

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

For the Two Years Ended June 30, 2011

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2011

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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

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MANAGEMENT ASSERTION LETTER

December 1, 2011

PAT QUINN
GOVERNOR

JOHN MILLER
DIRECTOR

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

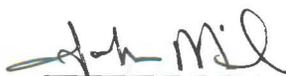
Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the 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, 2011. Based on this evaluation, we assert that during the years ended June 30, 2011 and June 30, 2010, 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


Tonia Bogener, Legal Counsel

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	2	3
Repeated findings	1	1
Prior recommendations implemented or not repeated	2	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
11-1	8	Property control weaknesses	Significant Deficiency and Noncompliance
11-2	10	Inadequate controls over contractual services expenditures	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED			
A	11	Untimely filing of FCIAA certifications	
B	11	Inadequate segregation of duties	

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 28, 2011. Attending were:

Dear and Hard of Hearing Commission

John Miller, Executive Director
Janet Lambert, Assistant Director
Patty Greene, Personnel Manager/Fiscal Officer
Missy Kinsel, Sign Language Interpreter

Office of the Auditor General

Jane Clark, Audit Manager
Stephanie Wildhaber, Audit Supervisor
Megan Green, Audit Staff
Josh Welsh, Audit Staff

Responses to the recommendations were provided by the Fiscal Officer in a letter dated November 30, 2011.

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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, 2011. 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 compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2011. However, the results of our procedures disclosed instances of noncompliance with the 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 items 11-1 and 11-2.

Internal Control

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 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 over compliance 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 over compliance* 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 that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 11-1 and 11-2. *A significant deficiency in an entity's internal control over compliance* is a deficiency, or a combination of

deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, 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 the responses.

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 2011 and 2010 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 2009 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

December 1, 2011

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

11-1. **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:

- The Commission's property and equipment expenditures processed by the Office of the Comptroller (Comptroller) did not reconcile to additions recorded on the Quarterly C-15 reports. Property and equipment expenditures totaling \$2,148 and shipping and installation charges of \$114 were never recorded on the Commission's property listing or the C-15's submitted to the Comptroller.

The Statewide Accounting Management System Procedure 29.20.10 requires an agency to report all additions to each asset category that occurred during the quarter being reported. 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.

- The Commission did not timely add 2 of 5 (40%) equipment items tested, totaling \$1,379, to its property records. In addition, the Commission did not timely remove one of two (50%) equipment items tested, totaling \$618, from its property records. These items were recorded from 47 to 201 days late.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to properly adjust records within 30 days of acquisition, change, or deletion of equipment items.

- The Commission did not file the Fiscal Year 2010 Annual Real Property Utilization Report timely. The report was filed 326 days late.

The State Property Control Act (30 ILCS 605/7.1(b)) requires all responsible officers to submit an Annual Real Property Utilization Report to the Administrator, or annual update of such report, on forms required by the Administrator, by July 31st of each year.

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.

Commission personnel stated oversight contributed to the issues noted.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

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. Failure to submit timely Annual Real Property Utilization Reports could lead to delays or inaccuracies in the State's reporting of real property. (Finding Code No. 11-1, 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 Comptroller. Lastly, we recommend the Commission submit its Annual Real Property Utilization Report by July 31st of each year.

COMMISSION RESPONSE

The Commission accepts the audit finding and recommendation. The Commission will review its controls over property to ensure equipment is properly and timely recorded and that all required reports are submitted timely.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2011

11-2. **FINDING** (Inadequate controls over contractual services expenditures)

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate controls over its contractual services expenditures.

The Commission entered into a contract with a vendor to provide catering services for the Commission's annual conference which exceeded \$10,000. However, the Commission did not file the contract with the Office of the Comptroller (Comptroller) and did not prepare and submit a Contract Obligation Document (COD) with the Comptroller which is used to obligate the funds for the contracts. The Commission then attempted to submit a voucher totaling \$10,524.82 to the Comptroller for payment. When the Comptroller subsequently rejected the voucher for payment because no COD was on file, the Commission submitted two vouchers for \$5,262.41 to the Comptroller for payment resulting in the stringing of payments to avoid the COD filing requirement.

The Illinois Procurement Code (Code) (30 ILCS 500/20-80) requires State agencies to reduce to writing contractual liabilities involving expenditures of more than \$10,000 and file them with the Comptroller within 15 days. In addition, the Statewide Accounting Management System (SAMS) Procedure 15.10.40 requires all contracts exceeding \$10,000 to be filed with the Comptroller and obligated in SAMS.

Commission personnel stated they were unfamiliar with the requirements to submit contracts and CODs with the Comptroller as they have had limited experience with contracts exceeding \$10,000.

Failure to file contracts and corresponding CODs with the Comptroller is noncompliance with the Code and SAMS and attempts to bypass the controls established over the procurement of certain goods or services. (Finding Code No. 11-2)

RECOMMENDATION

We recommend the Commission ensure contracts exceeding \$10,000 are filed with the Comptroller within 15 days of execution and proper documentation to obligate funds is submitted to the Comptroller prior to submitting vouchers for payment.

COMMISSION RESPONSE

The Commission accepts the audit finding and recommendations. The Commission has implemented controls to ensure compliance in the future.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2011

A. **FINDING** (Untimely filing of FCIAA certifications)

During the prior examination period, 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.

During the current examination period, the Commission timely filed its 2010 FCIAA certification. However, they filed their 2011 FCIAA certification 17 days late and therefore this finding has been reported in our immaterial letter as item IM11-4. (Finding Code No. 09-2)

B. **FINDING** (Inadequate segregation of duties)

During the prior examination period, the Commission had inadequate segregation of duties in the area of personal services. One employee had the authority to prepare payroll, make adjustments to payroll, and approve payroll.

During the current examination period, the Commission segregated the authority to prepare and make adjustments to payroll functions from the approval function. (Finding Code No. 09-3)

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 Fiscal Year Ended June 30, 2011
(Amounts Expressed in Thousands)

<u>Federal Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Amount Provided to Subrecipient</u>
U.S. Department of Education Passed through programs from: Illinois State Board of Education Special Education - Grants to States	84.027	\$ 17	\$ -
Total Expenditures of Federal Awards		<u>\$ 17</u>	<u>\$ -</u>

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
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010
(Amounts Expressed in Thousands)

<u>Federal Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Amount Provided to Subrecipient</u>
U.S. Department of Education Passed through programs from: Illinois State Board of Education Special Education - Grants to States	84.027	\$ 33	\$ -
Total Expenditures of Federal Awards		<u>\$ 33</u>	<u>\$ -</u>

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, 2011

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards included the federal grant activity of the Deaf and Hard of Hearing Commission (Commission) for the two years ended June 30, 2011.

Note 2 – Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented in accordance with the cash basis of accounting.

Note 3 – Description of Programs

Special Education – Grants to States CFDA #84.027

This program is funded by the U.S. Department of Education, and passed through the Illinois Board of Education, to provide special education and related services to all children with disabilities.

Note 4 – Noncash Awards

The Commission does not receive any noncash awards.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2011

P.A. 96 - 0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)		Expenditures		Approximate Lapse Period Expenditures		Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
	Through June 30	July 1 to August 31	July 1 to August 31	August 31				
General Revenue Fund - 001								
Personal Services for Bargaining Unit Employees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Contributions to Social Security for Bargaining Unit Employees	0	0	0	0	0	0	0	0
Personal Services for Non-Bargaining Unit Employees	0	0	0	0	0	0	0	0
State Contributions to Social Security for Non-Bargaining Unit Employees	622,630	592,320	592,320	26,620	618,940	3,690	3,690	
Operational Expenses	18,400	1,442	1,442	1,151	2,593	15,807	15,807	
Operational Expenses, Awards, Grants, and Permanent Improvements	\$ 641,030	\$ 593,762	\$ 593,762	\$ 27,771	\$ 621,533	\$ 19,497	\$ 19,497	
Total General Revenue Fund								
Interpreter for the Deaf - 449								
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 150,000	\$ 100,442	\$ 100,442	\$ 15,171	\$ 115,613	\$ 34,387	\$ 34,387	
Total Interpreter for the Deaf	\$ 150,000	\$ 100,442	\$ 100,442	\$ 15,171	\$ 115,613	\$ 34,387	\$ 34,387	
TOTAL ALL APPROPRIATED FUNDS	\$ 791,030	\$ 694,204	\$ 694,204	\$ 42,942	\$ 737,146	\$ 53,884	\$ 53,884	

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2011

P.A. 96 - 0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate		Approximate Balances Lapsed August 31
			Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
Deaf and Hard of Hearing Special Projects Fund - 405					
Deaf and Hard of Hearing Special Projects Fund		\$ 4,275	\$ 12,167	\$ 16,442	
Total Non - Appropriated Funds		\$ 4,275	\$ 12,167	\$ 16,442	
GRAND TOTAL - ALL FUNDS		\$ 698,479	\$ 55,109	\$ 753,588	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller and have been reconciled to Agency records.
Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.
Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller after August.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
			Expenditures July 1 to December 31	Expenditures December 31		
P.A. 96 - 0042 FISCAL YEAR 2010						
General Revenue Fund - 001						
Personal Services for Bargaining Unit Employees	\$ 175,150	\$ 167,637	\$ 7,505	\$ 175,142	\$ 8	
State Contributions to Social Security for Bargaining Unit Employees	13,200	12,350	553	12,903	297	
Personal Services for Non-Bargaining Unit Employees	283,850	263,181	11,609	274,790	9,060	
State Contributions to Social Security for Non-Bargaining Unit Employees	21,900	19,144	-	19,983	-	
Operational Expenses	161,300	121,469	31,852	153,321	7,979	
Operational Expenses, Awards, Grants, and Permanent Improvements	18,400	3,262	2,638	5,900	12,500	
Total General Revenue Fund	\$ 673,800	\$ 587,043	\$ 54,996	\$ 642,039	\$ 31,761	
Interpreter for the Deaf Fund - 449						
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 135,000	\$ 34,604	\$ 279	\$ 34,883	\$ 100,117	
Total Interpreter for the Deaf Fund	\$ 135,000	\$ 34,604	\$ 279	\$ 34,883	\$ 100,117	
TOTAL ALL APPROPRIATED FUNDS	\$ 808,800	\$ 621,647	\$ 55,275	\$ 676,922	\$ 131,878	

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96 - 0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
Deaf and Hard of Hearing Special Projects Fund - 405					
Deaf and Hard of Hearing Special Projects Fund		\$ 44,800	\$ 10,190	\$ 54,990	
Total Non - Appropriated Funds		<u>\$ 44,800</u>	<u>\$ 10,190</u>	<u>\$ 54,990</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 666,447</u>	<u>\$ 65,465</u>	<u>\$ 731,912</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 Fiscal Years Ended June 30,

	Fiscal Year		
	2011	2010	2009
	P.A. 96 - 0956	P.A. 96 - 0042	P.A. 95 - 0731
General Revenue Fund - 001			
Appropriations (Net of Transfers)	<u>\$ 641,030</u>	<u>\$ 673,800</u>	<u>\$ 798,700</u>
<u>Expenditures</u>			
Personal Services	\$ 0	\$ 0	\$ 430,697
State Contributions to State Employees Retirement System	0	0	90,771
State Contributions to Social Security	0	0	31,520
Contractual Services	0	0	104,453
Travel	0	0	18,178
Commodities	0	0	12,669
Printing	0	0	2,465
Equipment	0	0	9,921
Telecommunications	0	0	17,965
Operation of Automotive Equipment	0	0	6,609
Lump Sums - Expenses relative to the Operation of the Commission	0	0	28,789
Personal Services for Bargaining Unit Employees	0	175,142	0
State Contributions to Social Security for Bargaining Unit Employees	0	12,903	0
Personal Services for Non-Bargaining Unit Employees	0	274,790	0
State Contributions to Social Security for Non-Bargaining Unit Employees	0	19,983	0
Operational Expenses	618,940	153,321	0
Operational Expenses, Awards, Grants, and Permanent Improvements	<u>2,593</u>	<u>5,900</u>	<u>0</u>
Total Expenditures	<u>\$ 621,533</u>	<u>\$ 642,039</u>	<u>\$ 754,037</u>
Lapsed Balances	<u>\$ 19,497</u>	<u>\$ 31,761</u>	<u>\$ 44,663</u>
Interpreter for the Deaf - 449			
Appropriations (Net of Transfers)	<u>\$ 150,000</u>	<u>\$ 135,000</u>	<u>\$ 100,000</u>
<u>Expenditures</u>			
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	<u>\$ 115,613</u>	<u>\$ 34,883</u>	<u>\$ 56,671</u>
Lapsed Balances	<u>\$ 34,387</u>	<u>\$ 100,117</u>	<u>\$ 43,329</u>

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		
	2011	2010	2009
	P.A. 96 - 0956	P.A. 96 - 0042	P.A. 95 - 0731
GRAND TOTAL - ALL APPROPRIATED FUNDS	<hr/>		
Total Appropriations (Net of Transfers)	<u>\$ 791,030</u>	<u>\$ 808,800</u>	<u>\$ 898,700</u>
Total Expenditures	<u>\$ 737,146</u>	<u>\$ 676,922</u>	<u>\$ 810,708</u>
Lapsed Balances	<u>\$ 53,884</u>	<u>\$ 131,878</u>	<u>\$ 87,992</u>
Non-Appropriated Funds			
Deaf and Hard of Hearing Special Projects Fund - 405			
<u>Expenditures</u>			
Deaf and Hard of Hearing Special Projects Fund	<u>\$ 16,442</u>	<u>\$ 54,990</u>	<u>\$ 5,667</u>
Total Expenditures	<u>\$ 16,442</u>	<u>\$ 54,990</u>	<u>\$ 5,667</u>
GRAND TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 16,442</u>	<u>\$ 54,990</u>	<u>\$ 5,667</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 753,588</u>	<u>\$ 731,912</u>	<u>\$ 816,375</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2011

	Equipment
Balance at July 1, 2009	\$ 149,064
Additions	59,105
Deletions	33,160
Net Transfers	(2,226)
Balance at June 30, 2010	\$ 172,783
Balance at July 1, 2010	\$ 172,783
Additions	3,017
Deletions	2,494
Net Transfers	0
Balance at June 30, 2011	\$ 173,306

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>2011</u>	<u>2010</u>	<u>2009</u>
Prior Year Refund	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,404</u>
Total General Revenue Fund	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 1,404</u></u>
<u>Deaf and Hard of Hearing Special Projects Fund - 405</u>			
ISBE - Federal Grant	<u>\$ 15,000</u>	<u>\$ 25,300</u>	<u>\$ 31,310</u>
Total Special Projects Fund	<u><u>\$ 15,000</u></u>	<u><u>\$ 25,300</u></u>	<u><u>\$ 31,310</u></u>
<u>Interpreter for the Deaf Fund- 449</u>			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	<u>\$ 133,611</u>	<u>\$ 122,791</u>	<u>\$ 140,246</u>
Total Interpreter for the Deaf Fund	<u><u>\$ 133,611</u></u>	<u><u>\$ 122,791</u></u>	<u><u>\$ 140,246</u></u>
TOTAL ALL FUNDS	<u><u>\$ 148,611</u></u>	<u><u>\$ 148,091</u></u>	<u><u>\$ 172,960</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>2011</u>	<u>2010</u>	<u>2009</u>
<u>General Revenue Fund (001)</u>			
Receipts per Department Records	\$ 0	\$ 0	\$ 1,404
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,404</u>
 <u>Deaf and Hard of Hearing Special Projects Fund (405)</u>			
Receipts per Department Records	\$ 15,000	\$ 25,300	\$ 31,310
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u>\$ 15,000</u>	<u>\$ 25,300</u>	<u>\$ 31,310</u>
 <u>Interpreters for the Deaf Fund (449)</u>			
Receipts per Department Records	\$ 133,611	\$ 122,791	\$ 140,246
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	0	(1,275)	(985)
Less: Interest	<u>(790)</u>	<u>(631)</u>	<u>(481)</u>
Deposits Recorded by the Comptroller	<u>\$ 132,821</u>	<u>\$ 120,885</u>	<u>\$ 138,780</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2011 AND 2010**

General Revenue Fund (001)

For Fiscal Year 2011, the General Assembly changed the appropriation process for operating expenses that were paid from the General Revenue Fund. The Deaf and Hard of Hearing Commission received a lump sum appropriation for operational expenses, including personal service expenditures, rather than individual appropriations designated for specific purposes.

Interpreter for the Deaf Fund (449)

The increase in the administrative and enforcement of the Interpreter for the Deaf Licensure Act of 2007 was due to the hiring of a Statewide Interpreter Coordinator and implementation of the new interpreter certification test.

Deaf and Hard of Hearing Special Project Fund (405)

The decrease in the Deaf and Hard of Hearing Special Project Fund expenditures was due to the Commission receiving approval for a one time grant carryover in Fiscal Year 2009 which reflected an increase for that fiscal year. The Fiscal Year 2010 grant was realigned with the actual annual grant amount to host an annual conference. Additional professional development trainings and workshops were not conducted in Fiscal Year 2011.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2011

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2010 AND 2009**

General Revenue Fund (001)

For Fiscal Year 2010, the General Assembly changed the appropriation process for operating expenses that were paid from the General Revenue Fund. The Deaf and Hard of Hearing Commission received a lump sum appropriation for operational expenses, not including personal service expenditures, rather than individual appropriations designated for specific purposes.

Interpreter for the Deaf Fund (449)

The decrease in the administrative and enforcement of the Interpreter for the Deaf Licensure Act of 2007 was due to initial expenses incurred in the implementation of the act. This fund was established in 2009 and the Commission provided over 18 town hall meetings throughout the State educating interpreters and members of the deaf and hard of hearing community about the new law. These town hall meetings did not occur in Fiscal Year 2010.

Deaf and Hard of Hearing Special Project Fund (405)

The increase in the Deaf and Hard of Hearing Special Project Fund expenditures was due to a one time carryover of Fiscal Year 2009 unexpended grant funds which allowed the Commission to carryover grant monies not spent in Fiscal Year 2009 to Fiscal Year 2010. The monies carried over were used for professional development trainings and workshops.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2011

General Revenue Fund – 001

The Deaf and Hard of Hearing Commission (Commission) receives minimal receipts from the General Revenue Fund. The receipts consist of copy charges, refunds and miscellaneous items. These receipts are expected to fluctuate between fiscal years. The Commission received a refund in Fiscal Year 2009 and no receipts in Fiscal Year 2010 or Fiscal Year 2011.

Deaf and Hard of Hearing Special Projects Fund – 405

The Commission receives monies in this fund from grant monies and from contributions from public and private sources. Receipts in this fund are expected to fluctuate between fiscal years based on grants and donations received.

In Fiscal Year 2009, the Commission received \$25,000 from the Illinois State Board of Education to host an annual conference for educational and licensed interpreters. The Commission also received registration fees from those attending the annual conference and monies to sponsor a statewide deaf finger spelling bee.

In Fiscal Year 2010, the Commission received \$15,000 from the Illinois State Board of Education to host an annual conference. In addition, the Commission received an additional \$9,000 in unused grant funds from Fiscal Year 2009 from the Illinois State Board of Education to be used for professional development trainings and workshops. The Commission did not receive grants or contributions to sponsor a statewide deaf finger spelling bee and the registration fees for the annual conference were deposited into the Interpreter for the Deaf Fund (449) beginning in Fiscal Year 2010.

In Fiscal Year 2011, the Commission only received \$15,000 from the Illinois State Board of Education to host the annual conference.

Interpreter for the Deaf Fund – 449

The Commission receives monies in this fund for the licensing, certification, and testing of interpreters. In addition, registration fees paid by the attendees of the annual conference are deposited into this fund. Receipts in this fund are expected to fluctuate between fiscal years.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2011

FISCAL YEAR 2011

General Revenue Fund (001)

Operational Expenses, Awards, Grants, and Permanent Improvements

Lapse period expenditures were due to expenses related to hosting a task force of volunteers to make recommendations with regard to the Communication Access Real-time Translation (CART) service providers. The meeting was held in May but the related invoices were not paid until the lapse period.

Deaf and Hard of Hearing Special Project Fund (405)

Deaf and Hard of Hearing Special Project Fund

Lapse period expenditures were due to expenses related to the Commission holding its annual interpreter conference in June. The related invoices were not paid until the lapse period.

FISCAL YEAR 2010

General Revenue Fund (001)

Operational Expenses

Lapse period expenditures were due to expenses related to the Commission holding its annual interpreter conference in May. The related invoices were not paid until the lapse period.

Operational Expenses, Awards, Grants, and Permanent Improvements

Lapse period expenditures were due to expenses related to a training session for the new interpreter testing system held in June. The related invoices were 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, 2011

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. (20 ILCS 3932/1 et seq.)

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 and 443/65) 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, 2011, were:

- Tina Childress, Chairperson
- Benro Ogunyipe, Vice Chairperson
- Joseph Culpepper
- Nancy Abbott
- Tamara Hogue
- Hershel Jackson
- Mindy Joy Mayer
- Emma Danielson

In addition, one Commission member's term expired in November 2009, one Commission member's term expired in November 2010, and one Commission member resigned in 2010. The Governor recently appointed the following members to fill these vacancies:

- Victoria Gustafson
- Anil Phadke
- Laura Thomas

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, 2011, were:

- Shelley Engstrom-Kestel, Chairperson
- Karen Janssen, Secretary
- Dana Craig
- Harmon Menkins
- Somone Bowman
- Teri Hedding

In addition, one voting board member's term expired in 2010, and the non-voting Interpreter Coordinator resigned in 2010. The Director recently appointed the following members to fill the vacancies:

- Sue Sanders
- Becki Combs, Interpreter Coordinator

Planning Program

The Commission has three target goals within its five-year strategic plan: (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 AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2011

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>2011</u>	<u>2010</u>	<u>2009</u>
Director	1	1	1
Assistant Director	1	1	1
Personnel Manager	1	1	1
Legal Counsel	1	1	1
Program Coordinator	1	1	1
Project Coordinator	1	1	1
Interpreter Coordinator	1	0	0
Executive Secretary	1	1	1
Total average full-time employees	<u>8</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, 2011
(Not Examined)

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

<u>Output Indicators</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Public inquiries addressed	15,000	15,000	15,000
Materials distributed	0	5,000	5,000
Promotional items distributed	0	5,000	5,000
Library materials loaned	200	200	200
Workshops presented	20	70	70
Interpreter registry	800	700	1,000