

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

ILLINOIS SCHOOL FOR THE DEAF

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
LIMITED SCOPE COMPLIANCE EXAMINATION
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SCHOOL OFFICIALS

Superintendent

Ms. Joan Forney

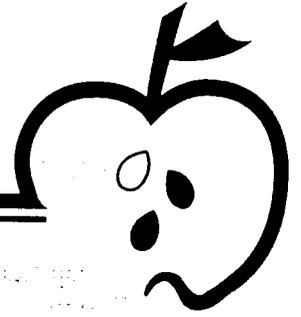
Business Office Administrator

Mr. John Wilcox

The School is located at:

125 South Webster
Jacksonville, Illinois 62650

Illinois School for the Deaf



A residential school for students who are deaf or hard of hearing operated by the Illinois Department of Human Services, Division of Rehabilitation Services.

September 30, 2005

Sulaski & Webb
Certified Public Accountants
Suite 203 The Illinois House
207 W. Jefferson, P.O. Box 3305
Bloomington, Illinois 61702-3305

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 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, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.

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

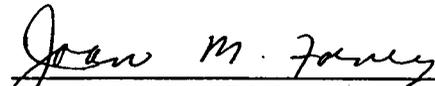
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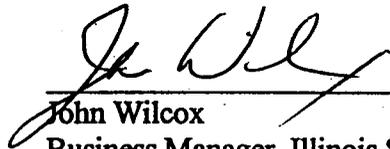
administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois School for the Deaf



Joan M. Forney, Ed.S.
Superintendent, Illinois School for the Deaf



John Wilcox
Business Manager, Illinois School for the Deaf

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
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	1	1
Repeated findings	0	1
Prior recommendations implemented or not repeated	1	1

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

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Prior Finding Code</u>
CURRENT FINDINGS			
05-1	10	Performance evaluations not completed in a timely fashion.	N/A
PRIOR FINDINGS NOT REPEATED			
05-2	11	Inadequate maintenance of commodity inventory system	03-1

EXIT CONFERENCE

School management waived having an exit conference per a letter dated November 28, 2005. Responses to the recommendations were provided by Illinois Department of Human Services in a letter dated December 14, 2005.

**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 - Illinois School for the Deaf (School) 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 - Illinois School for the Deaf is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Illinois School for the Deaf's compliance based on our examination.

- A. The State of Illinois Department of Human Services - Illinois School for the Deaf 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 - Illinois School for the Deaf 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 - Illinois School for the Deaf 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 - Illinois School for the Deaf 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 - Illinois School for the Deaf on behalf of the State or held in trust by the State of Illinois Department of Human Services - Illinois School for the Deaf 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 School 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 School 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 School to assist in the performance of the Auditor General’s financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 30, 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 - Illinois School for the Deaf’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 - Illinois School for the Deaf’s compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Illinois School for the Deaf complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying Schedule of Findings, Recommendations and School Responses as finding (05-1).

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

Internal Control

The management of the State of Illinois Department of Human Services - Illinois School for the Deaf 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 - Illinois School for the Deaf’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

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 School to assist in the performance of the Auditor General's financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 30, 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 an other matter involving internal control which is required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which is described in the accompanying Schedule of Finding, Recommendations and School Responses as finding (05-1).

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, to the 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on Employee Overtime, Contractual Payroll Employees, School Utilization, Annual School 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, School and Department of Human Services management, and is not intended to be and should not be used by anyone other than these specified parties.



Sulaski & Webb, CPAs

September 30, 2005

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES
For the Two Years Ended June 30, 2005

Current Finding

05-1 Finding: (Performance evaluations not completed in a timely fashion)

The Illinois School for the Deaf (School) did not complete performance evaluations for its employees in compliance with the Illinois Administrative Code.

Pursuant to the Illinois Administrative Code (Title 80, Section 302.270), the School is required to prepare an evaluation of employee performance for all employees not less often than annually.

Our review of 50 personnel files disclosed 13 (26%) employees did not receive a performance evaluation during fiscal year 2005. Nine of the 13 individuals did not receive a performance evaluation during fiscal year 2004.

School management stated that lack of sufficient resources contributed to ineffective monitoring of the completion of performance evaluations for all employees.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustment, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Failure to perform timely evaluations could result in employees not receiving proper follow-up, feedback, and necessary training. (Finding Code No.05-1)

Recommendation:

We recommend that the School implement and enforce procedures to ensure that performance evaluations are completed in a timely manner for all employees.

Department Response:

Agree. The school Superintendent has forwarded a memo to all management personnel indicating that completing performance evaluations should be a priority for all management personnel. A folder system with a tracking log has been established by the month for all employees at the Illinois School for the Deaf. Notices are sent one month in advance and the date logged giving the supervisor notice of evaluations due. If by the first of the month that the evaluation is due, the Personnel Office does not have record of the evaluation being completed, the Personnel Office will send a reminder via e-mail, and this will be noted on the tracking sheet. The Superintendent will then be informed of the late evaluation. All supervisors have been given until December 21, 2005 to complete any late or missing evaluations.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES
For the Two Years Ended June 30, 2005

Prior Findings Not Repeated

05-2 Finding (Inadequate maintenance of commodity inventory system)

During the prior audit period, the Illinois School for the Deaf (School) did not maintain accurate records or adequate controls over commodity inventories. The auditors noted that despite having a computerized inventory system capable of maintaining perpetual inventory records, School personnel could not produce standard inventory reports. The School had no user manual or written procedures for inventory records. In addition, the quantities of all items in the system were adjusted to actual physical counts at June 30 without any identification or investigation of differences between perpetual records and actual counts. (Finding Code No. 03-1)

Status: Implemented

During the current audit period, written procedures were put in place to regulate the commodity inventory system. The School maintained perpetual inventory records and standard inventory valuation reports were generated in fiscal years 2004 and 2005. Variances between physical counts and valuation reports were reported to the business manager twice a year and then investigated.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
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

- School Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Shared Resources
- School Utilization (not examined)
- Annual School Statistics
- Cost Per Year/Day Per Student (not examined)
 - Ratio of Employee's to Students (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, School Utilization, Annual School 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
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACT 93-0842 & 93-0681					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 11,666,700	\$ 9,530,413	\$ 1,722,384	\$ 11,252,797	\$ 413,903
Student compensation	13,400	12,634	-	12,634	766
Employee retirement contributions paid by employer	5,502	5,501	-	5,501	1
State contributions to State Employees' Retirement System	1,879,000	987,493	143,908	1,131,401	747,599
State contributions to Social Security	605,500	478,051	71,735	549,786	55,714
Contractual Services	1,618,000	1,443,935	129,191	1,573,126	44,874
Travel	16,000	12,654	908	13,562	2,438
Commodities	497,400	481,856	1,626	483,482	13,918
Printing	1,000	517	-	517	483
Equipment	190,900	102,526	48,313	150,839	40,061
Telecommunications services	22,000	21,585	55	21,640	360
Operation of auto equipment	52,100	42,857	8,057	50,914	1,186
Subtotal - Fund 001	<u>\$ 16,567,502</u>	<u>\$ 13,120,022</u>	<u>\$ 2,126,177</u>	<u>\$ 15,246,199</u>	<u>\$ 1,321,303</u>
<u>VOCATIONAL REHABILITATION FUND - 081</u>					
Secondary transitional experience program	<u>\$ 50,000</u>	<u>\$ 44,631</u>	<u>\$ -</u>	<u>\$ 44,631</u>	<u>\$ 5,369</u>
Total - All Appropriated Funds	<u>\$ 16,617,502</u>	<u>\$ 13,164,653</u>	<u>\$ 2,126,177</u>	<u>\$ 15,290,830</u>	<u>\$ 1,326,672</u>
<u>HANSEN-THERKELSEN MEMORIAL DEAF STUDENT COLLEGE FUND - 123</u>					
Expenditures		<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	
Total - Non-Appropriated Funds		<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 13,168,653</u>	<u>\$ 2,126,177</u>	<u>\$ 15,294,830</u>	

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
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 1ST TO AUGUST 31, 2004	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004	BALANCES LAPSED AUGUST 31, 2004
PUBLIC ACT 93-0092					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 11,746,700	\$ 10,091,518	\$ 1,052,190	\$ 11,143,708	\$ 602,992
Student compensation	13,700	11,463	644	12,107	1,593
Employee retirement contributions paid by employer	467,500	329,701	39,747	369,448	98,052
State contributions to State Employees' Retirement System	1,211,100	607,678	3,132	610,810	600,290
State contributions to Social Security	553,200	500,626	44,383	545,009	8,191
Contractual Services	1,535,500	1,335,537	199,802	1,535,339	161
Travel	19,000	15,279	891	16,170	2,830
13 Commodities	497,400	480,745	14,286	495,031	2,369
Printing	1,000	942	-	942	58
Equipment	189,600	98,153	89,776	187,929	1,671
Telecommunications services	44,500	14,205	27,335	41,540	2,960
Operation of auto equipment	46,900	34,084	12,294	46,378	522
Subtotal - Fund 001	<u>\$ 16,326,100</u>	<u>\$ 13,519,931</u>	<u>\$ 1,484,480</u>	<u>\$ 15,004,411</u>	<u>\$ 1,321,689</u>
<u>VOCATIONAL REHABILITATION FUND - 081</u>					
Secondary transitional experience program	\$ 50,000	\$ 28,465	\$ -	\$ 28,465	\$ 21,535
Total - All Appropriated Funds	<u>\$ 16,376,100</u>	<u>\$ 13,548,396</u>	<u>\$ 1,484,480</u>	<u>\$ 15,032,876</u>	<u>\$ 1,343,224</u>
<u>HANSEN-THERKELSEN MEMORIAL DEAF STUDENT COLLEGE FUND - 123</u>					
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Total - Non-Appropriated Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL - ALL FUNDS	<u>\$ -</u>	<u>\$ 13,548,396</u>	<u>\$ 1,484,480</u>	<u>\$ 15,032,876</u>	<u>\$ -</u>

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842 & 93-0681	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 16,567,502</u>	<u>\$ 16,326,100</u>	<u>\$15,520,200</u>
EXPENDITURES			
Personal services	\$ 11,252,797	\$ 11,143,708	\$10,911,088
Student compensation	12,634	12,107	13,310
Employee retirement contributions paid by employer	5,501	369,448	417,986
State contributions to state employees' retirement system	1,131,401	610,810	715,918
State contributions to Social Security	549,786	545,009	534,034
Contractual services	1,573,126	1,535,339	1,571,122
Travel	13,562	16,170	12,773
Commodities	483,482	495,031	479,720
Printing	517	942	398
Equipment	150,839	187,929	86,569
Telecommunications services	21,640	41,540	36,568
Operations of auto equipment	50,914	46,378	41,776
Total Expenditures	<u>\$ 15,246,199</u>	<u>\$ 15,004,411</u>	<u>\$14,821,262</u>
LAPSED BALANCES	<u>\$ 1,321,303</u>	<u>\$ 1,321,689</u>	<u>\$ 698,938</u>
VOCATIONAL REHABILITATION FUND - 081			
Appropriations (net of transfers)	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
EXPENDITURES			
Secondary transitional experience program	44,631	28,465	48,081
Total Expenditures	<u>\$ 44,631</u>	<u>\$ 28,465</u>	<u>\$ 48,081</u>
LAPSED BALANCES	<u>\$ 5,369</u>	<u>\$ 21,535</u>	<u>\$ 1,919</u>
GRAND TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (net of transfers)	\$ 16,617,502	\$ 16,376,100	\$15,570,200
Total Expenditures	<u>\$ 15,290,830</u>	<u>\$ 15,032,876</u>	<u>\$14,869,343</u>
Lapsed Balances	<u>\$ 1,326,672</u>	<u>\$ 1,343,224</u>	<u>\$ 700,857</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

The locally held funds of the School are grouped into two fund categories. These are nonappropriated funds with the exception of the Petty Cash Account which is reimbursed through the School's General Revenue Fund contractual services appropriation. 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 Petty Cash Account. The account is used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

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.

Special Revenue Fund

The Special Revenue Fund consists of the DHS/DRS Special Revenue Fund. This fund is used to account for the proceeds of a specific revenue source that is legally restricted to expenditures for specific purposes.

The DHS/DRS Special Revenue Fund (SAMS fund number 1149) is maintained to account for monies generated from profits on vending machine sales, gate receipts, private donations, student activity fees or various other sources. This fund is comprised of a number of sub-accounts.

Permanent Trust Fund

The Permanent Trust Fund consists of the DHS/DRS Permanent Trust Fund. This fund is used to account for assets held in a trustee capacity for individuals, private organizations, other governments and/or other funds to be used for purposes that benefit the School or its students.

The DHS/DRS Permanent Trust Fund (SAMS fund number 1150) accounts for bequests and other assets in a trustee capacity to be expended in accordance with any restrictions imposed upon the assets. This fund is comprised of a number of sub-accounts.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

1. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS/DRS Agency 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/DRS Agency Fund (SAMS fund number 1147) is maintained as a depository for funds of students while at the School. Disbursements from the fund consist primarily of withdrawals of monies for students' personal use and class projects at the School. The fund also is used as a clearing account for student compensation and for general receipts.

Investments and Bank Account Locations

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

Investments

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>
DHS/DRS Permanent Trust Fund		
Certificates of Deposit:		
Jacksonville Savings Bank	1.64%	\$14,976
Jacksonville Savings Bank	1.84%	5,522
The Farmers State Bank and Trust	1.64%	47,362
Prairie State Bank and Trust	1.75%	<u>2,226</u>
Total Investments		<u>\$70,086</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
ILLINOIS SCHOOL FOR THE DEAF
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

DHS/DRS Special Revenue Fund

NOW Account: Jacksonville Savings Bank, Jacksonville, Illinois

DHS/DRS Permanent Trust Fund

Money Market Account: Jacksonville Savings Bank, Jacksonville, Illinois

NOW Account: Jacksonville Savings Bank, Jacksonville, Illinois

Petty Cash Account

Checking Account: Prairie State Bank and Trust, Jacksonville, Illinois

DHS/DRS Agency Fund

NOW Account: Jacksonville Savings Bank, Jacksonville, Illinois

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2005

	1149 DHS/DRS Special Revenue Fund	1147 DHS/DRS Agency Fund	1150 DHS/DRS Permanent Trust Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$ 100,359	\$ 11,765	\$ 116,981	\$ 260
Receipts				
Income from Sales	53,522	-	-	-
Investment Income	373	-	12,978	-
Resident deposits	-	191,556	-	-
Donations	43,156	-	-	-
Appropriations	-	-	-	3,042
Vending machine commisions	20,767	-	-	-
Unclaimed funds	-	-	-	-
Reimbursements	67,360	-	-	-
Other	37,410	-	-	-
Total Receipts	<u>\$ 222,588</u>	<u>\$ 191,556</u>	<u>\$ 12,978</u>	<u>\$ 3,042</u>
Disbursements				
Cost of sales	32,648	-	-	-
Operating expenses	30,477	-	50	-
Contractual services	145,347	-	1,688	3,068
Travel	-	-	-	-
Resident activities	-	-	-	-
Equipment	4,207	-	5,000	-
Resident withdrawls	-	185,308	-	-
Appropriations returned	-	-	-	-
Living skills program	-	-	-	-
Other	40,428	-	500	-
Total Disbursements	<u>\$ 253,107</u>	<u>\$ 185,308</u>	<u>\$ 7,238</u>	<u>\$ 3,068</u>
Balance - June 30, 2005	<u>\$ 69,840</u>	<u>\$ 18,013</u>	<u>\$ 122,721</u>	<u>\$ 234</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2004

	1149 DHS/DRS Special Rvenue Fund	1147 DHS/DRS Agency Fund	1150 DHS/DRS Permanent Trust Trust Fund	N/A Petty Cash Account
Balance - July 1, 2003	\$ 71,534	\$ 16,872	\$ 125,746	\$ 20
Receipts				
Income from Sales	50,643	-	-	-
Investment Income	399	-	9,294	-
Resident deposits	-	184,038	-	-
Donations	49,019	-	2,000	-
Appropriations	-	-	-	3,519
Vending machine commisions	16,228	-	-	-
Unclaimed funds	-	-	-	-
Reimbursements	180,385	-	-	-
Other	41,742	-	-	-
Total Receipts	<u>\$ 338,416</u>	<u>\$ 184,038</u>	<u>\$ 11,294</u>	<u>\$ 3,519</u>
Disbursements				
Cost of sales	28,294	-	-	-
Operating expenses	22,829	-	1,795	-
Contractual services	189,618	-	1,734	3,279
Travel	-	-	-	-
Resident activities	-	-	-	-
Equipment	3,465	-	10,793	-
Resident withdrawls	-	189,145	-	-
Appropriations returned	-	-	-	-
Living skills program	-	-	-	-
Other	65,385	-	5,737	-
Total Disbursements	<u>\$ 309,591</u>	<u>\$ 189,145</u>	<u>\$ 20,059</u>	<u>\$ 3,279</u>
Balance - June 30, 2004	<u>\$ 100,359</u>	<u>\$ 11,765</u>	<u>\$ 116,981</u>	<u>\$ 260</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF CHANGES IN STATE PROPERTY
YEARS ENDED JUNE 30, 2004 & 2005

	Land and land improvements	Buildings and building improvements	Site improvements	Capital lease equipment	Equipment	Total
Balance June 30, 2003	\$ 20,000	\$ 9,047,384	\$ 34,546,076	\$ -	\$ 4,016,485	\$ 47,629,945
Additions:						
Purchases	-	28,485	-	-	226,934	255,419
Transfers-in:						
Intra-agency	-	-	-	-	134,403	134,403
Capital Development Board	-	854,193	-	-	-	854,193
Surplus Property	-	-	-	-	-	-
DAVTE Fund	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Adjustments	-	32,383,676	-	-	3,041,083	35,424,759
Total Additions	\$ -	\$ 33,266,354	\$ -	\$ -	\$ 3,402,420	\$ 36,668,774
Deductions:						
Transfers-out:						
Intra-agency	-	-	-	-	92,023	92,023
Surplus property	-	-	-	-	3,451	3,451
Scrap property	-	-	-	-	114,580	114,580
Condemned and lost property	-	-	-	-	2,874,795	2,874,795
Retirements	-	-	-	-	59,278	59,278
Adjustment	-	-	32,383,676	-	8,727	32,392,403
Total Deductions	\$ -	\$ -	\$ 32,383,676	\$ -	\$ 3,152,854	\$ 35,536,530
Balance June 30, 2004	\$ 20,000	\$ 42,313,738	\$ 2,162,400	\$ -	\$ 4,266,051	\$ 48,762,189
Additions:						
Purchases	-	-	-	-	136,822	136,822
Transfers-in:						
Intra-agency	-	-	-	-	224,879	224,879
Capital Development Board	-	2,116,097	182,735	-	-	2,298,832
Surplus Property	-	-	-	-	-	-
DAVTE Fund	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Adjustments	-	-	-	-	59,836	59,836
Total Additions	\$ -	\$ 2,116,097	\$ 182,735	\$ -	\$ 421,537	\$ 2,720,369
Deductions:						
Transfers-out:						
Intra-agency	-	-	-	-	29,277	29,277
Surplus property	-	-	-	-	28,103	28,103
Scrap property	-	-	-	-	146,927	146,927
Condemned and lost property	-	-	-	-	102,321	102,321
Retirements	-	-	-	-	37,113	37,113
Adjustment	-	-	-	-	768	768
Total Deductions	\$ -	\$ -	\$ -	\$ -	\$ 344,509	\$ 344,509
Balance June 30, 2005	\$ 20,000	\$ 44,429,835	\$ 2,345,135	\$ -	\$ 4,343,079	\$ 51,138,049

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

Note: Adjustments were made by Illinois School for the Deaf in order to reallocate expenditures from site improvements to buildings and building improvements.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
GENERAL REVENUE FUND - 001			
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	178	187	-
Rental of real property	2,594	3,066	2,594
Telephone reimbursements	-	7	-
Morgan County Polling Place	105	35	35
Refunds / rebates	1,182	180	514
Miscellaneous other	87	378	-
TOTAL RECEIPTS	<u><u>\$4,146</u></u>	<u><u>\$3,853</u></u>	<u><u>\$3,143</u></u>
<u>DEPOSITS</u>			
Receipts recorded by the School	\$ 4,146	\$ 3,853	\$ 3,143
Add: Deposits in transit - Beginning of year	531	514	-
Deduct: Deposits in transit - End of year	488	531	514
Deduct: Receipts recorded by agency, not by department	1,233	893	-
Reconciling items (add explanation)	-	-	-
DEPOSITS RECORDED BY COMPTROLLER	<u><u>\$ 2,956</u></u>	<u><u>\$ 2,943</u></u>	<u><u>\$ 2,629</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2005

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$5,501	\$369,448	(\$363,947)	(98.51%)
State contributions to State Employees' Retirement System	\$1,131,401	\$610,810	\$520,591	85.23%
Printing	\$517	\$942	(\$425)	(45.12%)
Telecommunications	\$21,640	\$41,540	(\$19,900)	(47.91%)
Secondary traditional experience Program	\$44,631	\$28,465	\$16,166	56.79%

Employee retirement contributions paid by employer

The decrease in Employee Retirement Contribution expenditures in FY 2005 was due to the State discontinuing payment of the State's portion of the State Employee Retirement Contribution.

State contributions to State Employees' Retirement System

The increase in State Contribution to State Employees' Retirement Systems expenditures in FY 2005 was due to the State discontinuing payments into the State Employees' Retirement System and the employees being required to pay the State's portion as well. In addition, the overall State employee retirement rate increased from 13.4% to 16.1%

Printing

The decrease in printing expenditures was due to a smaller demand for printed materials at the School during FY 2005.

Telecommunication

The decrease in FY 2005 telecommunication expenditures was due in part to discounts related to the School's participation in the federal E-Rate program. In addition, expenditures were higher in FY 2004 because ISD purchased a new telephone system.

Secondary transitional experience program

The increase in FY 2005 Secondary transitional experience program expenditures was due to an increase in the number of participating students.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2004

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
Travel	\$16,170	\$12,773	\$3,397	26.60%
Printing	\$942	\$398	\$544	136.68%
Equipment	\$187,929	\$86,569	\$101,360	117.09%
Secondary transitional experience program	\$28,465	\$48,081	(\$19,616)	40.80%

Travel

The increase in FY 2004 travel expenditures was due to an increase in the number of home-going trips from 11 in FY 2003 to 15 in FY 2004.

Printing

The increase in FY 2004 printing expenditures was due to a greater demand for printed materials at the School during FY 2004.

Equipment

The increase in FY 2004 equipment expenditures was due to limitations placed on equipment expenditure during FY 2003 that allowed for purchases only in cases of emergency. No such limitations were in effect during FY 2004.

Secondary transitional experience program

The decrease in FY 2004 Secondary transitional experience program expenditures was due to a decrease in the number of participating students.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for the fiscal year ended June 30, 2004 and have identified significant lapse period spending (20% or more).

A schedule of significant lapse period spending for fiscal year 2004 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2004</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$187,929	\$89,776	47.77%
Telecommunications	\$ 41,540	\$27,335	65.80%
Operation of Auto Equipment	\$ 46,378	\$12,294	26.51%

Equipment

The lapse period equipment expenditures were primarily due to purchases of electronic data processing equipment. The equipment purchase requests were submitted early in the year but they were not delivered and paid until the lapse period.

Telecommunications

The lapse period telecommunications expenditures were primarily for the purchase of new telephones. The telephones were purchased in March 2004; however, the telephones were not delivered and paid for until the lapse period.

Operation of auto equipment

The lapse period expenditures were due to a DHS request that the school delay payment until it was determined that sufficient funds existed to first pay efficiency initiative payments. It was determined during the lapse period that sufficient funds existed; as a result, the expenditures were paid.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 2005 and 2004 and have identified significant lapse period spending (20% or more).

A schedule of significant lapse period spending for fiscal year 2005 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$150,839	\$48,313	32.03%

Equipment

\$28,570 of the lapse period expenditure for FY 2005 was for the purchase of two vehicles that were not delivered until August. The remainder of the expenditures was for equipment that was not individually significant.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF CHANGES IN INVENTORIES
FOR THE TWO YEARS ENDED JUNE 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Office and educational supplies	\$ 12,847	\$ 38,406	\$ 35,525	\$ 15,728
Food supplies	41,497	243,941	238,732	46,706
Household, laundry and cleaning supplies	40,720	68,780	70,426	39,074
TOTAL	<u>\$ 95,064</u>	<u>\$ 351,127</u>	<u>\$ 344,683</u>	<u>\$ 101,508</u>

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Office and educational supplies	\$ 11,639	\$ 47,152	\$ 45,944	\$ 12,847
Food supplies	49,289	215,155	222,947	41,497
Household, laundry and cleaning supplies	34,628	66,616	60,524	40,720
TOTAL	<u>\$ 95,556</u>	<u>\$ 328,923</u>	<u>\$ 329,415</u>	<u>\$ 95,064</u>

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30,

DHS/DRS Special Revenue Fund

The School bills the student's home school district for the students' bus trips to and from the school during the various breaks in the school year. The money is accounted for in the locally held fund and is used to fund future transportation costs. The School also advances money to teachers and employees to take students on field trips and requests reimbursement from the General Revenue Fund. The timing of payments resulted in variances between fiscal years. An aging of accounts receivable for amounts due from local school districts and the General Revenue Fund for these purposes is as follows:

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$60,283	\$62,399	\$25,145

DHS/DRS Agency Fund

The School advances money to student accounts to purchase necessary medicine for students with insufficient funds to pay. Other advances may occur when students account balances are not sufficient to cover the amount requisitioned. The School also pays students from locally held funds and requests reimbursement from the General Revenue Fund. An aging of accounts receivable from students is as follows:

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$1,008	\$1,113	\$4,153

Hansen-Therkelson Memorial Deaf Student College Fund – 123

The School loans students that have graduated from ISD and deaf or hard of hearing residents of Illinois money for college tuition. Each student may borrow up to \$4,000 per year not to exceed \$16,000 over a four-year period. The student is required to set up a repayment plan schedule six months after graduation from college if employed.

	June 30,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$5,000	\$6,700	\$18,000
Past Due (4-6 months)	0	3,300	0
Past Due (7-12 months)	1,600	1,200	0
Past Due (over 1 year)	<u>4,300</u>	<u>0</u>	<u>3,000</u>
Total	<u><u>\$10,900</u></u>	<u><u>\$11,200</u></u>	<u><u>\$21,000</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

SCHOOL FUNCTIONS AND PLANNING PROGRAM

School Functions

The Illinois School for the Deaf (ISD) is located at 125 S. Webster in Jacksonville, Illinois. ISD was established by an act of the General Assembly in 1839 and operates pursuant to the Disabled Persons Rehabilitation Act (20 ILCS 2405/0.01 et seq.) ISD operates both residential and day programs for students who are deaf and hard of hearing from 3 to 21 years of age. Additionally, ISD has an outreach program for children from 0 to 3 years that serves families of infants and toddlers who are deaf and hard of hearing.

During Fiscal Years 2004 and 2005, the Illinois Department of Human Services Division of Rehabilitation Services administered ISD. The Department is mandated to operate a residential school for the education of children who are deaf or hard of hearing who are unable to take advantage of the regular educational facilities provided in their home community, and to provide in connection there with such academic, vocational and related services as may be required. Children, birth through twelfth grade, are eligible for admission to ISD after proper diagnoses and evaluation in accordance with procedures prescribed by the Department.

The Secretary of the Department of Human Services is Carol L. Adams and the Superintendent of ISD is Joan Forney.

Planning Program

ISD is one of several State operated facilities of the Department. Within this framework, ISD develops annual goals for each department as well as five-year plans for curriculum, capital development projects, repair and maintenance projects, and equipment purchases. Detailed annual reports are developed by each department within ISD to ensure goals set in five-year plans are met.

The mission of the Illinois School for the Deaf is to educate students who are deaf or hard of hearing to be responsible, self-supporting citizens. The purpose of the educational program is to instruct students to achieve their highest academic and social potential through the instructional, residential, and recreational programs and related support services. Individual education plans with instructional goals and objectives for each student are developed annually. Appropriate social development and independent living skills are encouraged through participation in extracurricular and recreational activities.

ISD continued to participate in the North Central Association (NCA) accreditation process. The NCA is an organization that accredits schools worldwide. As a part of the accreditation process, ISD must accomplish target goals over a five year period. During Fiscal Year 2005, ISD began a new cycle for the NCA accreditation process.

ISD's NCA target goals for the period ending in Fiscal Year 2004 were:

1. All students will demonstrate improvement of expressive and receptive communication skills.
2. All students will demonstrate improvement in reading comprehension skills.
3. All students will demonstrate improvement in critical thinking skills.
4. All students will demonstrate responsibility/consequences for their own actions.

ISD's NCA target goals for the period beginning in Fiscal Year 2005 are:

1. All students will improve their ability to apply reading strategies to improve understanding and fluency across the curricula.
2. All students will increase their ability to investigate, represent, and solve problems using number facts, operations and their properties, algorithms, and relationships across the curricula.

ISD is fully accredited by the Conference of Educational Administrators of Schools and Programs for the Deaf as well as the North Central Association of Schools and Colleges.

Auditor's Assessment of Planning Program

ISD maintained an adequate planning program for meeting ISD's statutorily defined functions.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

AVERAGE NUMBER OF EMPLOYEES

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

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Business Administration	5	6	5
Child Care	66	65	73
Dietary	14	15	14
Educators	76	74	72
Housekeeping	14	14	11
Maintenance	16	14	3
Nurses	5	5	5
Social Services	5	5	5
Other	<u>40</u>	<u>38</u>	<u>46</u>
Total Employees	<u>241</u>	<u>236</u>	<u>234</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
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>10,408</u>	<u>11,018</u>
Value of overtime hours worked during fiscal year	<u>\$282,394</u>	<u>\$284,050</u>
Compensatory hours earned during fiscal year	<u>27,914</u>	<u>30,774</u>
Value of compensatory hours earned during fiscal year	<u>\$484,257</u>	<u>\$528,515</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>38,321</u>	<u>41,792</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$766,651</u>	<u>\$812,565</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The School 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 interpreters, substitute teachers, athletic coaches, and job coaches.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2005 and 2004.

	<u>2005</u>	<u>2004</u>
Contractual payroll employees paid during the fiscal year	<u>42</u>	<u>51</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$166,384</u>	<u>\$187,467</u>

SHARED RESOURCES

The Illinois School for the Deaf and the Illinois School for the Visually Impaired share a business administrator and a payroll administrator. For half of the year these employees are paid by the School for the Deaf and half of the year these employees are paid by the School for the Visually Impaired.

SCHOOL UTILIZATION (not examined)

Illinois School for the Deaf (School) is situated on 52 acres in Jacksonville, Illinois. The School has 16 buildings on its grounds. School management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the School.

Building	Type/Use	Square Feet	Status	Utilization
Administration Building	Office and Classrooms	57,978	Occupied	100%
Health Center	Health Center	12,600	Occupied	100%
Cullom Hall	Dormitory	19,536	Occupied	100%
Elementary	Classrooms	55,742	Occupied	100%
Burns Gym	Gym	16,341	Under Construction	0%
Wait Hall	Dormitory	56,190	Occupied	100%
Horner Hall	Dormitory	56,190	Occupied	100%
Officer Hall	Dormitory	56,190	Occupied	100%
High School	Classrooms	36,900	Under Construction	0%
Marshal Gym	Gym	20,000	Occupied	100%
Vocational	Classrooms	36,597	Occupied	100%
Dietary	Cafeteria	32,256	Occupied	100%
Power Plant	Power Plant	18,490	Occupied	100%
Laundry	Laundry	1,327	Occupied	100%
Auto Body	Auto Body Lab	10,350	Occupied	100%
Concession Stand	Concession Stand	1,050	Occupied	100%

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

COST PER YEAR/DAY PER STUDENT (not examined)

The following schedule represents costs per student 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 student	*	<u>\$59,759</u>	<u>\$57,536</u>
Cost per day per student	*	<u>\$255</u>	<u>\$247</u>

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

RATIO OF EMPLOYEES TO STUDENTS (not examined)

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Average number of students	<u>270</u>	<u>283</u>	<u>292</u>
Average number of employees	<u>241</u>	<u>236</u>	<u>234</u>
Ratio of employees to students	<u>.89 to 1</u>	<u>.83 to 1</u>	<u>.80 to 1</u>

REPORTED EMPLOYEE JOB INJURIES (not examined)

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of reported employee injuries	<u>26</u>	<u>37</u>	<u>19</u>

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FOOD SERVICES (not examined)

The following table, prepared from the School 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>139,000</u>	<u>157,000</u>	<u>165,000</u>
Total food costs	\$243,941	\$215,155	\$218,350
Total labor costs	<u>465,488</u>	<u>422,442</u>	<u>407,271</u>
Total costs	<u>\$709,429</u>	<u>\$637,597</u>	<u>\$625,621</u>
Average food costs / meal	\$1.75	\$1.37	\$1.32
Average labor costs / meal	<u>3.35</u>	<u>2.69</u>	<u>2.47</u>
Total average cost / meal	<u>\$5.10</u>	<u>\$4.06</u>	<u>\$3.79</u>

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(not examined)

During this examination period, the Illinois School for the Deaf (ISD) set goals to improve wellness in all aspects of life. The School challenged employees to undertake a renewed vision of teaching that included a strong emphasis on literacy, writing, and the use of teaching strategies that will prepare students for wellness in life and meet the two new target goals in reading and math for the North Central Accreditation (NCA) process.

The most significant issue that ISD faced during these two school years was preparing the self study and the school improvement plan for a joint visit of the Conference of Educational Administrators of Schools and Programs for the Deaf (CEASD) and North Central Accreditation (NCA) process. Both of these organizations will complete a site visit at ISD in September 2006 based on the self study and school improvement plan.

Mandated state testing at specified grade levels and the “No Child Left Behind (NCLB) Act” continued to impact ISD, as students with disabilities were no longer waived from taking the tests. Students in grades 3 through 8 took the Illinois Standards Achievement Test (ISAT). All of the Grade 11 students took the Prairie State Achievement Exam (PSAE). The PSAE includes the American College Test (ACT) as a component of the exam. Students whose Individualized Education Programs (IEPs) indicated that the ISAT and PSAE were not appropriate took the Illinois Alternate Assessment (IAA).

ISD had 69 students take the ISAT and 53 take the PSAE in the spring of 2004 and 52 students took the ISAT and 38 took the PSAE in the spring of 2005. Data is very limited on testing because the scores go to the local school district. Since ISD is the receiving school, student scores are not reported to ISD directly. Their scores go to their home (sending) school. ISD received 15 of the scores on the PSAE over the two year period.

Students who are deaf and hard of hearing have a difficult time passing state tests because English is not their first language. Preliminary results indicate students at ISD are generally only meeting expectations in a few instances.

One of the new initiatives begun in this reporting period was the Fairview Learning Program that contains these five components: The Adapted Dolch Word Lists, The Bridge Lists, Phonemic Awareness, Reading Comprehension, and ASL Development/Written English. This program was introduced through two board credit classes for our teaching staff. During the second semester of 2003-2004 all staff were introduced to the Fairview concepts.

Another new initiative this reporting period, was the initiation of a mentoring program for new teachers. Administrators in each of the school buildings hosted seven monthly new teacher breakfasts that included the new teachers, their mentors and the principals. At each of the meetings, one of the principals presented on an educational topic that introduced the new staff to ISD and its policies and procedures.

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Continued
(not examined)

ISD continued to run outreach programs offering technical assistance and training programs state wide. Hearing and Vision Connections (HVC) and Highlighting Education and Resources (H.E.A.R.) continued to grow and change. HVC offered technical assistance and training for providers for children from 0-3. Highlighting Education and Resources (H.E.A.R.) is a service delivery model that is to assure appropriate comprehensive programming for students who are deaf or hard of hearing that provides direct and meaningful communication in the least restrictive environment. During that past school year, the Illinois State Board of Education made changes in the grant and focused the grant on training educational interpreters for mainstreamed programs throughout the state. The project was funded by a grant through the Illinois State Board of Education.

ISD completed the third cycle of the Star Schools Project that began in August 1999. This program has as its vision high academic achievement for students who are deaf or hard of hearing and proficiency for students in American Sign Language and English. The program accomplishes its goals through a staff development program in assessment and curriculum, parental involvement, and the use of technology.

During the two year period, ISD continued to participate in a Graduate Study through a grant with Gallaudet University. Two other schools, Model Secondary School for the Deaf and South Hills High School in West Covina, California, participated in the study with ISD. This grant included an interview of graduates of each of the programs and development of instructional materials to facilitate planning and problem solving strategies needed when transitioning to post-secondary life.

ISD and a local company continued to participate in a business/education partnership. This program included the pen friends program, a student of the month award, a student of the year award, an entrepreneur program and the Reading is Fundamental Program (RIF). In addition, ISD and a number of local schools partnered together to bring an author to ISD to present to the students on bullying.

Capital Development Board (CDB) projects in this reporting period included these projects: upgrade of the fire and tornado warning system, renovation of the Health Center, renovation of the Burns Gym and Pool, and the beginning of the renovation of the High School Media Center Complex.

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Continued
(not examined)

Average student population for the last three years was as follows:

<u>Academic Year</u>	<u>Students</u>
2003	295
2004	283
2005	270

Number of high school graduates for the last three years were as follows:

<u>Academic Year</u>	<u>Students</u>
2003	42
2004	34
2005	45