

**STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009**

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**TABLE OF CONTENTS**

	<u>Page</u>
<b>School Officials</b>	1
<b>Management Assertion Letter</b>	2
<b>Compliance Report</b>	
Summary	4
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings	10
Prior Findings Not Repeated	14
 <b>Supplementary Information for State Compliance Purposes</b>	
Summary	15
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	16
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	19
Description of Locally Held Funds	20
Schedule of Locally Held Funds – Cash Basis	22
Schedule of Changes in State Property (not examined)	24
Comparative Schedule of Cash Receipts and Deposits	25
Analysis of Significant Variations in Expenditures	26
Analysis of Significant Lapse Period Spending	29
Schedule of Changes in Inventories (not examined)	31
Analysis of Accounts Receivable	32
Analysis of Operations	
School Functions and Planning Program	33
Average Number of Employees	35
Employee Overtime (not examined)	36
Contractual Payroll Employees (not examined)	37
Shared Resources (not examined)	37
School Utilization (not examined)	38
Annual School Statistics	
Cost Per Year/Day Per Student (not examined)	38
Ratio of Employees to Students (not examined)	39
Reported Employee Job Injuries (not examined)	39
Food Services (not examined)	39
Service Efforts and Accomplishments (not examined)	40

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**SCHOOL OFFICIALS**

Superintendent (7/16/07 - Current)	Ms. Marybeth Lauderdale
Superintendent, acting (7/1/07 – 7/15/07)	Ms. Marybeth Lauderdale
Business Office Administrator (6/16/08 - Current)	Mr. William Suttles
Business Office Administrator, acting (11/14/07 – 6/21/08)	Ms. Nancy Bradbury
Business Office Administrator (7/1/07 – 11/30/07)	Mr. John Wilcox

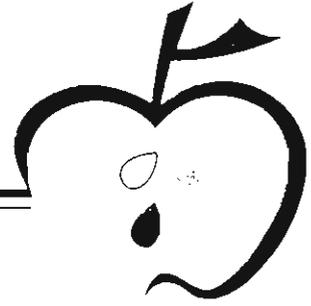
The School is located at:

125 South Webster  
Jacksonville, Illinois 62650

# Illinois School for the Deaf

---

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



## MANAGEMENT ASSERTION LETTER

Honorable William G. Holland  
Auditor General  
740 East Ash Street  
Springfield, IL 62703-3154

December 3, 2009

Auditor General Holland:

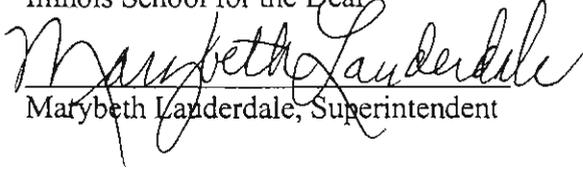
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois School for the Deaf (School). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the School's compliance with the following assertions during the two-year period ended June 30, 2009. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2009, the School has materially complied with the assertions below.

- A. The School 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 School 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 School has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the School 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 School 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,

Illinois School for the Deaf

  
Marybeth Lauderdale, Superintendent

  
Bill Suttles, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**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 (Report) relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" which are identified in the Report as having compliance testing performed and does not contain scope limitations, disclaimers, but contained a report qualification for compliance and internal control.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	3	1
Repeated findings	1	0
Prior recommendations implemented or not repeated	0	1

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

**SCHEDULE OF FINDINGS**

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-1	10	Inadequate controls over inventory	Material Weakness Material Noncompliance
09-2	12	Fire code violations	Noncompliance

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**SCHEDULE OF FINDINGS (continued)**

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
09-3	13	Bank reconciliations not performed timely	Significant Deficiency Noncompliance

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Department and School personnel at an exit conference on November 19, 2009. Attending were:

Department of Human Services

Jamie Nardulli, Audit Liaison (via teleconference)

Illinois School for the Deaf

Marybeth Lauderdale, Superintendent  
William Suttles, Business Administrator

Office of the Auditor General

Teresa Davis, Audit Manager  
Heather York, Audit Supervisor

Responses to the recommendations were provided by Michelle R.B. Saddler, Department of Human Services' Secretary per correspondence dated December 3, 2009.

SPRINGFIELD OFFICE:  
ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:  
MICHAEL A. BILANDIC BLDG. · SUITE 5-900  
160 NORTH LASALLE · 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006

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 have performed a limited scope compliance examination of the State of Illinois Department of Human Services – Illinois School for the Deaf’s (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, 2009. 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 Services – Central Office compliance report.

We conducted our examination 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 listed in the first paragraph of this report 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.

As described in finding 09-1 in the accompanying Schedule of Findings, the State of Illinois Department of Human Services - Illinois School for the Deaf did not comply with requirements regarding:

- 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.

Compliance with such requirement is necessary, in our opinion, for the State of Illinois Department of Human Services - Illinois School for the Deaf to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois Department of Human Services - Illinois School for the Deaf complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009. However, the results of our procedures disclosed other instances of noncompliance, 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 as findings 09-2 and 09-3.

## 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 listed in the first paragraph of this report. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services - Illinois School for the Deaf's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide* issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Human Services - Illinois School for the Deaf's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Human Services - Illinois School for the Deaf's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance as described in the accompanying Schedule of Findings as finding 09-1 to be a material weakness.

A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in finding 09-3 in the accompanying Schedule of Findings to be a significant deficiency.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois Department of Human Services - Illinois School for the Deaf's responses to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Human Services - Illinois School for the Deaf's responses and, accordingly, we express no opinion on them.

## 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 2009 and the 2008 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, Shared Resources, 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 2007 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.

  
BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits

December 3, 2009

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF FINDINGS (STATE COMPLIANCE)**  
For the Two Years Ended June 30, 2009

09-1. **FINDING** (Inadequate controls over inventory)

The Illinois School for the Deaf (School) does not have proper internal controls over their commodities inventory.

We noted the following conditions during our testing and inquiries concerning internal controls over commodities inventory:

- During the fiscal year 2009 physical inventory count, we noted 11 of 25 (44%) tested commodity counts did not agree to the School's perpetual records. Items were off from 1 to 84 items. We also noted after the entire physical inventory count was completed the School's inventory was overstated \$14,437. Total commodities inventory as of June 30, 2008 and 2009 as reported in the School's inventory records was \$116,324 and \$117,943, respectively.
- Requisitions were not prepared at the School when issuing goods from inventory for the dietary. Thirteen of 89 (15%) requisitions that the School should have prepared for the dietary for the period of January 2009 through May 2009 were not completed. The School does not have proper recordkeeping policies when inventory items are removed from the storage area and used.
- The School's inventory could be subject to theft. During our review of the controls over commodity items, we noted that several individuals had access to the freezer and the freezer was kept unlocked throughout the day. The freezer was kept locked at night, however there were individuals with a key to the freezer whose job description did not require them to need access to the freezer.
- The School did not have adequate controls to ensure the dietary manager's duties and functions were performed in the event of his or her absence.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that assets are properly accounted for. In addition, good business practices require that internal controls be in place to maintain effective accounting control over assets and ensure that they are properly reported. The proper organization of areas where commodities are stored is essential to maintaining accurate perpetual inventory records.

School management stated that the lack of employee training and importance of the inventory control led to the weaknesses in inventory.

Without proper internal controls over commodities inventory, it puts the inventory at risk of theft and misappropriation. (Finding Code No. 09-1)

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF FINDINGS (STATE COMPLIANCE)**  
For the Two Years Ended June 30, 2009

**RECOMMENDATION**

We recommend the School strengthen controls over its commodities inventory and ensure all purchases and requisitions are recorded and entered into the commodity system.

**SCHOOL RESPONSE**

Agree. The Illinois School for the Deaf (ISD) will work to correct the deficiencies that relate to our commodity inventory. ISD will implement new controls over the commodity inventory in the dietary and storeroom area. Staff involved in all areas of the commodity inventory will be instructed regarding the importance of the duties they perform. ISD is working with the Department of Human Services' Central Office to have a new commodity system implemented in the storeroom.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF FINDINGS (STATE COMPLIANCE)**  
For the Two Years Ended June 30, 2009

09-2. **FINDING** (Fire code violations)

The Illinois School for the Deaf (School) has buildings on campus which do not comply with fire safety standards.

The School has not fully corrected fire safety standards which were noted in a December 2006 State Fire Marshal inspection report. The School has three dormitories and two classroom buildings that lack automatic or self-closing doors.

The State Fire Marshal's inspection was conducted pursuant to National Fire Protection Association Standard #101 "Life Safety Code" (2000 ed.) and applicable references adopted by the State Fire Marshal (41 Ill. Adm. Code 100), pursuant to the Fire Investigation Act (425 ILCS 25/9). Those standards establish minimum fire safety standards for schools, including required specifications for automatic or self-closing doors.

School management stated that the project is not completed due to the lack of funding to cover the costs of the project. The School is waiting on funding from the Capital Development Board to address the current project and the installation of sprinklers in the dorms.

The role of the School is to provide students who are deaf and hard of hearing educational opportunities in a safe environment. The School served 252 students in fiscal year 2008 and 285 students in fiscal year 2009. Compliance with fire safety standards is essential to ensure the safety of the students and personnel. (Finding Code No. 09-2, 07-1)

**RECOMMENDATION**

We recommend the School and the Department of Human Services immediately rectify the conditions noted by the State Fire Marshal to ensure the safety of students.

**SCHOOL RESPONSE**

Agree. The Illinois School for the Deaf (ISD) is currently waiting for funding from the Capital Development Board (CDB) to finish the project. CDB has completed the initial survey and found the cost of the project to be currently estimated at \$3,600,000. The project is listed as the Department of Human Services' number one project for fiscal year 2010. The project is dependent on passage of the fiscal year 2010 Capital Funding Bill.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF FINDINGS (STATE COMPLIANCE)**  
For the Two Years Ended June 30, 2009

09-3. **FINDING** (Bank reconciliations not performed timely)

The Illinois School for the Deaf (School) did not perform timely petty cash bank reconciliations.

We noted 9 of 24 (38%) petty cash bank reconciliations were completed between 31 and 105 days after the receipt of the bank statement.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all State agencies establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds applicable to operations are properly recorded and accounted for to maintain accountability of the State's resources. In addition, good business practices require the School to perform bank reconciliations in order to ensure the safeguarding of assets, prevent improper expenditures, ensure the accuracy and reliability of accounting data, and promote operational efficiency.

School management stated that the petty cash bank reconciliations were not performed timely due to the change in business administrators and the assignment of the reconciliation duties from the acting business administrator to other staff and then back to the current business administrator.

Failure to perform timely bank reconciliations increases the likelihood that a loss from errors or irregularities could occur and would not be detected in the normal course of employees carrying out their assigned duties. (Finding Code No. 09-3)

**RECOMMENDATION**

We recommend the School perform bank reconciliations of petty cash funds in a timely manner.

**SCHOOL RESPONSE**

Agree. The current Business Administrator has taken over the petty cash bank reconciliation function and will continue to complete the reconciliations in a timely manner.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)**  
For the Two Years Ended June 30, 2009

The finding noted during the Limited Scope Compliance Examination for the two years ended June 30, 2007 has been repeated and is presented as finding 09-2 in the Schedule of Findings (State Compliance) section of this report.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2009

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis

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

Analysis of Operations

- School Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Shared Resources (not examined)
- School Utilization (not examined)
- Annual School Statistics
  - Cost Per Year/Day Per Student (not examined)
  - Ratio of Employees 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 accountants have applied certain limited procedures as prescribed by the *Audit Guide* as adopted by the Auditor General, except for information on Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, Shared Resources, School Utilization, Annual School Statistics and Service Efforts and Accomplishments, on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

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, 2009

PUBLIC ACT 95-0734	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<b>General Revenue Fund - 001</b>					
Personal services	\$ 13,578,100	\$ 11,409,304	\$ 1,422,826	\$ 12,832,130	\$ 745,970
Student compensation	14,600	14,314	202	14,516	84
State contributions to State employees' retirement system	1,939,800	1,619,961	194,231	1,814,192	125,608
State contributions to Social Security	696,000	604,085	65,204	669,289	26,711
Contractual services	2,023,400	1,764,880	234,945	1,999,825	23,575
Travel	26,200	22,476	435	22,911	3,289
Commodities	487,900	468,725	8,135	476,860	11,040
Printing	1,000	221	0	221	779
Equipment	43,500	28,530	14,927	43,457	43
Telecommunications services	116,300	29,615	49,372	78,987	37,313
Operation of auto equipment	53,100	48,427	4,615	53,042	58
Health and safety improvement projects	250,000	202,631	25,804	228,435	21,565
Subtotal - Fund 001	<u>\$ 19,229,900</u>	<u>\$ 16,213,169</u>	<u>\$ 2,020,696</u>	<u>\$ 18,233,865</u>	<u>\$ 996,035</u>
<b>Vocational Rehabilitation Fund - 081</b>					
Secondary transitional experience program	<u>\$ 50,000</u>	<u>\$ 43,764</u>	<u>\$ 677</u>	<u>\$ 44,441</u>	<u>\$ 5,559</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u><u>\$ 19,279,900</u></u>	<u><u>\$ 16,256,933</u></u>	<u><u>\$ 2,021,373</u></u>	<u><u>\$ 18,278,306</u></u>	<u><u>\$ 1,001,594</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  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Year Ended June 30, 2008

PUBLIC ACT 95-0348	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<b>General Revenue Fund - 001</b>					
Personal services	\$ 12,748,900	\$ 11,213,611	\$ 1,404,792	\$ 12,618,403	\$ 130,497
Student compensation	13,400	13,170	0	13,170	230
State contributions to State employees' retirement system	2,116,300	1,306,478	142,524	1,449,002	667,298
State contributions to Social Security	657,800	591,116	62,726	653,842	3,958
Contractual services	1,803,600	1,548,980	230,992	1,779,972	23,628
Travel	26,100	23,040	2,936	25,976	124
Commodities	485,100	408,333	57,810	466,143	18,957
Printing	300	230	0	230	70
Equipment	128,200	62,772	44,919	107,691	20,509
Telecommunications services	68,700	48,476	16,116	64,592	4,108
Operation of auto equipment	75,800	66,000	9,749	75,749	51
Health and safety improvement projects	250,000	24,946	222,890	247,836	2,164
Subtotal - Fund 001	<u>\$ 18,374,200</u>	<u>\$ 15,307,152</u>	<u>\$ 2,195,454</u>	<u>\$ 17,502,606</u>	<u>\$ 871,594</u>
<b>Vocational Rehabilitation Fund - 081</b>					
Secondary transitional experience program	<u>\$ 50,000</u>	<u>\$ 39,839</u>	<u>\$ 6,485</u>	<u>\$ 46,324</u>	<u>\$ 3,676</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u>\$ 18,424,200</u>	<u>\$ 15,346,991</u>	<u>\$ 2,201,939</u>	<u>\$ 17,548,930</u>	<u>\$ 875,270</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, 2008

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<b>NON-APPROPRIATED FUNDS</b>					
<b>Hansen-Therkelsen Fund - 123</b>					
College loans to deaf students		\$ 3,000	\$ 0	\$ 3,000	
<b>TOTAL - NON- APPROPRIATED FUNDS</b>		<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 3,000</u>	
<b>GRAND TOTAL - ALL FUNDS</b>		<u>\$ 15,349,991</u>	<u>\$ 2,201,939</u>	<u>\$ 17,551,930</u>	

18

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**  
For the Fiscal Years Ended June 30,

	FISCAL YEAR		
	2009	2008	2007
	P.A. 95-0734	P.A. 95-0348	P.A. 94-0798
<b><u>GENERAL REVENUE FUND - 001</u></b>			
Appropriations (net of transfers)	\$ 19,229,900	\$ 18,374,200	\$ 15,880,000
EXPENDITURES			
Personal services	12,832,130	12,618,403	11,812,717
Student compensation	14,516	13,170	12,629
State contributions to State employees' retirement system	1,814,192	1,449,002	929,076
State contributions to Social Security	669,289	653,842	606,235
Contractual services	1,999,825	1,779,972	1,730,323
Travel	22,911	25,976	18,877
Commodities	476,860	466,143	486,508
Printing	221	230	537
Equipment	43,457	107,691	127,155
Telecommunications services	78,987	64,592	56,059
Operation of auto equipment	53,042	75,749	57,276
Health and safety improvement projects	228,435	247,836	0
Total Expenditures	<u>18,233,865</u>	<u>17,502,606</u>	<u>15,837,392</u>
LAPSED BALANCES	<u>\$ 996,035</u>	<u>\$ 871,594</u>	<u>\$ 42,608</u>
<b><u>VOCATIONAL REHABILITATION FUND - 081</u></b>			
Appropriations (net of transfers)	\$ 50,000	\$ 50,000	\$ 50,000
EXPENDITURES			
Secondary transitional experience program	44,441	46,324	45,157
Total Expenditures	<u>44,441</u>	<u>46,324</u>	<u>45,157</u>
LAPSED BALANCES	<u>\$ 5,559</u>	<u>\$ 3,676</u>	<u>\$ 4,843</u>
<b>GRAND TOTAL - ALL APPROPRIATED FUNDS</b>			
Appropriations (net of transfers)	\$ 19,279,900	\$ 18,424,200	\$ 15,930,000
Total Expenditures	<u>18,278,306</u>	<u>17,548,930</u>	<u>15,882,549</u>
Lapsed Balances	<u>\$ 1,001,594</u>	<u>\$ 875,270</u>	<u>\$ 47,451</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, 2009

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

1. Governmental Funds

General Funds

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

Special Revenue Funds

The Special Revenue Fund consists of the DHS/DORS 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/DORS 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/DORS 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/DORS 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, 2009

2. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS/DORS 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/DORS 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.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS**  
For the Year Ended June 30, 2009

	1149 DHS/DORS Special Revenue Fund	1147 DHS/DORS Agency Fund	1150 DHS/DORS Permanent Trust Fund	Petty Cash Account
Balance - July 1, 2008	\$75,237	\$ 12,274	\$ 136,171	\$ 73
Receipts				
Transfers-in	20,007	15,221		
Investment income	311		15,429	
Local governmental units	156,291			
Private organizations or individuals	25,005			
Appropriations				2,943
Sales & services of Educ. Dept.	67,701			
Student fees	12,453			
Misc. (void and stop pay)	14,401		216	
Other	28,996	144,941		
Total Receipts	<u>\$325,165</u>	<u>\$160,162</u>	<u>\$15,645</u>	<u>\$2,943</u>
Disbursements				
Contractual services	177,247		800	2,961
Commodities	35,377		1,346	
Equipment	8,847		9,867	
Transfers-out	15,802	17,280		
Awards and grants	46,403			
Permanent improvements			3,819	
Cost of sales	30,834			
Other	10,721	145,841		
Total Disbursements	<u>\$325,231</u>	<u>\$163,121</u>	<u>\$15,832</u>	<u>\$2,961</u>
Balance - June 30, 2009	<u>\$75,171</u>	<u>\$9,315</u>	<u>\$135,984</u>	<u>\$55</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS**  
For the Year Ended June 30, 2008

	1149 DHS/DORS Special Revenue Fund	1147 DHS/DORS Agency Fund	1150 DHS/DORS Permanent Trust Fund	Petty Cash Account
Balance - July 1, 2007	\$115,715	\$1,512	\$ 128,167	\$ 579
Receipts				
Transfers-in	26,466	12,120		
Investment income	381		17,727	
Private organizations or individuals	121,037		2,215	
Appropriations				3,595
Sales & services of Educ. Dept.	57,550			
Student fees	9,407			
Misc. (void and stop pay)	17,757			
Other	6,497	177,948		
Total Receipts	<u>\$239,095</u>	<u>\$190,068</u>	<u>\$19,942</u>	<u>\$3,595</u>
Disbursements				
Contractual services	156,014		4,710	4,101
Commodities	28,824		1,761	
Equipment	2,982		5,098	
Transfers-out	22,925	13,648		
Awards and grants	34,861		369	
Permanent improvements	1,604			
Cost of sales	30,849			
Other	1,514	165,658		
Total Disbursements	<u>\$279,573</u>	<u>\$179,306</u>	<u>\$11,938</u>	<u>\$4,101</u>
Balance - June 30, 2008	<u><u>\$75,237</u></u>	<u><u>\$12,274</u></u>	<u><u>\$136,171</u></u>	<u><u>\$73</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2009  
(not examined)

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
Balance June 30, 2007	\$ 20,000	\$ 48,683,565	\$ 2,509,857	\$ 4,277,082	\$ 55,490,504
Additions:					
Purchases				180,824	180,824
Transfers-in:					
Intra-agency				171,534	171,534
Inter-agency					0
Capital Development Board		253,772			253,772
Adjustments				282	282
Total Additions	<u>0</u>	<u>253,772</u>	<u>0</u>	<u>352,640</u>	<u>606,412</u>
Deductions:					
Transfers-out:					
Intra-agency				106,624	106,624
Inter-agency				17,248	17,248
Surplus property				8,854	8,854
Scrap property				79,885	79,885
Adjustments				17,009	17,009
Total Deductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>229,620</u>	<u>229,620</u>
Balance June 30, 2008	<u>\$ 20,000</u>	<u>\$ 48,937,337</u>	<u>\$ 2,509,857</u>	<u>\$ 4,400,102</u>	<u>\$ 55,867,296</u>
Additions:					
Purchases				147,472	147,472
Transfers-in:					
Intra-agency				57,397	57,397
Inter-agency					0
Capital Development Board		88,698	108,160		196,858
Adjustments				3,611	3,611
Total Additions	<u>0</u>	<u>88,698</u>	<u>108,160</u>	<u>208,480</u>	<u>405,338</u>
Deductions:					
Transfers-out:					
Intra-agency				132,021	132,021
Inter-agency				138,893	138,893
Surplus property					0
Scrap property				19,293	19,293
Adjustments				1,464	1,464
Total Deductions	<u>0</u>	<u>0</u>	<u>0</u>	<u>291,671</u>	<u>291,671</u>
Balance June 30, 2009	<u>\$ 20,000</u>	<u>\$ 49,026,035</u>	<u>\$ 2,618,017</u>	<u>\$ 4,316,911</u>	<u>\$ 55,980,963</u>

Note: School management indicated the balance at June 30, 2008 and June 30, 2009 have been reconciled to the property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS**  
For the Years Ended June 30,

	FISCAL YEAR		
	2009	2008	2007
<b><u>GENERAL REVENUE FUND - 001</u></b>			
<b><u>RECEIPTS</u></b>			
Jury duty, witness fees, military duty	\$ 30	\$ 248	\$ 85
Rental Revenues	<u>3,537</u>	<u>2,358</u>	<u>2,594</u>
TOTAL RECEIPTS	<u>\$ 3,567</u>	<u>\$ 2,606</u>	<u>\$ 2,679</u>
<b><u>DEPOSITS</u></b>			
Receipts recorded by School	\$ 3,567	\$ 2,606	\$ 2,679
Add: Deposits in transit - Beginning of year	45	236	743
Deduct: Deposits in transit - End of year	<u>1,179</u>	<u>45</u>	<u>236</u>
DEPOSITS RECORDED BY COMPTROLLER	<u>\$ 2,433</u>	<u>\$ 2,797</u>	<u>\$ 3,186</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, 2009

**Fiscal Year 2009**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2009 and June 30, 2008 are shown below:

	<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2009</u>	<u>2008</u>	<u>AMOUNT</u>	<u>%</u>
<b><u>General Revenue Fund (001)</u></b>				
State contributions to State employees' retirement system	\$1,814,192	\$1,449,002	\$365,190	25.20%
Equipment	\$43,457	\$107,691	\$(64,234)	(59.65)%
Telecommunications services	\$78,987	\$64,592	\$14,395	22.29%
Operation of auto equipment	\$53,042	\$75,749	\$(22,707)	(29.98)%
<b><u>Hansen-Therkelsen Memorial Fund (123)</u></b>				
College loans to deaf students	\$0	\$3,000	\$(3,000)	(100.00)%

School management provided the following explanations for the significant variations identified above.

**General Revenue Fund (001)**

State contributions to State employees' retirement system

The increase of \$365,190 in the State contributions to State employees' retirement system was due to the overall State employee retirement rate increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

Equipment

The decrease of \$64,234 was due to funds in the equipment appropriation being transferred to the contractual services appropriation to cover utility costs.

Telecommunications services

The increase of \$14,395 was due to the School purchasing voice mail and LAN cabling for the ERATE system.

Operation of auto equipment

The decrease of \$22,707 was due to lower costs for fuel in fiscal year 2009 than in fiscal year 2008.

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, 2009

**Fiscal Year 2009 (continued)**

**Hansen-Therkelsen Memorial Fund (123)**

College loans to deaf students

The decrease of \$3,000 resulted from the School not receiving any applications for the grant during fiscal year 2009.

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, 2009

**Fiscal Year 2008**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

	<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
<b><u>General Revenue Fund (001)</u></b>				
State contributions to State employees' retirement system	\$1,449,002	\$929,076	\$519,926	55.96%
Travel	\$25,976	\$18,877	\$7,099	37.61%
Printing	\$230	\$537	\$(307)	(57.17)%
Operation of auto equipment	\$75,749	\$57,276	\$18,473	32.25%
Health and safety improvement projects	\$247,836	\$0	\$247,836	100.00%

School management provided the following explanations for the significant variations identified above.

**General Revenue Fund (001)**

State contribution to State employees' retirement system

The increase of \$519,926 in State contributions to State employees' retirement system was due to the overall State employee retirement rate increasing from 11.525% in fiscal year 2007 to 16.561% in fiscal year 2008.

Travel

The increase in travel expenditures of \$7,099 is due to increased opportunity for educators to attend continuing education classes and seminars.

Printing

The decrease of \$307 in printing expenditures was due to less demand for printed materials in fiscal year 2008.

Operation of auto equipment

The increase of \$18,473 in operation of auto equipment expenditures was due to increased fuel prices and increases in general repair costs.

Health and safety improvement projects

The increase of \$247,836 in health and safety improvement projects expenditures was due to the program not being appropriated in fiscal year 2007.

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, 2009

We have reviewed lapse period spending for fiscal years ended June 30, 2009 and 2008 and have identified significant lapse period spending (20% or more).

**Fiscal Year Ended June 30, 2009**

A schedule of significant lapse period spending for fiscal year 2009 is shown below:

<b><u>General Revenue Fund (001)</u></b>	<b><u>TOTAL EXPENDITURES</u></b>	<b><u>LAPSE PERIOD EXPENDITURES</u></b>	<b><u>PERCENTAGE</u></b>
Equipment	\$43,457	\$14,927	34.35%
Telecommunications services	\$78,987	\$49,372	62.51%

School management provided the following explanations for the significant lapse period expenditures identified above.

**General Revenue Fund (001)**

Equipment

Significant lapse period spending of \$14,927 was due to the School purchasing various equipment items at the end of the fiscal year but did not receive the invoices until lapse period.

Telecommunications services

Significant lapse period spending of \$49,372 was due to the School paying for telecommunication services and other expenditures relating to the ERATE system during the lapse period.

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, 2009

**Fiscal Year Ended June 30, 2008**

A schedule of significant lapse period spending for fiscal year 2008 is shown below:

<b><u>General Revenue Fund (001)</u></b>	<b><u>TOTAL EXPENDITURES</u></b>	<b><u>LAPSE PERIOD EXPENDITURES</u></b>	<b><u>PERCENTAGE</u></b>
Equipment	\$107,691	\$ 44,919	41.71%
Telecommunications services	\$ 64,592	\$ 16,116	24.95%
Health and safety improvement projects	\$247,836	\$222,890	89.93%

School management provided the following explanations for the significant lapse period expenditures identified above.

**General Revenue Fund (001)**

Equipment

Significant lapse period spending of \$44,919 was due to the School purchasing various office supplies, equipment, and furniture items towards the end of the fiscal year but did not receive the invoice until lapse period.

Telecommunications services

Significant lapse period spending of \$16,116 resulted from the School not receiving telephone service bills until July and August from the Department of Central Management Services.

Health and safety improvement projects

Significant lapse period spending of \$222,890 was due to the School contracting for new sidewalks around the School. These services were not completed until the end of the fiscal year.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**SCHEDULE OF CHANGES IN INVENTORIES**  
For the Two Years Ended June 30, 2009  
(not examined)

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Office and educational supplies	\$ 21,665	\$ 64,139	\$ 62,833	\$ 22,971
Food supplies	53,707	294,162	288,186	59,683
Household, laundry and cleaning supplies	40,952	53,771	59,434	35,289
Total	<u>\$ 116,324</u>	<u>\$ 412,072</u>	<u>\$ 410,453</u>	<u>\$ 117,943</u>

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Office and educational supplies	\$ 21,447	\$ 73,265	\$ 73,047	\$ 21,665
Food supplies	43,002	246,026	235,321	53,707
Household, laundry and cleaning supplies	52,069	69,823	80,940	40,952
Total	<u>\$ 116,518</u>	<u>\$ 389,114</u>	<u>\$ 389,308</u>	<u>\$ 116,324</u>

Note: Due to inadequate controls over inventory as noted in finding 09-1, we were unable to report on the commodities inventory balances at June 30, 2009 and June 30, 2008. Inventory amounts were obtained from School records.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF ACCOUNTS RECEIVABLE**  
For the Years Ended June 30,

DHS/DORS 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. An aging of accounts receivable for amounts due from local school districts and the General Revenue Fund for these purposes is as follows:

	<b>June 30,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Current (0-3 months)	<u>\$18,571</u>	<u>\$66,078</u>	<u>\$34,042</u>

DHS/DORS 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:

	<b>June 30,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Current (0-3 months)	<u>\$706</u>	<u>\$1,579</u>	<u>\$1,017</u>

Hansen-Therkelson Memorial Deaf Student College Fund - 123

The School loans students that have graduated from the School 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. An aging of accounts receivable from college students is as follows:

	<b>June 30,</b>		
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
Current (0-3 months)	\$16,000	\$ 16,000	\$ 17,000
Past due (4-6 months)	0	4,000	1,000
Past due (7-12 months)	0	0	16,000
Past due (over 12 months)	<u>81,000</u>	<u>83,000</u>	<u>72,000</u>
Total	<u>\$97,000</u>	<u>\$103,000</u>	<u>\$106,000</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

SCHOOL FUNCTIONS AND PLANNING PROGRAM

School Functions

The Illinois Department of Human Services - Illinois School for the Deaf (School) is located at 125 S. Webster in Jacksonville, Illinois. The School was established in 1839 and operates pursuant to the Disabled Persons Rehabilitation Act (20 ILCS 2405/0.01 et seq.). The School operates both residential and day programs for students who are deaf and hard of hearing from 3 to 21 years of age. Additionally, the School 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 2008 and 2009, the Illinois Department of Human Services (Department) division of Rehabilitation Services administered the School. 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 the School after proper diagnosis and evaluation in accordance with procedures prescribed by the Department.

Planning Program

The School is one of several State facilities operated by the Department. Within this framework, the School 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 the School 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.

The School continues to participate in the North Central Association (NCA) accreditation process. The NCA is an organization that accredits schools worldwide. As part of the accreditation process, the School must accomplish target goals over a five year period (the cycle has changed to three years). During fiscal years 2008 and 2009, the School continued the now three year cycle for the NCA accreditation process that began in fiscal year 2008.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

SCHOOL FUNCTIONS AND PLANNING PROGRAM – Continued

The School's NCA target goals for fiscal years 2008 and 2009 continue to be:

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.

The School 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.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

AVERAGE NUMBER OF EMPLOYEES

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

	<u>Fiscal Year ending June 30,</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Business Administration	7	7	5
Child Care	70	70	73
Dietary	17	17	15
Educators	60	57	76
Housekeeping	16	16	15
Maintenance	17	15	14
Nurses	5	5	5
Social Services	4	3	5
Other	<u>47</u>	<u>52</u>	<u>26</u>
Total Employees	<u>243</u>	<u>242</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, 2009

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 years 2009, 2008 and 2007.

	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Paid overtime hours worked during fiscal year	11,521	11,830	14,114
Compensatory hours earned during fiscal year	<u>34,219</u>	<u>36,582</u>	<u>33,460</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>45,740</u>	<u>48,412</u>	<u>47,574</u>
Value of overtime hours worked during fiscal year	\$ 344,699	\$ 340,346	\$ 406,084
Value of compensatory hours earned during fiscal year	<u>\$ 723,105</u>	<u>\$ 765,204</u>	<u>\$ 652,711</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,067,804</u>	<u>\$1,105,550</u>	<u>\$1,058,795</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

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.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal years 2009, 2008 and 2007.

	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractual payroll employees paid during the fiscal year	<u>18</u>	<u>23</u>	<u>36</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$138,550</u>	<u>\$125,766</u>	<u>\$104,744</u>

SHARED RESOURCES (not examined)

The Illinois School for the Deaf and the Illinois School for the Visually Impaired share four employees throughout the year.

The School shares the business administrator and the dietary manager on a 50/50 basis with the Illinois School for the Visually Impaired. The individuals are paid from July 1<sup>st</sup> through December 31<sup>st</sup> by the Illinois School for the Visually Impaired, and are paid from January 1<sup>st</sup> through June 30<sup>th</sup> by the Illinois School for the Deaf.

The School also shares the timekeeping/payroll administrative assistant and the public service administrator on a 50/50 basis with the Illinois School for the Visually Impaired. These individuals are paid from July 1<sup>st</sup> through December 31<sup>st</sup> by the Illinois School for the Deaf, and are paid from January 1<sup>st</sup> through June 30<sup>th</sup> by the Illinois School for the Visually Impaired.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

SCHOOL UTILIZATION (not examined)

The Illinois School for the Deaf 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 as of June 30, 2009.

<b><u>Building</u></b>	<b><u>Type/Use</u></b>	<b><u>Square Feet</u></b>	<b><u>Status</u></b>	<b><u>Utilization</u></b>
Administration Building	Offices, storage	57,978	Occupied	75%
Health Center	Health Center	12,600	Occupied	100%
Cullom Hall	Dormitory	19,536	Occupied	90%
Elementary	Classrooms	55,742	Occupied	100%
Burns Gym	Gym	16,341	Occupied	100%
Wait Hall	Dormitory	56,190	Occupied	80%
Horner Hall	Dormitory	56,190	Occupied	95%
Officer Hall	Dormitory	56,190	Occupied	90%
High School	Classrooms	36,900	Occupied	100%
Marshall Gym	Gym	20,000	Occupied	100%
Vocational Building	Classrooms	36,597	Occupied	100%
Dietary Building	Cafeteria	32,256	Occupied	100%
Auto body Building	Auto Body Lab	10,350	Occupied	100%
Laundry	Laundry	1,375	Occupied	100%
Power Plant	Power Plant	18,490	Occupied	100%
Concession Stand	Concession Stand	1,050	Seasonal Occupied	100%

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.

	Fiscal Year		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cost per year per student	<u>\$73,414</u>	<u>\$84,146</u>	<u>\$79,585</u>
Cost per day per student	<u>\$261</u>	<u>\$299</u>	<u>\$283</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

RATIO OF EMPLOYEES TO STUDENTS (not examined)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Average number of students	<u>285</u>	<u>252</u>	<u>238</u>
Average number of employees	<u>243</u>	<u>242</u>	<u>234</u>
Ratio of employees to students	<u>.85 to 1</u>	<u>.96 to 1</u>	<u>.98 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>2009</u>	<u>2008</u>	<u>2007</u>
Number of reported employee injuries	<u>21</u>	<u>24</u>	<u>21</u>

FOOD SERVICES (not examined)

The following table, prepared from School records, summarizes the number of meals served and the average cost per meal for the fiscal years ended June 30:

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Meals served *	<u>118,425</u>	<u>108,735</u>	<u>100,394</u>
Total food costs	\$294,037	\$246,026	\$219,570
Total labor costs	<u>649,685</u>	<u>619,992</u>	<u>505,466</u>
Total costs	<u>\$943,722</u>	<u>\$866,018</u>	<u>\$725,036</u>
Average food costs / meal	\$2.48	\$2.26	\$2.19
Average labor costs / meal	<u>5.49</u>	<u>5.70</u>	<u>5.03</u>
Total average cost / meal	<u>\$7.97</u>	<u>\$7.96</u>	<u>\$7.22</u>

\* The meals served number accounts for the number of breakfast, lunch, and dinner meals served to students. Meals served do not include teacher or employee meals.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

Results from the previous year's Communication Audit were used to determine goals for Language and Communication Planning. The Deaf/Hearing mentor program was continued. The American Sign Language Staff Development Specialist was again hired contractually to provide American Sign Language classes for staff and consultation for students. Three American Sign Language Educators and an American Sign Language Staff Development Specialist were approved in the fiscal year 2009 budget, but the positions were not filled.

A Language Planning Committee, comprised of former participants of the Standardized Test for the Assessment of Reading/American Sign Language English Bilingual Professional Development program, and including representation from principals and the School Improvement Committee, met monthly to guide the development and implementation of school wide Language Planning and the Communication/Language Policy. Three staff and the superintendent completed Language Planning Training at Gallaudet University in July of 2008. Language planning was required as part of each teacher's lesson planning, starting in the fall of 2008.

All outside resources available were contacted and enlisted for aids in promoting ISD as a statewide resource for all deaf/hard of hearing students and Deaf Education programs throughout the State. The Illinois Deaf Education Task Force report was completed and submitted to Illinois Legislators in December 2008. ISD began work with the Illinois Supervisors for Hard of Hearing/Deaf Individuals (ISHI) in development of an Illinois Agenda, in answer to a charge from the Deaf Education Task Force.

ISD collaborated with a Special Education attorney, who is also the author of "The Human Right to Language." A proposal was written and submitted to the Division of Rehabilitation Services Assistant Director and the Deputy Chief of Staff, outlining several ways that ISD could become the statewide resource center it should be. No action to date has been taken on this proposal.

Committees were developed for Language Planning and Response to Intervention, in addition to the School Improvement Committee. The Accelerated Reader program continued campus wide, with students passing 18,778 tests to earn 15,538.2 points (approximately 4,000 more than last year). Average passing score was 80.9%.

Star Reading and Star Math assessments were used as one measure of achievement and placement. A comprehensive Response to Intervention report was compiled. All programs were used in all classrooms, as appropriate.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
ILLINOIS SCHOOL FOR THE DEAF  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2009

SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined) – continued

Language planning began to be required in teachers' lesson plans in August of 2008. American Sign Language English Bilingual Professional Development Levels 5 and 6 were prepared, but not implemented, due to lack of numbers of qualified participants. American Sign Language English Bilingual Professional Development Levels 1 and 2 were completed, with levels 3 and 4 to be completed next year. Visual Phonics and Direct Instruction were continued, and have been implemented campus-wide. The School has an individual who continues to consult as well as conduct the longitudinal research project on Visual Phonics and Direct Instruction. ISD now has a certified Visual Phonics trainer in reading.

The comprehensive maintenance plan continued with an additional \$250,000 appropriated for safety and maintenance. The plan continued to include building and grounds repair and maintenance, most notably related to repair of heating/air conditioning, boilers, underground heating valve pits and lines, security system components, door holders required by Fire Marshall, sidewalks, and roofing.

The outreach team continued to participate in sharing information statewide. The Staff Development Specialist and Director of Admissions and Records planned and executed visits to several locations throughout the State to share information about ISD. ISD staff will assist in planning next year's Deaf Advocacy event in the spring.

The communication audit results from 2007-08 were shared with the campus, and goals were developed. ISD implemented a new bilingual communication policy, and are including a goal for adherence to it on staff evaluations.

ISD worked to become a statewide resource, working on the Illinois Deaf Education Task Force and on an Illinois Deaf Agenda. ISD's Outreach and Hearing and Vision Connections programs are moving forward with information sharing throughout the State, in Early Intervention and Preschool-12th grade plus programs.

ISD initiated the Transitional Opportunities Program for Students, which is a program for 5<sup>th</sup> year students who will benefit greatly with more in depth skills to transition from ISD to independent living and the world of work. Eleven students successfully completed the first year of this program.