenses included in operating income:	
Depreciation	2,754
Changes in assets and liabilities:	
Accounts receivable	(488,288)
Due from other state agencies	78,223
Other assets	(553,393)
Accounts payable	493,489
Wages and benefits payable	(141)
Accrued vacation and sick pay	995
Net Cash Provided by Operating Activities	\$ 10,960

The accompanying notes are an integral part of the financial statements.



**CHICAGO TECHNOLOGY PARK CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**1. ORGANIZATION**

The Chicago Technology Park Corporation (Agency) is an IRC 501 c (4) organization, incorporated in the State of Illinois and registered as a not-for-profit scientific and research corporation. The mission of the Agency is to encourage and facilitate a community of scientific research and development, promote and attract new industry, employment, economic development and establish a regional technology network.

The Agency actively promotes the transfer of technology and research for the public interest by managing the Chicago Technology Park, by supporting technology transfer and commercialization, by attracting industry and funding including acquiring and managing grants, contracts and other means of fiscal support for technology transfer and development.

Two grant programs currently under management by the Agency are:

**Chicago ITEC:** a program funded by the Department of Commerce and Economic Opportunity (DCEO) of the State of Illinois to stimulate development of advanced technology enterprises by transforming innovation into reality, and to nurture and support technology-oriented entrepreneurs in the Illinois Technology Enterprise Centers.

**BITmaP:** a program funded by the U.S. Department of Labor to train U.S. Citizens in bioinformatics. The program's goal is to bridge the gap between the surplus of unemployed and/or underemployed information technology (IT) professionals and the need for more qualified IT professionals in the fast-growing Midwest life science community.

**2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES**

The accompanying basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB").

**Financial Reporting Entity**

As defined by GAAP, the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the officials of the primary government are financially accountable. Financial accountability is defined as:

1. Appointment of a voting majority of the component unit's board, and either (a) the primary government's ability to impose its will, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
2. Fiscal dependency on the primary government.

Based upon the required criteria, the Chicago Technology Park Corporation is reported as a blended component unit of the Illinois Medical District Commission (IMDC), which is a component unit of the State of Illinois' financial reporting entity. The financial balances and activities included in these basic financial statements are, therefore, also included in the IMDC's basic financial statements as well as the State's comprehensive annual financial report. The State of Illinois' Comprehensive Annual Financial Report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams Street, Springfield, IL 62704-1871.

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (continued)**

**Basis of Accounting**

The financial statements of the Agency are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Revenue from grants, entitlements, and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

**Cash and Cash Equivalents**

Cash and cash equivalents include money market accounts and cash in banks.

**Accounts and Notes Receivable**

Accounts receivable include amounts due from US Department of Labor.

**Capital Assets**

Capital assets includes property and equipment which are reported at cost. Contributed assets are reported at estimated fair value when received. Capital assets are depreciated using the straight-line method.

Capitalization thresholds and the estimated useful lives are as follows:

<u>Capital Asset Category</u>	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Equipment	\$ 5,000	3-25 years

**Other Assets**

Other assets include expenditures for program course development that are being amortized over the remaining grant period.

**Due from Other State Agencies**

The Agency has the following types of transactions between the Agency other State agencies:

***Services provided and used*** – sales and purchases of goods and services between agencies for a price approximating their external exchange value. Unpaid amounts are reported as due from/to other State agencies.

	<u>Due from other State Agencies</u>	<u>Due to other State Agencies</u>
Illinois Medical District Commission	<u>\$ 94</u>	<u>\$ -</u>

CHICAGO TECHNOLOGY PARK CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006

**2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES (continued)**

**Compensated Absences**

The liability for accrued vacation and sick pay reported in the financial statements consists of unpaid, accumulated vacation and sick leave balances for Agency employees. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. The liability has been calculated based on the employees' current salary level and includes salary related costs (e.g., FICA and Medicare tax).

**Net Assets**

In the financial statements, equity is displayed in three components as follows:

***Invested in Capital Assets, Net of Related Debt*** – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of mortgages and capital lease obligations that are attributable to the acquisition, construction, or improvement of those assets.

***Restricted*** – This consists of net assets that are legally restricted by outside parties. When both restricted and unrestricted resources are available for use, generally it is the Agency's policy to use restricted resources first, then unrestricted resources when they are needed.

***Unrestricted*** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt." The Agency had no Unrestricted Net Assets as of June 30, 2006.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Classification of Revenues**

The Agency has classified its revenues as either operating or non-operating revenues according to the following criteria:

***Operating revenues*** – Operating revenues include activities that relate to the operating purposes of the Agency. Grants and contracts have been reported as operating revenues.

***Non-operating revenues*** – Non-operating revenues include investment earnings on temporary cash investments.

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**3. DEPOSITS**

GASB Statement No. 40 *Deposit and Investment Risk Disclosures* requires general disclosures by investment type with disclosures of the specific risks those investments are exposed to.

The Agency has utilized several different bank accounts for the various activities of its programs. The book balance of such accounts at June 30, 2006 was \$82,280, while the bank balance was \$222,596. The difference between the above amounts primarily represents checks and deposits which had not cleared the bank. At June 30, 2006, the Agency's deposits were fully insured or collateralized.

	Carrying Amount	Bank Balance
Cash in bank	\$ 82,280	\$ 222,596

**4. RISK MANAGEMENT**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation, and natural disasters. The Agency maintains commercial coverage for its workers compensation and property liability.

**5. ACCOUNTS RECEIVABLE**

Accounts receivable include amounts due to the Agency under grant agreements. An allowance for doubtful accounts was not necessary at June 30, 2006.

**6. CAPITAL ASSETS**

Capital assets consisted entirely of equipment (collections of books) as of June 30, 2006:

	July 1, 2005 Beginning Balance	Additions	Deletions	Adjustments	June 30, 2006 Ending Balance
Equipment	\$ -	\$ 11,005	\$ -	\$ -	\$ 11,005
Total Cost	-	11,005	-	-	11,005
Less Accumulated Depreciation:					
Equipment	-	2,754	-	-	2,754
Total	-	2,754	-	-	2,754
Capital Assets, Net	\$ -	\$ 8,251	\$ -	\$ -	\$ 8,251

**7. LITIGATION**

On September 1, 2005 the Chicago Technology Park Corporation was named the defendant in a lawsuit seeking judgment of \$243,000. The Agency intends to vigorously contest this matter and believes the outcome will be in favor of the Chicago Technology Park Corporation. Therefore, no liability amount has been recorded on the Agency's books as of June 30, 2006.

**CHICAGO TECHNOLOGY PARK CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**8. COMMITMENTS AND CONTINGENCIES**

The Agency received a grant from the U.S. Department of Labor (BiTmaP) in 2004 to train unemployed and/or underemployed information technology professionals in the field of bioinformatics. Under the terms of this grant the Agency has contracted with the University of Illinois at Chicago to provide training over a three year period starting May 2, 2005 and ending December 31, 2007. The total cost of this contract is \$1,843,345, of which \$1,004,149 had been incurred as of June 30, 2006. The Agency is the recipient of grants from Federal and State sources which are subject to subsequent audit and adjustment by the grantors.

**9. CHANGE IN ACCOUNTING METHOD**

The funding of the Illinois Medical District Commission (IMDC) has changed significantly in the last couple years in that it is no longer receiving significant resources from the State. In addition, the IMDC issued revenue bonds, which, in accordance with accounting principles generally accepted in the United States, are required to be accounted for in an enterprise fund. Therefore, management of the IMDC has changed the reporting style for all of its funds to report them as a business type activity. Since the Agency is a component unit of the IMDC, the Agency has also changed its reporting style to report as a business type activity to facilitate consolidation into the IMDC. This change had no effect on the net assets reported in the prior period.

CHICAGO TECHNOLOGY PARK CORPORATION

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Comparative Schedule of Receipts, Disbursements and Cash Balances
  - Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Expenditures – Locally Held Funds
- Comparative Schedule of Revenues – Locally Held Funds
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Revenue
- Analysis of Significant Account Balances
- Analysis of Accounts Receivable

- Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees
- Illinois Grants and Other Programs (Unaudited)
- Agreements with the Illinois Medical District Commission
- Schedule of Federal and Nonfederal Expenditures
- Service Efforts and Accomplishments (Unaudited)

The auditors' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, except for the portion marked "Unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**CHICAGO TECHNOLOGY PARK CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006**

<u>Federal Grantor / Pass Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Contract Number</u>	<u>Expenditures</u>
* U.S. Department of Labor			
WIA Pilots, Demonstrations, and Research Projects	17.261		<u>\$ 1,154,886</u>
		Total Federal Awards Expended	<u>\$ 1,154,886</u>

\* Major Program

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note 1.** The above federal grant was awarded to and expended by the Chicago Technology Park Corporation, which is a component unit of the Illinois Medical District Commission.

**Note 2.** The above schedule of expenditures of federal awards was prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audit of States, Local Government and Non-Profit Organizations and may differ from amounts on the financial statements due to amounts that have been capitalized (including capitalized course development costs).

**CHICAGO TECHNOLOGY PARK CORPORATION  
FISCAL SCHEDULES AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND  
CASH BALANCES - LOCALLY HELD FUNDS**

Below is a cash basis schedule for all locally held funds showing beginning balances, receipts, disbursements and ending balances for Fiscal Year 2006 and 2005.

	<u>2006</u>	<u>2005</u>
Beginning balance July 1	\$ 82,019	\$ 314,493
Cash receipts	1,090,089	262,304
Cash disbursements	(1,089,828)	(494,778)
Ending balance June 30	<u>\$ 82,280</u>	<u>\$ 82,019</u>



**CHICAGO TECHNOLOGY PARK CORPORATION  
SCHEDULE OF CHANGES IN STATE PROPERTY  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Equipment</u>
Balance July 1, 2005	\$ 8,368
Additions	11,286
Deletions	-
Tranfers in (out), net	-
Adjustments	-
Balance June 30, 2006	<u>\$ 19,654</u>

Note: This summary schedule was prepared using State property records required by the Illinois Administrative Code. The capitalization policy in the Code is different than the capitalization policy established by the Office of the Comptroller for financial reporting in accordance with accounting principles generally accepted in the United States.

**CHICAGO TECHNOLOGY PARK CORPORATION  
FISCAL SCHEDULES AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**COMPARATIVE SCHEDULE OF EXPENDITURES - LOCALLY HELD FUNDS**

The following schedules of locally held fund expenditures have been derived from the audited financial statements of each year presented. The expenditures are presented using the accrual basis of accounting and present the locally held fund expenditures of the Agency.

	<b>2006</b>	<b>2005</b>
<b>CTP Restricted Program Fund (1376)</b>		
Program expense	\$ 1,097,996	\$ 461,237
Depreciation	2,754	-
Total - Fund 1376	\$ 1,100,750	\$ 461,237

**COMPARATIVE SCHEDULE OF REVENUES - LOCALLY HELD FUNDS**

The following schedules of locally held fund revenues have been derived from the audited financial statements of each year presented. The revenues are presented using the accrual basis of accounting and present the locally held fund revenues of the Agency.

	<b>2006</b>	<b>2005</b>
<b>CTP Restricted Program Fund (1376)</b>		
Grants	\$ 1,578,071	\$ 213,548
Interest income	306	3,651
Other income	-	2,782
Total - Fund 1376	\$ 1,578,377	\$ 219,981

**CHICAGO TECHNOLOGY PARK CORPORATION  
FISCAL SCHEDULES AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Over \$20,000 and 20%)**

**Fiscal Year 2006 vs. Fiscal Year 2005**

**CTP Restricted Program Fund (1376)**

Program Expense - \$636,759 (139%) increase – Fiscal Year 2006 was the first full year of activity for the Bitmap grant which was awarded to the Agency by the U.S. Department of Labor.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES (Over \$20,000 and 20%)**

**Fiscal Year 2006 vs. Fiscal 2005**

**CTP Restricted Program Fund (1376)**

Grants – \$1,364,523 (639%) increase – Fiscal Year 2006 was the first full year of activity for the Bitmap grant which was awarded to the Agency by the U.S. Department of Labor.

**CHICAGO TECHNOLOGY PARK CORPORATION  
FISCAL SCHEDULES AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2006**

**ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES**

Cash and cash equivalents

The following accounts were maintained as of June 30, 2006:

<u>Fund #</u>	<u>Financial Institution</u>	<u>Account Type</u>	<u>Balance</u>
1376	Cole Taylor Bank	Checking	\$ 82,280
Total cash and cash equivalents			<u>\$ 82,280</u>

**ANALYSIS OF ACCOUNTS RECEIVABLE**

The accounts receivable presented below represent amounts due from the U.S. Department of Labor for a grant to the Agency.

<u>Days Outstanding</u>	<u>Amount Outstanding</u>	<u>Percent</u>
One to thirty	\$ 531,181	100.00%
Thirty-one to three hundred sixty	-	0.00%
Over three hundred sixty	-	0.00%
Total	<u>\$ 531,181</u>	<u>100.00%</u>
Estimated uncollectible amount	-	
Accounts Receivable (Net)	<u>\$ 531,181</u>	

**CHICAGO TECHNOLOGY PARK CORPORATION  
ANALYSIS OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

**Functions**

The primary purpose of the Chicago Technology Park Corporation (Agency) is to encourage and facilitate: (a) scientific research and technology transfer for the public interest and for the improvement, maintenance, and growth of the Illinois Medical District; (b) attraction of new industry to the community; (c) the increased commercial application of technology; (d) the improvement and development of local and State's economies and increase the State's share of Federal research funds; and (e) establishment of regional technology networks. The governing body of the Agency, the Board of Directors, is comprised of members from Illinois Medical District Commission (IMDC) (Dr. Kenneth Schmidt, Dr. Leon Dingle, John Partelow, Michael Fitzgerald, and Dr. Dorval Carter), Rush University Medical Center (Dr. Avery Miller and Dr. Gary Goodman), and the University of Illinois at Chicago (UIC) (Dr. Sylvia Manning and Dr. Eric Gislason).

The Agency was also established to assist the IMDC with its statutory responsibility to administer and exercise authority with respect to the development and operation of the Chicago Technology Park (Park). The Park is an area or areas within the Illinois Medical Center District designated for research and development of medically related technologies and products. The Park includes an incubator facility, which was established to assist new businesses in the research and development of new or unique products and to help them grow until they are fully self-sufficient. The Park also includes the Enterprise Center I and the Enterprise Center II which provide "acceleration" wet lab space for incubator facility graduates.

**Auditors' Assessment**

The Agency has established goals and objectives through the formation of programs, policies, and strategic plans. These goals are consistent with the Agency's purpose.

**Agency Head and Location**

Mr. Samuel W. Pruett was the Chicago Technology Park Corporation's President as of June 30, 2006. The Agency's fiscal offices are located at 600 South Hoyne Ave., Chicago, Illinois 60612.

**CHICAGO TECHNOLOGY PARK CORPORATION  
ANALYSIS OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**AVERAGE NUMBER OF EMPLOYEES**

The following is a summary of the average number of employees for the fiscal years ended June 30,

<u>CTPC</u>	<u>2006</u>	<u>2005</u>
Programmatic	2	2
Clerical	<u>0.5</u>	<u>1</u>
Total	<u><u>2.5</u></u>	<u><u>3</u></u>

The above employees are employed by the Illinois Medical District Commission and reimbursed by the Chicago Technology Park Corporation.

**ILLINOIS GRANTS AND OTHER PROGRAMS (Unaudited)**

The Agency was awarded a grant by the Department of Commerce and Economic Opportunity for \$558,530 of which \$175,000 was received during Fiscal Year 2006. The purpose of this grant was to create and operate the Chicago ITEC (Illinois Technology Enterprise Centers.)

According to Agency officials, there were no "Memorandums of Understanding" or "Illinois First" projects involving the Agency during the audit period.

**AGREEMENTS WITH THE ILLINOIS MEDICAL DISTRICT COMMISSION**

The Agency has been contracted by the Illinois Medical District Commission (IMDC) to perform certain duties and matters under a grant agreement that the IMDC has with the Department of Commerce and Economic Opportunity known as "Chicago ITEC". This contract essentially subcontracts the grant to the Agency. In addition, the Agency has been awarded a \$3,000,000 grant from the U.S. Department of Labor to provide training in bioinformatics. The IMDC is providing certain in-kind matching claimed for the grant and will also be compensated for certain administrative costs.

**SCHEDULE OF FEDERAL AND NONFEDERAL EXPENDITURES**

	<u>Amount</u>	<u>Percent</u>
Federal Expenditures	\$ 1,154,886	69.5%
Nonfederal Expenditures	<u>507,651</u>	<u>30.5%</u>
Totals	<u><u>\$ 1,662,537</u></u>	<u><u>100.0%</u></u>

Federal expenditures are taken from the Schedule of Expenditure of Federal Awards on page 30. These expenditures include the total expenditures reported on page 22 of this report plus the unamortized other assets which were "expended" during the audit period.

**CHICAGO TECHNOLOGY PARK CORPORATION  
ANALYSIS OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited)**

Presented below is information on the BiTmaP program enrollments:

ACADEMIC CALENDAR	SEMESTER 1	SEMESTER 2	SEMESTER 3	SEMESTER 4	SEMESTER 5
<b><u>GROUP 1</u></b>					
ENROLLED	30	27	9	6	6
GRADUATED	0	0	10	13	13
WITHDRAWN	0	3	11	11	11
<b><u>GROUP 2</u></b>					
ENROLLED		28	25	20	20
GRADUATED		0	0	2	2
WITHDRAWN		0	3	6	6
<b><u>GROUP 3</u></b>					
ENROLLED			30	25	25
GRADUATED			0	0	0
WITHDRAWN			0	5	5
<b><u>GROUP 4</u></b>					
ENROLLED				27	27
GRADUATED				0	0
WITHDRAWN				2	2
<b><u>GROUP 5</u></b>					
ENROLLED					18
GRADUATED					0
WITHDRAWN					0
<b>TOTAL ENROLLED TO DATE</b>			<b>133</b>		
<b>TOTAL GRADUATED</b>			<b>15</b>		
<b>TOTAL WITHDRAWN</b>			<b>24</b>		
<b>TOTAL STILL ENROLLED</b>			<b>96</b>		

The following information related to graduated and withdrawn students has been accumulated:

**GRADUATED**

**Jobs and Internships**

- Job at Medical College of Wisconsin at \$75K/ yr
- Job at Motorola at \$50K (had been out of work 3 years prior to graduating BiTmaP)
- Working at the University of Michigan Laboratory as Post-doc
- At Argonne on a temporary basis
- 2 students in internships at University of Illinois at Chicago
- 4 students in internships at DePaul University (1 at \$5K)
- 1 student in internship at Museum of Science and Industry (paid –TBD)

**CHICAGO TECHNOLOGY PARK CORPORATION  
ANALYSIS OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2006**

**SERVICE EFFORTS AND ACCOMPLISHMENTS (Unaudited) (Continued)**

**WITHDRAWN**

**Jobs and Promotions**

- Secured job at Eastern Illinois in administration, dropped program
- Secured job at Monsanto, at \$80K
- Secured job in the financial sector, was unable to continue with classes
- Secured job - out of town
- Secured teaching job
- Promoted, \$25K increase

**Conflict with Current Job responsibilities**

- Dropped because of his job
- Dropped because of his job
- Dropped because of his new job out of town

**Entered Other Academic Pathways**

- Dropped because he stated MBA program at NW
- Enrolled in traditional curriculum
- Joined a nursing program at Rush

**Family, Health, and Natural Disaster**

- Dropped because of family
- Dropped because of Hurricane Katrina, 3 kids
- Had a baby and dropped. Couldn't keep up with the work and the new baby
- Had a baby and dropped. Couldn't keep up with the work and the new baby
- Brother died in India, got a late start, 8 weeks pregnant and too sick to study
- Dropped because of health reasons
- Personal Reasons

**Ability to Maintain Academic Pace**

- Couldn't keep up with the work
- Couldn't keep up with the work
- Couldn't keep up with the work