

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

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

**TABLE OF CONTENTS**

	<u>Page</u>
Center Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	3
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information For State Compliance Purposes	5
Schedule of Findings, Recommendations and Center Responses	
Current Findings	9
Prior Findings Not Repeated	12
Supplementary Information for State Compliance Purposes	
Summary	13
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	14
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	16
Description of Locally Held Funds	17
Schedule of Locally Held Funds – Cash Basis	21
Schedule of Changes in State Property	23
Comparative Schedule of Cash Receipts and Deposits	24
Analysis of Significant Variations in Expenditures	25
Analysis of Significant Lapse Period Spending	27
Schedule of Changes in Inventories	29
Analysis of Accounts Receivable	30
Analysis of Operations	
Center Functions and Planning Program	31
Average Number of Employees	34
Employee Overtime (not examined)	35
Center Utilization (not examined)	36
Annual Center Statistics	
Cost Per Year/Day Per Resident (not examined)	38
Ratio of Employees to Residents (not examined)	38
Reported Employee Job Injuries (not examined)	38
Food Services (not examined)	39
Service Efforts and Accomplishments (not examined)	40

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DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

**CENTER OFFICIALS**

Director	Mr. Ira Collins
Assistant Director	Ms. Lynne Gund
Business Office Administrator	Mr. David LaRocque

The Center is located at:

100 East Jeffery Street  
Kankakee, IL 60901



**SHAPIRO CENTER**  
100 E. Jeffery Street  
Kankakee, Illinois 60901

November 17, 2005

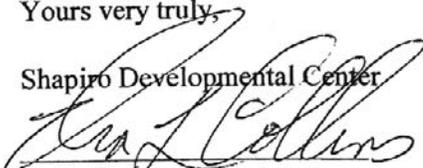
Honorable William G. Holland  
Auditor General  
State of Illinois  
Hes Park Plaza  
740 East Ash  
Springfield, IL 62703-3154

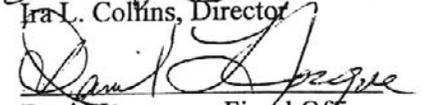
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2004, the Agency has materially complied with the assertions below.

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

Yours very truly,

Shapiro Developmental Center

  
Ira L. Collins, Director

  
David Larocque, Fiscal Officer

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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	2	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	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	9	Noncompliance with purchasing requirements
05-2	11	Inadequate controls over pharmacy inventory

PRIOR FINDINGS NOT REPEATED

The Shapiro Developmental Center did not have any prior year findings.

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

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on January 18, 2006. Attending were:

Department of Human Services

Albert Okwuegbunam, DHS Audit Liaison

Shapiro Developmental Center

Ira Collins, Director

Lynne Gund, Assistant Director

David LaRocque, Business Administrator

Office of the Auditor General

Matthew Campbell, Audit Manager

Jessica West, Audit Supervisor

Julie Rauch, Audit Staff

Responses to the recommendations were provided by Carol L. Adams, PHD, Secretary of the Department of Human Services, in a letter dated January 27, 2006.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We performed a limited scope compliance examination of the State of Illinois Department of Human Services - Shapiro 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 - Shapiro 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 - Shapiro Developmental Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services – Shapiro 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 – Shapiro 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 – Shapiro 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 – Shapiro 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 – Shapiro Developmental Center on behalf of the State or held in trust by the State of Illinois Department of Human Services – Shapiro 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 November 17, 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 – Shapiro 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 - Shapiro Developmental Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services – Shapiro 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 and 05-2.

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

### **Internal Control**

The management of the State of Illinois Department of Human Services – Shapiro 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 – Shapiro 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 November 17, 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 and 05-2.

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

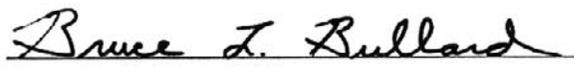
### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General,

to the 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on Employee Overtime, Center Utilization, 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.

  
Bruce L. Bullard, CPA  
Director of Financial and Compliance Audits

November 17, 2005

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**  
For the Two Years Ended June 30, 2005

Current Findings

05-1. **FINDING** (Noncompliance with purchasing requirements)

The Shapiro Developmental Center (Center) did not follow applicable purchasing requirements when it purchased a vehicle with its Other Special Trust Fund, a locally held fund.

The Center purchased a 2004 Ford/Braun Para-transit shuttle van totaling \$35,812 directly from an outside vendor using funds from its Other Special Trust Fund. The Center did not file purchase requests with the Department of Central Management Services (DCMS) and the Department of Human Services – Central Office (DHS) as required prior to the purchase nor did the Center follow the Illinois Procurement Code when purchasing the vehicle.

The Illinois Administrative Code (44 Ill. Adm. Code 5040.270) requires that all requests to purchase vehicles be first submitted in writing to the requesting agency and then approved by DCMS. In addition, according to a DHS procedure memo dated April 2, 2004, all new vehicle acquisitions must be routed through the DHS - Office of Business Services. Finally, the Standard Procurement Rules as listed in the Illinois Administrative Code (44 Ill. Adm. Code 1.2020) state that only procurements for goods of \$25,000 or less may be purchased using whatever appropriate method available. Therefore, purchases over \$25,000 should be awarded through a competitive process, generally bidding.

Center officials stated that they believed its purchase method was appropriate as it received a government discount. Center personnel made the purchase in order to replace a van that was aging and becoming unreliable, and therefore, expedited the purchasing process by using its locally held funds. Further, Center personnel felt that only purchases from the General Revenue Fund were subject to purchasing rules.

Failure to abide by applicable procurement requirements could result in excess State expenditures due to the lowest cost vendor not being selected. (Finding Code No. 05-1)

**RECOMMENDATION**

We recommend that the Center follow DHS administrative procedures and the Illinois Administrative Code when purchasing vehicles.

## **CENTER RESPONSE**

Agreed. The emergency purchase of a specially modified wheelchair van was made with donated funds given to the facility for the benefit of the disabled individuals who live at Shapiro. The purchase was made in accordance with a DHS directive and the Illinois Compiled Statutes dealing with donated funds. The Center was not aware that donated funds were subject to the Illinois Procurement Code. The Center is now following DHS requirements and the Illinois Administrative Code for the purchase of vehicles. The Center's compliance began with these requirements effective January 2005 when the Center submitted necessary documents to Central Management Services (CMS) for the wheelchair van.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**  
For the Two Years Ended June 30, 2005

05-2. **FINDING** (Inadequate controls over pharmacy inventory)

The Shapiro Developmental Center (Center) did not maintain adequate controls over its pharmacy inventory.

During a physical inventory of the pharmacy inventory, we noted sixteen of 25 (64%) tested pharmacy drug counts did not agree with the Center's Commodity Control System Commodity Status Report. Twelve of the 16 (75%) discrepancies were overstatements of pharmacy inventory totaling \$55, and 4 of 16 (25%) were understatements of pharmacy inventory totaling \$7. The overall net error was a \$48 overstatement of pharmacy inventory.

The Department of Human Services Policy and Procedures (Procedure 01.06.65.02) requires weekly maintenance of the Commodity Control System. The Commodity Control System is used to determine supply needs of the pharmacy to maintain proper quantities needed to service the Center. Furthermore, the Statewide Accounting Management Manual (SAMS Procedure 02.50.20.7.3) requires detailed subsidiary records to be maintained for individual fixed assets and significant categories of inventories and to be periodically reconciled to control accounts.

Center officials stated errors were the result of inventory count errors and requisition errors.

Failure to maintain adequate controls over pharmacy inventory may result in waste, loss, or unauthorized use of State assets that would not be detected on a timely basis. In addition, incorrect commodity records may result in inaccurate re-order points. (Finding Code No. 05-2)

**RECOMMENDATION**

We recommend the Center establish controls over its pharmacy inventories to ensure that all inventory is properly counted. Further, we recommend the Center comply with Department of Human Services policies and procedures by comparing physical inventory counts to quantities recorded in the commodities system periodically, and that differences be investigated.

**CENTER RESPONSE**

Agreed. In FY05, pharmacy operations were transferred to Central Office. The Bureau of Pharmacy and Clinical Services has reviewed and corrected the input error in the Central Office commodity control system that resulted in this finding. Pharmacy Bureau staff will be responsible for reviewing future inventory adjustments for accuracy.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**  
For the Two Years Ended June 30, 2005

Prior Findings Not Repeated

There were no findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2003.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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)
- Center Utilization (not examined)
- Annual Center Statistics
  - Cost Per Year/Day Per Resident (not examined)
  - Ratio of Employees to Residents (not examined)
  - Reported Employee Job Injuries (not examined)
  - Food Services (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, except for information on Employee Overtime, Center Utilization, 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  
SHAPIRO 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 1 to August 31, 2005	Total Expenditures 14 Months Ended August 31, 2005	Balances Lapsed August 31, 2005
PUBLIC ACTS 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 48,017,000	\$ 45,915,001	\$ 2,057,354	\$ 47,972,355	\$ 44,645
Employee Retirement Contributions					
Paid by Employer	73,635	73,634	0	73,634	1
State Contributions to State					
Employees' Retirement System	7,673,200	7,026,287	317,378	7,343,665	329,535
State Contributions to Social Security	3,344,600	3,186,689	144,287	3,330,976	13,624
Contractual Services	4,218,800	3,497,412	703,278	4,200,690	18,110
Travel	11,100	6,120	4,884	11,004	96
Commodities	3,013,900	2,852,532	144,913	2,997,445	16,455
Printing	34,000	33,791	146	33,937	63
Equipment	173,500	147,094	26,200	173,294	206
Telecommunications Services	124,100	111,649	12,399	124,048	52
Operation of Automotive Equipment	129,800	105,592	24,110	129,702	98
	<u>\$ 66,813,635</u>	<u>\$ 62,955,801</u>	<u>\$ 3,434,949</u>	<u>\$ 66,390,750</u>	<u>\$ 422,885</u>
Total Fiscal Year 2005	<u>\$ 66,813,635</u>	<u>\$ 62,955,801</u>	<u>\$ 3,434,949</u>	<u>\$ 66,390,750</u>	<u>\$ 422,885</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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 July 1 to August 31, 2004	Total Expenditures 14 Months Ended August 31, 2004	Balances Lapsed August 31, 2004
<b>PUBLIC ACT 93-92</b>					
<b><u>GENERAL REVENUE FUND - 001</u></b>					
Personal Services	\$ 49,438,800	\$ 45,785,126	\$ 2,052,295	\$ 47,837,421	\$ 1,601,379
Employee Retirement Contributions					
Paid by Employer	1,923,200	1,653,310	75,177	1,728,487	194,713
State Contributions to State					
Employees' Retirement System	6,486,400	4,151,110	367	4,151,477	2,334,923
State Contributions to Social Security	3,432,300	3,279,623	147,764	3,427,387	4,913
Contractual Services	4,128,900	3,544,779	584,012	4,128,791	109
Travel	6,100	1,276	4,785	6,061	39
Commodities	2,959,500	2,843,302	116,171	2,959,473	27
Printing	42,500	31,370	11,130	42,500	0
Equipment	179,400	151,954	27,440	179,394	6
Telecommunications Services	187,300	148,428	38,869	187,297	3
Operation of Automotive Equipment	141,900	118,021	23,814	141,835	65
<b>Total Fiscal Year 2004</b>	<b><u>\$ 68,926,300</u></b>	<b><u>\$ 61,708,299</u></b>	<b><u>\$ 3,081,824</u></b>	<b><u>\$ 64,790,123</u></b>	<b><u>\$ 4,136,177</u></b>

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  
SHAPIRO DEVELOPMENTAL CENTER  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES**

For the Fiscal Year Ended June 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842 & 93-0681	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 66,813,635	\$ 68,926,300	\$ 65,505,800
<b>EXPENDITURES</b>			
Personal Services	47,972,355	47,837,421	47,605,266
Employee Retirement Contributions			
Paid by Employer	73,634	1,728,487	1,769,836
State Contributions to State			
Employees' Retirement System	7,343,665	4,151,477	4,774,503
State Contributions to Social Security	3,330,976	3,427,387	3,389,041
Contractual Services	4,200,690	4,128,791	3,920,438
Travel	11,004	6,061	4,253
Commodities	2,997,445	2,959,473	3,077,471
Printing	33,937	42,500	34,627
Equipment	173,294	179,394	41,121
Telecommunications Services	124,048	187,297	153,698
Operation of Automotive Equipment	129,702	141,835	126,091
<b>Total Expenditures</b>	<b>66,390,750</b>	<b>64,790,123</b>	<b>64,896,345</b>
<b>LAPSED BALANCES</b>	<b>\$ 422,885</b>	<b>\$ 4,136,177</b>	<b>\$ 609,455</b>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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 Patient Travel Trust 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 Fund

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

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

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

Special Revenue Funds

The Special Revenue Funds consists of the DHS Other Special Trust 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  
SHAPIRO 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.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**DESCRIPTION OF LOCALLY HELD FUNDS**  
For the Two Years Ended June 30, 2005

Investments and Account Locations

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

**Investments**

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>
Resident's Trust Fund		
Certificates of Deposit:		
Municipal Trust & Savings Bank, Bourbonnais, IL	2.50%	\$ 80,000
Municipal Trust & Savings Bank, Bourbonnais, IL	2.50%	80,000
Homestar Bank, Kankakee, IL	3.20%	40,000
Homestar Bank, Kankakee, IL	3.20%	50,000
Homestar Bank, Kankakee, IL	3.20%	20,000
Homestar Bank, Kankakee, IL	3.20%	20,000
Homestar Bank, Kankakee, IL	2.97%	20,000
Homestar Bank, Kankakee, IL	2.97%	20,000
Homestar Bank, Kankakee, IL	2.97%	20,000
Homestar Bank, Kankakee, IL	2.97%	20,000
Homestar Bank, Kankakee, IL	2.97%	20,000
First American Bank, Kankakee, IL	3.68%	<u>20,000</u>
Total Resident's Trust Fund		<u>\$ 410,000</u>
Other Special Trust Fund		
Certificates of Deposit:		
First American Bank, Kankakee, IL	3.93%	15,000
National City, Kankakee, IL	1.28%	40,000
Municipal Trust & Savings Bank, Bourbonnais, IL	3.00%	<u>25,000</u>
Total Other Special Trust Fund		<u>\$ 80,000</u>
 Total Investments		 <u>\$490,000</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  
SHAPIRO DEVELOPMENTAL CENTER  
**DESCRIPTION OF LOCALLY HELD FUNDS**  
For the Two Years Ended June 30, 2005

**Bank Accounts**

Patient Travel Trust Fund

Checking Account (7/1/03 – 2/28/05)  
National City Bank, Kankakee, IL  
Non-interest bearing

Checking Account (as of 11/19/04)  
First Trust of Illinois, Kankakee, IL  
Bearing interest at .60%

Petty Cash Accounts

Checking Account (Petty Cash)  
National City Bank, Kankakee, IL  
Non-interest bearing

Checking Account (Petty Cash - ECM)  
National City Bank, Kankakee, IL  
Non-interest bearing

DHS Other Special Trust Fund

NOW Account  
First American Bank, Kankakee, IL  
Bearing interest at .70%

DHS Rehabilitation Fund

Checking Account (7/1/03 – 3/15/05)  
National City Bank, Kankakee, IL  
Non-interest bearing

Checking Account (as of 10/26/04)  
First Trust of Illinois, Kankakee, IL  
Bearing interest at .60%

DHS Resident's Trust Fund

NOW Account  
National City Bank, Kankakee, IL  
Bearing interest at 1.34%

Checking Account (as of 10/26/04)  
First Trust of Illinois, Kankakee, IL  
Bearing interest at .60%

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS**  
For the Year Ended June 30, 2005

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trust Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	Petty Cash Account
Balance - July 1, 2004	\$ 19,707	\$ 154,118	\$ 471,711	\$ 399	\$ 1,011
Receipts					
Income from Sales	66,763				
Investment Income	33	336	6,643	2	
Resident deposits			4,213,198		
Donations	6,550	77,816			
Appropriations				1,500	5,917
Miscellaneous					
Total Receipts	<u>\$ 73,346</u>	<u>\$ 78,152</u>	<u>\$ 4,219,841</u>	<u>\$ 1,502</u>	<u>\$ 5,917</u>
Disbursements					
Cost of sales	65,411				
Contractual Services					6,383
Operating expenses	14,284				
Travel				1,160	
Resident activities		78,970			
Equipment	7,082				
Resident withdrawals			4,204,135		
Miscellaneous					
Total Disbursements	<u>\$ 86,777</u>	<u>\$ 78,970</u>	<u>\$ 4,204,135</u>	<u>\$ 1,160</u>	<u>\$ 6,383</u>
Balance - June 30, 2005	<u><u>\$ 6,276</u></u>	<u><u>\$ 153,300</u></u>	<u><u>\$ 487,417</u></u>	<u><u>\$ 741</u></u>	<u><u>\$ 545</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS**  
For the Year Ended June 30, 2004

	1144 DHS Rehabilitation Fund	1139 DHS Other Special Trust Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	Petty Cash Account
Balance - July 1, 2003	\$ 24,191	\$ 123,303	\$ 533,844	\$ 804	\$ 1,153
<b>Receipts</b>					
Income from Sales	70,626				
Investment Income		240	7,270		
Resident deposits			4,163,916		
Donations	6,096	71,700			
Appropriations				1,500	8,844
Miscellaneous					
Total Receipts	<u>\$ 76,722</u>	<u>\$ 71,940</u>	<u>\$ 4,171,186</u>	<u>\$ 1,500</u>	<u>\$ 8,844</u>
<b>Disbursements</b>					
Cost of sales	73,197				
Contractual Services					8,986
Operating expenses	2,699				
Travel				1,905	
Resident activities		41,125			
Equipment	5,310				
Resident withdrawals			4,233,319		
Other					
Total Disbursements	<u>\$ 81,206</u>	<u>\$ 41,125</u>	<u>\$ 4,233,319</u>	<u>\$ 1,905</u>	<u>\$ 8,986</u>
Balance - June 30, 2004	<u>\$ 19,707</u>	<u>\$ 154,118</u>	<u>\$ 471,711</u>	<u>\$ 399</u>	<u>\$ 1,011</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Years Ended June 30, 2004 and 2005

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
Balance June 30, 2003	\$ 97,106	\$ 53,637,571	\$ 16,193,979	\$ 5,619,121	\$ 75,547,777
Additions:					
Purchases				260,540	260,540
Transfers-in:					
Intra-agency				208,988	208,988
Capital Development Board		686,796	2,976,306		3,663,102
Donations				28,036	28,036
Adjustments				222	222
Total Additions	\$ 0	\$ 686,796	\$ 2,976,306	\$ 497,786	\$ 4,160,888
Deductions:					
Transfers-out:					
Intra-agency				169,679	169,679
Inter-agency				96,093	96,093
Scrap property				136,387	136,387
Adjustment				6,034	6,034
Total Deductions	\$ 0	\$ 0	\$ 0	\$ 408,193	\$ 408,193
Balance June 30, 2004	\$ 97,106	\$ 54,324,367	\$ 19,170,285	\$ 5,708,714	\$ 79,300,472
Additions:					
Purchases				229,383	229,383
Transfers-in:					
Intra-agency				206,240	206,240
Capital Development Board		934,211	490,647		1,424,858
Donations				6,029	6,029
Adjustments				6,091	6,091
Total Additions	\$ 0	\$ 934,211	\$ 490,647	\$ 447,743	\$ 1,872,601
Deductions:					
Transfers-out:					
Intra-agency				282,625	282,625
Inter-agency				105,982	105,982
Surplus property				167	167
Scrap property				87,854	87,854
Condemned and lost property				6,231	6,231
Adjustment				1,376	1,376
Total Deductions	\$ 0	\$ 0	\$ 0	\$ 484,235	\$ 484,235
Balance June 30, 2005	\$ 97,106	\$ 55,258,578	\$ 19,660,932	\$ 5,672,222	\$ 80,688,838

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  
SHAPIRO DEVELOPMENTAL CENTER  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS**  
For the Years Ended June 30,

	FISCAL YEARS		
	2005	2004	2003
<b><u>RECEIPTS</u></b>			
Jury duty, witness fees, military duty	\$ 3,020	\$ 3,220	\$ 2,332 *
Copy charges	40	528	897
Telephone reimbursements	48	86	86
Miscellaneous other	266	21	338
<b>TOTAL RECEIPTS</b>	<b>\$ 3,374</b>	<b>\$ 3,855</b>	<b>\$ 3,653</b>
 <b><u>DEPOSITS</u></b>			
Receipts recorded by Agency	\$ 3,374	\$ 3,855	\$ 3,653
Add: Deposits in transit - Beginning of year	255	175	142
Deduct: Deposits in transit - End of year	(131)	(255)	(175) *
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<b>\$ 3,498</b>	<b>\$ 3,775</b>	<b>\$ 3,620</b>

\* Note: Amount has been adjusted from the prior year in order to properly account for an in-transit amount at year-end.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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 (amounting to 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	\$ 73,634	\$ 1,728,487	\$ (1,654,853)	(96%)
State Contribution to State Employees' Retirement System	\$ 7,343,665	\$ 4,151,477	\$ 3,192,188	77%
Travel	\$ 11,004	\$ 6,061	\$ 4,943	82%
Telecommunications Services	\$ 124,048	\$ 187,297	\$ (63,249)	(34%)

Employee Retirement Contributions Paid by Employer

Employee Retirement Contribution expenditures decreased in FY05 due to the State discontinuing payments into State Employees' Retirement on behalf of certain employees.

State Contribution to State Employees' Retirement System

State Contribution to State Employees' Retirement Systems expenditures increased in FY05 due to the State discontinuing payments into the State Employees' Retirement in FY04 as a result of Public Act 93-0665 (Act), which became effective in March 2004. The Act suspended contribution payments from March through June of FY04. However, contributions resumed in FY05. In addition, the overall State employee retirement rate increased from 13.4% in FY04 to 16.1% in FY05.

Travel

Travel expenditures increased in FY05 due to Center personnel traveling to Choate Developmental Center to provide assistance in resolving public health issues at the Governor's direction.

Telecommunications Services

Telecommunications expenditures decreased due to the previous year's expenditure for repair work on the Center's damaged underground telephone lines, which did not reoccur in FY05. Additionally, no efficiency initiative payments were made from the Center's appropriation in FY05, which occurred in the previous year.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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 (amounting to 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>
Printing	\$ 42,500	\$ 34,627	\$ 7,873	23%
Equipment	\$ 179,394	\$ 41,121	\$ 138,273	336%
Telecommunications Services	\$ 187,297	\$ 153,698	\$ 33,599	22%

Printing

Printing expenditures increased in FY04 due to the Center purchasing 20,000 four-part forms that contained newly updated commodity control system requisition numbers.

Equipment

Equipment expenditures increased due to the Center purchasing machinery tools and other equipment, which did not occur in fiscal year 2003 due to equipment purchases being suspended by the Department of Human Services' (DHS).

Telecommunications Services

Telecommunications services expenditures increased due to charges incurred for repair work on damaged underground telephone wires that was required during fiscal year 2004. Additionally, there was an efficiency initiative payment made to the Department of Central Management Services from the Center's appropriation in FY04.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2005

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

**Fiscal Year Ended June 30, 2005**

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$ 11,004	\$ 4,884	44%

Travel

Travel expenditures incurred prior to June 30 totaling \$4,884 were paid during the lapse period due to the Center assisting Choate Developmental Center with public health issues near year-end but were not processed and paid until the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2005

A schedule of significant lapse period spending for the fiscal year ended June 30, 2004 is shown below:

**Fiscal Year Ended June 30, 2004**

<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$ 6,061	\$ 4,785	79%
Printing	\$ 42,500	\$ 11,130	26%
Telecommunications Services	\$ 187,297	\$ 38,869	21%

Travel

Travel expenditures incurred prior to June 30 totaling \$4,785 were paid during the lapse period due to Center personnel participating in training sessions and the Center performing a peer review of the Mabley Developmental Center at the end of the fiscal year but invoices were not received nor paid until the lapse period.

Printing

Printing expenditures incurred prior to June 30 totaling \$11,130 were paid during the lapse period due to the Center purchasing two large orders of copy paper and special forms late in the fiscal year but the invoices were not received nor paid until the lapse period.

Telecommunications Services

Telecommunications services expenditures incurred prior to June 30 totaling \$38,869 were paid during the lapse period due to the Center paying the remainder of repair work on damaged underground telephone wires, which occurred late in the fiscal year. Additionally, the Center paid for June's maintenance fees for its two-way radio and pager system during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**SCHEDULE OF CHANGES IN INVENTORIES**  
For the Years Ended June 30, 2004 and 2005

	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
General Stores:				
Medical lab	\$ 56,945	\$ 152,573	\$ 153,177	\$ 56,341
Food supplies	210,919	1,496,840	1,469,996	237,763
Household and laundry	425,496	976,786	1,017,643	384,639
Other general stores	97,753	464,728	437,819	124,662
Mechanical Stores:				
Repair and Maintenance	31,072	556,672	581,004	6,740
Other mechanical stores	2,158	38,725	40,105	778
Pharmacy	288,379	2,537,362	2,528,526	297,215
	<u>\$ 1,112,722</u>	<u>\$ 6,223,686</u>	<u>\$ 6,228,270</u>	<u>\$ 1,108,138</u>

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
General Stores:				
Medical lab	\$ 85,354	\$ 139,415	\$ 167,824	\$ 56,945
Food supplies	265,818	1,409,923	1,464,822	210,919
Household and laundry	319,728	1,256,130	1,150,362	425,496
Other general stores	95,602	617,455	615,304	97,753
Mechanical Stores:				
Repair and Maintenance	30,971	580,793	580,692	31,072
Other mechanical stores	3,212	40,794	41,848	2,158
Pharmacy	236,050	2,176,186	2,123,857	288,379
	<u>\$ 1,036,735</u>	<u>\$ 6,220,696</u>	<u>\$ 6,144,709</u>	<u>\$ 1,112,722</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
For the Two Years Ended June 30, 2005

The Department has accounts receivable of \$406,917, arising from operations of Shapiro 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 Shapiro 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 receivable 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:

	<b>June 30,</b>		
	<u><b>2005</b></u>	<u><b>2004</b></u>	<u><b>2003</b></u>
Current (0-3 months)	\$374,698	\$345,327	\$364,012
Past due (4-6 months)	148	2,149	7,438
Past due (7-12 months)	828	1,796	2,029
Past due (over 12 months)	<u>31,243</u>	<u>415,359</u>	<u>368,960</u>
Subtotal	\$406,917	\$764,631	\$742,439
Court Cases	<u>0</u>	<u>0</u>	<u>45,881</u>
Total	<u><b>\$406,917</b></u>	<u><b>\$764,631</b></u>	<u><b>\$788,320</b></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

**CENTER FUNCTIONS AND PLANNING PROGRAM**

Center Functions

The Shapiro Developmental Center (Center) is located at 100 East Jeffery Street, Kankakee, Illinois. The Center was established in the late 1800's as a mental health center but has served individuals with developmental disabilities since May 10, 1974.

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 a 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 has thirty-two living units, each with a unit director to ensure the needs of the unit is met. Services utilize the inter-disciplinary team approach involving professionals, service providers, the individual and his or 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 or her rights, and achieve his or her own goals.

Center Planning

The Center has a formal management system, known as the Executive Council (Council), to address the rules, regulations, and Administrative Directives of the Department of Human Services (DHS) and various other standards. The Council is comprised of the facility director, medical director, fiscal director, personnel director, the directors of nursing, staff development, professional development and education, and the head of psychology. The Council meets weekly and is responsible for providing communication and direction regarding the total operation and services of the Center as well as serving as the Center's governing authority. It also facilitates and coordinates action to achieve and maintain compliance with State laws and regulations, Intermediate Care Facilities for People with Mental Retardation (ICFMR) Standards, Accreditation Standards, Center policies and procedures and DHS policies and procedures. The Council also provides ongoing Management Audits of Center operations and coordinates quality enhancement activities.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

Internal examination functions are performed by the Illinois Office of Internal Audit. Internal auditors conduct annual performance examinations of the Center's operational programmatic activities. These examinations are reviewed by the Council and provide a system for monitoring the quality of the Center's operations.

Each year the Center's goals and objectives are evaluated and modified by the Executive Council in consultation with other administrative and support staff to effectively address the Center's needs.

GOALS:

1. To support and enhance consumer empowerment, decision making and advocacy efforts of the persons served at the Center and their families or guardians.
2. To enhance the quality of services provided by participation in evaluations conducted by external standard compliance review organizations and, by demonstrating quality services by maintaining certification and accreditation.
3. Specific training to occur during fiscal year 2005 to enhance the provision of services to persons served by improving informational and interventional competencies of staff.
4. Ensure staff issues are effectively addressed and that good communication is maintained throughout the Center.
5. To increase community awareness and responsiveness to the needs of persons with disabilities.
6. To demonstrate effective and responsible fiscal operation of the Center.

In order to meet the above goals, the Center has formulated several corresponding objectives.

OBJECTIVES:

1. Through the use of an individualized self-assessment each person served will identify choices, preferences, likes, goals and dreams. Planning for the person served will be based on information obtained through this process and implementation will be evaluated during monthly reviews, special team meetings, and annual reviews.
2. Continue to maintain Public Health Certification during fiscal year 2005.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

3. To ensure that persons residing at the Center receive services in a humane, respectful and safe environment, staff will continue to receive training in identification, reporting and prevention of abuse, neglect and exploitation during fiscal year 2005.
4. The unit directors will conduct monthly meetings with their shift charges as a vehicle for communicating and responding to issues that affect the operation of the living areas and the services provided for persons who reside on the living areas.
5. Conduct an open house in conjunction with hosting the local Armed Forces Day parade and festivities during fiscal year 2005. The general public will be encouraged to attend this event to learn more about the services that the Center provides.
6. Effectively plan and implement a budget that is based on the fiscal year 2005 legislative appropriation for the Center and is in accordance with the Center's mission.
7. Ensure that all audit issues are effectively addressed.

Auditors' Assessment

The Shapiro Developmental Center's planning program and goals are prioritized, monitored and directed towards obtaining the goals identified in accordance with the Center's functions. The Center's planning appears adequate to meet its statutorily defined functions.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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.

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Mental health technicians and supervisors	761	741	767
Support service workers and supervisors	125	132	144
Medical, dental and pharmacy	171	179	128
Office and clerical	28	28	49
Administrative	35	41	31
Education	22	22	25
Security	6	4	4
Other	<u>55</u>	<u>58</u>	<u>86</u>
Total Employees	<u>1,203</u>	<u>1,205</u>	<u>1,234</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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>102,326</u>	<u>190,986</u>
Value of overtime hours worked during fiscal year	<u>\$2,241,985</u>	<u>\$4,107,104</u>
Compensatory hours earned during fiscal year	<u>8,335</u>	<u>18,148</u>
Value of compensatory hours earned during fiscal year	<u>\$146,450</u>	<u>\$278,823</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>110,661</u>	<u>209,134</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$2,388,435</u>	<u>\$4,385,927</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

**CENTER UTILIZATION (not examined)**

The Shapiro Developmental Center (Center) is situated on 270 acres in Kankakee, Illinois. The Center has 50 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 NAME	BUILDING USE	SQUARE FT.	STATUS	% OF USE
Building 100	Living Area	39,591	Utilized	100
Building 103	Living Area	25,062	Utilized	100
Building 201	Living Area	25,062	Utilized	100
Building 202	Living Area	25,062	Utilized	100
Building 313	Living Area	28,993	Utilized	100
Building 318	Living Area	18,344	Utilized	100
Building 411	Living Area	23,810	Utilized	100
Building 415	Living Area	23,732	Utilized	100
Building 417	Living Area	11,000	Utilized	100
Building 502	Living Area	21,142	Utilized	100
Building 514	Living Area	41,116	Utilized	100
Building 603	Living Area	57,569	Utilized	100
Building 704	Living Area	54,524	Utilized	100
Building 805	Living Area	15,608	Utilized	100
Building 813	Living Area	21,260	Utilized	100
Cottage 1	Living Area	2,424	Vacant <sup>a</sup>	0
Cottage 2	Living Area	2,424	Vacant <sup>a</sup>	0
Cottage 3	Living Area	2,424	Vacant <sup>a</sup>	0
A North (Admin Wing)		25,906	Vacant <sup>b</sup>	0
A South (Admin Wing)		22,596	Vacant <sup>b</sup>	0
Admin. Bldg.	Admin Offices	26,438	Utilized	100
Ann Kiley Ctr	Day Program Area	6,282	Vacant <sup>c</sup>	0
Campus Workshop	Grounds Workshop	4,427	Utilized	100
Cerva Central	Day Program Area	6,671	Utilized	100
Cerva North	Day Program Area	18,631	Utilized	100
Cerva South	Day Program Area	19,049	Utilized	100
Chapel	Chapel & Day Programs	13,909	Utilized	100
Cottage 4	Residential	2,646	Utilized	100
Dietary	Kitchen/Storehouse	64,752	Utilized	100
Engineering	Engineering Office	14,106	Utilized	100
Garage	Auto Garage	1,976	Utilized	100

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

BUILDING NAME	BUILDING USE	SQUARE FT.	STATUS	% OF USE
Security Office	Security Office	495	Utilized	100
Greenhouse	Day Program Area	2,876	Utilized	100
Laundry	Laundry	25,145	Utilized	100
Paint Shed	Storage	120	Vacant <sup>d</sup>	0
Pest Control		969	Vacant <sup>d</sup>	0
Pharmacy	Pharmacy	21,945	Utilized	100
Property	Storage	18,848	Utilized	100
Property	Storage	37,462	Utilized	100
Powerhouse	Powerhouse	25,714	Utilized	100
Transportation	Transportation	2,226	Utilized	100
Snack Shop	Vending Operation	4,548	Utilized	100
Staff Development	Staff Development/ Day Care	24,837	Utilized	100
Garage	Storage	23,344	Utilized	100
Garage	Garage	1,792	Utilized	100
Trades Building	Trades Workshop	19,944	Utilized	100
Tooper Ctr.	Day Program Area	32,039	Utilized	100
Vocational Ctr.	Day Program Area	26,100	Utilized	100

<sup>a</sup> Buildings are vacant due to these buildings being a backup for residential living. Cottages are not needed at this time.

<sup>b</sup> Buildings are vacant due to the buildings do not meet life safety code.

<sup>c</sup> Building is vacant due to this building not being needed. This building was used for the day program, however the day program has been consolidated and moved to another building.

<sup>d</sup> Buildings are vacant due to these buildings are small and are not needed at this time.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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>\$136,822</u>	<u>\$126,093</u>
Cost per day per resident	*	<u>\$373.83</u>	<u>\$345.46</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>800</u>	<u>800</u>	<u>800</u>
Average number of residents	<u>643</u>	<u>659</u>	<u>672</u>
Average number of employees	<u>1,203</u>	<u>1,205</u>	<u>1,234</u>
Ratio of employees to residents	<u>1.87 to 1</u>	<u>1.83 to 1</u>	<u>1.84 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>439</u>	<u>464</u>	<u>528</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO 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>704,085</u>	<u>721,605</u>	<u>735,840</u>
Total food costs	\$1,471,700	\$1,342,100	\$1,324,285
Total labor costs	<u>1,630,973</u>	<u>1,728,796</u>	<u>1,673,563</u>
Total costs	<u>\$3,102,673</u>	<u>\$3,070,896</u>	<u>\$2,997,848</u>
Average food costs / meal	\$2.09	\$1.86	\$1.80
Average labor costs / meal	<u>2.32</u>	<u>2.40</u>	<u>2.27</u>
Total average cost / meal	<u>\$4.41</u>	<u>\$4.26</u>	<u>\$4.07</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
SHAPIRO DEVELOPMENTAL CENTER  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2005

**SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)**

The goal of the Shapiro Developmental Center (Center) has been to provide quality care and services to its residents and to provide them with opportunities to gain the skills necessary to become as independent as possible. The Center's staff is committed to improving the quality of life for individuals enhancing their ability to return to their homes or to a community agency setting.

The Center has received extensive reviews by survey groups during the past two years. Representatives of the Department of Human Services and Department of Public Health who conducted annual certification reviews to ensure compliance with Federal CMS (HCFA) standards, and accreditation groups, conducted reviews and inspections.

The Center has maintained continuous federal certification status since 1975 by meeting State and federal requirements and, the Center has maintained continued national accreditation status since 1978.

Since 1972 the Center has maintained a close working relationship with the Center's parents and guardian association. Satisfaction surveys from both the parents and guardians and the individuals continue to highlight the positive environment that the Center provides as well as the quality of care given.

The provision of technical assistance and training to families and other community agencies by Center staff continues to be an important element of the Center's role in the Illinois service delivery system. The Center actively seeks to raise awareness of its services and their value to the public, as it prepares individuals to be contributing members of society.