

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2007

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007

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DEPARTMENT OF HUMAN SERVICES
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SCHOOL OFFICIALS

Superintendent:

Current
11/09/06-1/02/08
7/01/05 to 11/09/06

Mr. Reggie Clinton
Ms. Joan Forney
Dr. Richard Snowden

Business Office Administrator:

Current
7/01/05 to 11/27/07

Ms. Nancy Bradbury
Mr. John Wilcox

The School is located at:

658 East State Street
Jacksonville, Illinois 62650

Illinois School for the Visually Impaired



658 East State Street • Jacksonville, Illinois 62650
Voice 217-479-4400 • TTY 217-479-4415 • 1-800-919-5617 • Fax 217-479-4507

*Operated by the Illinois Department of Human Services, Division of Rehabilitation Services.
Accredited by the North Central Association of Colleges and Schools.*

January 17, 2008

West & Company, LLC
Certified Public Accountants
919 E. Harris
Greenville, IL 62246

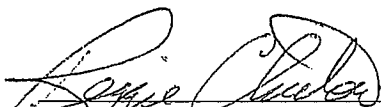
Ladies and Gentlemen:

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 Illinois School for the Visually Impaired (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, 2007. Based on this evaluation, we assert that during the year(s) ended June 30, 2006 and June 30, 2007, the School has materially complied with the assertions below.

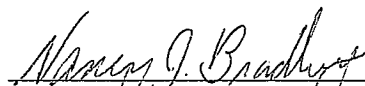
- A. The School has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The School has obligated, expended, received and used public funds of the State in accordance with any limitations, 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 School 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 Visually Impaired



Superintendent



Acting Business Administrator

The mission of the Illinois School for the Visually Impaired is to serve as a statewide resource offering students with visual impairments quality services which will enable them to become personally productive and self-sufficient citizens.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
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COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation 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	3	2
Repeated findings	-	-
Prior recommendations implemented or not repeated	2	1

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
07-1	9-10	Fire Code Violations
07-2	11-12	Lack of Independent Review of Payroll Vouchers
07-3	13-14	Internal Control Weaknesses

PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
07-4	15	Lack of Adequate Segregation of Duties in Locally Held Funds
07-5	15	Employee Evaluations

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DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
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COMPLIANCE REPORT (continued)

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department and School personnel at a meeting on November 9, 2007. Attending were:

Department of Human Services

Ms. Mary Fritz, Audit Liaison

Illinois School for the Visually Impaired

Ms. Joan Forney, Acting Superintendent
Mr. John Wilcox, Business Office Administrator

Office of the Auditor General

Ms. Lisa Warden, Audit Manager

West & Company, LLC

Ms. Janice Romack, Partner
Ms. Alison Sears, Supervisor

Responses to the recommendations were provided by Ms. Carol L. Adams, Ph.D., Secretary, Illinois Department of Human Services, in a letter dated December 28, 2007.

WEST & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS
&
CONSULTANTS

919 E. HARRIS AVENUE
GREENVILLE, ILLINOIS 62246

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MEMBERS

E. LYNN FREESE
RICHARD C. WEST
KENNETH L. VOGT
BRIAN E. DANIELL
JANICE K. ROMACK
DIANA R. SMITH

OFFICES

EDWARDSVILLE
EFFINGHAM
GREENVILLE
MATTOON
SULLIVAN

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 Visually Impaired's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2007. The management of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired 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 Visually Impaired's compliance based on our examination.

- A. The State of Illinois Department of Human Services - Illinois School for the Visually Impaired 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 Visually Impaired 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 Visually Impaired has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired 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 Visually Impaired on behalf of the State or held in trust by the State of Illinois Department of Human Services - Illinois School for the Visually Impaired 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.

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 Visually Impaired'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 Visually Impaired's compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Illinois School for the Visually Impaired complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2007. However, the results of our procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with 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 and Recommendations as findings 07-1, 07-2, and 07-3.

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 Visually Impaired 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 Visually Impaired's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired'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 Visually Impaired's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Recommendations as findings 07-2 and 07-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Recommendations to be material weaknesses.

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

State of Illinois Department of Human Services - Illinois School for the Visually Impaired's response to the findings identified in our examination are described in the accompanying Schedule of Findings and Recommendations. We did not examine the State of Illinois Department of Human Services - Illinois School for the Visually Impaired'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 2007 and the 2006 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Changes in State Property, Schedule of Changes in Inventories, Analysis of Accounts Receivable, 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 2005 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, 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.

West + Company, LLC

West & Company, LLC

January 17, 2008

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings

07-1 Finding –Fire Code Violations

Buildings on the campus of the Illinois School for the Visually Impaired (School) have components which do not comply with fire safety standards.

The State Fire Marshal issued inspection reports in December 2006 detailing fire hazards in two primary campus buildings:

- The School's Frank Hall and Leo Flood buildings lack windows with appropriately sized openings to allow for emergency rescue.
- The Leo Flood Building lacks automatic or self-closing doors to classrooms.

The Frank Hall Building serves as the School's primary classroom building, and the Leo Flood Building contains the School's Media Center/library and additional classrooms.

The State Fire Marshal's report 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 of windows for emergency rescue and automatic or self-closing doors.

Management stated the projects have previously been submitted to the Department of Human Services (Department) Office of Capital Programs but were delayed due to budgetary constraints. Management anticipates the door closure project will cost \$69,000 and will be underway in December 2007. According to management at the Department, funding was allocated from the Department's fiscal year 2008 appropriation. Provisions for the replacement of windows are included in Capital Development Project #321-155-009, but the project is expected to cost over \$326,000 and has been delayed indefinitely due to a statewide shortfall of capital funds.

The role of the School is to provide students who are blind or visually impaired educational opportunities in a safe environment. The School served 90 students in fiscal year 2006 and 95 students in fiscal year 2007. Compliance with fire safety standards is essential to ensure the safety of the students and personnel. (Finding Code 07-1).

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Current Findings (continued)

07-1 Finding –Fire Code Violations (continued)

Recommendation:

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

Agency Response:

Agree. Magnetic Door Hold Closure project funding of \$69,000 has been released. The project scope is to install magnetic door hold openers in four buildings to meet State Fire Marshal code. The bid process has begun and ISVI is awaiting approval. The replacement of windows project is included in Capital Development Project #321-155-009. The project is dependent on the passage of the FY '08 Capital Bill that has not been released. If the funds are released, the window project should proceed.

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Current Findings (continued)

07-2 Finding – Lack of Independent Review of Payroll Vouchers

Payroll vouchers of the Illinois School for the Visually Impaired (School) did not contain evidence of review and approval by an individual independent of payroll preparation at the School.

Our review of payroll vouchers disclosed 38 of 96 vouchers (40%) tested contained no evidence of an independent review at the School. The School's total personal services expenditures for fiscal year 2007 of \$6,669,338 represented 75% of total expenditures. For fiscal year 2006, personal services expenditures totaled \$6,111,422 and represented 78% of the School's total expenditures.

Good internal control procedures require the review process be performed by an individual independent of the preparation process to prevent improper expenditures. The Fiscal Control and Internal Auditing Act requires all State agencies to maintain internal controls to ensure funds are safeguarded against loss (30 ILCS 10/3001).

All vouchers lacking approval were supplemental payroll vouchers, and School management stated that supplemental vouchers were not received from the central office until several weeks after issuance. Department officials stated that independent parties at the Central Office review the supplemental vouchers and the School's support. School management stated that a monthly review and reconciliation of total payroll expenditures was conducted since February 2007 and had been deemed sufficient to replace the need for an independent School employee to review supplemental payroll vouchers.

Failure to review payroll vouchers by an independent person knowledgeable of School personnel increases the likelihood a loss from errors or irregularities could occur and not be detected in a timely manner. (Finding Code 07-2).

Recommendation:

We recommend the School ensure a School employee independent of payroll preparation reviews all payroll vouchers. Additionally, indication of this review should be documented.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-2 Finding – Lack of Independent Review of Payroll Vouchers (continued)

Agency Response:

Agree. Beginning in February 2007, a procedure was developed for the review of supplemental payroll vouchers. At the time the business administrator completes the review of payroll expense for each month, supplemental payroll vouchers are reviewed to determine the purpose and to verify the amount of the vouchers.

STATE OF ILLINOIS
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LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-3 Finding – Internal Control Weaknesses

The Illinois School for the Visually Impaired (School) failed to maintain adequate internal controls over locally held fund expenditures, commodities inventory, property control, and accounts receivable.

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

- **Improper transaction processing within Living Skills Fund**

During a portion of fiscal year 2006, School personnel processed reimbursements totaling \$1,244 from the Living Skills Fund to an employee based on improper expense documentation, including copies of receipts and non-dated receipts. The employee in question was placed on administrative leave and later resigned. Disbursements from the Living Skills Fund totaled \$13,384 during fiscal year 2006.

School management stated the improper reimbursements were processed based upon non-dated copies of receipts provided by an employee which were submitted for reimbursement multiple times. Management indicated procedures were changed December 2005 and only original, dated expense receipts are now accepted as a basis for reimbursement requests.

- **Inadequate segregation of duties**

The purchasing, storekeeping, recordkeeping, and physical inventory maintenance functions were inadequately segregated. The employee in charge of purchasing also served as the backup storekeeper, and the property control coordinator was also responsible for physical inventory maintenance. Additionally, personnel responsible for issuing billings were also involved in the collection and processing of receipts and accounts receivable record maintenance.

Total commodities expenditures for fiscal years 2007 and 2006 were \$427,077 and \$261,696, respectively. Total receipts resulting from the billing of local school districts for students' transportation totaled \$27,498 in fiscal year 2006 and \$31,749 in fiscal year 2007.

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SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings (continued)

07-3 Finding – Internal Control Weaknesses (continued)

School management indicated proper segregation was difficult due to staff limitations. Management further noted that subsequent reallocation of staff has eliminated the overlap of duties between the backup storekeeper and purchasing functions.

The Fiscal Control and Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls to provide assurance that property and other assets are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls require adequate segregation of duties between asset custody, recordkeeping responsibilities, and authorization to approve transactions to help ensure the safeguarding of assets.

Failure to establish and maintain adequate segregation of duties and adhere to the Fiscal Control and Auditing Act could result in loss or theft of State resources which would not be prevented or detected by employees in the normal course of performing assigned duties. (Finding Code 07-3).

Recommendation:

We recommend the School maintain proper segregation of duties and comply with the Fiscal Control and Auditing Act to help ensure the safeguarding of cash and other assets. Further, steps should be taken to address the matter of restitution to the School from the former employee.

Agency Response:

Agree. A new protocol was developed to deal with receipts for the Living Skills Fund and implemented in September 2007. The court case for the former employee who is alleged to have been reimbursed multiple times for the same receipt is still pending. It is slated to go to court January 2, 2008. The Illinois School for the Visually Impaired is unable to proceed with restitution until the court case is completed.

As of September 1, 2007, the accountant is no longer the back-up for storekeeper. The Account Tech I is now the back-up for the storekeeper, which segregates the duties.

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Prior Findings Not Repeated

07-4 Finding – Lack of Adequate Segregation of Duties in Locally Held Funds

During the examination for the two years ended June 30, 2005, we noted inadequate segregation of duties concerning the cash receipt cycle in the locally held funds. We noted a single employee performed all functions associated with cash receipts, including the reconciliation of bank accounts.

Disposition of Finding:

Analysis of segregation of duties for the two years ended June 30, 2007 indicated duties concerning cash receipts for the locally held funds were appropriately segregated among several employees. No single employee had asset custody, recordkeeping, or authorization responsibilities. (Finding Code 05-1).

07-5 Finding – Employee Evaluations

Testing of employee evaluations during the examination for the two years ended June 30, 2005 disclosed 20 of 39 (51%) evaluations were not performed timely.

Disposition of Finding:

Timeliness of employee evaluations will be addressed in the report on the State of Illinois Department of Human Services Compliance Examination – Central Office and Department-Wide Financial Audit for the Two Years Ended June 30, 2007. (Finding Code 05-2).

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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 (not examined)

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 auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, except for information on the Schedule of Changes in State Property, Schedule of Changes in Inventories, Analysis of Accounts Receivable, 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
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
		EXPENDITURES THROUGH JUNE 30, 2007	EXPENDITURES JULY 1ST TO AUGUST 31, 2007		
PUBLIC ACT 94-0798					
GENERAL REVENUE FUND - 001					
Personal services	\$ 6,669,400	\$ 5,961,619	\$ 707,719	\$ 6,669,338	\$ 62
Student, member or inmate compensation	16,400	15,254	-	15,254	1,146
Employee retirement contributions paid by employer	-	-	-	-	-
State contributions to State Employees' Retirement System	557,300	505,267	51,219	556,486	814
State contributions to Social Security	354,200	321,951	30,784	352,735	1,465
Contractual services	656,900	559,463	96,384	655,847	1,053
Travel	8,800	8,359	215	8,574	226
Commodities	453,600	261,955	165,122	427,077	26,523
Printing	2,500	-	2,500	2,500	-
Equipment	123,800	35,499	50,969	86,468	37,332
Telecommunications services	53,100	39,274	12,301	51,575	1,525
Operation of automotive equipment	24,000	16,412	7,509	23,921	79
Subtotal - Fund 001	\$ 8,920,000	\$ 7,725,053	\$ 1,124,722	\$ 8,849,775	\$ 70,225
VOCATIONAL REHABILITATION FUND - 081					
Secondary Transitional Experience Program	\$ 42,900	\$ 7,418	\$ -	\$ 7,418	\$ 35,482
Total - All Funds	\$ 8,962,900	\$ 7,732,471	\$ 1,124,722	\$ 8,857,193	\$ 105,707

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 VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
PUBLIC ACTS 94-0015 & 94-0798				
GENERAL REVENUE FUND - 001				
Personal services	\$ 6,163,200	\$ 5,452,509	\$ 6,111,422	\$ 51,778
Student, member or inmate compensation	16,400	16,147	16,198	202
Employee retirement contributions paid by employer	42,400	42,357	42,357	43
State contributions to State Employees' Retirement System	359,100	309,131	343,277	15,823
State contributions to Social Security	351,900	301,428	330,836	21,064
Contractual services	596,400	519,573	589,021	7,379
Travel	11,800	11,185	11,323	477
Commodities	270,400	233,639	261,696	8,704
Printing	500	-	-	500
Equipment	69,500	60,054	69,355	145
Telecommunications services	48,300	41,466	45,733	2,567
Operation of automotive equipment	23,200	21,752	22,454	746
Subtotal - Fund 001	\$ 7,953,100	\$ 7,009,241	\$ 7,843,672	\$ 109,428
VOCATIONAL REHABILITATION FUND - 081				
Secondary Transitional Experience Program	\$ 42,900	\$ 8,149	\$ 8,149	\$ 34,751
Total - All Funds	\$ 7,996,000	\$ 7,017,390	\$ 7,851,821	\$ 144,179

Note: The information reflected in this schedule was taken from the School's records and reconciled to records of the State Comptroller. Social Security expenditures per the School's records differ from amounts reported by the State Comptroller by \$21 due to three vouchers awaiting reversal by the Department's Central Office.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES
For the Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
	P.A. 94-0798	P.A. 94-0015 & 94-0798	P.A. 93-0842 & 93-0681
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 8,920,000	\$ 7,953,100	\$ 8,391,585
EXPENDITURES			
Personal services	6,669,338	6,111,422	5,789,019
Student, member or inmate compensation	15,254	16,198	15,002
Employee retirement contributions paid by employer	-	42,357	2,984
State contributions to State Employees' Retirement System	556,486	343,277	614,195
State contributions to Social Security	352,735	330,836	299,957
Contractual services	655,847	589,021	602,566
Travel	8,574	11,323	5,948
Commodities	427,077	261,696	223,488
Printing	2,500	-	802
Equipment	86,468	69,355	57,413
Telecommunications services	51,575	45,733	78,719
Operations of automotive equipment	23,921	22,454	14,333
Total Expenditures	<u>8,849,775</u>	<u>7,843,672</u>	<u>7,704,426</u>
LAPSED BALANCES	<u>\$ 70,225</u>	<u>\$ 109,428</u>	<u>\$ 687,159</u>
VOCATIONAL REHABILITATION FUND - 081			
Appropriations (net of transfers)	\$ 42,900	\$ 42,900	\$ 42,900
EXPENDITURES			
Secondary Transitional Experience Program	7,418	8,149	6,372
Total Expenditures	<u>7,418</u>	<u>8,149</u>	<u>6,372</u>
LAPSED BALANCES	<u>\$ 35,482</u>	<u>\$ 34,751</u>	<u>\$ 36,528</u>
GRAND TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (net of transfers)	\$ 8,962,900	\$ 7,996,000	\$ 8,434,485
Total Expenditures	<u>8,857,193</u>	<u>7,851,821</u>	<u>7,710,798</u>
Lapsed Balances	<u>\$ 105,707</u>	<u>\$ 144,179</u>	<u>\$ 723,687</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

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 Fund

The Petty Cash 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/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 VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

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 VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2007

	1149 DHS/DORS Special Revenue Fund	1147 DHS/DORS Agency Fund	1150 DHS/DORS Permanent Trust Fund	N/A Petty Cash Account
Balance - July 1, 2006	\$ 60,748	\$ 5,038	\$ 39,592	\$ 470
Receipts				
Investment income	462	-	1,100	-
Local governmental units	27,498	-	-	-
Private organizations	25,980	7,247	-	-
Student deposits	-	33,514	-	-
Appropriations	22,491	31,328	-	3,052
Grant funds	1,324	5,963	-	-
Transfers in	-	36	-	-
Other	7,811	-	-	-
Total Receipts	<u>85,566</u>	<u>78,088</u>	<u>1,100</u>	<u>3,052</u>
Disbursements				
Commodities	21,328	5,732	-	-
Contractual services	52,391	10,829	-	3,233
Student awards and grants	-	15,305	-	-
Equipment	3,383	2,229	-	-
Grant funds	-	5,643	-	-
Student withdrawals	-	34,884	-	-
Transfers out	1,714	-	-	-
Other	10	5,334	-	-
Total Disbursements	<u>78,826</u>	<u>79,956</u>	<u>-</u>	<u>3,233</u>
Balance - June 30, 2007	<u>\$ 67,488</u>	<u>\$ 3,170</u>	<u>\$ 40,692</u>	<u>\$ 289</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
June 30, 2006

	1149 DHS/DORS Special Revenue Fund	1147 DHS/DORS Agency Fund	1150 DHS/DORS Permanent Trust Fund	N/A Petty Cash Account
Balance - July 1, 2005	\$ 49,726	\$ 519	\$ 39,333	\$ 6
Receipts				
Investment income	133	-	622	-
Local governmental units	31,749	-	-	-
Private organizations	16,783	4,536	-	-
Student fees	25	-	-	-
Student deposits	-	37,914	-	-
Appropriations	21,531	30,293	-	2,931
Grant funds	1,105	9,051	-	-
Transfers in	-	96	-	-
Other	7,359	640	-	-
Total Receipts	<u>78,685</u>	<u>82,530</u>	<u>622</u>	<u>2,931</u>
Disbursements				
Commodities	19,144	3,481	-	-
Contractual services	48,519	8,858	363	2,467
Student awards and grants	-	16,147	-	-
Equipment	-	449	-	-
Grant funds	-	9,336	-	-
Student withdrawals	-	34,722	-	-
Other	-	5,018	-	-
Total Disbursements	<u>67,663</u>	<u>78,011</u>	<u>363</u>	<u>2,467</u>
Balance - June 30, 2006	<u>\$ 60,748</u>	<u>\$ 5,038</u>	<u>\$ 39,592</u>	<u>\$ 470</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
(NOT EXAMINED)

For the Years Ended June 30, 2006 & 2007

	Land and land improvements	Buildings and building improvements	Site improvements	Equipment	Total
<u>Balance June 30, 2005</u>	\$ 18,000	\$ 16,678,771	\$ 1,693,821	\$ 2,341,986	* \$ 20,732,578
Additions:					
Purchases	-	-	-	143,079	143,079
Transfers-in:					
Intra-agency	-	-	-	620,145	620,145
Inter-agency	-	-	-	22,889	22,889
Capital Development Board	-	103,804	-	-	103,804
Surplus property	-	-	-	-	-
Adjustments	-	-	-	7,591	7,591
Total Additions	-	103,804	-	793,704	897,508
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	583,366	583,366
Inter-agency	-	-	-	100	100
Surplus property	-	-	-	27,378	27,378
Scrap property	-	-	-	2,611	2,611
Clerical error	-	-	-	12,537	12,537
Other	-	-	-	4,490	4,490
Adjustments	-	-	-	1,132	1,132
Total Deductions	-	-	-	631,614	631,614
<u>Balance June 30, 2006</u>	\$ 18,000	\$ 16,782,575	\$ 1,693,821	\$ 2,504,076	\$ 20,998,472
Additions:					
Purchases	-	-	-	82,241	82,241
Transfers-in:					
Intra-agency	-	-	-	372,865	372,865
Capital Development Board	-	82,705	-	-	82,705
Surplus Property	-	-	-	-	-
Donations	-	-	-	-	-
Adjustments	-	-	-	7,983	7,983
Total Additions	-	82,705	-	463,089	545,794
Deductions:					
Transfers-out:					
Intra-agency	-	-	-	358,516	358,516
Inter-agency	-	-	-	145,438	145,438
Surplus property	-	-	-	6,577	6,577
Scrap property	-	-	-	7,164	7,164
Clerical error	-	-	-	6,437	6,437
Other	-	-	-	3,207	3,207
Adjustments	-	-	-	448	448
Total Deductions	-	-	-	527,787	527,787
<u>Balance June 30, 2007</u>	\$ 18,000	\$ 16,865,280	\$ 1,693,821	\$ 2,439,378	\$ 21,016,479

* Beginning balance differs from prior year ending balance by \$239 due to corrections made by the Department's central office to correct final 2005 balances. The numbers presented agree with the Department's records.

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
For the Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
GENERAL REVENUE FUND - 001			
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	\$ 135	\$ 103	\$ 55
Copy charges	16	58	18
Meal tickets	-	-	3
Lost keys	-	-	30
Telephone reimbursements	16	9	14
Refunds / rebates	21	1,148	311
Miscellaneous other	184	137	349
TOTAL RECEIPTS	<u><u>\$ 372</u></u>	<u><u>\$ 1,455</u></u>	<u><u>\$ 780</u></u>
<u>DEPOSITS</u>			
Receipts recorded by School	\$ 372	\$ 1,455	\$ 780
Add: Deposits in transit - Beginning of year	657	-	-
Deduct: Deposits in transit - End of year	(95)	(657)	-
Reconciling items:			
Prior year refunds applied to appropriations	(661)	(478)	(311)
Unknown deposit on Comptroller report SB04	-	-	(61)
DEPOSITS RECORDED BY COMPTROLLER	<u><u>\$ 273</u></u>	<u><u>\$ 320</u></u>	<u><u>\$ 408</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2007

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

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2007	2006	AMOUNT	%
Employee retirement contributions paid by employer	\$ -	\$ 42,357	\$ (42,357)	(100.00)%
State contributions to State Employees' Retirement System	\$ 556,486	\$ 343,277	\$ 213,209	62.11%
Travel	\$ 8,574	\$ 11,323	\$ (2,749)	(24.28)%
Commodities	\$ 427,077	\$ 261,696	\$ 165,381	63.20%
Printing	\$ 2,500	\$ -	\$ 2,500	100.00%
Equipment	\$ 86,468	\$ 69,355	\$ 17,113	24.67%

Employee retirement contributions paid by employer

For fiscal year 2007, the State portion of employee retirement contributions was eliminated due to a regulatory change.

State contributions to State Employees' Retirement System

The increase of \$213,209 (62.11%) in fiscal year 2007 expenditures was primarily due to the overall increase in the State retirement contribution rate from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

Travel

Travel expenditures declined \$2,749 (24.28%) as fiscal year 2006 expenditures included the cost of staff attendance at the annual vision education conference. In fiscal year 2007, general revenue fund appropriations were not needed to cover the cost of attendance.

Commodities

Commodities expenditures increased \$165,381 (63.20%) in fiscal year 2007 as the School purchased new textbooks totaling approximately \$170,000.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2007 (continued)

Printing

Printing expenditures increased \$2,500 (100%) in fiscal year 2007 due to expenditures related to a large printing project for the preparation of school brochures.

Equipment

Equipment expenditures increased \$17,113 (24.67%) in fiscal year 2007 as additional funding was made available to the School for the purchase of assistive technology equipment for use by students.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2006

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

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2006	2005	AMOUNT	%
Employee retirement contributions paid by employer	\$ 42,357	\$ 2,984	\$ 39,373	1,319.47%
State contributions to State Employees' Retirement System	\$ 343,277	\$ 614,195	\$ (270,918)	(44.11)%
Travel	\$ 11,323	\$ 5,948	\$ 5,375	90.37%
Printing	\$ -	\$ 802	\$ (802)	(100.00)%
Equipment	\$ 69,355	\$ 57,413	\$ 11,942	20.80%
Telecommunications	\$ 45,733	\$ 78,719	\$ (32,986)	(41.90)%
Operation of automotive equipment	\$ 22,454	\$ 14,333	\$ 8,121	56.66%
Secondary Transitional Experience Program	\$ 8,149	\$ 6,372	\$ 1,777	27.89%

Employee retirement contributions paid by employer

Fiscal year 2006 expenditures increased \$39,373 (1,319.47%) due to a regulatory change initiated late in the preceding fiscal year. For most of fiscal year 2005, retirement contributions paid by the State were paid from Personal Services appropriations. Retirement contributions paid by the State resumed during fiscal year 2006.

State contributions to State Employees' Retirement System

The decrease of \$270,918 (44.11%) in fiscal year 2006 was due to the overall decrease in the State retirement contribution rate from 16.107% in fiscal year 2005 to 7.792% in fiscal year 2006.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2006 (continued)

Travel

Travel expenditures increased \$5,375 (90.37%) in fiscal year 2006 as a large number of employees attended the annual vision education conference and grant funding was insufficient to cover all related costs.

Printing

Printing expenditures decreased \$802 (100%) as the School did not incur any outside printing costs in fiscal year 2006.

Equipment

Equipment expenditures increased \$11,942 (20.80%) due to significant equipment purchases including a new van, security equipment for the School's main building, equipment for the teen center, and a commercial dryer. Fiscal year 2005 expenditures were unusually low as funds were transferred to telecommunications to facilitate a campus rewiring project.

Telecommunications

Telecommunications expenditures decreased \$32,986 (41.90%) as fiscal year 2005 expenditures were unusually high due to a campus rewiring project. The project was partially grant funded, and the School's portion of the project approximated \$32,480.

Operation of automotive equipment

The increase of \$8,121 (56.66%) was primarily attributed to the increase in fuel costs.

Secondary Transitional Experience Program

The increase of \$1,777 (27.89%) was due to an increase in students participating in the program, which fluctuates depending on the student population.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

We have reviewed lapse period spending for fiscal years ended June 30, 2007 and 2006 and have identified five appropriation line items with significant lapse period spending (20% or more). There was no significant lapse period spending for fiscal year 2006. A schedule of significant lapse period spending for fiscal year 2007 is shown below:

Fiscal Year Ended June 30, 2007			
<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Commodities	\$ 427,077	\$ 165,122	38.66%
Printing	\$ 2,500	\$ 2,500	100.00%
Equipment	\$ 86,468	\$ 50,969	58.95%
Telecommunications	\$ 51,575	\$ 12,301	23.85%
Operation of automotive equipment	\$ 23,921	\$ 7,509	31.39%

Commodities

Significant lapse period spending of \$165,122 was due to a lack of supplemental appropriations for textbook purchases. Textbooks were ordered in March and June 2007, and the School did not take delivery until the lapse period.

Printing

Significant lapse period spending of \$2,500 was attributed to a brochure printing project initiated late in the fiscal year.

Equipment

Significant lapse period spending of \$50,969 was due to a lack of supplemental appropriations for equipment purchases. As a result, several equipment orders were not placed until late in the fiscal year, and items were delivered in the lapse period.

Telecommunications

Significant lapse period spending of \$12,301 resulted from a dispute of charges with the Department of Central Management Services (CMS) communications revolving fund concerning the campus rewiring project. The dispute was not settled until late in the fiscal year, and the funds for payment were not made available until the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

Operation of automotive equipment

Significant lapse period spending of \$7,509 was attributed to several large bulk fuel purchases and repair billings from CMS. Payment for the purchases was delayed until the transfer of funds from other appropriations was completed in the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
(NOT EXAMINED)
For the Two Years Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Office and educational supplies	\$ 714	\$ 17,454	\$ 17,513	\$ 655
Food supplies	17,551	106,009	109,929	13,631
Household, laundry and cleaning supplies	3,324	32,425	32,355	3,394
Total	<u>\$ 21,589</u>	<u>\$ 155,888</u>	<u>\$ 159,797</u>	<u>\$ 17,680</u>

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Office and educational supplies	\$ 1,584	\$ 14,379	\$ 15,249	\$ 714
Food supplies	5,815	115,714	103,978	17,551
Household, laundry and cleaning supplies	4,075	19,917	20,668	3,324
Total	<u>\$ 11,474</u>	<u>\$ 150,010</u>	<u>\$ 139,895</u>	<u>\$ 21,589</u>

Note: The inventories consist primarily of commodities and are valued at weighted average cost. A limited supply of drugs and medical supplies were maintained by the health center, which the School does not include in its inventory.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF ACCOUNTS RECEIVABLE
(NOT EXAMINED)
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:

	June 30,		
	2007	2006	2005
Current (0-3 months)	\$ 12,251	\$ 16,601	\$ 21,738
Past due (4-6 months)	-	1,258	319
Past due (7-12 months)	-	488	386
Total	\$ 12,251	\$ 18,347	\$ 22,443

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:

	June 30,		
	2007	2006	2005
Current (0-3 months)	\$ 3,163	\$ 2,064	\$ 2,479
Past due (4-6 months)	-	-	512
Past due (7-12 months)	-	-	168
Total	\$ 3,163	\$ 2,064	\$ 3,159

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

SCHOOL FUNCTIONS AND PLANNING PROGRAM

School Functions

The Illinois Department of Human Services - Illinois School for the Visually Impaired (School) is located at 658 East State Street; Jacksonville, Illinois. The School was established by act of the General Assembly in 1849 and operates pursuant to the Disabled Persons Rehabilitation Act (20 ILCS 2405/1 et seq).

The Department of Human Services (Department) is mandated to operate the residential school for the education of children with visual impairments, and to provide in connection therewith such academic, vocational and related services as may be required. The School fulfills this duty by implementing a comprehensive curriculum, emphasizing independence and vocational skills, with instruction in Braille and daily living skills, orientation and mobility training, assistive technology evaluation and instruction, adaptive physical education, family and consumer science education, and industrial arts education. Children in pre-kindergarten, elementary, middle school, high school and extended high school are eligible for admission to the School after proper diagnosis and evaluation in accordance with procedures prescribed by the Department.

The School also administers five outreach programs. An annual parent-infant institute is conducted which provides information, diagnostic assessments, and networking opportunities for parents of infants/toddlers who are blind or visually impaired. The School provides a birth to three program that provides evaluation and ongoing in-home services for families of infants/toddlers who are blind or visually impaired. Evaluations are also conducted for children of school age who attend public schools. Twice per year the School cosponsors a Lions Low Vision Clinic which provides eye examinations and assistive devices for students who are visually impaired. Annually, a summer camp for students who are blind or visually impaired is held on the School campus.

The Superintendent of the School is Mr. Reggie Clinton.

School Planning Program

The School is one of several State operated facilities of the Department. The School is accredited by the North Central Association (NCA) and completed an accreditation cycle in May, 2007. As part of the NCA accreditation process, the School developed goals within the framework of a school improvement plan. The School developed a capital projects/renovations plan annually to assess capital improvements and additions needed to each building on the School's grounds, and also developed specific plans and objectives based on particular needs of

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SCHOOL FUNCTIONS AND PLANNING PROGRAM (continued)

School Planning Program (continued)

the students. To facilitate the planning process, the administration of the School regularly monitored the performance of the School and its mandatory functions.

The School's long-range goals are as follows:

- Curriculum – To develop and implement new curricula aligned to the Illinois Learning Standards and Illinois Social and Emotional Standards in Social Studies, Science and Mathematics.
- Outreach – To provide necessary information about the School, offer assistance to local educational agencies concerning the education of students who are visually impaired, and implement a program entitled, “Goals, Advocacy Transition Empowerment Shortcourses” (GATES) which is an intensive short-term program designed to provide specific, direct instruction in the Expanded Core Curriculum and individually identified areas of need for students who are blind or visually impaired.
- Technology – To continue to build on the availability of computer resources and assistive technology at all grade levels and adopt and implement a computerized database system with modules for demographics, attendance, grade reporting, discipline, food service, and IEP development.
- Residential – To implement the Transition Living Curriculum into the dormitory program with monitoring of individual checklists for students in independent living/self care, play and leisure, and social competence.
- Infrastructure – To replace the telephone system throughout the campus.

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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 Ending June 30,</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Business Administration	17	16	14
Child Care	36	37	37
Dietary	12	11	12
Educators	37	37	37
Housekeeping	7	7	7
Maintenance	14	14	14
Nurses	3	3	3
Social Services	3	3	3
	<hr/>	<hr/>	<hr/>
Total Employees	<u>129</u>	<u>128</u>	<u>127</u>

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EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee's job classification. In most cases employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee's job title.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during the last three fiscal years.

	Fiscal Year Ending June 30,		
	2007	2006	2005
Paid overtime hours worked during fiscal year	10,650	8,004	6,441
Value of overtime hours worked during fiscal year	\$ 294,592	\$ 199,968	\$ 151,335
Compensatory hours earned during fiscal year	16,535	15,850	8,596
Value of compensatory hours earned during fiscal year	\$ 311,170	\$ 287,338	\$ 146,400
Total paid overtime hours and earned compensatory hours during fiscal year	27,185	23,854	15,037
Total value of paid overtime hours and earned compensatory hours during fiscal year	\$ 605,762	\$ 487,306	\$ 297,735

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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 substitute teachers.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during the last three fiscal years.

	Fiscal Year Ending June 30,		
	2007	2006	2005
Contractual payroll employees paid during the fiscal year	14	17	15
Total amount expended for contractual payroll employees during the fiscal year	\$ 56,891	\$ 57,475	\$ 19,614

SHARED RESOURCES (not examined)

The School currently has two offices in the Library and Classrooms Building (CDB #V0113) being utilized by DHS Hard of Hearing/Deaf/Blind Services.

The School shares the public service administrator on a 50/50 basis with the Illinois School for the Deaf. The individual is paid from July 1 through December 31 by the Illinois School for the Deaf, and is paid from January 1 through June 30 by the Illinois School for the Visually Impaired.

The School shares the timekeeping/payroll administrative assistant on a 50/50 basis with the Illinois School for the Deaf. The individual is paid from July 1 through December 31 by the Illinois School for the Visually Impaired, and is paid from January 1 through June 30 by the Illinois School for the Deaf.

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SCHOOL UTILIZATION (not examined)

Illinois School for the Visually Impaired (School) is situated on 14 acres in Jacksonville, Illinois. The School has 12 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, 2007.

<u>Building</u>	<u>Type/Use</u>	<u>Square Feet</u>	<u>Status</u>	<u>Utilization</u>
Frank Hall Building	Administration, Classrooms	66,555	Occupied	100%
Dietary/Laundry/ Storeroom/Greenhouse	Food preparation, Dining, Laundry, Storeroom, Greenhouse	19,747	Occupied	100%
Gymnasium/Pool	Gym/Swimming	16,235	Occupied	100%
Powerhouse	Powerhouse	4,105	Occupied	100%
Leo Flood Bldg Media Center	Classrooms, Library	32,665	Occupied	100%
Unit #18 Dorm	Dorm	24,846	Occupied	100%
Maintenance Shop Building	Maintenance	6,654	Occupied	100%
Joshua Rhoads Auditorium	Auditorium/Teen Center	10,378	Occupied	100%
Mobile Home	Guest housing	1,100	Unoccupied	-
Garage	Storage for vehicles and grounds equipment	5,067	Occupied	100%
Transitional Living Center	Dorm/Teaching independent living	11,850	Occupied	100%
New Dorm	Dorm rooms	28,020	Occupied	100%

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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 Ending June 30,		
	2007	2006	2005
Cost per year per resident	*	\$ 103,748	\$ 80,774
Cost per day per resident	*	\$ 438	\$ 342

* - 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:

	2007	2006	2005
Average number of students	95	90	115
Average number of employees	129	128	127
Ratio of employees to students	1.36 to 1	1.42 to 1	1.10 to 1

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REPORTED EMPLOYEE JOB INJURIES (not examined)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of reported employee injuries	<u>19</u>	<u>21</u>	<u>12</u>

FOOD SERVICES (not examined)

The following table, prepared from the School records, summarizes the number of meals served and the average cost per meal.

	<u>Fiscal Year Ending June 30,</u>		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Total meals served	<u>30,966</u>	<u>35,064</u>	<u>40,340</u>
Total food costs	\$ 106,009	\$ 115,714	\$ 88,266
Total labor costs	<u>380,328</u>	<u>384,175</u>	<u>462,386</u>
Total costs	<u>\$ 486,337</u>	<u>\$ 499,889</u>	<u>\$ 550,652</u>
Average food costs/meal	\$ 3.42	\$ 3.30	\$ 2.19
Average labor costs/meal	<u>12.28</u>	<u>10.96</u>	<u>11.46</u>
Total average cost/meal	<u>\$ 15.70</u>	<u>\$ 14.26</u>	<u>\$ 13.65</u>

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- Installed safety equipment at the School. New lights were installed near the gym, athletic field areas, school garden, and student recreation center. Hallway monitoring cameras were installed in the education building. (Fiscal year 2006).
- Completed a cycle of the North Central Association (NCA) Accreditation process. As part of this process, a school improvement plan was developed, a documentation report was completed, and an external team from NCA visited the school. (Fiscal years 2006 and 2007).
- Completed a video of the School that may be used to market to parents, students who are visually impaired, and the community at large. (Fiscal years 2006 and 2007).
- Participated in numerous student events, including Dots for Tots, Braille Challenge, Jukebox Classic, talent show, recreation events, sporting events, etc. (Fiscal years 2006 and 2007).
- Instituted a program whereby college students serve as participants at the School. College students from Illinois State University participated in Field Base Experiences, MacMurray College students toured the School, and students in MacMurray's nursing program completed clinical experiences. (Fiscal Years 2006 and 2007).
- Hosted a Parent Infant Institute for infants/toddlers from ages birth to five who are blind or visually impaired, and their families. During the Institute, the infants/toddlers received evaluations by experts in the field of vision, and families were provided information on raising a child who is blind or visually impaired. (Fiscal years 2006 and 2007).
- Hosted week-long summer camps for students who are blind or visually impaired. (Fiscal years 2006 and 2007).
- Cosponsored the Lions Low Vision Clinic where students who are blind or visually impaired from the State of Illinois receive evaluations of their eye conditions resulting in recommendations for assistive technology which is then purchased through the clinic. (Fiscal years 2006 and 2007).
- Expanded the work study program in both on-campus and off-campus work sites during the school year and during the summer months. (Fiscal years 2006 and 2007).

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(not examined)

- Presented in-services to the School's educational and residential staff on autism, transition, Crisis Prevention Intervention, behavior management, etc. (Fiscal years 2006 and 2007).