

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

ANN M. KILEY DEVELOPMENTAL 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
ANN M. KILEY DEVELOPMENTAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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DEPARTMENT OF HUMAN SERVICES
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CENTER OFFICIALS

Director (1/1/05 to Current)	Ms. Suzanne McWilliams
Director (8/7/00 to 12/31/04)	Dr. John Schulien
Assistant Director (8/1/05 to Current)	Ms. Ellen Hodges
Assistant Director (10/9/04 to 7/31/05)	Vacant
Assistant Director (2/23/04 to 10/8/04)	Mr. Timothy McElroy
Assistant Director (7/1/03 to 2/22/04)	Vacant
Director of Fiscal & Support	Mr. Edward Fojtik
Business Office Administrator (Current)	Vacant
Business Office Administrator (10/1/87 to 12/31/04)	Mr. Philip LoPiccolo

The Center is located at:

1401 West Dugdale Road
Waukegan, IL 60085

Rod R. Blagojevich, Governor



Carol L. Adams, Ph.D., Secretary

Office of Developmental Disabilities
Ann M. Kiley Center
1401 W. Dugdale Road • Waukegan, IL 60085-6287
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STATE COMPLIANCE EXAMINATION
MANAGEMENT ASSERTION LETTER

Martin & Shadid, CPAs, P.C.
456 Fulton St, Ste 126
Peoria, IL 61602

September 1, 2005

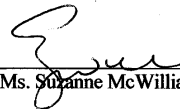
Ladies and Gentlemen:

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


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

Yours very truly,

Ann M. Kiley Developmental Center



(Ms. Suzanne McWilliams, Director)



(Mr. Edward Fojtik, Director of Fiscal & Support)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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	4
Repeated findings	2	0
Prior recommendations implemented or not repeated	2	0

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	8	Untimely Performance Evaluations
05-2	10	Inadequate Controls Over Cafeteria Cash Receipts
05-3	11	Inadequate Inventory Controls
05-4	13	Lack of Approvals for Leaves of Absence
PRIOR FINDINGS NOT REPEATED		
05-5	14	Disorganized Resident Files
05-6	14	Lack of Segregation of Duties

EXIT CONFERENCE

Center management waived having an exit conference per a letter dated November 21, 2005. Responses to the recommendations were provided by Ms. Carol Adams in a letter dated December 2, 2005.

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**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 - Ann M. Kiley Developmental 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 - Ann M. Kiley Developmental Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Ann M. Kiley Developmental Center's compliance based on our examination.

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

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 Service – Central Office compliance report. We have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General’s financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 1, 2005.

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 - Ann M. Kiley Developmental 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 - Ann M. Kiley Developmental Center’s compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Ann M. Kiley Developmental 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 findings 05-1, 05-2, 05-3, and 05-4.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

Internal Control

The management of the State of Illinois Department of Human Services - Ann M. Kiley Developmental 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 - Ann M. Kiley Developmental 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. We

have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 1, 2005.

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 findings 05-1, 05-2, 05-3, and 05-4.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

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, Contractual Payroll Employees, Center Utilization, 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.

Martin & Shaded, CPAs, P.C.

September 1, 2005

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Current Findings

05-1. Finding – Untimely Performance Evaluations

Written performance evaluations were not prepared and submitted on an annual basis.

In 21 of the 50 employee personnel files examined (42%) performance evaluations had been completed late or not at all. Twelve employees had performance evaluations that were performed between nine and 120 days late and four over 120 days late. Eleven employees were missing performance evaluations for one of the two years in the engagement period (six of these employees also had late evaluations included above), dating as far back as January 2004.

Section 302.270 of the 'Merit and Fitness Code' (80 Ill. Adm. Code 302) requires performance evaluations be performed not less than annually. The Illinois Department of Human Services (DHS) Administrative Directive 01.02.040.020 requires supervisors' to conduct periodic reviews of employee performance and document those reviews via annual written performance evaluations.

Center officials said evaluations were not completed timely due to the loss of supervisors, along with the inability to hire new employees, and the large number of staff in temporarily assigned positions. Staff temporarily assigned to a position could not perform evaluations of staff they had never supervised. The Human Resources Office also lost staff in May 2005 which reduced its ability to ensure reminders were sent of evaluations coming due.

Performance evaluations are designed to determine whether employees are fulfilling their job descriptions and also to document their progress towards specific objectives. Evaluations are also a determining factor in pay increases. Untimely performance evaluations can hamper these efforts. (Finding Code No. 05-1, 03-4)

Recommendation

We recommend the Center prepare and submit performance evaluations in accordance with DHS Administrative Directives and the Illinois Administrative Code.

Center Response

The Center agrees with the finding. The facility recently filled some of its significant positions that will have impact on having evaluations completed, (i.e., Asst Facility Director, and a Unit Director along with hiring more 1st line supervisors). The facility will review the status of evaluations at its Executive Committee meetings each month to

ensure all outstanding evaluations are completed and upcoming evaluations are completed timely.

05-2. Finding – Inadequate Controls over Cafeteria Cash Receipts

The Center did not maintain adequate controls over cafeteria cash receipts, which approximated \$20,000 a year. The Center operated this cafeteria, which offered a limited supply of snack foods and was partially staffed with residents from the Center, out of the new rehabilitation workshop fund.

The Center's cafeteria was not adequately controlled. Actual cash deposits were often higher than the cafeteria daily sales register report and differences could not be reconciled. The Center also did not prepare quarterly profit and loss statements, nor conduct an annual inventory of goods on hand.

Good internal controls require reconciliations of cash receipts be performed to ensure funds are properly maintained. Policy and Procedures Directive (PPD) 01.10.60.17 states quarterly profit and loss statements are to be prepared for workshop funds. Accurate inventory records are necessary to ensure adequate internal controls.

According to Center officials, the software necessary to comply with the reporting requirements could not be purchased until the spring of fiscal year 2005. Therefore, profit and loss statements could not be prepared and an inventory could not be performed. Deposits were greater than receipts because items were sold after the cash register had been closed for the day.

The lack of control and policies and procedures over cash receipts could result in the misuse of State funds. (Finding Code No. 05-2, 03-2)

Recommendation

We recommend the Center strengthen controls over cafeteria cash receipts to ensure all sales are recorded properly and deposits are reconciled to sales receipts. We further recommend the Center comply with established policies and procedures by preparing profit and loss statements and conducting an inventory.

Center Response

The Center agrees with the finding. Software allowing for the completion of the quarterly Profit & Loss (P&L) statements has been purchased and this requirement is being implemented. Conducting a quarterly inventory is also part of the program. No sales of items will occur after the cash register is closed each day, which should allow for deposits to match the cafeteria daily sales register report.

05-3. Finding – Inadequate Inventory Controls

The Center did not maintain adequate controls over commodities inventories. Commodity balances as of June 30, 2004 and June 30, 2005 were \$69,331 and \$68,421, respectively.

The following exceptions were noted:

- The Center maintained two independent inventory systems, one of which was the State Warehouse Control System. The second system was developed by a former employee and was unique to Kiley. All inventory transactions, including additions, deletions, transfers and adjustments were entered into both systems. However, the second system was used to assist with the ordering of commodities. The maintenance of two inventory systems resulted in an unnecessary duplication of efforts.

Prudent business practice dictates there be no material duplication of efforts because it is not an efficient and effective use of State time or materials.

Material duplication of efforts could result in inefficient use of staff, excessive record keeping, and conflicting records.

- No recounts were performed by anyone independent of the physical inventory process, tags were not used, and ideal counting procedures were not utilized by the Center.

DHS Policy and Procedures Directive 01.06.65.02 states “the counts should be completed by stores and non-stores staff, or at least a non-stores staff member shall verify the validity of the counts.” Prudent business practice dictates adequate physical inventory procedures be performed to ensure the accuracy of the physical inventory count.

Failure to comply with policies and procedures weakens the Center’s internal controls and can result in the misuse of State property. Failure to perform adequate inventory count procedures can result in misstated inventory balances.

- After the complete physical inventory was performed in June 2005, the Center did not make adjustments to the perpetual inventory records in a timely manner. Consequently, the June 30, 2005 Monthly Commodity Status was inaccurate and reflected unadjusted inventory balances. Furthermore, the inaccurate data on the Monthly Commodity Status was used by the Department of Human Services (DHS) to prepare department-wide inventory schedules.

DHS Policy and Procedures Directive 01.06.65.02 states “adjustments shall be calculated and input by business office staff.” Prudent business practice dictates these adjustments be made in a timely manner in order to provide complete, accurate and verified commodity inventory records.

Failure to enter year-end inventory adjustments resulted in the Center’s inventory

records being understated by \$3,392, which represented 5% of total commodity inventory.

Center officials indicated a second inventory management system was needed because updated inventory reports were not being received from the State Warehouse Control System in a timely manner. Therefore, the secondary inventory system allowed more precision when ordering inventory. Center officials were not aware physical inventory procedures were inadequate. Inventory adjustments were not performed in a timely manner due to staffing shortages. (Finding Code No. 05-3)

Recommendation

We recommend the Center comply with Department policies and procedures to strengthen its internal controls and perform independent verification of physical inventory counts. We recommend the Center ensure inventory records are complete and accurate and all transactions are properly documented and approved. In addition, the Center should use only the State Warehouse Control System to maintain its commodities records.

Center Response

The Center agrees with the finding. All items in the warehouse will be assigned in order to provide a greater segregation of duties. All items in the warehouse will be inventoried and any adjustments will be posted timely. Also, the Center will work with the State and the Department to obtain or develop an inventory management system that suits the Center's needs and eliminates the duplication of the secondary system.

05-4. Finding – Lack of Approvals for Leaves of Absence

The Center did not comply with policies and procedures regarding the authorization of employees to go on leaves of absence.

The proper documentation was not maintained for four of the seven employees (57%) whose leaves of absence were examined. A “Supervisor’s Form for Disability Leaves” is required to be completed and approved by the employee’s supervisor, prior to a leave of absence. The forms on file did not include the supervisor’s signatures, were dated after the effective date of the leave of absence, or could not be located. All four of these employees were properly removed from payroll during their leaves of absence.

The Illinois Department of Human Services (DHS) Administrative Directive 01.02.02.230 permits DHS employees to be granted leaves of absence provided the leave is requested, adequate documentation is provided to justify the request, and the request is approved. This directive also requires requests be made reasonably in advance, unless there is an emergency.

According to Center officials, the facility had lost a number of supervisory staff, which caused some delays in submission of the supervisors leave forms to Human Resources. Completed leave of absence forms were then filed in error by the Human Resources Department, prior to receiving the supervisor’s signature.

Failure to follow the policies and procedures regarding authorization of leaves of absence may result in employees taking leaves that would normally not be approved. Most leaves are unpaid; however, the absence of employees could disrupt and/or impair the operations of the Center. (Finding Code No. 05-4)

Recommendation

We recommend the Center comply with DHS’ administrative directives when granting leaves of absence.

Center Response

The Center agrees with the finding. Human Resources will not process any leave of absences without the signature of the unit/service area administrator or designee in their absence. The Human Resources staff will continue to work closely with the employees’ service areas and payroll to ensure proper processing of leaves.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2005

Prior Findings Not Repeated

05-5. Finding – Disorganized Resident Files

We recommended the Center implement a filing system to ensure the residents' records are adequately maintained.

During fiscal year 2002 and 2003 the Center housed, on average, 275 residents. These files were disorderly, records were not in any certain order and no filing had been done since January 2003. In addition, there was no filing system in place to track residents with more than one file. (Finding Code No. 03-1)

Status: Implemented

Current testing did not reveal a similar exception. The Center implemented a filing system to ensure records were current and information was easy to find when requested. In addition, the resident files examined appeared to be complete and in order.

05-6. Finding – Lack of Segregation of Duties

We recommended the Center strengthen its internal controls by ensuring conflicting duties are adequately segregated. In addition, the Center should communicate to the Department of Human Services the weakness inherent in its inventory procedure.

The Center lacked adequate segregation of duties in the areas of general stores; property, plant and equipment; and information systems. (Finding Code No. 03-3)

Status: Not Repeated

Current testing did not reveal a similar exception. The Property Control and LAN Coordinators still perform year-end inventories for their respective areas. However, they are assisted in all areas by staff members who are familiar with the property in their assigned areas. The duties of inputting and adjusting of commodities inventories have been transferred to an employee independent of receiving and participating in the annual inventory. Storekeepers continue to both receive deliveries and participate in the annual physical inventory, however this is in accordance with Illinois Department of Human Services Administrative Directives.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories
- Analysis of Accounts Receivable

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Center Utilization (not examined)
- Annual Center Statistics
 - Cost Per Year/Day Per Resident (not examined)
 - Ratio of Employee's 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, Contractual Payroll Employees, Center Utilization, 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.

STATE OF ILLINOIS
 DEPARTMENT OF HUMAN SERVICES
 ANN M. KILEY DEVELOPMENTAL 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					
GENERAL REVENUE FUND--00J					
Personal Services	\$ 20,277,900	\$ 18,561,233	\$ 1,656,829	\$ 20,218,062	\$ 59,838
Employee retirement contributions paid by employer	27,430	27,430	-	27,430	-
State contributions to state employees' retirement system	3,196,800	2,897,346	260,914	3,158,260	38,540
State contributions to Social Security	1,464,300	1,333,131	120,662	1,453,793	10,507
Contractual Services	1,965,300	1,768,965	140,915	1,909,880	55,420
Travel	6,100	2,865	2,014	4,879	1,221
Commodities	1,003,600	868,621	96,265	964,886	38,714
Printing	14,700	14,086	-	14,086	614
Equipment	6,100	5,510	588	6,098	2
Telecommunications services	114,900	77,792	14,846	92,638	22,262
Operation of auto equipment	87,700	67,110	16,138	83,248	4,452
Expenses related to living skills program	13,500	13,500	-	13,500	-
Total	\$ 28,178,330	\$ 25,637,589	\$ 2,309,171	\$ 27,946,760	\$ 231,570

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
ANN M. KILEY DEVELOPMENTAL CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2004	LAPSE PERIOD EXPENDITURES		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004	BALANCES LAPSED AUGUST 31, 2004
			TO AUGUST 31, 2004	JULY 1ST		
PUBLIC ACT 93-0092						
GENERAL REVENUE FUND - 001						
Personal Services	\$ 18,387,100	\$ 17,712,469	\$ 622,396	\$ 18,334,865	\$ 52,235	
Employee retirement contributions paid by employer	698,700	574,106	21,255	595,361	103,339	
State contributions to state employees' retirement system	2,447,300	1,694,913	14	1,694,927	752,373	
State contributions to Social Security	1,357,200	1,305,746	46,224	1,351,970	5,230	
Contractual Services	2,099,800	1,830,737	182,726	2,013,463	86,337	
Travel	6,600	5,299	1,270	6,569	31	
Commodities	956,700	869,647	71,807	941,454	15,246	
Printing	13,000	12,034	511	12,545	455	
Equipment	47,600	22,492	757	23,249	24,351	
Telecommunications services	158,100	130,700	19,408	150,108	7,992	
Operation of auto equipment	88,300	75,387	11,674	87,061	1,239	
Expenses related to living skills program	14,000	13,700	-	13,700	300	
Total	\$ 26,274,400	\$ 24,247,230	\$ 978,042	\$ 25,225,272	\$ 1,049,128	

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
ANN M. KILEY DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 28,178,330</u>	<u>\$ 26,274,400</u>	<u>\$26,148,200</u>
EXPENDITURES			
Personal services	20,218,062	18,334,865	18,568,492
Employee retirement contributions paid by employer	27,430	595,361	684,186
State contributions to state employees' retirement system	3,158,260	1,694,927	1,907,676
State contributions to Social Security	1,453,793	1,351,970	1,373,099
Contractual services	1,909,880	2,013,463	2,060,238
Travel	4,879	6,569	6,768
Commodities	964,886	941,454	921,622
Printing	14,086	12,545	11,056
Equipment	6,098	23,249	8,221
Telecommunications services	92,638	150,108	103,555
Operations of auto equipment	83,248	87,061	76,435
Expenses related to living skills program	13,500	13,700	14,000
Total Expenditures	<u>27,946,760</u>	<u>25,225,272</u>	<u>25,735,348</u>
LAPSED BALANCES	<u>\$ 231,570</u>	<u>\$ 1,049,128</u>	<u>\$ 412,852</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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, which is an appropriated fund. 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 and Petty Cash account. This fund and account is 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 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 consist 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 is a percentage of 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
ANN M. KILEY DEVELOPMENTAL 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

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

Investments	Interest	Carrying
<u>Description</u>	<u>Rate</u>	<u>Amount</u>
Resident's Trust Fund		
Certificates of Deposit:		
Bank of Waukegan, Waukegan, IL	3.00%	\$40,000
Bank of Waukegan, Waukegan, IL	2.90%	30,000
Bank of Waukegan, Waukegan, IL	2.65%	25,000
Bank of Waukegan, Waukegan, IL	3.50%	25,000
North Shore Trust and Savings, Waukegan, IL	3.25%	<u>40,000</u>
Total Investments		<u>\$160,000</u>

The above certificates of deposit are covered by Federal Deposit Insurance Corporation insurance. The carrying amounts approximate their fair value.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

Living Skills Fund

Checking Account
First Midwest Bank, Waukegan, IL
Non-Interest bearing

Petty Cash Account

Checking Account
State Financial Bank, Waukegan, IL
Non-Interest bearing

DHS Other Special Trust Fund

Checking Account
State Financial Bank, Waukegan, IL
Non-Interest bearing

Passbook Savings Account
North Shore Trust & Savings, Waukegan, IL
Interest bearing

DHS Rehabilitation Fund

Checking Account
State Financial Bank, Waukegan, IL
Non-Interest bearing

DHS Resident's Trust Fund

Checking Account
State Financial Bank, Waukegan, IL
Non-Interest bearing

Passbook Savings Account
Bank of Waukegan, Waukegan, IL
Interest bearing

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2005

	1144 DHS Rehabilitation Fund*	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$0	\$20,620	\$236,156	\$3,679	\$600
Receipts					
Income from Sales					
Investment Income		131	4,187		
Resident deposits					
Donations					
Appropriations				13,500	1,492
Vending machine commissions					
Unclaimed funds					
Reimbursements					
Other	7,785	45,428	1,505,141		
Total Receipts	<u>\$7,785</u>	<u>\$45,559</u>	<u>\$1,509,328</u>	<u>\$13,500</u>	<u>\$1,492</u>
Disbursements					
Cost of sales					
Operating expenses					
Contractual services		6,194			
Travel					
Resident activities	6,047	42,938	186,707		
Equipment					
Resident withdrawals					
Appropriations returned					
Living skills program				14,204	
Other			1,312,097		1,492
Total Disbursements	<u>\$6,047</u>	<u>\$49,132</u>	<u>\$1,498,804</u>	<u>\$14,204</u>	<u>\$1,492</u>
Balance - June 30, 2005	<u>\$1,738</u>	<u>\$17,047</u>	<u>\$246,680</u>	<u>\$2,975</u>	<u>\$600</u>

* This fund was opened January 2005.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2004

	1144 DHS Rehabilitation Fund*	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1214 Living Skills Fund	N/A Petty Cash Account
Balance - July 1, 2003	\$0	\$28,112	\$ 258,996	\$ 5,189	\$ 600
Receipts					
Income from Sales					
Investment Income		79	3,798		
Resident deposits					
Donations					
Appropriations				13,715	2,337
Vending machine commissions					
Unclaimed funds					
Reimbursements					
Other		42,989	1,482,499		
Total Receipts	<u>\$0</u>	<u>\$43,068</u>	<u>\$1,486,297</u>	<u>\$13,715</u>	<u>\$2,337</u>
Disbursements					
Cost of sales					
Operating expenses					
Contractual services		4,619			
Travel					
Resident activities		45,591	202,645		
Equipment		350			
Resident withdrawls					
Appropriations returned					
Living skills program				15,225	
Other			1,306,492		2,337
Total Disbursements	<u>\$0</u>	<u>\$50,560</u>	<u>\$1,509,137</u>	<u>\$15,225</u>	<u>\$2,337</u>
Balance - June 30, 2004	<u>\$0</u>	<u>\$20,620</u>	<u>\$236,156</u>	<u>\$3,679</u>	<u>\$600</u>

* This fund was not created until FY'05.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN STATE PROPERTY
YEARS ENDED JUNE 30, 2004 & 2005

	Land and land improvements	Buildings and building improvements	Site improvements	Capital lease equipment	Equipment	Total
Balance June 30, 2003	\$ 595,348	\$ 16,836,450	\$ 1,889,270	\$ -	\$ 1,604,797	\$ 20,925,865
Additions:						
Purchases					42,605	42,605
Transfers-in:						
Intra-agency					143,028	143,028
Capital Development Board		714,410	12,390			726,800
Surplus Property						
DAVTE Fund						
Donations						
Adjustments			2,150		16,543	18,693
Total Additions	\$ -	\$ 714,410	\$ 14,540	\$ -	\$ 202,176	\$ 931,126
Deductions:						
Transfers-out:						
Intra-agency					150,841	150,841
Surplus property						
Scrap property						
Condemned and lost property						
Retirements					75,441	75,441
Adjustment		2,151			99	2,250
Total Deductions	\$ -	\$ 2,151	\$ -	\$ -	\$ 226,381	\$ 228,532
Balance June 30, 2004	\$ 595,348	\$ 17,548,709	\$ 1,903,810	\$ -	\$ 1,580,592	\$ 21,628,459
Additions:						
Purchases	\$ -	\$ -	\$ -	\$ -	\$ 23,949	\$ 23,949
Transfers-in:						
Intra-agency					166,661	166,661
Capital Development Board		1,307,001	42,963			1,349,964
Surplus Property						
DAVTE Fund						
Donations						
Adjustments					3,518	3,518
Total Additions	\$ -	\$ 1,307,001	\$ 42,963	\$ -	\$ 194,128	\$ 1,544,092
Deductions:						
Transfers-out:						
Intra-agency					29,227	29,227
Surplus property						
Scrap property						
Condemned and lost property						
Retirements					34,754	34,754
Adjustment					13	13
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ 63,994	\$ 63,994
Balance June 30, 2005	\$ 595,348	\$ 18,855,710	\$ 1,946,773	\$ -	\$ 1,710,726	\$ 23,108,557

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
ANN M. KILEY DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Employees' fees for lost keys, identification badges	\$ 39	\$ 62	\$ -
Jury duty, witness fees, military duty	225	114	20
Subpoena fees for records	31	40	-
Living skills returned	-	5,189	-
Vendor rebates	353	-	-
Telephone reimbursements	1	23	28
Miscellaneous other	-	3	666
TOTAL RECEIPTS	<u>\$ 649</u>	<u>\$ 5,431</u>	<u>\$ 714</u>
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 649	\$ 5,431	\$ 714
Add: Deposits in transit - Beginning of year	-	-	-
Deduct: Deposits in transit - End of year	(9)	-	-
Another center's receipts incorrectly posted to Kiley	-	-	34
DEPOSITS RECORDED BY COMPTROLLER	<u>\$ 640</u>	<u>\$ 5,431</u>	<u>\$ 748</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$27,430	\$595,361	(\$567,931)	(95%)
State contributions to state employees' retirement system	\$3,158,260	\$1,694,927	\$1,463,333	86%
Travel	\$4,879	\$6,569	(\$1,690)	(26%)
Equipment	\$6,098	\$23,249	(\$17,151)	(74%)
Telecommunications services	\$92,638	\$150,108	(\$57,470)	(38%)

Employee retirement contributions paid by employer

The \$567,931 decrease occurred in FY'05 when AFSCME members were required to pay retirement contributions, which were formerly paid by the employer.

State contributions to state employees' retirement system

The \$1,463,333 increase occurred in FY'05 when AFSCME members were required to pay retirement contributions, which were formerly paid by the employer. The increase from FY'04 to FY'05 reflects payments made for all of FY'05, while payments for only the first three quarters were made for FY'04, as well as a rate increase from 13.4% to 16.1%.

Travel

The \$1,690 decrease occurred in FY'05 when employee travel was curtailed in order to transfer funds into the commodities line item to use for food expenditures.

Equipment

The \$17,151 decrease occurred in FY'05 when equipment purchases were not made in order to transfer funds into the commodities line item to use for food expenditures.

Telecommunications services

The \$57,470 decrease occurred in FY'05 due to additional expenses in the previous year. In FY'04, \$24,700 was paid from the Center's telecommunications services line item for a State efficiency initiative billing. Also, in FY'04, an \$18,000 payment was made for replacement of the voice mail system.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Equipment	\$23,249	\$8,221	\$15,028	183%
Telecommunications services	\$150,108	\$103,555	\$46,553	45%

Equipment

The \$15,028 increase occurred in FY'04 when \$18,900 was paid from the Center's equipment line item for a State efficiency initiative billing.

Telecommunications services

The \$46,553 increase occurred in FY'04 when \$24,700 was paid from the Center's telecommunication services line item for a State efficiency initiative billing. Also in FY'04, an \$18,000 payment was made for replacement of the voice mail system.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL</u> <u>EXPENDITURES</u>	<u>LAPSE PERIOD</u> <u>EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$ 4,879	\$ 2,014	41%

Travel

Significant lapse period expenditures occurred in FY'05 due to excessive travel required near the end of the fiscal year, necessitating payment during the lapse period. Travel expenses of approximately \$1,000 were incurred due to the Center's requirement to survey the Ludeman Center in June per Senate Bill 472 directives. An additional \$500 was incurred for travel to the Special Olympics held in Normal, IL in June.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

There was no significant lapse period spending during fiscal year 2004.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN INVENTORIES
FOR THE TWO YEARS ENDED JUNE 30, 2005

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
General Stores:				
Medical lab	\$10,243	\$44,507	\$41,318	\$ 13,432
Food supplies	1,138	727,665	727,665	1,138
Household and laundry	45,790	125,109	124,452	46,447
Other general stores	12,160	145,547	150,305	7,402
Pharmacy	89,091	893,592	883,475	99,208
	<u>\$ 158,422</u>	<u>\$ 1,936,420</u>	<u>\$1,927,215</u>	<u>\$ 167,627</u>

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
General Stores:				
Medical lab	\$2,890	\$54,565	\$47,212	\$ 10,243
Food supplies	1,138	686,427	686,427	1,138
Household and laundry	52,969	130,452	137,631	45,790
Other general stores	22,790	176,480	187,110	12,160
Pharmacy	90,261	769,942	771,112	89,091
	<u>\$ 170,048</u>	<u>\$ 1,817,866</u>	<u>\$1,829,492</u>	<u>\$ 158,422</u>

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30,

The Department has accounts receivable of \$175,744, arising from operations of Ann M. Kiley Developmental Center at June 30, 2005. This total represents amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at Ann M. Kiley Developmental 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 are 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 is as follows:

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$153,428	\$165,430	\$155,537
Past due (4-6 months)	1,584	513	636
Past due (7-12 months)	1,474	1,232	35
Past due (over 12 months)	<u>19,258</u>	<u>17,477</u>	<u>16,402</u>
Total	<u>\$175,744</u>	<u>\$184,652</u>	<u>\$172,610</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER FUNCTIONS AND PLANNING PROGRAM

The Ann M. Kiley Developmental Center provides residential, educational and training services and support for developmentally disabled persons. The services and support are conducted in an atmosphere that imitates the lifestyles of a normal community and seeks to help residents acquire the skills necessary to enhance the quality of their lives or to move to less restricted community living facilities.

The Center's services and support are coordinated with the Department of Human Services. The services and support are established to ensure an interdisciplinary approach to serving the needs of the developmentally disabled person. The success of the services and support is determined by accreditation by a nationally recognized accrediting body (Council on Accreditation of Rehabilitation Facilities). To implement this coordinated effort, the Executive Committee designs services and support and establishes procedures for executing and evaluating the Center's administration and operation. Our review of the Center's formal planning program disclosed that the plan appears to be consistent with the Center's statutory mandate and functioning properly.

In order to comply with the Center's function, the Facility Director has established "standing" committees. An Executive Committee reviews the effects of the "standing" committees. The Executive Committee assists the Facility Director in the design of services and support; and in developing and implementing policy-making and management procedures. Broadly, the Committee operates as a consulting and advisory body and has the overall responsibility of reviewing and evaluating all areas pertinent to the administration and operation of the Ann M. Kiley Developmental Center.

The Executive Committee is composed of the Assistant Facility Director, Director of Fiscal and Support Services, Unit Administrators, Training Coordinator, Medical Director, Psychological Services Director, Nursing Administrator, Central Activities Supervisor/EEO Officer, Community Living Coordinator, Pharmacy Director, Quality Enhancement Officer, Director of Human Resources, Director of Program Development and Evaluation, Labor Relations Administrator, Dietician, Internal Security Investigator, Human Rights Committee Chairperson and Chief Engineer. The Facility Director chairs the Committee.

The Center has developed a five-year plan which identifies the goals and objectives for each year. This five-year plan is continuously being re-evaluated and revisions are made, if necessary. Within this plan, goals and objectives are divided among the units. The majority of the Center's goals and objectives pertain to improving the living environment and quality of life for its residents. However, administrative goals and objectives are included within this same five-year plan. Quality enhancement audits and satisfaction surveys are also conducted on a yearly basis. These surveys are completed by residents' parents or guardians, and help the Center determine how satisfied they are with the quality of care. The Center's planning program appears to be adequate to ensure that the administration and operations are efficiently and effectively managed in accordance with the functions of the Center.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Mental health technicians and supervisors	272	271	275
Support service workers and supervisors	24	24	21
Medical, dental and pharmacy	31	32	34
Office and clerical	24	25	34
Resident treatment*	34	35	32
Administrative	17	17	13
Other	<u>9</u>	<u>9</u>	<u>9</u>
Total Employees	<u>411</u>	<u>413</u>	<u>418</u>

* Includes workshop instructors and activity therapists

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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>151,840</u>	<u>132,213</u>
Value of overtime hours worked during fiscal year	<u>\$3,247,706</u>	<u>\$2,812,406</u>
Compensatory hours earned during fiscal year	<u>2,850</u>	<u>3,177</u>
Value of compensatory hours earned during fiscal year	<u>\$66,181</u>	<u>\$73,089</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>154,690</u>	<u>135,390</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$3,313,887</u>	<u>\$2,885,495</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The Center did not hire any individuals to perform personal services pursuant to a contract where the individual is deemed an “employee” under IRS regulations.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER UTILIZATION (not examined)

Ann M. Kiley Developmental Center (Center) is situated on 37 acres in Waukegan, IL. The Center has 55 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.

Building	Type/Use	Square feet	Status	%
A-Building	Administration, Recreational, Medical	56,065	Occupied	100%
B-Building	Engineering/Stores	17,528	Occupied	100%
C-Building (5 buildings)	School/Unit Buildings	2,524	Occupied	80%
D-Building (48 buildings)	Residential	2,633	Occupied*	79%

* - The D-Buildings include one building which is leased to the Office of the Inspector General.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL 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>\$129,425</u>	<u>\$118,084</u>
Cost per day per resident	*	<u>\$354</u>	<u>\$324</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>480</u>	<u>480</u>	<u>480</u>
Average number of residents	<u>261</u>	<u>267</u>	<u>281</u>
Average number of employees	<u>411</u>	<u>413</u>	<u>418</u>
Ratio of employees to residents	<u>1.57 to 1</u>	<u>1.55 to 1</u>	<u>1.49 to 1</u>

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>68</u>	<u>101</u>	<u>91</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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>285,795</u>	<u>292,365</u>	<u>303,186</u>
Total food costs	\$724,584	\$674,467	\$608,300
Total labor costs	<u>290,356</u>	<u>282,804</u>	<u>316,000</u>
Total costs	<u>\$1,014,940</u>	<u>\$957,271</u>	<u>\$924,300</u>
Average food costs / meal	\$2.54	\$2.31	\$2.01
Average labor costs / meal	<u>1.02</u>	<u>.97</u>	<u>1.04</u>
Total average cost / meal	<u>\$3.56</u>	<u>\$3.28</u>	<u>\$3.05</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ANN M. KILEY DEVELOPMENTAL CENTER
SERVICE EFFORTS AND ACCOMPLISHMENTS
FOR THE TWO YEARS ENDED JUNE 30, 2005
(not examined)

The Ann M. Kiley Developmental Center (Center) attained three year accreditation in its triennial survey by the Council on Accreditation of Rehabilitation Facilities (CARF) with specific recognition in several areas, including: committed and long-standing staff; commitment to facility mission despite funding challenges; excellent performance and outcomes indicator system; continued physical plant and remodeling efforts; comprehensive medical services; excellent transition and follow-up supports for persons who have been discharged; and participation in clinical consultation to community providers, resulting in positive outcomes.

The Center was previously the only DHS facility still relying solely on electrically powered heating and air conditioning equipment. This equipment was 30 years old and parts were not readily available and were very expensive. In addition, the cost of electric energy was greater than natural gas. During the engagement period, the Center began using natural gas and was able to convert 20 of the 48 homes from electric energy to natural gas. The infrastructure was put in by the gas company at no charge. The cost savings by converting to gas is expected pay for the project in approximately five years.

The Center also replaced 30 of the 48 homes with new roofs, gutters, and aluminum covered soffits. This will help save many hours of repairs and stop the continuous damage from leaky roofs. Also, the changes to the exterior make it relatively maintenance free, saving hours of painting every year.

Adult residents are enrolled in vocational programs until they retire. On average, 140 residents attended programs offered by community-based agencies with the remaining 165 residents serving the Center's vocational programs. In addition to the vocational programs, evening adult education programs were offered dealing with topics such as job interview skills, banking, reading, shopping, socialization, and animal care.

The Center successfully discharged 27 individuals to community settings in FY'04 and FY'05, resulting in the achievement of its budgeted census.