

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

ALTON MENTAL HEALTH CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

TABLE OF CONTENTS

	<u>Page</u>
Center Officials	1
Management Assertion Letter	2-3
Compliance Report	
Summary	4-5
Accountants' Report	6-8
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	
Schedule of Findings, Recommendations and Center Responses	
Current Findings	9-14
Prior Findings Not Repeated	15
Supplementary Information for State Compliance Purposes	
Summary	16
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	17-18
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	19
Description of Locally Held Funds	20-22
Schedule of Locally Held Funds – Cash Basis	23-24
Schedule of Changes in State Property (not examined)	25
Comparative Schedule of Cash Receipts and Deposits	26
Analysis of Significant Variations in Expenditures	27-28
Analysis of Significant Lapse Period Spending	29
Schedule of Changes in Inventories (not examined)	30
Analysis of Accounts Receivable	31
Analysis of Operations	
Center Functions and Planning Program	32-33
Average Number of Employees	34
Employee Overtime (not examined)	35
Center Utilization (not examined)	36
Annual Center Statistics	
Cost Per Year/Day Per Resident (not examined)	37
Ratio of Employees to Residents (not examined)	37
Reported Employee Job Injuries (not examined)	38
Food Services (not examined)	38
Service Efforts and Accomplishments (not examined)	39-40

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

CENTER OFFICIALS

Hospital Administrator:

Current	Ms. Susan Shobe
7/1/03 to 12/31/04	Ms. Kay Greenwood

Network Manager:

Current	Ms. Tracey Williams
7/1/03 to 12/1/04	Mr. Jim Ingram

Business Office Administrator	Ms. Susan Shobe
-------------------------------	-----------------

Business Manager	Ms. Mary Przada
------------------	-----------------

The Center is located at:

4500 College Avenue
Alton, Illinois 62002



Alton Mental Health Center
4500 College Avenue • Alton, IL 62002-5099
Phone: (618) 474-3968 Fax (618) 474-3251

September 23, 2005

West & Company, LLC
Certified Public Accountants
919 E. Harris
Greenville, IL 62246

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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the year(s) ended June 30, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.

- A. The agency 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 agency 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 agency 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 agency 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.

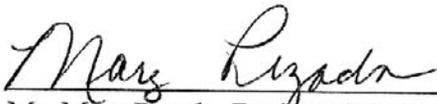
E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Alton Mental Health Center



Ms. Susan Shobe, Acting Hospital Administrator



Ms. Mary Przada, Business Manager

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

COMPLIANCE REPORT

SUMMARY

The limited State compliance testing performed in 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 relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	4	-
Repeated findings	-	-
Prior recommendations implemented or not repeated	-	-

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
CURRENT FINDINGS		
05-1	9	Payroll Voucher Approval
05-2	10	Incorrect Termination Pay
05-3	11	Inadequate Control Over Accounts Receivable
05-4	12-13	Inadequate Purchasing Procedures

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on November 22, 2005. Attending were:

Alton Mental Health Center

Susan Shobe
Mary Przada
Chris Moore

Office of the Auditor General

Kathy Lovejoy

West & Company, LLC

Josh Lowe, CPA

Responses to the recommendations were provided by Ms. Carol L. Adams, Ph.D., Secretary, Illinois Department of Human Services in a letter dated December 12, 2005.

INSERT YELLOW AUDITORS' REPORT TAB HERE

WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
DOUGLAS R. STROUD
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH

919 E. HARRIS AVENUE
GREENVILLE, ILLINOIS 62246

(618) 664-4848

OFFICES

EFFINGHAM
SULLIVAN
GREENVILLE
MATTOON

**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

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Human Services – Alton Mental Health Center’s (Center) compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2005. The management of the State of Illinois Department of Human Services – Alton Mental Health Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services – Alton Mental Health Center’s compliance based on our examination.

- A. The State of Illinois Department of Human Services - Alton Mental Health Center 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 State of Illinois Department of Human Services – Alton Mental Health Center 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 State of Illinois Department of Human Services - Alton Mental Health Center 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 of the State of Illinois Department of Human Services – Alton Mental Health Center 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 State of Illinois Department of Human Services – Alton Mental Health Center on behalf of the State or held in trust by the State of Illinois Department of Human Services – Alton Mental Health Center have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Member of Private Companies Practice Section

Our limited scope compliance examination of the Center was limited to the following areas of the Audit Guide:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 17 – Revenues, Refunds and Receivables
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance With Agency Specific Statutory Mandates

The areas of the Audit Guide not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the Department of Human Services Central Office, and accordingly, any findings from the results of those procedures have been included in the Department of Human Services – Central Office compliance report.

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 State of Illinois Department of Human Services – Alton Mental Health Center’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 State of Illinois Department of Human Services - Alton Mental Health Center’s compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Alton Mental Health Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. 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, Recommendations and Center Responses as finding(s) 05-1, 05-2, 05-4.

There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

Internal Control

The management of the State of Illinois Department of Human Services - Alton Mental Health Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services - Alton Mental Health Center’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 and which are described in the accompanying Schedule of Findings, Recommendations and Center Responses as finding 05-3.

There were no immaterial findings relating to internal control deficiencies 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 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on Employee Overtime, Center Utilization, Changes in State Property, Changes in Inventories, Annual Center Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 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, Center and Department of Human Services management, and is not intended to be and should not be used by anyone other than these specified parties.

West + Company, LLC
West & Company, LLC

September 23, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings

05-1 FINDING - Lack of Independent Review of Payroll Vouchers

The Alton Mental Health Center's review of payroll vouchers did not contain evidence the vouchers were reviewed and approved by an independent person.

The Center's total personal services expenditures were \$15,607,689 for fiscal year 2005 and \$14,574,059 for fiscal year 2004, representing 59% of the Center's total expenditures in each fiscal year. Our review of payroll vouchers disclosed 63 of 63 vouchers (100%) tested contained no evidence of an independent review.

Good internal control procedures require the review process to be performed by an individual independent of the preparation process to prevent improper expenditures.

Center management stated they neglected to review payroll vouchers during the examination period due to personnel changes within the business office.

Failure to review payroll vouchers by an independent person increases the likelihood a loss from errors or irregularities could occur and would not be detected in a timely manner. (Finding Code No. 05-1)

RECOMMENDATION:

We recommend the Center establish procedures to ensure a person independent of the payroll process reviews each payroll voucher. Additionally, indication of this review should be documented.

AGENCY RESPONSE:

Disagree. Payroll vouchers are not approved for payment at the local level. Payroll is run centrally and approved centrally. Vouchers are signed by someone in Fiscal Services on behalf of the Secretary and taken to CMS for signature. Because of Comptroller's Office timeframes, there is not sufficient time for the vouchers to be sent to the facility for approval prior to payment. The Comptroller's Office is the only place where completed signature sheets are kept and they will not process a payroll without proper signatures.

Central Payroll does send unsigned copies of the payroll vouchers to the facility. The facility will review (and initial off) on all required reports that are received from a payroll run in addition to reviewing the payroll voucher.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-1 FINDING - Lack of Independent Review of Payroll Vouchers (continued)

AUDITOR'S COMMENT

An independent person at the Center level should review the payroll vouchers to ensure the accuracy of pertinent payroll information. The Center has knowledge of the hours worked by each employee; thus, ensuring the expenditures are proper. While the actual vouchers for payment are signed at the Central Office, the Central Office is relying on the Center's review to certify the payroll is correct.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-2 FINDING – Incorrect Termination Pay

Employee lump sum payments were not calculated properly.

Our review of employee terminations disclosed that 2 of 13 (15%) lump sum payments tested were not calculated properly. This resulted in an underpayment of \$893 to two individuals.

The Illinois Administrative Code (80 Ill. Admin. Code 310.100 (g)) requires the Center to provide a lump sum payment for “accrued vacation, sick leave, and unused compensatory overtime at the current base rate to those employees separated from employment under the Personnel Code.”

Management stated the errors were due to unintentional oversight and personnel changes in the payroll position.

Failure to review lump sum payment calculations for terminated employees increases the likelihood of errors or irregularities could occur and not be detected in a timely manner. (Finding Code 05-2)

RECOMMENDATION:

We recommend the Center comply with the Illinois Administrative Code for lump sum payments. Further, the Center should pursue payment to the underpaid individuals.

AGENCY RESPONSE:

Agree. The Central Payroll Office in Springfield will process lump sum payments and work closely with Alton’s Payroll staff to ensure lump sum calculations are correct. Both employees who were underpaid (\$891.77 and \$1.42) will be issued Supplemental Checks.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-3 FINDING – Inadequate Control Over Accounts Receivable

The Alton Mental Health Center lacks adequate monitoring and collection of accounts receivable.

The Center's accounts receivable for fiscal year 2004 and fiscal year 2005 were \$467,102 and \$403,150, respectively. Accounts receivable for fiscal year 2004 greater than one year amounted to \$380,717, which is 82% of the total. For fiscal year 2005, the accounts receivable greater than one year was \$370,372, which is 92% of the total.

According to the Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedure Manual No. 01.04.02.03, Form DMHDD-681, "Notice to DMHDD Central Office of Account Collection Problem" should be completed and used to notify the Central Office of an account collection problem and to request assistance in collection.

Center management stated the lack of collection, or other action against the accounts receivable balances, was due to the lack of personnel to continuously monitor and maintain the resident accounts.

Failure to notify the Central Office of the collection problems may result in the delay or loss of revenue and an overstatement of accounts receivable. (Finding Code No 05-3)

RECOMMENDATION:

We recommend the Center allocate sufficient resources, including personnel, to the Resident Resource Unit to process, bill, and collect amounts owed. Additionally, the Center should notify the Central Office regarding collection problems.

AGENCY RESPONSE:

Agree. This finding is a result of a lack of Business Office staff. The Business Office workload will be evaluated to allocate sufficient resources, including personnel, to the Patient Resource Unit to process, bill, and collect amounts owed. Additionally, the Center will notify the Central Office regarding collection problems.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-4 FINDING – Inadequate Purchasing Procedures

The Alton Mental Health Center circumvented the bidding and procurement requirements for commodities purchases.

During our testing of commodities purchases we noted:

- The Center paid a vendor \$25,003 for commodities, but a contract was not executed.
- The Center made expenditures ranging between \$3,343 and \$24,943 to five vendors in fiscal year 2004 and four vendors in fiscal year 2005 for the purchase of commodities. The Center did obtain informal bids, however they were not documented in accordance to the Administrative Directives.

The Center's total commodities expenditures for fiscal year 2004 and fiscal year 2005 were \$403,695 and \$386,480, respectively.

Section 1.2020 of the Standard Procurement Rules (44 Ill. Admin. Code 1.2020 (a)(1)) states agencies with procurements of \$25,000 or less may utilize the method of source selection to be most appropriate to the circumstances. Furthermore, Alton Mental Health Center Policy and Procedure (1C.01.212) requires 2 vendor bids for purchases over \$250 and 3 vendor bids for purchases over \$1,000. If the bids are received by phone, the name of the person providing the quotation should be noted.

Center management stated the lack of sealed bids was due to the need of items not available through centrally initiated contracts. In addition, purchases made which lacked proper bid documentation resulted from unintentional oversight.

Without complying with required competitive bidding processes for purchasing commodities, the State may be paying more for goods than is necessary. (Finding Code No. 05-4)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-4 FINDING – Inadequate Purchasing Procedures (continued)

RECOMMENDATION:

We recommend the Center institute procedures to verify competitive bidding is used when required by the Illinois Administrative Code and Center's Policy and Procedures. We further recommend the Center obtain informal bids more consistently, document all necessary and required information pertaining to the bid, and ensure the lowest vendor is used for all purchases.

AGENCY RESPONSE:

Agree. FY04 was an exceptional year for food purchases at Alton Mental Health Center. Many food items that had previously been purchased via the Central Management Services (CMS) Survey process were either not available or quality and delivery was an issue. Alton purchased much more food through local vendors in FY04 resulting in the greater part of these findings. Alton has resumed ordering the majority of needed food from the CMS Survey process and also now is using Corrections for food items as much as possible. Alton will monitor vendor expenses to ensure competitive bidding is used when required by the Illinois administrative Code and DHS Administrative Directives. Alton also is in the process of revising Alton Mental Health Center Policy/Procedure (1C.01.212) requiring 2 vendor bids for purchases over \$250 and 3 vendor bids for individual purchases over \$1,000. Alton has instituted a more extensive review process of individual local purchase requests to ensure the facility's policy/procedures are being followed at all times.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Prior Audit Findings Not Repeated

There were no findings noted during the special State compliance audit for the two years ended June 30, 2005.

INSERT BLUE SUPPLEMENTARY INFORMATION TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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 Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds – Cash Basis
- Schedule of Changes in State Property (not examined)
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)
- Analysis of Accounts Receivable

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Center Utilization (not examined)
- Annual Center Statistics
 - Cost Per Year/Day Per Resident (not examined)
 - Ratio of Employees to Residents (not examined)
 - Reported Employee Job Injuries (not examined)
 - Food Services (not examined)
- Service Efforts and Accomplishments (not examined)

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, except for information on Employee Overtime, Center Utilization, Changes in State Property, Changes in Inventory, Annual Center Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

INSERT BLUE SUPPLEMENTARY SCHEDULES TAB HERE

INSERT THE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED
BALANCES – FISCAL YEAR 2005 HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACTS 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 15,828,200	\$ 14,261,984	\$ 1,345,705	\$ 15,607,689	\$ 220,511
Empolyee retirement contributions paid by employer	27,508	27,508	-	27,508	-
State contributions to state employees' retirement system	2,417,900	2,199,539	211,021	2,410,560	7,340
State contributions to Social Security	1,094,800	992,197	97,708	1,089,905	4,895
Contractual services	1,596,800	1,381,553	174,476	1,556,029	40,771
Travel	24,900	19,459	942	20,401	4,499
Commodities	390,700	379,475	7,005	386,480	4,220
Printing	15,500	15,500	-	15,500	-
Equipment	53,400	50,851	2,246	53,097	303
Telecommunication services	120,400	86,594	26,246	112,840	7,560
Operation of auto equipment	54,800	49,515	5,022	54,537	263
Expenses related to living skills program	3,300	3,300	-	3,300	-
Costs associated with behavioral health services	4,858,000	4,244,662	613,331	4,857,993	7
Total	<u>\$ 26,486,208</u>	<u>\$ 23,712,137</u>	<u>\$ 2,483,702</u>	<u>\$ 26,195,839</u>	<u>\$ 290,369</u>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>APPROPRIATIONS NET OF TRANSFERS</u>	<u>EXPENDITURES THROUGH JUNE 30, 2004</u>	<u>LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2004</u>	<u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004</u>	<u>BALANCES LAPSED AUGUST 31, 2004</u>
PUBLIC ACT 93-0092					
<u>GENERAL REVENUE FUND - 001</u>					
Personal services	\$ 14,761,000	\$ 13,871,247	\$ 702,812	\$ 14,574,059	\$ 186,941
Employee retirement contributions paid by employer	757,200	596,413	31,553	627,966	129,234
State contributions to state employees' retirement system	1,967,600	1,280,165	15	1,280,180	687,420
State contributions to Social Security	1,050,800	991,553	50,653	1,042,206	8,594
Contractual services	1,460,500	1,325,650	130,398	1,456,048	4,452
Travel	27,900	27,620	(726)	26,894	1,006
Commodities	404,900	391,012	12,683	403,695	1,205
Printing	11,800	11,426	372	11,798	2
Equipment	34,300	33,108	1,189	34,297	3
Telecommunication services	150,700	118,216	21,455	139,671	11,029
Operation of auto equipment	84,900	72,331	12,342	84,673	227
Expenses related to living skills program	3,400	3,300	-	3,300	100
Costs associated with behavioral health services	5,034,200	4,834,640	62,829	4,897,469	136,731
Total	<u>\$ 25,749,200</u>	<u>\$ 23,556,681</u>	<u>\$ 1,025,575</u>	<u>\$ 24,582,256</u>	<u>\$ 1,166,944</u>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842 & 93-0681	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 26,486,208	\$ 25,749,200	\$ 23,594,200
EXPENDITURES			
Personal services	15,607,689	14,574,059	13,964,958
Employee retirement contributions paid by employer	27,508	627,966	693,955
State contributions to state employees' retirement system	2,410,560	1,280,180	1,436,419
State contributions to Social Security	1,089,905	1,042,206	998,272
Contractual services	1,556,029	1,456,048	1,709,533
Travel	20,401	26,894	26,266
Commodities	386,480	403,695	433,021
Printing	15,500	11,798	9,067
Equipment	53,097	34,297	-
Telecommunication services	112,840	139,671	125,351
Operations of auto equipment	54,537	84,673	60,693
Expenses related to living skills program	3,300	3,300	3,400
Costs associated with behavioral health services	4,857,993	4,897,469	3,362,919
Total Expenditures	<u>26,195,839</u>	<u>24,582,256</u>	<u>22,823,854</u>
LAPSED BALANCES	<u>\$ 290,369</u>	<u>\$ 1,166,944</u>	<u>\$ 770,346</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

The locally held funds of the Center are grouped into two fund categories. These are nonappropriated funds with the exception of the Living Skills Fund and Patient Travel Trust Fund, which are appropriated funds. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Funds

The General Revenue Funds consist of the Living Skills Fund, Patient Travel Trust Fund and Petty Cash account. These funds and account are used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

The Living Skills Fund (SAMS fund number 1214) was established to provide behavioral modification programs for residents. The source of revenue is State appropriation. This appropriation is then expended by distributing reward payments that are earned by residents by achievement of desired behavioral modifications.

The Patient Travel Trust Fund (SAMS fund number 1247) was established to provide for transportation of residents without funds. The source of revenue is the State appropriation. Expenditures are for travel costs incurred to transport indigent recipients to another facility or to their home upon discharge.

The Petty Cash account is maintained for the purpose of making change, purchasing items of small cost, payment of postage due, and for other nominal expenditures that cannot be administered economically and efficiently through the customary vouchering system. Reimbursements to the account are from State general revenue appropriations for contractual services.

Special Revenue Funds

The Special Revenue Funds consists of the DHS Other Special Trusts Fund and the DHS Rehabilitation Fund. These funds are used to account for the proceeds of a specific revenue source that are legally restricted to expenditures for specific purposes.

The DHS Other Special Trust Fund (SAMS fund number 1139) was established to provide for the special comfort, pleasure and amusement of the residents. The primary sources of revenue for the fund are print shop sales, vending machine commissions and monies donated for resident use. Also, any unclaimed Resident's Trust Fund balance of a resident separated from the Center for two years is transferred to this fund with the provision that the resident is entitled to the money upon application. These funds are then used for activities and materials to help fulfill the recipients' needs in these areas.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

The DHS Rehabilitation Fund (SAMS fund number 1144) was established to provide workshop services for individuals with the potential for gainful employment and independent living and for long-term employment of persons capable of working in a sheltered environment. The source of revenue is payments for contractual services provided by residents to outside enterprises for workshop production. Expenditures are for materials, supplies, and resident wages for work performed.

2. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS Resident's Trust Fund. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The DHS Resident's Trust Fund (SAMS fund number 1143) is maintained as a depository for funds of residents while in residence at the Center. The fund also is used to receive Social Security monies obtained to pay for resident billings. Disbursements from the fund consist primarily of withdrawals of monies for recipients' personal use at the Center or when discharged as well as payments to the Department of Human Services Central Office for care and treatment charges billed to the recipient.

Investments and Account Locations

Following is information regarding the location and amount of investments held in locally held funds and location of checking/NOW accounts for the locally held funds at June 30, 2005:

Investments:

There are no investments at the Center.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

The following schedule lists the locations of bank accounts of the locally held funds at June 30, 2005:

Living Skills Fund

Checking Account
Liberty Bank, Alton, Illinois

Patient Travel Trust Fund

Checking Account
US Bank, St. Paul, Minnesota

Checking Account
Liberty Bank, Alton, Illinois

Petty Cash Account

Checking Account
Liberty Bank, Alton, Illinois

Checking Account
US Bank, St. Paul, Minnesota

DHS Other Special Trust Fund

Checking Account
US Bank, St. Paul, Minnesota

Checking Account
Liberty Bank, Alton, Illinois

DHS Resident's Trust Fund

Checking Account
Liberty Bank, Alton, Illinois

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2005

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$ 6,768	\$ 7,076	\$ 1,205	\$ 1,610	\$ 310
Receipts					
Income from sales	7,958	-	-	-	-
Investment income	5	-	-	-	-
Resident deposits	-	55,130	-	-	-
Donations	735	-	-	-	-
Appropriations	-	-	3,300	7,000	3,439
Vending machine commissions	4,843	-	-	-	-
Unclaimed funds	635	-	-	-	-
Other	13	-	-	-	-
Total Receipts	<u>14,189</u>	<u>55,130</u>	<u>3,300</u>	<u>7,000</u>	<u>3,439</u>
Disbursements					
Operating expenses	9,000	-	-	-	-
Contractual services	3,661	-	-	-	3,304
Travel	-	-	-	7,010	-
Resident activities	1,721	55,928	-	-	-
Appropriations returned	-	-	19	1,077	-
Living Skills program	-	-	4,014	-	-
Other	81	-	-	-	-
Total Disbursements	<u>14,463</u>	<u>55,928</u>	<u>4,033</u>	<u>8,087</u>	<u>3,304</u>
Balance - June 30, 2005	<u><u>\$6,494</u></u>	<u><u>\$6,278</u></u>	<u><u>\$472</u></u>	<u><u>\$523</u></u>	<u><u>\$445</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2004

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2003	\$ 6,698	\$ 9,622	\$ 86	\$ 1,092	\$ 534
Receipts					
Income from sales	7,214	-	-	-	-
Investment income	4	-	-	-	-
Resident deposits	-	43,921	-	-	-
Donations	638	-	-	-	-
Appropriations	-	-	3,310	10,500	3,323
Vending machine commisions	4,221	-	-	-	-
Unclaimed funds	39	-	-	-	-
Total Receipts	<u>12,116</u>	<u>43,921</u>	<u>3,310</u>	<u>10,500</u>	<u>3,323</u>
Disbursements					
Operating expenses	7,500	-	-	-	-
Contractual services	2,774	-	-	-	3,547
Resident activities	1,076	-	-	-	-
Resident withdrawals	-	46,467	-	-	-
Appropriations returned	-	-	86	2,262	-
Living Skills program	-	-	2,105	7,720	-
Other	696	-	-	-	-
Total Disbursements	<u>12,046</u>	<u>46,467</u>	<u>2,191</u>	<u>9,982</u>	<u>3,547</u>
Balance - June 30, 2004	<u>\$ 6,768</u>	<u>\$ 7,076</u>	<u>\$ 1,205</u>	<u>\$ 1,610</u>	<u>\$ 310</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF CHANGES IN STATE PROPERTY
YEARS ENDED JUNE 30, 2004 & 2005
(NOT EXAMINED)

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
Balance June 30, 2003	\$ 29,835	\$ 44,257,392	\$ 7,055,462	\$ 2,761,435	\$ 54,104,124
Additions:					
Purchases	-	-	-	55,395	55,395
Transfers-in:					
Intra-agency	-	-	-	281,529	281,529
Inter-agency	-	-	-	175,932	175,932
Capital Development Board	-	84,300	-	-	84,300
Surplus Property	-	-	-	-	-
DAVTE Fund	-	-	-	-	-
Donations	-	-	-	-	-
Adjustments	-	-	-	13,241	13,241
Total Additions	\$ -	\$ 84,300	\$ -	\$ 526,097	\$ 610,397
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	385,761	385,761
Inter-agency	-	-	-	109,724	109,724
Surplus property	-	-	-	2,562	2,562
Scrap property	-	-	-	8,113	8,113
Condemned and lost property	-	-	-	-	-
Retirements	-	-	-	14,415	14,415
Adjustment	-	-	-	12,298	12,298
Total Deductions	\$ -	\$ -	\$ -	\$ 532,873	\$ 532,873
Balance June 30, 2004	\$ 29,835	\$ 44,341,692	\$ 7,055,462	\$ 2,754,659	\$ 54,181,648
Additions:					
Purchases	-	-	-	73,254	73,254
Transfers-in:					
Intra-agency	-	-	-	1,191,062	1,191,062
Inter-agency	-	-	-	103,260	103,260
Capital Development Board	-	330,710	23,987	-	354,697
Surplus Property	-	-	-	-	-
DAVTE Fund	-	-	-	-	-
Donations	-	-	-	-	-
Adjustments	-	-	-	1,856	1,856
Total Additions	\$ -	\$ 330,710	\$ 23,987	\$ 1,369,432	\$ 1,724,129
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	1,243,839	1,243,839
Inter-agency	-	-	-	4,804	4,804
Surplus property	-	-	-	-	-
Scrap property	-	-	-	78,290	78,290
Condemned and lost property	-	-	-	-	-
Retirements	-	-	-	-	-
Adjustment	-	-	-	1,318	1,318
Total Deductions	\$ -	\$ -	\$ -	\$ 1,328,251	\$ 1,328,251
Balance June 30, 2005	\$ 29,835	\$ 44,672,402	\$ 7,079,449	\$ 2,795,840	\$ 54,577,526

Note: The property balances at June 30, 2004 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	\$ 232	\$ 374	\$ 530
Copy charges	1,236	720	744
Telephone reimbursements	18	-	-
Locally held funds returned	-	2,348	-
Miscellaneous other	70	19	60
TOTAL RECEIPTS	<u>\$ 1,556</u>	<u>\$ 3,461</u>	<u>\$ 1,334</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 1,556	\$ 3,461	\$ 1,334
Add: Deposits in transit - Beginning of year	109	-	1
Add: NSF checks	54	-	-
Deduct: Deposits in transit - End of year	-	109	-
DEPOSITS RECORDED BY COMPTROLLER	<u>\$ 1,719</u>	<u>\$ 3,352</u>	<u>\$ 1,335</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement				
Contributions Paid by Employer	\$ 27,508	\$627,966	\$(604,458)	(95.62)%
State Contributions to State				
Employees' Retirement System	\$2,410,560	\$1,280,180	\$1,130,380	88.30 %
Travel	\$20,401	\$ 26,894	\$ (6,493)	(24.14)%
Printing	\$15,500	\$ 11,798	\$ 3,702	31.38 %
Equipment	\$53,097	\$ 34,297	\$ 18,800	54.82 %
Operation of Automotive Equipment	\$54,537	\$ 84,673	\$ (30,136)	(35.59)%

Employee Retirement Contributions Paid by Employer

Costs decreased due to the elimination of State's Contribution of employee retirement contributions.

State Contributions to State Employees' Retirement System

The increase is due to a change in the required contribution rate.

Travel

The decrease in costs for Travel is the result of fewer required court appearances.

Printing

Printing costs previously absorbed by grant funds have been shifted to facility funds due to the unavailability of grant funds.

Equipment

Costs increased due to an increase in the need for new and replacement equipment as a result of an approximately two year ban on equipment purchases.

Operation of Automotive Equipment

Costs decreased as the facility was not required to make an Efficiency Initiative payment in FY05.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2004

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2004 and June 30, 2003 are shown below:

	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Printing	\$ 11,798	\$ 9,067	\$ 2,731	30.12%
Equipment	\$ 34,297	\$ -	\$ 34,297	100.00%
Operation of Automotive Equipment	\$ 84,673	\$ 60,693	\$ 23,980	39.51%
Costs Associated with Behavioral Health Services	\$4,897,469	\$3,362,919	\$1,534,550	45.63%

Printing

Printing costs previously absorbed by grant funds have been shifted to facility funds due to the unavailability of grant funds.

Equipment

The increase in Equipment expenditures was due to an Administrative Order – Number 1 issued September 25, 2001 that prohibited equipment purchases no longer being in effect.

Operation of Automotive Equipment

The increase in costs was due to a required Efficiency Initiative payment of \$21,585.

Costs Associated with Behavioral Health Services

Appropriation for this line was increased as a result of the closing part of the civil side of the facility in order to fund community programs.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 2005 and 2004 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for fiscal year 2005 is shown below:

Fiscal Year Ended June 30, 2005

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Telecommunications	\$112,840	\$26,246	23.26%

Telecommunications

Invoices for May and June services were not received until the lapse period. Also, the invoice for the purchase of twelve radios (\$7,249) was not received until the lapse period.

Fiscal Year Ended June 30, 2004

There was no significant lapse period spending for the fiscal year 2004.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SCHEDULE OF CHANGES IN INVENTORIES
FOR THE TWO YEARS ENDED JUNE 30, 2005
(NOT EXAMINED)

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2005</u>
General Stores:					
Medical lab	\$ 4,977	\$ 34,871	\$ 35,178	\$ 172	\$ 4,842
Food supplies	51,468	251,248	261,966	(773)	39,977
Household and laundry	44,992	89,302	97,812	(197)	36,285
Other general stores	12,346	82,143	79,365	73	15,197
Mechanical Stores:					
Repair and maintenance	443	85,786	85,786	-	443
Other mechanical stores	-	10,694	10,694	-	-
Pharmacy	125,811	785,608	745,138	(15,856)	150,425
TOTAL	<u>\$ 240,037</u>	<u>\$ 1,339,652</u>	<u>\$ 1,315,939</u>	<u>\$ (16,581)</u>	<u>\$ 247,169</u>

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2004</u>
General Stores:					
Medical lab	\$ 5,899	\$ 37,454	\$ 38,393	\$ 17	\$ 4,977
Food supplies	65,640	230,841	241,252	(3,761)	51,468
Household and laundry	67,903	87,533	109,927	(517)	44,992
Other general stores	22,990	70,462	80,714	(392)	12,346
Mechanical Stores:					
Repair and maintenance	664	103,766	103,987	-	443
Other mechanical stores	-	1,406	1,406	-	-
Pharmacy	95,589	601,519	552,760	(18,537)	125,811
TOTAL	<u>\$ 258,685</u>	<u>\$ 1,132,981</u>	<u>\$ 1,128,439</u>	<u>\$ (23,190)</u>	<u>\$ 240,037</u>

Note: The inventories consist primarily of commodities and medications and are valued at weighted average cost.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30,

The Department had accounts receivable of \$403,150, arising from operations of Alton Mental Health Center at June 30, 2005. This total represents amounts due from private assets, private insurance, Social Security Administration, etc. for resident care provided at Alton Mental Health Center. The Department of Human Services Central Office prepares and mails the monthly billing statements, receives the payments and records the revenue and receivable in their general ledger. The Patient Resource Unit at the Center is responsible for determining billing amounts and is responsible for pursuing collection of delinquent accounts. The aging of outstanding accounts receivables and determination of an allowance for uncollectible accounts is the responsibility of the Department of Human Services Central Office.

An aging of accounts receivable as of June 30, 2005, 2004 and 2003 prepared by the Department of Human Services Central Office and forwarded to the Center are as follows:

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$ 17,662	\$ 61,935	\$440,076
Past due (4-6 months)	8,137	6,307	26,738
Past due (7-12 months)	6,979	18,143	26,524
Past due (over 12 months)	<u>370,372</u>	<u>380,717</u>	<u>422,226</u>
Total	<u>\$403,150</u>	<u>\$467,102</u>	<u>\$915,564</u>

INSERT BLUE ANALYSIS OF OPERATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

Center Functions

Alton Mental Health Center (Center), established in 1917, is a state psychiatric facility located at 4500 College Avenue, Alton, Illinois. The Center is under the jurisdiction of the Illinois Department of Human Services, Division of Mental Health (Department). The Department is located at 401 William Stratton Building, Springfield, Illinois.

The Mental Health and Developmental Disabilities Administrative Act (20 ILCS 1705/0.01 et seq.) gives the Department the power and authority to exercise executive and administrative supervision over all institutions, divisions, programs, and services, including the Alton Mental Health Center. It also provides the basis for the Department to regulate and operate mental health hospitals and outlines admission criteria, treatment and review provisions, and discharge criteria. The Center is one of 10 psychiatric hospitals operated by the Department within the State of Illinois.

Alton Mental Health Center operates two psychiatric in-patient programs for adult psychiatric patients from the State of Illinois. A 15 bed acute civil program admits seriously mental ill patients from five counties: Madison, St. Clair, Monroe, Bond, and Randolph, which comprise the Illinois Metropolitan area generally surrounding St. Louis, Missouri, with a population of approximately 600,000. A 110 bed forensic program serves patients from across Illinois which includes individuals with a psychiatric diagnosis and also dual diagnosis (mental illness and mental retardation). The Center provides for a comprehensive array of medical psychiatric services for its patients by staff that includes Board Certified Psychiatrists, Medical Physicians, Registered Nurses, Clinical Psychologists, Licensed Social Workers, Activity Therapists, Vocational Rehab Counselors, Educators, Registered Dieticians, Registered Pharmacists and other paraprofessional, administrative, and support staff.

As one component in a comprehensive network of mental health services, the primary role and purpose of the Center is to provide an efficient, comprehensive, integrated approach to render quality diagnosis, care and treatment to individuals who are mentally ill or mentally retarded and mentally ill. The mission of Alton Mental Health Center is to provide quality mental health treatment in a coercion-free environment that promotes recovery, restoration of fitness and reintegration of the community.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
CENTER FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2005

Center Planning Program

Alton Mental Health Center has established formal written long and short-term goals with respect to its functions and programs. The formal plan contains a statement concerning the Center's operational and program philosophy. In accordance with this philosophy, the Center has established specific intentions and objectives with which to achieve each goal.

The Center's Governing Body consists of the Network Manager, the Medical Director, and the Hospital Administrator. The Governing Body meets quarterly or when called to review and act on recommendations made by subordinate committees within the Center. Two primary bodies report directly to the Governing Body: the Administrative Executive Council (AEC) and the Executive Committee of the Medical Staff (ECMS). The AEC responsibilities include providing the forum for the hospital leaders to address the overall policy development and direction to the facility and review and direction for all performance improvement activities. The ECMS is responsible for the clinical and medical operation of the Center and all clinical and medical committees are subordinate to it. All standing committees report their activities to the Governing Board through the ECMS and AEC. These committees and departments produce an annual report to the ECMS and the AEC on the annual review of Performance Expectations (PE) identifying challenges and opportunities for improvement in the care and safety of patients. This report is merely a summarization of the regular quarterly reports already produced.

Auditors' Assessment of Center's Planning Program

Alton Mental Health Center appears to be effectively using their planning program to improve their current management of the Center and has established adequate operating programs to meet their defined goals and objectives.

Agency Head and Location

Ms. Susan Shobe, Hospital Administrator
4500 College Avenue
Alton, Illinois 62002

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Rehabilitation services	12	11	10
Adult inpatient services	115	114	111
Central admissions	14	19	15
Medical, surgical and clinical services	36	38	29
Staff development	2	2	2
Superintendent's office	4	5	5
Administrative services	8	10	9
Engineering	12	11	10
Business management	8	9	8
Other support services	27	26	22
Dietary	<u>18</u>	<u>17</u>	<u>18</u>
Total Employees	<u>256</u>	<u>262</u>	<u>239</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee’s job classification. In most cases employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee’s job title.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2005 and 2004.

	<u>2005</u>	<u>2004</u>
Paid overtime hours worked during fiscal year	<u>63,436</u>	<u>35,103</u>
Value of overtime hours worked during fiscal year	<u>\$1,867,787</u>	<u>\$ 958,969</u>
Compensatory hours earned during fiscal year	<u>7,412</u>	<u>6,224</u>
Value of compensatory hours earned during fiscal year	<u>\$ 177,662</u>	<u>\$ 138,952</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>70,848</u>	<u>41,327</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$2,045,449</u>	<u>\$1,097,921</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER UTILIZATION (not examined)

Alton Mental Health Center (Center) is situated on 218 acres near Alton, IL. The Center has 27 buildings on its grounds. Center management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the Center.

<u>Building</u>	<u>Type/Use</u>	<u>Square feet</u>	<u>Status</u>	<u>%</u>
Administration	Unoccupied	25,125	Unoccupied	-
Diagnostic	Unoccupied	23,190	Unoccupied	-
Evergreen	Unoccupied	17,516	Unoccupied	-
Redwood	Unoccupied	17,831	Unoccupied	-
Holly	Network and State Guardian Office	21,371	Occupied	100%
Maple	Unoccupied	5,933	Unoccupied	-
Pine	OIG Office	17,062	Occupied	100%
Recreation Hall	Recreation Unit	24,987	Occupied	100%
Locust	Living Unit	11,424	Occupied	100%
Elm	Unoccupied	11,285	Unoccupied	-
Cedar	Business Office	17,382	Occupied	100%
Hickory	Support/Storage	17,535	Occupied	100%
Linden	Unoccupied	18,297	Unoccupied	-
Power House	Unoccupied	19,221	Unoccupied	-
Garage	Support	2,463	Occupied	100%
Environmental Services	Support/Storage	43,795	Occupied	100%
Cement Shop	Support/Storage	2,178	Occupied	100%
Carpenter/Print Shop	Support/Storage	4,449	Occupied	100%
Laundry	Support/Storage	14,831	Occupied	100%
Willow	Unoccupied	68,511	Unoccupied	*
Security	Unoccupied	10,940	Unoccupied	-
Lawn Shed-Destroyed	Support	2,005	Occupied	100%
Central Dietary/Stores	Support	31,062	Occupied	100%
Aspen	MOD Housing	3,638	Occupied	100%
Bus Garage	Support	1,301	Occupied	100%
Chlorinator House	Support	162	Occupied	100%
Alton Forensic Center	Living Unit	98,972	Occupied	100%

* Building currently occupied by Hurricane Katrina evacuees

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

COST PER YEAR/DAY PER RESIDENT (not examined)

The following schedule represents costs per resident based upon the Department of Human Services Management Cost System. This includes costs for depreciation and an allocation of costs incurred by the Department's Central Office and other State agencies.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cost per year per resident	*	<u>\$238,728</u>	<u>\$244,165</u>
Cost per day per resident	*	<u>\$ 652</u>	<u>\$ 669</u>

* - The Department had not calculated this statistic by the close of fieldwork.

RATIO OF EMPLOYEES TO RESIDENTS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Certified Capacity of Center	<u>125</u>	<u>125</u>	<u>122.5</u>
Average number of residents	<u>119</u>	<u>111</u>	<u>102</u>
Average number of employees	<u>256</u>	<u>262</u>	<u>239</u>
Ratio of employees to residents	<u>2.15 to 1</u>	<u>2.36 to 1</u>	<u>2.34 to 1</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

REPORTED EMPLOYEE JOB INJURIES (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of reported employee injuries	<u>85</u>	<u>43</u>	<u>82</u>

FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>134,685</u>	<u>122,976</u>	<u>111,690</u>
Total food costs	\$265,306	\$240,655	\$216,200
Total labor costs	<u>660,071</u>	<u>615,933</u>	<u>597,400</u>
Total costs	<u>\$925,377</u>	<u>\$856,588</u>	<u>\$813,600</u>
Average food costs / meal	\$1.97	\$1.96	\$1.93
Average labor costs / meal	<u>\$4.90</u>	<u>\$5.01</u>	<u>\$5.34</u>
Total average cost / meal	<u>\$6.87</u>	<u>\$6.97</u>	<u>\$7.27</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2005
(not examined)

Alton Mental Health Center, a 125 bed, JCAHO accredited, state-operated psychiatric facility located in Alton, Illinois, has successfully served a general psychiatric and forensic psychiatric population both of which required a more restrictive level of inpatient treatment than can be provided in a community-based setting. The leadership of Alton Mental Health Center has achieved a number of significant goals over the two year period ending June 30, 2005. In addition, listed below are some of the major accomplishments the facility has realized:

- (1) The facility was surveyed and reaccredited on August 2004, by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).
- (2) The facility was surveyed on December 2003 and March 2004 by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Humans Services. "Deemed" status will be returned to facility upon compliance to Physical Environment issues. Medicare Part A and B billing still maintained.
- (3) Transitioned three individuals into key positions (SPSA – Network Manager, Hospital Administrator, Quality Manager) as a result of retirements in December 2004.
- (4) Certificate of Need for the two AFC Pods Capital Development Project has been approved. Discussion regarding construction project is in progress.
- (5) The new roof project for Alton Forensic Center has been completed and the HVAC renovation deficiencies are being addressed.
- (6) Continue to participate in community-wide disaster/emergency preparedness group.
- (7) Continued monthly training to facility leadership in a Leadership Seminar series that featured varying leadership pertinent topics such as coaching, facilitating change, communication and inspiring others. Leadership staff attended conferences offered by the National Association of State Mental Health Program Directors (NASMHPD) (St. Louis, MO – May 2004; Washington, DC – May 2005). Assessment of compliance to the "President's New Freedom Commission on Mental Health" has been conducted.
- (8) The Violence Reduction Steering Committee continues to address reduction of seclusion and restraint use, patient and staff injury reduction, and improve active treatment processes. Coercion-free philosophy has been incorporated into Mission statement.
- (9) Staffing levels were impacted in FY05 due to layoffs and adjustments in "direct care staff to patient" ratio. The layoffs (7 staff members) and adjustments (14 positions) resulted in a staffing level increase, from 270 to 277. The facility has reinstated/offered five positions to the laid off staff.
- (10) The facility has not had any sentinel event or risk management events occur resulting in litigation this past year.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ALTON MENTAL HEALTH CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2005
(not examined)

- (11) Patient Safety initiatives were implemented:
- Proactive measures have been taken by Pharmacy Services to prevent medication errors.
 - The JCAHO sponsored “Speak-Up” Program was initiated. Program encourages patients to actively communicate about treatment with caregivers.
 - Finalized the annual Patient Safety project for FY05, “Visiting”.
- (12) The facility conducted preventive measures to improve operations during loss of power.
- (13) Replaced light on smoke stack, a regulatory requirement for the height structure.
- (14) Upgraded Dell computers were installed throughout the facility resulting in improved information management.
- (15) Developed an Information Management Disaster Recovery Plan in addition to maintaining various Environment of Care plans.
- (16) New training programs were initiated: State of Illinois “Ethics” and the HIPAA (Phase I and II) initiatives.
- (17) Continue to participate in the NRI-Performance Measurement System, a comparative data systems which benchmarks facility data measures with state-operated facilities in Illinois and state mental hospitals of the nation.