

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

For the Two Years Ended June 30, 2009

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Agency Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	4
Accountant's Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings – State Compliance	9
Supplementary Information for State Compliance Purposes	
Summary	14
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	15
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	19
Schedule of Changes in State Property	21
Comparative Schedule of Cash Receipts	22
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	23
Analysis of Significant Variations in Expenditures	24
Analysis of Significant Variations in Receipts	26
Analysis of Significant Lapse Period Spending	27
Analysis of Operations	
Agency Functions and Planning Program	28
Average Number of Employees	31
Service Efforts and Accomplishments (Not Examined)	32

AGENCY OFFICIALS

DEAF AND HARD OF HEARING COMMISSION

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

MANAGEMENT ASSERTION LETTER

March 18, 2010

PAT QUINN
GOVERNOR

JOHN MILLER
DIRECTOR

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

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Deaf and Hard of Hearing Commission (Commission). 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 Commission's compliance with the following assertions during the two-year period ended June 30, 2009. Based on this evaluation, we assert that during the years ended June 30, 2009 and June 30, 2008, the Commission has materially complied with the assertions below.

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

Yours very truly,

Deaf and Hard of Hearing Commission



John Miller, Director



Patty Greene, Fiscal Officer

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>Current Report</u>	<u>Prior Report</u>
Findings	3	1
Repeated findings	1	0
Prior recommendations implemented or not repeated	0	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
09-1	9	Property control weaknesses	Significant Deficiency and Noncompliance
09-2	12	Untimely filing of FCIAA certifications	Significant Deficiency and Noncompliance
09-3	13	Inadequate segregation of duties	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

There were no prior year findings not repeated.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Commission personnel at an exit conference on March 17, 2010. 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

Jane Clark, Audit Manager

Adanna Nwodu, Audit Supervisor

Responses to the recommendations were provided by John Miller, Executive Director, in a letter dated March 17, 2010.

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



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

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Deaf and Hard of Hearing Commission's (Commission) 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, 2009. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

- A. The 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 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 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 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 Commission on behalf of the State or held in trust by the 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 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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2009. However, the results of our procedures disclosed instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 09-1, 09-2, and 09-3.

Internal Control

The management of the 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 Commission's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance described in findings 09-1, 09-2, and 09-3 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. A *significant deficiency* is a deficiency, or combination of deficiencies,

in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

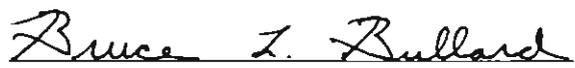
The Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Commission's responses and, accordingly, we express no opinion on them.

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 2008 and 2009 Supplementary Information for State Compliance Purposes, except for Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2007 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, 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 18, 2010

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

09-1. **FINDING** (Property control weaknesses)

The Deaf and Hard of Hearing Commission (Commission) did not maintain sufficient controls over the recording and reporting of its State property. During testing, we noted the following:

- Four of 8 (50%) Quarterly Reports of State Property (C-15's) submitted to the Office of the Comptroller (IOC) during FY08 and FY09 did not agree to the Commission's property records in the Common Inventory System (CIS). We noted the Commission over/(under)stated amounts reported to the IOC in FY08 on their C-15's as follows: additions were understated by \$4,006, deletions were overstated by \$10,224 and net transfers were understated by \$9,435. The Commission also understated additions totaling \$350 on their C-15's for FY09. The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) states the objective of fixed asset reporting is to ensure agencies are updating property records to reflect the current balance of fixed assets and to enhance the accuracy of information reported. In addition, SAMS (Procedure 29.20.10) provides instructions for the proper completion of the Agency Report of State Property. Also, the State Property Control Act (Act) (30 ILCS 605/4) requires the Commission be accountable for the supervision, control and inventory of all property under its jurisdiction and control.
- The Commission's property and equipment expenditures processed by the IOC did not reconcile to additions recorded on the Quarterly C-15 reports. Property and equipment expenditures, totaling \$4,585, during the FY07 lapse period were never recorded on the Commission's property listing or the C-15's submitted to the IOC. SAMS (Procedure 29.20.10) requires an agency to report all additions to each asset category that occurred during the quarter being reported
- The Commission did not file the FY08 Annual Real Property Utilization Report timely. The report was filed 26 days late. The State Property Control Act (30 ILCS 605/7.1(b)) requires all responsible officers to submit a declaration of any surplus real property to the Administrator by October 30 of each year.
- Shipping and handling charges, totaling \$100, were not included on the Commission's property records for 10 equipment items. The Illinois Administrative Code (44 Ill. Adm. Code 5010.240) states the purchase price of the equipment is the price of the equipment delivered and installed, including delivery and installation costs, if any.
- One of 45 equipment items (2%) tested, totaling \$2,119, was not recorded on the Commission's property records at the proper amount. The item was overstated by \$80.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

The State Property Control Act (30 ILCS 605/4) requires every responsible officer of State government to be accountable for the supervision, control and inventory of property under his control. This includes ensuring property is recorded at its proper cost.

- The Commission did not timely record 15 of 49 (31%) equipment items tested, totaling \$10,747, on its property records. These items were recorded from 33 to 414 days late. In addition, four of 49 (8%) equipment items tested, totaling \$3,270, did not have support for the date items were received; therefore we could not determine the timeliness of property record adjustments. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- One of 25 (4%) equipment items tested was not included on the Commission's property records with the proper location code. The State Property Control Act (Act) (30 ILCS 605/4) requires the Commission be accountable for the supervision, control and inventory of all property under its jurisdiction and control. In addition, the Act (30 ILCS 605/6.02) requires each responsible officer to maintain a permanent record of all items of property under his jurisdiction and control.
- Two library books, totaling \$240, were not recorded on the Commission's property records. In addition, the items were not included on the C-15's submitted to the IOC. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items. SAMS (Procedure 29.20.10) requires an agency to report all additions to each asset class that occurred during the quarter being reported.
- One of 20 (5%) equipment items tested, totaling \$5,025, was reduced by a trade-in allowance of \$300. The Illinois Administrative Code (44 Ill. Adm. Code 5010.240) states if equipment is acquired by trade-in, the value of any items traded in shall not be used to reduce the purchase price.

As a result of these errors, FY08 information reported to the IOC on the C-15's was understated by \$3,217 and FY09 was understated by \$350.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

Commission personnel stated oversight and inadequate staffing contributed to the issues noted.

Failure to maintain accurate property control records increases the likelihood of inaccurate inventory records and the potential for fraud and possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of statewide property information. (Finding Code No. 09-1)

RECOMMENDATION

We recommend the Commission strengthen controls over the recording and reporting of its State property. Specifically, the Commission should ensure equipment is recorded at its proper cost and is added to inventory records in a timely manner. In addition, we recommend the Commission thoroughly review all reports prepared from internal records for accuracy before submission to the IOC. Lastly, we recommend the Commission file the Annual Real Property Utilization Report by October 30 of each year.

COMMISSION RESPONSE

The Commission agrees with the auditor's recommendations and will review internal controls to improve accuracy and timeliness of reporting of property control records. The Commission will work with the Illinois Office of the Comptroller to correct any reporting errors.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

09-2. **FINDING** (Untimely filing of FCIAA certifications)

The Deaf and Hard of Hearing Commission (Commission) did not timely file its 2008 and 2009 Fiscal Control and Internal Auditing Act (FCIAA) certifications with the Office of the Auditor General. The certifications were filed five and 76 days late.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3003) requires each chief executive officer of each State agency to conduct an evaluation of its system of internal fiscal and administrative controls and file a certification regarding the evaluation with the Auditor General by May 1 of each year.

Commission personnel stated the certifications were not filed timely due to oversight.

Timely evaluations of internal controls are necessary to determine whether existing controls are adequate to prevent or detect the occurrence of potential risks in a cost effective manner. (Finding Code No. 09-2)

RECOMMENDATION

We recommend the Commission file its internal control certifications by May 1 as required by the Fiscal Control and Internal Auditing Act.

COMMISSION RESPONSE

The Commission agrees with the auditor's recommendations.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2009

09-3. **FINDING** (Inadequate segregation of duties)

The Deaf and Hard of Hearing Commission (Commission) had inadequate segregation of duties in the area of personal services. During testing we noted 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.

Commission personnel stated the adequate segregation of duties is unduly burdensome on the Commission due to the limited number of staff.

A lack of adequate segregation of duties increases the likelihood a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties.

In addition, during the prior period, we noted the Commission had inadequate segregation of duties in the areas of expenditure control and State property. In the current period, the Commission segregated key function in the areas of expenditure control and State property. (Finding Code No. 09-3, 07-1)

RECOMMENDATION

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

COMMISSION RESPONSE

The Commission agrees with the auditor's recommendations and has implemented controls to ensure proper segregation of duties.

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
 - 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 APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
General Revenue Fund - 001					
Personal Services	\$ 454,300	\$ 411,979	\$ 18,718	\$ 430,697	\$ 23,603
State Contributions to State					
Employees' Retirement System	90,800	86,825	3,946	90,771	29
State Contributions to Social Security	34,800	30,110	1,410	31,520	3,280
Contractual Services	105,400	94,157	10,296	104,453	947
Travel	26,000	18,106	72	18,178	7,822
Commodities	12,700	12,669	-	12,669	31
Printing	2,500	2,323	142	2,465	35
Equipment	10,000	7,289	2,632	9,921	79
Telecommunications	18,500	15,074	2,891	17,965	535
Operation of Automotive Equipment	6,900	6,314	295	6,609	291
Lump Sums- Expenses relative to the operation of the Commission	36,800	13,021	15,768	28,789	-
	<u>36,800</u>	<u>13,021</u>	<u>15,768</u>	<u>28,789</u>	<u>8,011</u>
Total General Revenue Fund	<u>\$ 798,700</u>	<u>\$ 697,867</u>	<u>\$ 56,170</u>	<u>\$ 754,037</u>	<u>\$ 44,663</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Interpreter for the Deaf Fund - 449					
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 100,000	\$ 54,086	\$ 2,585	\$ 56,671	\$ 43,329
Total Interpreter for the Deaf Fund	<u>\$ 100,000</u>	<u>\$ 54,086</u>	<u>\$ 2,585</u>	<u>\$ 56,671</u>	<u>\$ 43,329</u>
TOTAL ALL APPROPRIATED FUNDS	<u>\$ 898,700</u>	<u>\$ 751,953</u>	<u>\$ 58,755</u>	<u>\$ 810,708</u>	<u>\$ 87,992</u>
Deaf and Hard of Hearing Special Projects Fund - 405					
Deaf and Hard of Hearing Special Projects Fund		\$ 5,667	\$ -	\$ 5,667	
Total Non-Appropriated Funds		<u>\$ 5,667</u>	<u>\$ -</u>	<u>\$ 5,667</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 757,620</u>	<u>\$ 58,755</u>	<u>\$ 816,375</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 Year Ended June 30, 2008

P.A. 95-0348 FISCAL YEAR 2008	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
General Revenue Fund - 001					
Personal Services	\$ 333,800	\$ 324,252	\$ 7,798	\$ 332,050	\$ 1,750
State Contributions to State					
Employees' Retirement System	56,000	46,934	9,037	55,971	29
State Contributions to Social Security	25,200	24,088	1,046	25,134	66
Contractual Services	95,200	82,685	11,573	94,258	942
Travel	15,800	9,918	2,622	12,540	3,260
Commodities	11,600	7,305	4,295	11,600	-
Printing	6,900	6,109	-	6,109	791
Equipment	11,700	6,077	5,000	11,077	623
Telecommunications	21,700	15,744	3,418	19,162	2,538
Operation of Automotive Equipment	7,900	4,664	3,236	7,900	-
Lump Sums- Expenses relative to the operation of the Commission	36,800	17,164	13,516	30,680	6,120
Lump Sums- Expenses relative to the Social Service Shared Service Center	81,300	72,396	8,901	81,297	3
Total Appropriated Funds	\$ 703,900	\$ 617,336	\$ 70,442	\$ 687,778	\$ 16,122

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2008

P.A. 95-0348 FISCAL YEAR 2008	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Deaf and Hard of Hearing Special Projects					
Fund - 405					
Deaf and Hard of Hearing Special Projects Fund		\$ 13,924	\$ 2,971	\$ 16,895	
Total Non-Appropriated Funds		<u>\$ 13,924</u>	<u>\$ 2,971</u>	<u>\$ 16,895</u>	
GRAND TOTAL - ALL FUNDS		<u><u>\$ 631,260</u></u>	<u><u>\$ 73,413</u></u>	<u><u>\$ 704,673</u></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
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Years Ended June 30,

	Fiscal Year		
	2009	2008	2007
	P.A. 95-0731	P.A. 95-0348	P.A. 94-0798
General Revenue Fund - 001			
Appropriations (Net of Transfers)	\$ 798,700	\$ 703,900	\$ 668,300
<u>Expenditures</u>			
Personal Services	\$ 430,697	\$ 332,050	\$ 368,859
State Contributions to State Employees' Retirement System	90,771	55,971	42,529
State Contributions to Social Security	31,520	25,134	27,307
Contractual Services	104,453	94,258	84,850
Travel	18,178	12,540	21,335
Commodities	12,669	11,600	11,475
Printing	2,465	6,109	4,829
Equipment	9,921	11,077	8,693
Telecommunications	17,965	19,162	19,544
Operation of Automotive Equipment	6,609	7,900	6,823
Lump Sums- Expenses relative to the operation of the Commission	28,789	30,680	29,774
Lump Sums- Expenses relative to the Social Service Shared Service Center	-	81,297	-
Total Expenditures	\$ 754,037	\$ 687,778	\$ 626,018
Lapsed Balances	\$ 44,663	\$ 16,122	\$ 42,282
Interpreter for the Deaf Fund - 449			
Appropriations (Net of Transfers)	\$ 100,000	\$ -	\$ -
<u>Expenditures</u>			
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 56,671	\$ -	\$ -
Lapsed Balances	\$ 43,329	\$ -	\$ -
GRAND TOTAL - ALL APPROPRIATED FUNDS			
Total Appropriations (Net of Transfers)	\$ 898,700	\$ 703,900	\$ 668,300
Total Expenditures	\$ 810,708	\$ 687,778	\$ 626,018
Lapsed Balances	\$ 87,992	\$ 16,122	\$ 42,282

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

	Fiscal Year		
	2009	2008	2007
Non-Appropriated Funds	P.A. 95-0731	P.A. 95-0348	P.A. 94-0798
<hr/>			
Deaf and Hard of Hearing Special Projects Fund - 405			
<u>Expenditures</u>			
Deaf and Hard of Hearing Special Projects Fund	\$ 5,667	\$ 16,895	\$ 15,000
Total Expenditures	<u>\$ 5,667</u>	<u>\$ 16,895</u>	<u>\$ 15,000</u>
GRAND TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 5,667</u>	<u>\$ 16,895</u>	<u>\$ 15,000</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 816,375</u>	<u>\$ 704,673</u>	<u>\$ 641,018</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2009

	Equipment
Balance at July 1, 2007	\$ 212,656
Additions	12,597
Deletions	19,624
Net Transfers	(51,955)
Balance at June 30, 2008	\$ 153,674
Balance at July 1, 2008	\$ 153,674
Additions	29,224
Deletions	6,767
Net Transfers	(27,067)
Balance at June 30, 2009	\$ 149,064

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 Two Years Ended June 30, 2009

<u>General Revenue Fund - 001</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Copy Fees	\$ -	\$ -	\$ 40
Miscellaneous	-	-	-
Prior Year Refund	<u>1,404</u>	<u>-</u>	<u>-</u>
Total General Revenue Fund	<u>\$ 1,404</u>	<u>\$ -</u>	<u>\$ 40</u>
<u>Deaf and Hard of Hearing Special Projects Fund - 405</u>			
ISBE - Federal Grant	<u>\$ 31,310</u>	<u>\$ 22,500</u>	<u>\$ 15,000</u>
Total Special Projects Fund	<u>\$ 31,310</u>	<u>\$ 22,500</u>	<u>\$ 15,000</u>
<u>Interpreter for the Deaf Fund- 449</u>			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	<u>\$ 140,246</u>	<u>\$ -</u>	<u>\$ -</u>
Total Interpreter for the Deaf Fund	<u>\$ 140,246</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL ALL FUNDS	<u>\$ 172,960</u>	<u>\$ 22,500</u>	<u>\$ 15,040</u>

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>General Revenue Fund (001)</u>			
Receipts per Department Records	\$ 1,404	\$ -	\$ 40
Add: Deposits in Transit, Beginning of Year	-	40	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>40</u>
Deposits Recorded by the Comptroller	<u>\$ 1,404</u>	<u>\$ 40</u>	<u>\$ -</u>
 <u>Deaf and Hard of Hearing Special Projects Fund (405)</u>			
Receipts per Department Records	\$ 31,310	\$ 22,500	\$ 15,000
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 31,310</u>	<u>\$ 22,500</u>	<u>\$ 15,000</u>
 <u>Interpreters for the Deaf Fund (449)</u>			
Receipts per Department Records	\$ 140,246	\$ -	\$ -
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Vouchers in Transit	985	-	-
Less: Interest	<u>481</u>	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 138,780</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, 2009

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2008 AND 2009

General Revenue Fund – 001

Personal Services

The increase in personal services expenditures was due to one position being moved from the Division of Shared Services back to the Commission in FY09.

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures was due to an increase of the percentage rate of State contributions rising from 16.561% in FY08 to 21.049% in FY09 as well as one position being coded under the Shared Services in FY08.

State Contributions to Social Security

The increase in State contributions to Social Security was due to one position being moved from the Division of Shared Services back to the Commission in FY09.

Travel

The increase in travel expenditures was due to the cancellation of one Commission meeting due to lack of quorum in FY08. All meetings were held in FY09.

Printing

The decrease in printing expenditure was due to the Commission providing their annual report via their website in FY09.

Lump Sums – Expenses relative to the Social Service Shared Service Center

The decrease in expenses relative to Social Service Shared Service Center was due to the Commission only being part of the shared service in FY08.

Interpreter for the Deaf (449)

Costs associated with Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

The increase in costs associated with administration and enforcement of the Interpreter for the Deaf Licensure Act of 2007 expenditure was due to FY09 being the first year the Commission established this fund.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2009

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2008 AND 2009 (CONTINUED)

Deaf and Hard of Hearing Special Projects Fund – 405

Deaf and Hard of Hearing Special Project Fund

The decrease in the deaf and hard of hearing special project fund expenditures was due to the Commission not timely completing and submitting the required Chart of Accounts Maintenance and Inquiry (Form C-45) needed for payments of invoices to the Office of the Comptroller for non-shared funds.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2007 AND 2008

General Revenue Fund - 001

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures was due to an increase of the percentage rate of State contribution rising from 11.525% in FY07 to 16.561% in FY08.

Travel

The decrease in travel expenditures was due to the cancellation of one Commission meeting due to a lack of quorum in FY08.

Printing

The increase in printing expenditures was due to a large increase in annual reports published and distributed in FY08.

Equipment

The increase in equipment expenditures was due to the purchase of a new FM radio system.

Lump Sums – Expenses relative to the Social Service Shared Service Center

The increase in expenses relative to the Social Service Shared Service Center was due to the Commission only being part of the shared service in FY08.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2009

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2008 AND 2009

Deaf and Hard of Hearing Special Projects Fund - 405

ISBE Federal Grant

The increase was due to an increase in sponsorship funds for the statewide deaf finger spelling bee and an increase of conference registration fees due to more persons attending the Commission's annual conference.

Interpreter for the Deaf - 449

Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

The increase was due to FY09 being the first year the Commission collected interpreter licensure fees. The Interpreter for the Deaf Licensure Act of 2007 required those persons interpreting for the deaf to be licensed beginning January 1, 2009.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2007 AND 2008

Deaf and Hard of Hearing Special Project Fund - 405

ISBE Federal Grant

The increase was due to an increase of \$7,500 in the amount received from the Department of Human Services for related expenses of the Communications Options Task Force as established by House Joint Resolution 001.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2009

FISCAL YEAR 2009

General Revenue Fund - 001

Equipment

Lapse period expenditures were due to the purchase of heavy duty tables approved and ordered prior to June 30, but not paid until the lapse period.

Lump Sums – Expenses relative to the operation of the Commission

Lapse period expenditures were due to expenses related to hosting the annual interpreter conference in May, but not paid until the lapse period. In addition, expenditures were incurred at year end to purchase items for the Commission's Lending Library program but not paid until the lapse period.

FISCAL YEAR 2008

General Revenue Fund – 001

Travel

Lapse period expenditures were due to the Commission holding town hall meetings in the month of June throughout the State but were not paid until the lapse period. The town hall events were to gather feedback from the deaf and hard of hearing community for the planning of the new five year strategic plan.

Commodities

Lapse period expenditures were due to the purchase of items needed for the town hall meetings and the annual interpreter conference held late in the fiscal year.

Equipment

Lapse period expenditures were due to the purchase of an FM radio system to meet the obligations under the Americans with Disabilities Act. The system was purchased late in the fiscal year but not paid until the lapse period.

Operation of Automotive Equipment

Lapse period expenditures were due to maintenance costs to prepare the vehicles for travel to the town hall meetings held in June throughout the State but not paid until the lapse period.

Lump Sums – Expenses relative to the operation of the Commission

Lapse period expenditures were due to expenses related to hosting the annual interpreter conference in April, but not paid until the lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2009

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 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.

The Interpreter for the Deaf Licensure Act of 2007 requires sign language interpreters to be licensed as of January 1, 2009, to continue providing interpreting services in Illinois. The Commission is mandated by the Interpreter for the Deaf Licensure Act of 2007 (225 ILCS 443/50) to:

- Exercise the powers and duties prescribed by the Civil Administrative Code of Illinois for the administration of licensing Acts that are consistent with its duties.

- Adopt rules for administration and enforcement of licensure and the payment of fees for licensure, and prescribe forms issued in connection with licensure.
- Conduct annual statewide training to interpreters and deaf and hard of hearing consumers regarding the rights and obligations affected by this Act.
- Appoint an Illinois Board of Interpreters for the Deaf (Board) consisting of 7 voting members who shall serve in an advisory capacity to the Commission.

The Commission is comprised of a governing board of 11 Commissioners appointed by the Governor. The Commissioners serve without compensation, are appointed to hold office for a term of three years, and no member may serve more than two consecutive terms. The members of the Commission at June 30, 2009, were:

- Dennis O'Brien, Chairperson
- Tina Childress, Vice Chair
- Emma Danielson
- Hershel Jackson
- Mindy Joy Mayer
- Benro Ogunyipe
- Lisa Sesko
- Marc Siegel

In addition, one Commission member's term expired in November 2008 and two Commission members resigned in 2009. The Governor recently appointed the following members to fill these vacancies:

- Tamara Hogue
- Joseph Culpepper
- Nancy Abbott

The Illinois Board of Interpreters for the Deaf (Board) is comprised of seven voting members, consisting of four licensed interpreters for the deaf and three deaf or hard of hearing consumers, and one non-voting member who serves as the Interpreter Coordinator. The members of the Board are reimbursed for all authorized legitimate and necessary expenses incurred in attending meetings and are appointed to hold office for four-year terms until successors are appointed and qualified, except for initial appointments which shall be staggered with one member appointed to serve for one year, two members appointed to serve for two years, two members appointed to serve for three years, and two members appointed to serve for four years. No member may serve more than two consecutive terms. The members of the Commission at June 30, 2009, were:

- Dana Craig, Chairperson
- Somone Bowman
- Becki Combs
- Shelley Engstrom-Kestel
- Teri Hedding
- Karen Janssen

- Janet Lambert
- Harmon Menkis

Planning Program

During the examination period, the Commission revised its five-year strategic plan. The Commission has three target goals: (1) To empower deaf, hard of hearing, deaf-blind individuals and families to advocate for themselves, by providing targeted materials that address advocacy issues and hearing loss awareness; (2) To enhance the Commission's visibility and the resources available to the constituents of Illinois; (3) To identify and decrease the barriers to communication access. These target goals encompass the Commission's overall vision that all Illinois residents with a hearing loss will enjoy the benefit 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 & HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2009

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

<u>Division</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Director	1	1	1
Assistant Director	1	1	1
Personnel Manager	1	1	1
Other Administrative Personnel	0	0	1
Legal Counsel	1	1	1
Program Coordinator	1	1	1
Project Coordinator	1	1	1
Executive Secretary	1	1	0
Total average full-time employees	<u>7</u>	<u>7</u>	<u>7</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2009
(Not Examined)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Output Indicators</u>			
Public inquiries addressed	15,000	17,000	12,500
Materials distributed	5,000	5,000	10,500
Promotional items distributed	5,000	5,000	13,500
Library materials loaned	200	200	350
Workshops presented	70	60	67
Interpreter Registry	1,000	1,000	950