

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

WILLIAM A. HOWE DEVELOPMENTAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2007

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

CENTER OFFICIALS

Acting Director (Current) (4/08/08 to Present)	Mr. Joseph Turner
Director (7/27/07 to 4/08/08)	Mr. Arthur Holmberg
Director (4/27/07 to 07/27/07)	Ms. Sharon Parker
Director (7/01/05 to 4/27/07)	Mr. Jay Canna
Assistant Director	Ms. Carol Wade
Assistant Director	Mr. David Piotrowski
Business Office Director (Current) (7/16/07 to Present)	Mr. Wendell Westbrook
Acting Business Office Director (7/30/05 to 7/15/07)	Ms. Siony Pullins
Business Office Director (01/01/03 to 07/29/05)	Mr. Robert Schneider
Business Office Administrator	Ms. Siony Pullins

The Center is located at:

7600 West 183rd Street
Tinley Park, IL 60477



Rod R. Blagojevich, Governor

Illinois Department of Human Services

Carol L. Adams, Secretary

Howe Center
7600 West 183rd Street, Tinley Park, IL 60477

April 8, 2008

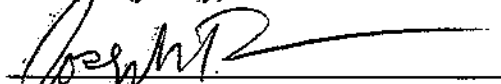
Duffner & Company, PC
Certified Public Accountants
2400 West 95th Street, 4th Floor
Evergreen Park, IL 60805

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the William A. Howe Developmental 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 20, 2007. Based on this evaluation, we assert that during the year(s) ended June 30, 2007 and June 30, 2006, the Center materially complied with the assertions below.

- A. The Center has obligated, expended, and received and used public funds of the State in accordance with the purpose for which such funds have been appropriated for 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. 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. Money or negotiable securities or similar assets handled by the William A. Howe Developmental Center on behalf of the State or held in trust by the William A. Howe Developmental 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,


Joseph Turner, Acting Center Director


Wendell Westbrook, Business Administrator

INSERT YELLOW COMPLIANCE REPORT TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements 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	2	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

<u>Item No</u>	<u>Page</u>	<u>Description</u>
CURRENT FINDINGS		
07-1		Decertification of Center as Medicare Services provider
07-2		Inadequate Control Over and Maintenance of Time and Attendance Records and Payroll Records

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT

SUMMARY (continued)

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
		PRIOR FINDINGS NOT REPEATED
07-3		Untimely filing of performance evaluations

EXIT CONFERENCE

Center management waived having an exit conference per correspondence dated March 19, 2008. Responses to the recommendations were provided by the Department of Human Services Secretary Carol L. Adams, Ph.D. in a letter dated April 8, 2008.

INSERT YELLOW AUDITORS' REPORT TAB HERE

Duffner & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
STANDARD BANK BUILDING
2400 WEST 95th STREET
EVERGREEN PARK, ILLINOIS 60805
(708) 424-7266
FAX (708) 424-8192

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 – William A. Howe 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 Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2007. The management of the State of Illinois Department of Human Services – William A. Howe 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 – William A. Howe Developmental Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services – William A. Howe 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 – William A. Howe 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 – William A. Howe 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 State of Illinois Department of Human Services – William A. Howe 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 – William A. Howe Developmental Center on behalf of the State or held in trust by the State of Illinois Department of Human Services – William A. Howe 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 State of Illinois Department of Human Services – William A. Howe Developmental 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.

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 – William A. Howe 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 – William A. Howe Developmental Center's compliance with specified requirements.

As described in Finding Code No. 07-1 in the accompanying Schedule of Findings and Recommendations, the State of Illinois Department of Human Services – William A. Howe Developmental Center did not comply with requirements regarding conditions of participation as a Medicare Services Provider established by the federal government. Compliance with such requirements is necessary, in our opinion, for the State of Illinois Department of Human Services – William A. Howe Developmental Center's to comply with requirement C listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois Department of Human Services – William A. Howe Developmental Center complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2007. However, the results of our procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with the criteria established by the *Audit Guide* by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings and Recommendations as Finding Code No. 07-2.

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 – William A. Howe Developmental Center is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services – William A. Howe Developmental Center's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Human Services – William A. Howe Developmental Center's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Human Services – William A. Howe Developmental Center's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Recommendations as Finding Codes No. 07-1 and No. 07-2 to be significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the

accompanying Schedule of Findings and Recommendations, we considered Finding Code No. 07-1 to be material weakness.

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.

State of Illinois Department of Human Services – William A. Howe Developmental Center's response to the findings identified in our examination are described in the accompanying Schedule of Findings and Recommendations. We did not examine State of Illinois Department of Human Services – William A. Howe Developmental Center's responses and, accordingly, we express no opinion on it.

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 2007 and the 2006 Supplementary Information for State Compliance Purposes, except for information on Employee Overtime, Contractual Payroll Employees, Shared Resources, 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 2005 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.

Duffner & Company P.C.

April 8, 2008

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2007

CURRENT FINDINGS

07-1 **Finding:** Decertification of Center as Medicare Services provider.

The Federal Department of Health and Human Services decertified the Center as a provider of Medicare services. The decertification resulted in an estimated loss of revenue of \$ 8,300,000 as of June 30, 2007 and a potential loss of revenue approximating \$25,550,000 on an annual basis. In addition, the Center retained a consultant at a cost of \$580,000 to provide technical assistance in obtaining recertification.

The Center for Medicare & Medicaid Services conducted a survey of the Center in August 2006 and identified that the Center failed to meet certain Federal Conditions of Participation.

On March 14, 2007, the Illinois Department of Public Health performed another certification survey as part of a settlement agreement signed with the Center for Medicare & Medicaid Services on February 21, 2007. That survey identified that the Center did not meet the Federal Conditions of Participation in the areas of Governing Body and Management and Client Protections. The Illinois Department of Public Health notified the Center on March 15, 2007 of the Center's immediate termination as a Medicaid provider.

All providers of services under the Medicaid program are required to meet all of the conditions set forth in the Medicaid Provider Agreement and requirements established under Title XIX of the Social Security Act. There are eight conditions of participation which apply to an Intermediate Care Facility for the Mentally Retarded. As a result of the surveys conducted, the Center was found to be out of compliance with the following conditions of participation.

- Client Protection
- Governing Body and Management

According to the Medicaid Provider agreement and requirements established under Title XIX of the Social Security Act the condition of participation for Client Protection is not met when:

- Individuals have been abused, neglected or otherwise mistreated and the facility has not taken steps to protect individuals and prevent reoccurrence;
- Individuals are subjected to the use of drugs or restraints without justification; or
- Individual freedoms are denied or restricted without justification (e.g., systemic lack of privacy, of freedom of access to the community or to other individuals, in use of personal possessions and money, etc.).

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2007

CURRENT FINDINGS

07-1 **Finding:** Decertification of Center as Medicare Services provider (continued).

The condition of participation for Governing Body and Management is not met when:

- One or more of the other 7 Conditions of Participation have first been determined to be not met, and the governing body has failed to take action that identifies and resolves systemic problems of a serious and recurrent nature; or
- The facility has been denied any license or approval required by Federal, State or local law by the authority having jurisdiction for that law.

Center officials stated that inadequate staffing and the failure to meet all the conditions of participation were primarily the result of staff reductions, job assignment transfers and inadequate training of personnel.

The failure to comply with the federal Conditions of Participation placed the health and safety of the Center's patients at risk. (Finding Code No. 07-1)

Recommendation:

We recommend that the Center develop and implement a plan to obtain recertification and address the non-compliance with the federal requirements.

Department Response:

Agree. The Center has developed and is in the process of implementing Quality Improvement – Recertification Plan to bring the Center back into compliance with the Federal requirements

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2007

CURRENT FINDINGS

07-2 **Finding:** Inadequate Control and Maintenance of Time and Attendance Records and Payroll Records

In our testing of payroll expenditures we noted:

- 54 of 240 (23%) of "Monthly Attendance Record Reports" (Form AM027001) were not included in the Center's timekeeping files.
- 63 of 240 (26%) of "Monthly Attendance Record Reports" (Form AM027001) included in the Center's timekeeping file were not signed by the employee's supervisor.
- 3 of 12 (25%) employee final pay/termination packets necessary to document the calculation of final pay and accrued benefits could not be located by Center personnel. In addition, the same 3 packets could not be located by Central Office personnel who prepared the final termination pay calculation.

The State Officials and Employees Ethics Act (5 ILCS 430/5-5 (c)) requires each employee to submit signed periodic timekeeping records identifying the time spent on official State business. The Department of Human Services Directive 01.02.02.170 requires each employee to review and sign their "Monthly Attendance Record" and further requires each employee's supervisor to review the form and sign it before filing. In regards to the missing termination pay packets, the State Records Act (5 ILCS 160/8) requires agencies to preserve records containing adequate and proper documentation of essential transactions of the agency.

Center officials stated that inadequate training of timekeeping staff and unit supervisors primarily contributed to the misplacement of termination packets as well as missing or unsigned attendance records.

Failure to adequately maintain time and attendance records and payroll accounting records is not in compliance with statutory and Departmental requirements and may lead to incorrect payments to employees. (Finding Code No. 07-2)

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2007

CURRENT FINDINGS (CONTINUED)

07-2 **Finding:** Inadequate Control and Maintenance of Time and Attendance Records and Payroll Records (continued).

Recommendation:

We recommend the Center implement procedures to ensure that timekeeping and payroll accounting records are properly filed and maintained and that employees review and sign the Monthly Attendance Record Report and supervisors document their review by signing the form before filing it.

Department Response:

Agree. The Center's Business Office has developed a plan to provide facility-wide payroll and timekeeping training. Training was provided on August 23 – 24, 2007.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES
For the Two Years Ended June 30, 2007

PRIOR AUDIT FINDINGS NOT REPEATED

07-3 **Finding:** Untimely Filing of Performance Evaluations.

For 16 of the 55 (29%) employee personnel files examined, performance evaluations were completed late or not at all. Sixteen performance evaluations were performed between 7 and 106 days late. Seventeen employees (31%) were missing performance evaluations for one of the two years covered in the engagement period. (Finding Code 05-1)

Status: Not Repeated as Center Finding

Similar exceptions were noted while testing the current examination period. These exceptions will be consolidated with similar exceptions at other Centers and be reported as a Departmental level finding in the Central Office Report.

INSERT BLUE SUPPLEMENTARY INFORMATION TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
For the Two Years Ended June 30, 2007

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)
- Shared Resources (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, Contractual Payroll Employees, Shared Resources, Center Utilization, Annual Center Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

INSERT BLUE SUPPLEMENTARY SCHEDULES TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS	
				ENDED AUGUST 31, 2007	LAPSED AUGUST 31, 2007
\$	41,137,200	\$ 39,267,637	\$ 1,866,070	\$ 41,133,707	\$ 3,493
GENERAL REVENUE FUND - 001					
Personal Services	4,713,700	4,496,555	213,532	4,710,087	3,613
Employee retirement contributions paid by employer	3,001,300	2,866,647	134,367	3,001,014	286
State contributions to state employees' retirement system	5,027,100	4,090,553	569,741	4,660,294	366,806
State contributions to Social Security	9,100	6,420	2,129	8,549	551
Contractual Services	1,033,200	901,778	103,552	1,007,330	25,870
Travel	2,000	1,941	-	1,941	59
Commodities	160,500	158,256	493	158,749	1,751
Printing	242,700	152,440	86,810	239,250	3,450
Equipment	213,300	155,441	49,545	205,086	8,214
Telecommunications services					
Operation of auto equipment					
Expenses related to living skills program	11,100	11,100	-	11,100	-
Costs associated with behavioral health services					
Total	\$ 55,531,200	\$ 52,108,768	\$ 3,028,339	\$ 55,137,107	\$ 414,093

PUBLIC ACTS 94-0798

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
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
PUBLIC ACT 94-0015 & 94-0798					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 38,377,000	\$ 36,243,770	\$ 1,601,054	\$ 37,844,824	\$ 532,176
Employee retirement contributions paid by employer	346,900	346,861	-	346,861	39
State contributions to state employees' retirement system	2,972,700	2,806,878	123,995	2,930,873	41,827
State contributions to Social Security	2,767,500	2,644,704	118,009	2,762,713	4,787
Contractual Services	4,590,900	3,911,584	506,476	4,418,060	172,840
Travel	9,100	6,619	1,716	8,335	765
Commodities	922,000	771,180	91,152	862,332	59,668
Printing	4,800	3,428	1,315	4,743	57
Equipment	75,300	51,220	22,342	73,562	1,738
Telecommunications services	162,800	122,717	33,585	156,302	6,498
Operation of auto equipment	221,300	155,131	59,721	214,852	6,448
Expenses related to living skills program	11,100	9,000	-	9,000	2,100
Costs associated with behavioral health services					
Total	\$ 50,461,400	\$ 47,073,092	\$ 2,559,365	\$ 49,632,457	\$ 828,943

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
WILLIAM A. HOWE DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
		P.A. 94-0015	P.A. 93-0842
	P.A. 94-0798	& 94-0798	& 93-0681
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 55,551,200</u>	<u>\$ 50,461,400</u>	<u>\$53,625,690</u>
EXPENDITURES			
Personal services	41,133,707	37,844,824	38,442,033
Employee retirement contributions paid by employer	-	346,861	54,889
State contributions to state employees' retirement system	4,710,087	2,930,873	5,994,799
State contributions to Social Security	3,001,014	2,762,713	2,740,110
Contractual services	4,660,294	4,418,060	4,382,146
Travel	8,549	8,335	16,244
Commodities	1,007,330	862,332	880,128
Printing	1,941	4,743	10,652
Equipment	158,749	73,562	210,708
Telecommunications services	239,250	156,302	184,697
Operations of auto equipment	205,086	214,852	225,174
Expenses related to living skills program	11,100	9,000	11,000
Total Expenditures	<u>55,137,107</u>	<u>49,632,457</u>	<u>53,152,580</u>
LAPSED BALANCES	<u>\$ 414,093</u>	<u>\$ 828,943</u>	<u>\$ 473,110</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

The locally held funds of the Center are grouped into two fund categories and are non-appropriated funds. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Funds

The General 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. The revenue is 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 Fund 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 Trusts 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 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 residents' needs in these areas.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

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.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2007

	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, 2006	\$23,955	\$18,539	\$ 187,287	\$ 8	\$ 189
Receipts					
Income from Sales	80,011	24,019	2,523,056		
Investment Income		92	5,386		
Appropriations				11,100	2,285
Total Receipts	<u>\$80,011</u>	<u>\$24,111</u>	<u>\$2,528,442</u>	<u>\$11,100</u>	<u>\$2,285</u>
Disbursements					
Cost of sales	103,379	31,315	2,485,602		
Contractual services					2,283
Appropriations returned				8	
Living skills program				6,574	
Other				4,423	
Total Disbursements	<u>\$103,379</u>	<u>\$31,315</u>	<u>\$2,485,602</u>	<u>\$11,005</u>	<u>\$2,283</u>
Balance - June 30, 2007	<u>\$587</u>	<u>\$11,335</u>	<u>\$230,127</u>	<u>\$103</u>	<u>\$191</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2006

	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, 2005	\$16,689	\$30,490	\$ 257,966	\$ 11	\$ 300
Receipts					
Income from Sales	78,609	22,034	2,460,766		
Investment Income		165	3,623		
Appropriations				9,000	2,195
Other		600			
Total Receipts	<u>\$78,609</u>	<u>\$22,799</u>	<u>\$2,464,389</u>	<u>\$9,000</u>	<u>\$2,195</u>
Disbursements					
Cost of sales	71,343	34,750	2,535,068		
Contractual services					2,306
Appropriations returned				11	
Living skills program				5,630	
Other				3,362	
Total Disbursements	<u>\$71,343</u>	<u>\$34,750</u>	<u>\$2,535,068</u>	<u>\$9,003</u>	<u>\$2,306</u>
Balance - June 30, 2006	<u>\$23,955</u>	<u>\$18,539</u>	<u>\$187,287</u>	<u>\$8</u>	<u>\$189</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2007

	Land and land improvements	Buildings and building improvements	Site improvements	Capital lease equipment	Equipment	Total
Balance June 30, 2005	\$ 16,776	\$ 41,668,751	\$ 6,119,489	\$ -	\$ 8,106,341	\$ 55,911,357
Additions:						
Purchases					181,312	181,312
Transfers-in:						
Intra-agency					969,960	969,960
Capital Development Board		622,037	64,249			686,286
Donations					200	200
Adjustments					10,254	10,254
Total Additions	\$ -	\$ 622,037	\$ 64,249	\$ -	\$ 1,161,726	\$ 1,848,012
Deductions:						
Transfers-out:						
Intra-agency					1,146,648	1,146,648
Surplus property					79,355	79,355
Scrap property					32,345	32,345
Condemned and lost property						-
Retirements						-
Adjustment					66,316	66,316
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ 1,324,664	\$ 1,324,664
Balance June 30, 2006	\$ 16,776	\$ 42,290,788	\$ 6,183,738	\$ -	\$ 7,943,403	\$ 56,434,705
Additions:						
Purchases					858,392	858,392
Intra-agency					411,940	411,940
Capital Development Board		142,530				142,530
Donations					31,744	31,744
Adjustments					3,555	3,555
Total Additions	\$ -	\$ 142,530	\$ -	\$ -	\$ 1,305,631	\$ 1,448,161
Deductions:						
Intra-agency					487,460	487,460
Surplus property					109,800	109,800
Scrap property					16,916	16,916
Adjustment					685,546	685,546
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ 1,299,722	\$ 1,299,722
Balance June 30, 2007	\$ 16,776	\$ 42,433,318	\$ 6,183,738	\$ -	\$ 7,949,312	\$ 56,583,144

Note: The property balances at June 30, 2006 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
<u>RECEIPTS</u>			
Rental of real property	\$ 31,557	\$ -	\$ -
Jury duty, witness fees, military duty	829	785	745
Copy charges	40	67	155
Refunds/Rebates	-	262	-
Miscellaneous other	18	155	89
TOTAL RECEIPTS	<u>\$32,444</u>	<u>\$1,269</u>	<u>\$989</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 32,444	\$ 1,269	\$ 989
Add: Deposits in transit - Beginning of year	213	199	271
Deduct: Deposits in transit - End of year	128	213	199
DEPOSITS RECORDED BY COMPTROLLER	<u>\$ 32,529</u>	<u>\$ 1,255</u>	<u>\$ 1,061</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2007

A comparative schedule of significant variations in expenditures (20% and \$10,000 or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	JUNE 30		(DECREASE)	
	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions	\$0	\$346,861	(\$346,861)	(100%)
State Retirement Contributions	\$4,710,087	\$2,930,873	\$1,779,214	60.71%
Equipment	\$158,749	\$73,562	\$85,187	115.80%
Telecommunications	\$239,250	\$156,302	\$82,948	53.07%

Employee Retirement Contributions

Variance is due to changes in the State pension code.

State Retirement Contributions

Variance is due to changes in the State pension code.

Equipment

The increase in equipment expenditures is due to additional medical equipment and other resident needs.

Telecommunications

The increase in telecommunications expenditures is due to changes in telephone equipment and service needs.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% and \$10,000 or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2006</u>	<u>2005</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions	\$346,861	\$54,889	\$291,972	531.93%
State Retirement Contributions	\$2,930,873	\$5,994,799	(\$3,063,926)	(51.11%)
Equipment	\$73,562	\$210,708	(\$137,146)	(65.09%)

Employee Retirement Contributions

Variance is due to changes in the State pension code.

State Retirement Contributions

Variance is due to changes in the State pension code.

Equipment

The decrease in equipment expenditures reflects a return to spending at the appropriation level from the previous year's extra equipment spending needs.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

We have reviewed lapse period spending for fiscal years ended June 30, 2007 and 2006 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for fiscal year 2007 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$8,549	\$2,129	24.90%
Telecommunications	\$239,250	\$86,810	36.28%
Auto Operations	\$205,086	\$49,645	24.21%

Travel

The lapse period spending was due to late receipt of fourth quarter travel vouchers.

Telecommunications

The lapse period spending was due to late billings from Central Management Services telecommunications revolving fund.

Auto Operations

The lapse period spending was due to late billings from State garage revolving fund.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

A schedule of significant lapse period spending for the fiscal year ended June 30, 2006 is shown below:

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>Fiscal Year Ended June 30, 2006</u>	
		<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$8,335	\$1,716	20.59%
Printing	\$4,743	\$1,315	27.73%
Equipment	\$73,562	\$22,342	30.37%
Telecommunications	\$156,302	\$33,585	21.49%
Auto Operations	\$214,852	\$59,721	27.80%

Travel

The lapse period spending was due to late receipt of fourth quarter travel vouchers.

Printing

The lapse period spending was due to late billings.

Equipment

The lapse period spending was due to late billings.

Telecommunications

The lapse period spending was due to late billings.

Auto Operations

The lapse period spending was due to late billings.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
SCHEDULE OF CHANGES IN INVENTORIES
For the Two Years Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
General Stores:				
Medical lab	\$38,029	\$118,786	\$119,626	\$ 37,189
Household and laundry	106,287	568,436	572,130	102,593
Other general stores	43,631	190,221	207,662	26,190
Clothing	21,742	40,449	36,011	26,180
Mechanical Stores:				
Repair and maintenance	114,667	596,740	610,156	101,251
Other mechanical stores	999	196,153	196,186	966
	<u>\$ 325,355</u>	<u>\$ 1,710,785</u>	<u>\$1,741,771</u>	<u>\$ 294,369</u>

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
General Stores:				
Medical lab	\$29,161	\$97,930	\$89,062	\$ 38,029
Household and laundry	104,632	420,498	418,843	106,287
Other general stores	29,944	148,169	134,482	43,631
Clothing	19,145	43,527	40,930	21,742
Mechanical Stores:				
Repair and maintenance	124,547	434,752	444,632	114,667
Other mechanical stores	1,346	160,298	160,645	999
	<u>\$ 308,775</u>	<u>\$ 1,305,174</u>	<u>\$1,288,594</u>	<u>\$ 325,355</u>

Note: The inventories consist primarily of commodities, repair parts and maintenance supplies that are valued at weighted average cost.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2007

The Department has accounts receivable of \$313,924, arising from operations of William A. Howe Developmental Center (Center) at June 30, 2007. This total represents amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at the 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, 2007, 2006 and 2005 prepared by the Department of Human Services Central Office and forwarded to the Center is as follows:

	<u>June 30,</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current (0-3 months)	\$279,103	\$240,731	\$253,439
Past due (4-6 months)	5,765	1,771	2,780
Past due (7-12 months)	5,944	7,095	6,939
Past due (over 12 months)	<u>19,585</u>	<u>24,494</u>	<u>19,954</u>
Subtotal	\$310,397	\$274,091	\$283,112
Court Cases	<u>3,527</u>	<u>8,186</u>	<u>6,925</u>
Total	<u>\$313,924</u>	<u>\$282,277</u>	<u>\$290,037</u>

INSERT BLUE ANALYSIS OF OPERATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

CENTER FUNCTIONS AND PLANNING PROGRAM

General Functions

The William A. Howe Developmental Center ("Center") is a transitional State Operated Developmental Center ("SODC") supporting over 387 adults with developmental disabilities. The Center's primary mission is to provide appropriate, effective and quality residential services and training opportunities that focus on developing skills that will enable individuals to function with more autonomy and independence with the ultimate objective of preparing individuals for return to the community.

As part of the State residential service delivery system for individuals with developmental disabilities, the Center provides services and training for individuals 18 years of age and older. Individuals are appropriate for admission to the Center only when circumstances clearly indicate that the individual cannot function at home, in a Community alternative, or another State-operated setting.

The Center utilizes the inter-disciplinary team approach involving professionals, service providers, the individual and his/her family/guardian advocate (as appropriate) in assessment, habilitation, planning and implementation. This process is designed to promote the individual's ability to develop autonomy, independence and self-worth, make choices and exercise his/her rights, and achieve his/her own goals.

Agency Planning

The primary objective of the Department of Human Services in achieving its goal of monitoring the continuing progress of the Center is to maintain an open and productive communication line between the Department's Central Office and each of its centers. The Center Director and department heads attend regular meetings to review and discuss the long-term goals of the Department of Human Services. The Center prepares its own formal documented one-year plan, which is reviewed periodically by the Center's executive staff.

The Center's Director is responsible for designing goals, objectives, and performance measures that relate specifically to the Center. The Director achieves the objectives by holding regular meetings with the department heads to address specific Center needs and goals. Internal audit functions are performed by the Department of Human Services Central Office. Internal auditors conduct annual performance audits of the Center's operational programmatic activities. These audits provide a system for monitoring the quality of the Center's operations.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
CENTER FUNCTIONS AND PLANNING PROGRAM
FOR THE TWO YEARS ENDED JUNE 30, 2007

On March 15, 2007 the Illinois Department of Public Health notified the Center of its immediate termination as a Medicaid Provider. The decertification resulted from the Center's failure to meet the Federal Conditions of Participation in the areas of Governing Body and Management and Client Protections. Details regarding the decertification are included in Finding Code No. 07-1

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

AVERAGE NUMBER OF EMPLOYEES

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

	<u>Fiscal Year</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Mental health technicians and supervisors	440	424	446
Support service workers and supervisors	84	84	105
Medical, dental and pharmacy	64	73	65
Office and clerical	33	32	31
Resident treatment	48	56	70
Administrative	30	40	39
Education	4	4	4
Security	0	0	2
Other	<u>64</u>	<u>54</u>	<u>64</u>
Total Employees	<u>767</u>	<u>767</u>	<u>826</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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 the last three fiscal years.

	<u>2007</u>	<u>June 30, 2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	274,480	220,480	214,146
Value of overtime hours worked during fiscal year	<u>\$7,352,978</u>	<u>\$5,265,495</u>	<u>\$4,948,286</u>
Compensatory hours earned during fiscal year	9,555	3,588	4,153
Value of compensatory hours earned during fiscal year	<u>\$313,770</u>	<u>\$103,580</u>	<u>\$93,629</u>
Total paid overtime hours and earned compensatory hours during fiscal year	284,035	224,068	218,299
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$7,666,748</u>	<u>\$5,369,075</u>	<u>\$5,041,915</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The Center hires some individuals to perform personal services pursuant to a contract where the individual is deemed an "employee" under IRS regulations. Some of the services provided by the contractual payroll employees were in the areas of occupational and physical therapy, consumer advocate, seamstress, hairdresser, behavioral consultant and barber.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2007, 2006 and 2005.

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contractual payroll employees paid during the fiscal year	<u>0</u>	<u>0</u>	<u>1</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$0</u>	<u>\$0</u>	<u>\$32,880</u>

SHARED RESOURCES (not examined)

Dietary Operations:

During fiscal years 2007 and 2006, the William A. Howe Developmental Center participated in an Interfacility Dietary Agreement with the Elisabeth Ludeman Developmental Center and the Tinley Park Mental Health Center.

Under the agreement, each center had a distinct role. The William A. Howe Developmental Center provided the labor for operating the kitchen, including the preparation of trays, sack lunches, etc. and arrangements for delivery. The Tinley Park Mental Health Center was responsible for the purchasing and warehousing of all food and non-food supplies associated with the program. The Elisabeth Ludeman Developmental Center was responsible for the administration of a Quality Enhancement and Improvement Program. Each center was also responsible for the maintenance of its mechanical and retherm equipment.

Each center had funds included in its budget for its basic set of responsibilities. However, if expenditures occurred that were not planned for in the appropriate center's budget, each center was required to incur its share of the cost. During fiscal years 2007 and 2006, costs paid by the William A. Howe Developmental Center in the form of labor to administer the kitchen operation was approximately \$3,373,984 and \$3,476,466 respectively.

The William A. Howe Developmental Center received dietary services from the Tinley Park Mental Health Center for the two fiscal years as follows:

<u>Dietary Services</u>	<u>FY 2007</u>	<u>FY 2006</u>
Salaries/Benefits	\$118,196	\$ 128,323
Contractual Services	45,801	46,278
Commodities	<u>1,013,176</u>	<u>1,019,535</u>
Total	<u>\$1,177,173</u>	<u>\$1,194,136</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30,

Pharmacy Operation:

During fiscal years 2007 and 2006, the Tinley Park Mental Health Center provided pharmaceutical operations for the William A. Howe Developmental Center under a central procurement program sponsored by the Department of Human Services Support Services Section. Support Services purchased the pharmaceuticals and the Tinley Park Mental Health Center provided the salary, payroll related costs and commodity costs. An estimate of the costs paid by Support Services for pharmaceuticals and the costs paid by the Tinley Park Mental Health Center for pharmaceutical services provided to the William A. Howe Developmental Center is shown in the following table:

	<u>FY 2007</u>	<u>FY 2006</u>
Pharmaceuticals	\$1,686,270	\$1,465,083
Pharmaceutical Operations	<u>0</u>	<u>358,744</u>
Total	<u>\$1,686,270</u>	<u>\$1,823,827</u>

Maintenance Supplies

During fiscal years 2007 and 2006, the William A. Howe Developmental Center (Howe Center) participated in an interfacility maintenance supplies inventory program with the Tinley Park Mental Health Center. (Tinley Center) Under that arrangement the Howe Center purchased and maintained an inventory of repair parts and equipment component parts. The maintenance department at the Tinley Center was authorized to withdraw parts from that inventory. The cost of parts withdrawn by the Tinley Center maintenance department was not monitored by either center.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30,

CENTER UTILIZATION (not examined)

William A. Howe Developmental Center (Center) is situated on 61 acres in Tinley Park. The Center has 58 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 Description</u>	<u>Square Footage</u>	<u>% of Building Utilized</u>
Social Center	30,000	100
Professional Building	4,400	100
Administration	5,600	100
Neighborhood House Unit 1	2,400	100
House 101	2,800	100
House 102	2,800	100
House 103	2,800	100
House 104	2,800	100
House 105	2,800	100
House 106	2,800	100
House 107	2,800	100
House 108	2,800	100
House 109	2,800	100
House 110	2,800	100
Neighborhood House Unit 2	2,400	100
House 201	2,800	100
House 202	2,800	100
House 203	2,800	100
House 204	2,800	100
House 205	2,800	0*
House 206	2,800	0*
House 207	2,800	100
House 208	2,800	100
House 209	2,800	0*
House 210	2,800	0*
Neighborhood House Unit 3	2,800	100
House 301	2,800	100
House 302	2,800	100
House 303	2,800	100
House 304	2,800	100
House 305	2,800	100

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
WILLIAM A. HOWE DEVELOPMENTAL CENTER
ANALYSIS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30,

CENTER UTILIZATION (not examined) (continued)

<u>Building Description</u>	<u>Square Footage</u>	<u>% of Building Utilized</u>
House 306	2,800	100
House 307	2,800	100
House 308	2,800	100
House 309	2,800	100
House 310	2,800	100
Neighborhood House Unit 4	2,400	100
House 401	2,800	100
House 402	2,800	100
House 403	2,800	100
House 404	2,800	100
House 405	2,800	100
House 406	2,800	100
House 407	2,800	100
House 408	2,800	100
House 409	2,800	100
House 410	2,800	100
Neighborhood House Unit 5	2,400	100
House 501	2,800	100
House 502	2,800	100
House 503	2,800	100
House 504	2,800	100
House 505	2,800	100
House 506	2,800	100
House 507	2,800	100
House 508	2,800	100
House 509	2,800	100
House 510	2,800	100

Note: The Center is a 500 licensed bed developmental center.

* Sections of Unit 2 are vacant due to renovation.

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ANALYSIS OF OPERATIONS
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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>2007*</u>	<u>Fiscal Year</u> <u>2006</u>	<u>2005</u>
Cost per year per resident	*	<u>\$154,258</u>	<u>\$158,395</u>
Cost per day per resident	*	<u>\$423</u>	<u>\$434</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>2007</u>	<u>2006</u>	<u>2005</u>
Certified Capacity of Center	<u>500</u>	<u>500</u>	<u>500</u>
Average number of residents	<u>387</u>	<u>408</u>	<u>430</u>
Average number of employees	<u>767</u>	<u>767</u>	<u>826</u>
Ratio of employees to residents	<u>1.98 to 1</u>	<u>1.88 to 1</u>	<u>1.92 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>2007</u>	<u>2006</u>	<u>2005</u>
Number of reported employee injuries	<u>257</u>	<u>255</u>	<u>238</u>

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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>2007</u>	<u>2006</u>	<u>2005</u>
Meals served	<u>1,123,335</u>	<u>1,215,875</u>	<u>1,278,107</u>
Total food costs	\$2,595,101	\$2,732,987	\$2,784,562
Total labor costs	<u>3,373,984</u>	<u>3,476,466</u>	<u>3,345,791</u>
Total costs	<u>\$5,969,085</u>	<u>\$6,209,453</u>	<u>\$6,130,353</u>
Average food costs / meal	\$2.31	\$2.25	\$2.18
Average labor costs / meal	<u>3.00</u>	<u>2.86</u>	<u>2.62</u>
Total average cost / meal	<u>\$5.31</u>	<u>\$5.11</u>	<u>\$4.80</u>

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SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2007
(Not examined)

The William A. Howe Center located in Tinley Park, a southwest suburb of Chicago is a 500 licensed bed capacity State Operated Developmental Center (ASODC) supporting people primarily from the Chicago south metro area. Demographically, 60% are males and 40% are females, of whom 79% have been diagnosed as having severe/profound mental retardation. There are also a significant number of individuals who have concomitant disabilities in vision, hearing, epilepsy, cerebral palsy, autism physical management and secondary psychiatric disorders. Approximately 45% of the individuals who live at the Center are involved in off-campus Developmental Training/Sheltered Workshops, and a small percentage are involved in contractual/supported employment.

The Center continued its certified status with the State of Illinois Department of Public Health in both fiscal years ended June 30, 2004 and 2005, respectively. In addition, late in July, 2005, Howe Center was surveyed and its accreditation was renewed for two years by the Council on Quality and Leadership in Supports for People with Disabilities.

On March 15, 2007 the Illinois Department of Public Health notified the Center of its immediate termination as a Medicaid Provider. The decertification resulted from the Center's failure to meet the Federal Conditions of Participation in the areas of Governing Body and Management and Client Protections. Details regarding the decertification are included in Finding Code No. 07-1

Partnerships with the Tinley Park and Chicago Southland Chambers of Commerce have fostered beneficial relationships that position the Center as a viable and important member of the local community. The Center has supportive parent group that is involved in strategic planning. The Center also continued its affiliations with several other prominent service providers such as Easter Seals, several local hospitals, colleges, and universities. Other network partners utilize the Center's recreational facilities and Staff Development Services.