

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2007

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007

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STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007

AGENCY OFFICIALS

Executive Director

Mr. John Miller

Assistant Director

Ms. Janet Lambert

Personnel Manager/Fiscal Officer

Ms. Patty Greene

Legal Counsel

Ms. Tonia Bogener

Agency office is located at:

1630 South Sixth Street
Springfield, IL 62703



STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION

1630 SOUTH SIXTH STREET · SPRINGFIELD, ILLINOIS 62703-2829
217-557-4495 V/TTY · 877-455-3323 V/TTY · 217-557-4492 FAX

ROD R. BLAGOJEVICH
GOVERNOR

JOHN MILLER
DIRECTOR

MANAGEMENT ASSERTION LETTER

March 14, 2008

Office of the Auditor General
740 East Ash Street
Springfield, IL 62703-3154

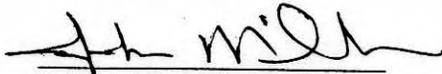
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2007 and June 30, 2006, the Agency has materially complied with the assertions below.

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

Yours very truly,

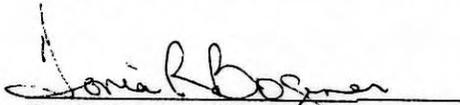
Illinois Deaf and Hard of Hearing Commission



John Miller, Director



Patty Greene, Personnel Manager



Tonia Bogener, Legal Counsel

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT

SUMMARY

The 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 does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	1	2
Repeated findings	0	0
Prior recommendations implemented or not repeated	2	1

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

SCHEDULE OF FINDINGS

Item No. Page Description

FINDINGS (STATE COMPLIANCE)

07-1 9 Inadequate segregation of duties

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

07-2 10 Efficiency initiative payments

07-3 10 Voucher processing weakness

EXIT CONFERENCE

The finding and recommendation appearing in this report were discussed with Agency personnel at an exit conference on March 3, 2008. Attending were:

Deaf and Hard of Hearing Commission

John Miller, Executive Director

Janet Lambert, Assistant Director

Patty Greene, Personnel Manager/Fiscal Officer

Office of the Auditor General

Lisa Warden, Audit Manager

Jessica Olive, Audit Supervisor

Heather York, Auditor

The response to the recommendation was provided by Patty Greene in a letter dated March 14, 2008.

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 S-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 examined the State of Illinois, Deaf and Hard of Hearing Commission's compliance with the requirements listed below, as more fully described in the Audit Guide for 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, Deaf and Hard of Hearing Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Deaf and Hard of Hearing Commission's compliance based on our examination.

- A. The State of Illinois, Deaf and Hard of Hearing Commission 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, Deaf and Hard of Hearing Commission 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, Deaf and Hard of Hearing Commission 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 State of Illinois, Deaf and Hard of Hearing Commission 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, Deaf and Hard of Hearing Commission on behalf of the State or held in trust by the State of Illinois, Deaf and Hard of Hearing Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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, Deaf and Hard of Hearing Commission'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, Deaf and Hard of Hearing Commission's compliance with specified requirements.

In our opinion, the State of Illinois, Deaf and Hard of Hearing Commission complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2007. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as finding 07-1.

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

Internal Control

The management of the State of Illinois, Deaf and Hard of Hearing Commission 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 examination, we considered the State of Illinois, Deaf and Hard of Hearing Commission'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, Deaf and Hard of Hearing Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Deaf and Hard of Hearing Commission'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 as finding 07-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that 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 to be material weaknesses.

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

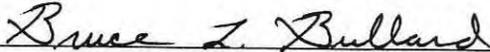
The State of Illinois, Deaf and Hard of Hearing Commission's response to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Deaf and Hard of Hearing Commission's response and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006 and 2007 Supplementary Information for State Compliance Purposes, except for the 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, agency management and the agency's governing board 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

March 14, 2008

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
CURRENT FINDINGS (STATE COMPLIANCE)
For the Two Years Ended June 30, 2007

07-1. **FINDING** (Inadequate segregation of duties)

The Deaf and Hard of Hearing Commission (Commission) had inadequate segregation of duties in the areas of expenditure control and State property. During testing we noted the following:

- One person had authority to perform procurement functions, prepare and approve vouchers, initiate correction of errors, maintain accounting records and perform monthly expenditure reconciliations.
- One person had authority to approve property purchases, tag inventory, maintain the property records, perform the annual physical inventory and complete the quarterly reports of State property.
- One person had the authority to prepare payroll, make adjustments to payroll, and approve payroll.

Good internal controls require the Commission maintain adequate segregation of authorization, record keeping and custody duties. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data.

Commission personnel stated the inadequate segregation of duties was due to the limited number of staff.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 07-1)

RECOMMENDATION

We recommend the Commission allocate sufficient personnel in order to maintain effective internal control over the authorization, custody and record keeping duties concerned with expenditure and property control.

COMMISSION RESPONSE

The Commission accepted the audit finding and recommendations regarding 07-1 and will review agency personnel access to systems and make necessary changes to reflect proper controls.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)
For the Two Years Ended June 30, 2007

07-2. **PRIOR FINDING** (Efficiency initiative payments)

During the prior period, the Commission made payments for efficiency initiative billings from improper line item appropriations.

During the current period, the Commission did not make any efficiency initiative payments. (Finding Code No. 05-1)

07-3. **PRIOR FINDING** (Voucher processing weakness)

During the prior period, the Commission did not exercise adequate controls over voucher processing, including a \$9,441 prepayment without an advance payment clause and a \$140 vendor overpayment.

During the current period, we noted no instances of improper prepayments or overpayments to vendors during our sample testing. (Finding Code No. 05-2)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2007

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:
 - Schedule of Expenditures of Federal Awards
 - Notes to the Schedule of Expenditures of Federal Awards
 - Schedule of Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations:
 - Agency Functions and Planning Program
 - Average Number of Employees
 - 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 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
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2007

Federal Grantor/Program Title	Federal CFDA Number	Federal Expenditures (in thousands) 2006	Federal Expenditures (in thousands) 2007
U.S. Department of Education Office of Special Education and Rehabilitative Services			
Special Education – Grants to States	84.027	\$ 0	\$ 15
Total Expenditures of Federal Awards		\$ 0	\$ 15

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Years Ended June 30, 2007

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents all the federal financial assistance programs of the State of Illinois, Deaf and Hard of Hearing Commission (Commission) for the two years ended June 30, 2007.

B. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

2. DESCRIPTION OF GRANT PROGRAMS

The following is a brief description of the grant program included in the Schedule of Expenditures of Federal Awards:

Special Education – Grants to States – CFDA # - 84.027

The Commission received a grant from the U.S. Department of Education for Individuals with Disabilities Education Act (IDEA) Discretionary Funds. The purpose of this grant was to provide educational training workshops for educational interpreters and to host the Statewide Deaf Finger Spelling Bee Competition.

3. PASS-THROUGH AND SUB-RECIPIENT AWARDS

The Commission received grant reimbursements from the U.S. Department of Education passed through the Illinois State Board of Education. The Commission did not provide any awards to subrecipients.

4. NON-CASH AWARDS

The Commission did not receive any non-cash awards.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

P.A. 094 - 0798	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
FISCAL YEAR 2007					
General Revenue Fund - 0001					
Personal Services	\$ 395,200	\$ 352,868	\$ 15,991	\$ 368,859	\$ 26,341
State Contribution to State Employees' Retirement System	45,500	40,683	1,846	42,529	2,971
State Contributions to Social Security	30,200	26,117	1,190	27,307	2,893
Contractual Services	85,100	62,198	22,652	84,850	250
Travel	22,660	13,891	7,444	21,335	1,325
Commodities	11,584	7,959	3,516	11,475	109
Printing	4,924	4,600	229	4,829	95
Equipment	9,551	4,512	4,181	8,693	858
Telecommunications	19,958	17,620	1,924	19,544	414
Operation of Automotive Equipment	6,823	4,817	2,006	6,823	-
Lump Sums	36,800	9,265	20,509	29,774	7,026
Total Appropriated Funds	\$ 668,300	\$ 544,530	\$ 81,488	\$ 626,018	\$ 42,282

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2007

P.A. 094 - 0798	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
FISCAL YEAR 2007					
Deaf and Hard of Hearing Special Projects Fund - 405					
Lump Sums	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	
Total Non-Appropriated Funds	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	
Grand Total - All Funds	<u>\$ 544,530</u>	<u>\$ 96,488</u>	<u>\$ 641,018</u>	<u>\$ 641,018</u>	

Note: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller and have been reconciled to Agency records.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

P.A. 094 - 0015	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
		Expenditures Through June 30	Expenditures July 1 to August 31		
FISCAL YEAR 2006					
General Revenue Fund - 0001					
Personal Services	\$ 393,500	\$ 299,585	\$ 14,623	\$ 314,208	\$ 79,292
State Contribution to State Employees' Retirement System	30,700	23,306	1,141	24,447	6,253
State Contributions to Social Security	30,000	22,244	1,085	23,329	6,671
Contractual Services	61,600	47,157	13,586	60,743	857
Travel	19,600	17,052	2,548	19,600	-
Commodities	11,700	11,566	129	11,695	5
Printing	5,900	2,089	306	2,395	3,505
Equipment	1,500	587	240	827	673
Telecommunications	18,600	16,988	881	17,869	731
Operation of Automotive Equipment	2,400	2,102	112	2,214	186
Lump Sums	52,200	15,105	34,372	49,477	2,723
Total General Revenue Fund	\$ 627,700	\$ 457,781	\$ 69,023	\$ 526,804	\$ 100,896

Note: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller and have been reconciled to Agency records.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2007	2006	2005
General Revenue Fund - 001	P.A. 094 - 0798	P.A. 094 - 0015	P.A. 093 - 0842
Appropriations (Net of Transfers)	<u>\$ 668,300</u>	<u>\$ 627,700</u>	<u>\$ 650,699</u>
<u>Expenditures</u>			
Personal Services	\$ 368,859	\$ 314,208	\$ 344,766
State Contribution to State Employees' Retirement System	42,529	24,447	53,417
State Contributions to Social Security	27,307	23,329	23,747
Contractual Services	84,850	60,743	41,858
Travel	21,335	19,600	19,599
Commodities	11,475	11,695	11,666
Printing	4,829	2,395	5,827
Equipment	8,693	827	1,500
Telecommunications	19,544	17,869	18,600
Operation of Automotive Equipment	6,823	2,214	2,400
Lump Sums	<u>29,774</u>	<u>49,477</u>	<u>24,893</u>
Total Expenditures	<u>\$ 626,018</u>	<u>\$ 526,804</u>	<u>\$ 548,273</u>
Lapsed Balances	<u>\$ 42,282</u>	<u>\$ 100,896</u>	<u>\$ 102,426</u>
<u>Non-Appropriated Funds</u>			
Deaf and Hard of Hearing Special Projects Fund - 405			
Lump Sums	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total - All Non-Appropriated Funds	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Grand Total - All Funds</u>			
Total Expenditures	<u>\$ 641,018</u>	<u>\$ 526,804</u>	<u>\$ 548,273</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2007

	Equipment
Balance at July 1, 2005	\$ 215,748
Additions	7,631
Deletions	-
Net Transfers	(7,820)
Balance at June 30, 2006	\$ 215,559
Balance at July 1, 2006	\$ 215,559
Additions	28,172
Deletions	(3,542)
Net Transfers	(27,533)
Balance at June 30, 2007	\$ 212,656

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

<u>General Revenue Fund - 001</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Copy Fees	\$ 40	\$ -	\$ -
Miscellaneous	-	2,000	-
Prior Year Refund	-	130	-
	<u> </u>	<u> </u>	<u> </u>
Total General Revenue Fund	<u>\$ 40</u>	<u>\$ 2,130</u>	<u>\$ -</u>
<u>Deaf and Hard of Hearing Special Projects Fund - 405</u>			
ISBE - Federal Grant	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>
Total Special Projects Fund	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ -</u>
Grand Total - All Funds	<u>\$ 15,040</u>	<u>\$ 2,130</u>	<u>\$ -</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
**RECONCILIATION SCHEDULE OF CASH RECEIPTS
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Fiscal Year Ended June 30,

<u>GENERAL REVENUE FUND (001)</u>	<u>2007</u>	<u>2006</u>
Receipts per Department Records	\$ 40	\$ 2,130
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>(40)</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u><u>\$ -</u></u>	<u><u>\$ 2,130</u></u>

DEAF AND HARD OF HEARING SPECIAL
PROJECTS FUND (405)

Receipts per Department Records	\$ 15,000	\$ -
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u><u>\$ 15,000</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Significant variances in expenditures were determined to be changes of \$1,000 or more and at least 20% between fiscal years and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2007 AND 2006

General Revenue Fund (001)

State Contribution to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures was due to an increase in the employer contribution rate from 7.792% in FY06 to 11.525% in FY07. In addition, the Commission had one additional position filled during FY07.

Contractual Services

The increase in contractual services expenditures was due to making payments to the Department of Central Management Services (DCMS) for lease expenditures. These costs were not billed by DCMS in FY06.

Printing

The increase in printing expenditures was due to the annual report being published and distributed for the first time. The Commission also printed a coloring book in sign language during FY07 for distribution.

Equipment

The increase in equipment expenditures was due to the Commission entering into a lease purchase agreement for computer equipment and purchasing a scanner/printer during FY07.

Operation of Automotive Equipment

The increase in operation of automotive equipment was due to the need for more repair and maintenance on Commission vehicles during FY07.

Lump Sums

The decrease in lump sum expenditures was due to the Commission paying for expenditures associated with holding the annual conference to provide workshops for deaf and hard of hearing citizens, parents of deaf and hard of hearing children, interpreters, and educational interpreters through the Deaf and Hard of Hearing Special Projects Fund during FY07.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Significant variances in expenditures were determined to be changes of \$1,000 or more and at least 20% between fiscal years and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2007 AND 2006 (continued)

Deaf and Hard of Hearing Special Projects Fund (405)

Lump Sums

The Commission received a grant from the Illinois State Board of Education that was used to offset expenses for the FY07 annual conference to provide workshops for deaf and hard of hearing citizens, parents of deaf and hard of hearing children, interpreters, and educational interpreters.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEAR 2006 AND 2005

General Revenue Fund (001)

State Contribution to State Employees' Retirement System

The decrease in State contributions to State Employees' Retirement System expenditures was due to a decrease in the employer contribution rate from 16.107% in FY05 to 7.792% in FY06. In addition, the Commission had two vacant positions in FY06.

Contractual Services

The increase in contractual services expenditures was due to the need for temporary staffing services during FY06.

Printing

The decrease in printing expenditures was due to the elimination of the Commission's quarterly newsletter.

Lump Sums

The increase in lump sum expenditures was due to the Commission holding the first annual conference to provide workshops for deaf and hard of hearing citizens, parents of deaf and hard of hearing children, interpreters, and educational interpreters.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2007

Significant variances in receipts were determined to be changes of \$1,000 or more and at least 20% between fiscal years and are explained below.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2007 AND 2006

Deaf and Hard of Hearing Special Projects Fund (405)

ISBE Federal Grant

In FY07, the Commission received a federal grant from the Illinois State Board of Education to provide educational training workshops for educational interpreters and to host the Statewide Deaf Finger Spelling Bee Competition.

Miscellaneous

The decrease in miscellaneous receipts during FY07 was due to receiving \$2,000 for a tuition reimbursement in FY06.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEAR 2006 AND 2005

General Revenue Fund (001)

Miscellaneous

The increase in miscellaneous receipts during FY06 was due to receiving \$2,000 for a tuition reimbursement.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

Fiscal Year 2007

General Revenue Fund (001)

Contractual Services

Lapse period expenditures were due to conference and presenter fees for the second annual conference that were incurred prior to June 30, but were not paid until lapse period.

Travel

Lapse period expenditures were due to travel fees related to training as well as attending conferences that occurred prior to June 30, but were not paid until lapse period.

Commodities

Lapse period expenditures were due to the purchases of promotional items for distribution such as coloring books, balloons and pens that were approved and ordered prior to June 30, but were not paid until lapse period.

Equipment

Lapse period expenditures were due to the purchase of a scanner/printer that was approved and ordered prior to June 30, but was not paid until lapse period.

Operation of Automotive Equipment

Lapse period expenditures were due to maintenance and repair costs on the State vehicle that were incurred prior to June 30, but were not paid until lapse period.

Deaf and Hard of Hearing Special Projects Fund (405)

Lump Sums

Lapse period expenditures were due to the conference and presenter fees for the second annual conference that were incurred prior to June 30, but were not paid until lapse period.

Fiscal Year 2006

General Revenue Fund (001)

Contractual Services

Lapse period expenditures were due to conference and presenter fees for the first annual conference that were incurred prior to June 30, but were not paid until lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

Fiscal Year 2006 (continued)

General Revenue Fund (001) (Cont.)

Equipment

Lapse period expenditures were due to the purchase of library materials for the lending library program such as DVD's and books, that were approved and ordered prior to June 30, but were not paid until lapse period.

Lump Sums

Lapse period expenditures were due to conference fees and the updating of computer equipment and printers that were incurred prior to June 30, but were not paid until lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Deaf and Hard of Hearing Commission (Commission) was established January 1, 1997 by the Deaf and Hard of Hearing Commission Act (20 ILCS 3932/1 et. seq.). The purpose of the Commission is to be a coordinating and advocating body that acts on behalf of interests of persons in Illinois who are deaf or hard of hearing.

Commission Functions

The Commission is mandated by statute to:

- Develop a program to inform persons who are deaf and hard of hearing and the public of State and local services available for the deaf and hard of hearing and make available other information of value to families, professionals, and citizens working or involved with persons who are deaf or hard of hearing.
- Cooperate with the public and private agencies and local, State, and federal governments to coordinate programs for persons who are deaf or hard of hearing.
- Provide technical assistance and training support to start and enhance existing programs and services for persons who are deaf or hard of hearing.
- Evaluate State programs delivering services to deaf and hard of hearing persons to determine their effectiveness and make recommendations to public officials about future financial support to continue existing programs and services for persons who are deaf or hard of hearing.
- Monitor State funded programs delivering services to persons who are deaf or hard of hearing to determine the extent that promised and mandated services are delivered.
- Recommend legislative changes to the Governor and General Assembly and follow and evaluate laws affecting persons who are deaf or hard of hearing.
- Promote cooperation among State and local agencies providing educational programs for deaf and hard of hearing individuals.
- Establish policy related to evaluation, certification, licensure, and training standards of sign language interpreters.
- Submit an annual report of its activities to the Governor and the General Assembly on January 1st of each year. (20 ILCS 3932/1 et. seq.)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

The Commission is comprised of a governing board of eleven Commissioners appointed by the Governor. The Commissioners serve without compensation, are appointed to hold office for a term of 3 years, and no member may serve more than two consecutive terms. The members of the Commission at June 30, 2007 were:

- Dennis O'Brien, Chairperson
- Jenny Singleton, Vice Chair
- Leon Devriendt
- Sheri Cook
- Benro Ogunyipe
- Lisa Sesko
- Ron Sipek
- Tom Benziger
- Tina Childress
- Mindy Joy Mayer
- Hershel Jackson

Planning Program

During the examination period, the Commission revised its five-year plan. The Commission has six target issues: (1) to decrease barriers for deaf and hard of hearing persons to access programs and services; (2) to increase the number of programs serving traditionally underserved populations; (3) to increase the number of qualified interpreters statewide; (4) to increase the number of parents of deaf and hard of hearing children involved in advocacy for their children in obtaining appropriate education options; (5) to increase public awareness of communication needs and technologies available; and (6) to increase the number of Commission resources distributed to the public to address cultural sensitivity and awareness. These target issues encompass the Commission's overall vision that all Illinois residents with a hearing loss will enjoy the benefits of a fully accessible society enabling each person to participate in and contribute to all aspects of life.

The Commission's short-term goals are established by the members of the Commission. The Director monitors short-term goals on an ongoing basis. Short-term goals are also monitored quarterly during Commission meetings.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Agency records, presents the average number of employees, by function, for the fiscal years ended June 30,

<u>Division</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Director	1	1	1
Assistant Director	1	1	0
Personnel Officer/Fiscal Officer	1	1	1
Other Administrative Personnel	1	1	2
Legal Counsel	1	1	1
Project Coordinator	1	1	0
Program Coordinator	1	0	0
Administrative Assistant	0	0	1
Public Information Coordinator	0	0	1
	<hr/>	<hr/>	<hr/>
Total average full-time employees	<u>7</u>	<u>6</u>	<u>7</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
(not examined)

The following is a summary of the performance indicators for the fiscal years ending June 30,

<u>Input Indicators</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public inquiries addressed	12,500	12,000	13,200
 <u>Output Indicators</u>			
Materials distributed	10,500	10,000	11,000
Promotional items distributed	13,500	14,000	13,000
Library materials loaned	350	300	420
Newsletter subscribers	0*	2,000	10,000
Workshops presented	67	60	75

* - The Commission no longer produces newsletters.