

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2007

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
For the Two Years Ended June 30, 2007

TABLE OF CONTENTS

	<u>Page</u>
School Officials	1
Management Assertion Letter	2-3
Compliance Report	
Summary	4
Accountants' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	5-8
Schedule of Findings and Recommendations	
Current Findings	9-11
Prior Findings Not Repeated	12
Supplementary Information for State Compliance Purposes	
Summary	13
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	14-15
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	16
Description of Locally Held Funds	17-18
Schedule of Locally Held Funds – Cash Basis (not examined)	19-20
Schedule of Changes in State Property (not examined)	21
Comparative Schedule of Cash Receipts and Deposits	22
Analysis of Significant Variations in Expenditures	23-24
Analysis of Significant Lapse Period Spending	25-26
Schedule of Changes in Inventories (not examined)	27
Analysis of Accounts Receivable	28
Analysis of Operations	
School Functions and Planning Program	29-30
Average Number of Employees	31
Employee Overtime (not examined)	32
Contractual Payroll Employees (not examined)	33
Shared Resources (not examined)	33
School Utilization (not examined)	33
Annual School Statistics	
Cost Per Year/Day Per Student (not examined)	34
Ratio of Employees to Students (not examined)	34
Reported Employee Job Injuries (not examined)	34
Food Services (not examined)	35
Service Efforts and Accomplishments (not examined)	36-40

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
For the Two Years Ended June 30, 2007

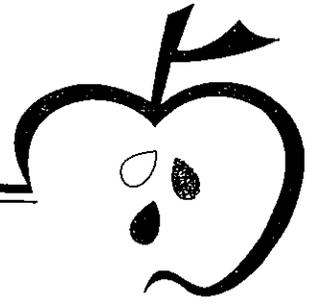
SCHOOL OFFICIALS

Superintendent (Current)	Ms. Marybeth Lauderdale
Superintendent, acting (7/1/06 – 7/15/07)	Ms. Marybeth Lauderdale
Superintendent (7/1/05 to 6/30/06)	Ms. Joan Forney
Business Office Administrator, acting (Current)	Ms. Nancy Bradbury
Business Office Administrator (7/1/05 – 11/30/07)	Mr. John Wilcox

The School is located at:

125 South Webster
Jacksonville, Illinois 62650

Illinois School for the Deaf



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

February 4, 2008

Sulaski and Webb, CPAs
207 West Jefferson, Suite 203
Bloomington, Illinois 61702-3105

Ladies and Gentlemen:

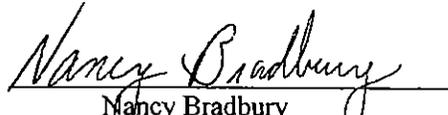
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the School. We are responsible for and we have established and maintained an effective system of internal controls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

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

Yours very truly,

Illinois School for the Deaf


Marybeth Lauderdale
Superintendent


Nancy Bradbury
Business Manager

125 S. Webster Ave. • Jacksonville, Illinois 62650 • 217-479-4200 Voice or TTY • 217-479-4209

Accredited by the Conference of Educational Administrators of Schools and Programs for the Deaf and North Central Association of Colleges and Schools.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
For the Two Years Ended June 30, 2007

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

SUMMARY OF FINDINGS

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

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

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
		<u>CURRENT FINDINGS</u>
07-1	9	Fire Code Violations
		<u>PRIOR FINDINGS NOT REPEATED</u>
07-2	12	Performance evaluations not completed in a timely fashion

EXIT CONFERENCE

School management waived having an exit conference per a letter dated December 20, 2007. Responses to the recommendations were provided by Illinois Department of Human Services in a letter dated January 9, 2008.

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Human Services - Illinois School for the Deaf compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2007. The management of the State of Illinois Department of Human Services - Illinois School for the Deaf is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Illinois School for the Deaf's compliance based on our examination.

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

Our limited scope compliance examination of the School was limited to the following areas of the *Audit Guide*:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 17 – Revenues, Refunds and Receivables
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance with Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the School have had procedures performed on a Department-wide basis through the compliance examination of the Department of Human Services - Central Office, and accordingly, any findings from the results of those procedures have been included in the Department of Human Service – Central Office compliance report.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide* as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Human Services - Illinois School for the Deaf's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Human Services - Illinois School for the Deaf's compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services - Illinois School for the Deaf complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2007. However, the results of our procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which is described in the accompanying Schedule of Findings and Recommendations as finding 07-1.

There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

Internal Control

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

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

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

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

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

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

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, to the 2007 and the 2006 Supplementary Information for State Compliance Purposes, except for information on the Schedule of Locally Held Funds – Cash Basis, Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, School Utilization, Annual School Statistics, and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2005 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, School and Department of Human Services management, and is not intended to be and should not be used by anyone other than these specified parties.

Sulaski & Webb, CPAs

Sulaski & Webb, CPAs

February 4, 2008

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Current Findings

07-1 Finding: (Fire Code Violations)

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

The State Fire Marshal issued inspection reports in December 2006 detailing the following fire hazards:

- The Wait, Officer, Horner, Elementary, and Vocational buildings lack automatic or self-closing doors to dormitory rooms and classrooms.
- The Wait and Officer Halls lack doors with approved emergency exit features. Current door locks do not allow free access to exit corridors in emergency situations.
- The Main and Burns Gym & Pool buildings have holes in the ceilings and walls in the basements. If a fire were to occur in these buildings, the current conditions could allow it to spread more rapidly.

The Wait, Officer, Horner and Elementary Halls serve as the School's primary dormitories with classroom buildings attached. The Vocational building serves as the School's vocational training center. The Main building serves as the School's administration building. The Burns Gym & Pool Building contains the School's recreation center.

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

Management stated that provisions to replace the doors were included in Capital Development Project #321-160-017; however the architect backed out of the project in November 2006, causing it to be cancelled. The School immediately began working with the Department of Human Services (Department) Office of Capital Programs on an alternate project expected to cost over \$900,000 to rectify the issue in the dormitories. This project is awaiting approval and funding. In addition, management anticipates repairing the door closures for the classrooms and repairing the holes will cost \$40,800 and will be underway in December 2007.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

The role of the School is to provide students who are deaf and hard of hearing educational opportunities in a safe environment. The School served 263 students in fiscal year 2006 and 238 students in fiscal year 2007. Compliance with fire safety standards is essential to ensure the safety of the students and personnel. (Finding Code 07-1)

Recommendation:

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

School Response:

Agree. Capital Development Board (CDB) Project #321-160-017 would have corrected the situation, but was cancelled when the architect backed out of the project. ISD sought additional funding from DHS on November 28, 2006. However, the project was not funded until October 26, 2007, almost a year later.

ISD staff are in the process of implementing corrective action. Each deficiency cited in the body of the audit finding is addressed below:

- A. **Self-closing doors:** Magnetic door hold opens and door closures are being installed at Elementary, Horner and Vocational Buildings on the classroom doors and fire doors. The Main Administration building and the High School had similar electric door hold opens installed on their fire doors already under this project.

To address the self-closing doors in the dormitory rooms, ISD sought a sprinkler installation project from CDB. Installing door hold opens would not make the doors of the Elementary School and the Wait, Officer & Horner dormitories fire rated. This project will fund the installation of fire sprinklers in all sleeping areas and will supersede the requirement for door closures on dormitory rooms.

CDB has done the initial survey and found the cost of the sprinkler project to be \$2,488,000. The project was listed as DHS's number 1 project for FY09 as listed in the May 27, 2007 report. The project is dependent on the passage of the FY09 Capital Funding bill. If those funds are released, the project will go forward.

- B. **Emergency exit features:** We are using the same funding to address the emergency exit devices at Wait, Horner and Officer Hall as we are using to fund the door holder work in section A of this response. That \$32,800 of funding was received from DHS Capital Programs. This portion of the project will be to install the proper exit devices on 12 sets of exit doors. In addition, warning lights and sirens will be installed at the same time to

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

alert staff if students use the exits without authorization. We are using ISD staff, contracted workers, as well as temporary crafts to finish this work.

- C. **Holes in ceilings and walls:** Holes in the ceiling of Main Building basement and Burns gym are to be repaired by using ISD staff, as well as some contracted labor, as well as the use of a temporary painter/plasterer. The funding for the portion of the project came from DHS Capital Programs. We acquired \$8,000 to use in these repairs.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Two Years Ended June 30, 2007

Prior Findings Not Repeated

07-2 Finding: (Performance evaluations not completed in a timely fashion)

The Illinois School for the Deaf (School) did not complete performance evaluations for all of its employees in compliance with the Illinois Administrative Code. The auditor's review of 50 personnel files disclosed 13 (26%) employees did not receive a performance evaluation during fiscal year 2005. Nine of the 13 individuals did not receive a performance evaluation during fiscal year 2004. (Finding Code No.05-1)

Status: Transferred

This issue will be addressed in the compliance examination report for the Illinois Department of Human Services Central Office for the two years ended June 30, 2007.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
For the Two Years Ended June 30, 2007

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

Fiscal Schedules and Analysis

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

Analysis of Operations

- School Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Shared Resources (not examined)
- School Utilization (not examined)
- Annual School Statistics
 - Cost Per Year/Day Per Student (not examined)
 - Ratio of Employees to Students (not examined)
 - Reported Employee Job Injuries (not examined)
 - Food Services (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the *Audit Guide*, as adopted by the Auditor General, except for information on the Schedule of Locally Held Funds – Cash Basis, Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, School Utilization, Annual School Statistics, and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2007	TOTAL	
				EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
PUBLIC ACT 94-0798					
GENERAL REVENUE FUND - 001					
Personal Services	\$ 11,812,800	\$ 10,585,569	\$ 1,227,148	\$ 11,812,717	\$ 83
Student, member or inmate compensation	13,400	12,629	-	12,629	771
Employee retirement contributions paid by employer	-	-	-	-	-
State contributions to State Employees' Retirement System	929,300	836,621	92,455	929,076	224
State contributions to Social Security	606,300	551,609	54,626	606,235	65
Contractual Services	1,730,900	1,551,294	179,029	1,730,323	577
Travel	19,000	18,467	410	18,877	123
Commodities	489,100	440,780	45,728	486,508	2,592
Printing	1,000	537	-	537	463
Equipment	160,400	105,079	22,076	127,155	33,245
Telecommunications services	59,700	44,611	11,448	56,059	3,641
Operation of auto equipment	58,100	51,933	5,343	57,276	824
Subtotal - Fund 001	\$ 15,880,000	\$ 14,199,129	\$ 1,638,263	\$ 15,837,392	\$ 42,608
VOCATIONAL REHABILITATION FUND - 081					
Secondary transitional experience program	\$ 50,000	\$ 44,646	\$ 511	\$ 45,157	\$ 4,843
Total - All Appropriated Funds	\$ 15,930,000	\$ 14,243,775	\$ 1,638,774	\$ 15,882,549	\$ 47,451
HANSEN-THERKELSEN FUND - 123					
Expenditures	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -
Total - Non-Appropriated Funds	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -
GRAND TOTAL - ALL FUNDS	\$ 14,246,775	\$ 14,246,775	\$ 1,638,774	\$ 15,885,549	\$ -

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2006	TOTAL EXPENDITURES		BALANCES LAPSED AUGUST 31, 2006
				14 MONTHS ENDED AUGUST 31, 2006		
PUBLIC ACT 94-0015 & 94-0798						
<u>GENERAL REVENUE FUND - 001</u>						
Personal Services	\$ 11,225,400	\$ 9,986,810	\$ 1,148,078	\$ 11,134,888	\$ 90,512	
Student, member or inmate compensation	13,400	13,388	-	13,388	12	
Employee retirement contributions paid by employer	77,000	76,930	-	76,930	70	
State contributions to State Employees' Retirement System	691,200	576,321	61,178	637,499	53,701	
State contributions to Social Security	612,700	523,261	51,243	574,504	38,196	
Contractual Services	1,671,800	1,521,887	131,463	1,653,350	18,450	
Travel	15,500	13,431	1,977	15,408	92	
Commodities	500,000	476,823	21,321	498,144	1,856	
Printing	1,000	627	83	710	290	
Equipment	143,900	104,107	32,025	136,132	7,768	
Telecommunications services	73,700	19,159	32,871	52,030	21,670	
Operation of auto equipment	60,800	50,959	2,202	53,161	7,639	
Subtotal - Fund 001	\$ 15,086,400	\$ 13,363,703	\$ 1,482,441	\$ 14,846,144	\$ 240,256	
<u>VOCATIONAL REHABILITATION FUND - 081</u>						
Secondary transitional experience program	\$ 50,000	\$ 45,129	\$ -	\$ 45,129	\$ 4,871	
Total - All Appropriated Funds	\$ 15,136,400	\$ 13,408,832	\$ 1,482,441	\$ 14,891,273	\$ 245,127	
<u>HANSEN-THERKELSEN FUND - 123</u>						
Expenditures	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	
Total - Non-Appropriated Funds	\$ -	\$ 4,000	\$ -	\$ 4,000	\$ -	
GRAND TOTAL - ALL FUNDS	\$ 15,136,400	\$ 13,412,832	\$ 1,482,441	\$ 14,895,273	\$ 245,127	

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Years Ended June 30,

	FISCAL YEARS		
	2007	2006	2005
	P.A. 94-0798	P.A. 94-0015 & 94-0798	P.A. 93-0842 & 93-0681
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 15,880,000	\$ 15,086,400	\$ 16,567,502
EXPENDITURES			
Personal services	11,812,717	11,134,888	11,252,797
Student, member or inmate compensation	12,629	13,388	12,634
Employee retirement contributions paid by employer	-	76,930	5,501
State contributions to State Employees' Retirement System	929,076	637,499	1,131,401
State contributions to Social Security	606,235	574,504	549,786
Contractual services	1,730,323	1,653,350	1,573,126
Travel	18,877	15,408	13,562
Commodities	486,508	498,144	483,482
Printing	537	710	517
Equipment	127,155	136,132	150,839
Telecommunications services	56,059	52,030	21,640
Operations of auto equipment	57,276	53,161	50,914
Total Expenditures	<u>15,837,392</u>	<u>14,846,144</u>	<u>15,246,199</u>
LAPSED BALANCES	<u>\$ 42,608</u>	<u>\$ 240,256</u>	<u>\$ 1,321,303</u>
VOCATIONAL REHABILITATION FUND - 081			
Appropriations (net of transfers)	\$ 50,000	\$ 50,000	\$ 50,000
EXPENDITURES			
Secondary transitional experience program	45,157	45,129	44,631
Total Expenditures	<u>\$ 45,157</u>	<u>\$ 45,129</u>	<u>\$ 44,631</u>
LAPSED BALANCES	<u>\$ 4,843</u>	<u>\$ 4,871</u>	<u>\$ 5,369</u>
GRAND TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (net of transfers)	\$ 15,930,000	\$ 15,136,400	\$ 16,617,502
Total Expenditures	<u>\$ 15,882,549</u>	<u>\$ 14,891,273</u>	<u>\$ 15,290,830</u>
Lapsed Balances	<u>\$ 47,451</u>	<u>\$ 245,127</u>	<u>\$ 1,326,672</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

The locally held funds of the School are grouped into two fund categories. These are nonappropriated funds with the exception of the Petty Cash Account which is reimbursed through the School's General Revenue Fund contractual services appropriation. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Fund

The Petty Cash Account is used to record the activity of monies received from the State's General Revenue Fund for designated purposes. The Petty Cash Account is maintained for the purpose of making change, purchasing items of small cost, payment of postage due, and for other nominal expenditures that cannot be administered economically and efficiently through the customary vouchering system.

Special Revenue Fund

The Special Revenue Fund consists of the DHS/DORS Special Revenue Fund. This fund is used to account for the proceeds of a specific revenue source that is legally restricted to expenditures for specific purposes.

The DHS/DORS Special Revenue Fund (SAMS fund number 1149) is maintained to account for monies generated from profits on vending machine sales, gate receipts, private donations, student activity fees or various other sources. This fund is comprised of a number of sub-accounts.

Permanent Trust Fund

The Permanent Trust Fund consists of the DHS/DORS Permanent Trust Fund. This fund is used to account for assets held in a trustee capacity for individuals, private organizations, other governments and/or other funds to be used for purposes that benefit the School or its students.

The DHS/DORS Permanent Trust Fund (SAMS fund number 1150) accounts for bequests and other assets in a trustee capacity to be expended in accordance with any restrictions imposed upon the assets. This fund is comprised of a number of sub-accounts.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2007

2. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS/DORS Agency Fund. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The DHS/DORS Agency Fund (SAMS fund number 1147) is maintained as a depository for funds of students while at the School. Disbursements from the fund consist primarily of withdrawals of monies for students' personal use and class projects at the School. The fund also is used as a clearing account for student compensation and for general receipts.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2007
(not examined)

	1149 DHS/DRS Special Revenue Fund	1147 DHS/DRS Agency Fund	1150 DHS/DRS Permanent Trust Fund	N/A Petty Cash Account
Balance - July 1, 2006	\$ 112,543	\$ 11,955	\$ 122,743	\$ 746
Receipts				
Income from Sales	17,573	-	-	-
Investment Income	428	-	16,120	-
Resident deposits	-	13,006	-	-
Private Organizations & Indv.	148,099	-	-	-
Appropriations	-	-	-	3,949
Sales & Services of Educ. Dept	75,284	-	-	-
Student Fees	10,059	-	-	-
Reimbursements	-	-	-	-
Other	704	159,451	-	-
Total Receipts	<u>\$ 252,147</u>	<u>\$ 172,457</u>	<u>\$ 16,120</u>	<u>\$ 3,949</u>
Disbursements				
Cost of sales	26,788	-	-	-
Travel	-	-	-	-
Contractual services	111,651	-	359	4,116
Commodities	43,333	-	2,188	-
Awards or Grants	26,901	-	250	-
Equipment	21,730	-	6,499	-
Resident withdrawals	-	12,963	-	-
Permanent Improvements	-	-	1,400	-
Operations of Auto Equip	-	-	-	-
Refunds (Intrest)	-	-	-	-
Fund Transfers	18,172	-	-	-
Other	400	169,937	-	-
Total Disbursements	<u>\$ 248,975</u>	<u>\$ 182,900</u>	<u>\$ 10,696</u>	<u>\$ 4,116</u>
Balance - June 30, 2007	<u>\$ 115,715</u>	<u>\$ 1,512</u>	<u>\$ 128,167</u>	<u>\$ 579</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2006
(not examined)

	1149 DHS/DRS Special Rvenue Fund	1147 DHS/DRS Agency Fund	1150 DHS/DRS Permanent Trust Trust Fund	N/A Petty Cash Account
Balance - July 1, 2005	\$ 69,840	\$ 18,013	\$ 122,721	\$ 234
Receipts				
Income from Sales	19,190	-	-	-
Investment Income	403	-	14,224	-
Resident deposits	-	183,359	-	-
Private Organizations & Indv.	204,872	-	-	-
Appropriations	-	-	-	6,526
Sales & Services of Educ. Dept	67,205	-	-	-
Student Fees	10,173	-	-	-
Reimbursements	-	-	-	-
Other	492	-	-	-
Total Receipts	<u>\$ 302,335</u>	<u>\$ 183,359</u>	<u>\$ 14,224</u>	<u>\$ 6,526</u>
Disbursements				
Cost of sales	25,758	-	-	-
Travel	103	-	-	-
Contractual services	141,794	-	6,035	6,014
Commodities	39,148	-	263	-
Awards or Grants	21,833	-	445	-
Equipment	12,600	-	7,019	-
Resident withdrawals	-	189,417	-	-
Permanent Improvements	-	-	440	-
Operations of Auto Equip	18	-	-	-
Refunds (Intrest)	119	-	-	-
Fund Transfers	16,109	-	-	-
Other	2,150	-	-	-
Total Disbursements	<u>\$ 259,632</u>	<u>\$ 189,417</u>	<u>\$ 14,202</u>	<u>\$ 6,014</u>
Balance - June 30, 2006	<u>\$ 112,543</u>	<u>\$ 11,955</u>	<u>\$ 122,743</u>	<u>\$ 746</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF CHANGES IN STATE PROPERTY
Years Ended June 30, 2006 & 2007
(not examined)

	Land and land improvements	Buildings and building improvements	Site improvements	Capital lease equipment	Equipment	Total
Balance June 30, 2005	\$ 20,000	\$ 44,429,835	\$ 2,345,134	\$ -	\$ 4,343,080	\$ 51,138,049
Additions:						
Purchases	-	-	-	-	146,416	146,416
Transfers-in:						
Intra-agency	-	-	-	-	153,870	153,870
Capital Development Board	-	3,514,683	164,723	-	-	3,679,406
Surplus Property	-	-	-	-	-	-
DAVTE Fund	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Adjustments	-	-	-	-	52,382	52,382
Total Additions	-	3,514,683	164,723	-	352,668	4,032,074
Deductions:						
Transfers-out:						
Intra-agency	-	-	-	-	240,382	240,382
Surplus property	-	-	-	-	12,005	12,005
Scrap property	-	-	-	-	45,073	45,073
Condemned and lost property	-	-	-	-	-	-
Retirements	-	-	-	-	-	-
Adjustment	-	-	-	-	33,251	33,251
Total Deductions	-	-	-	-	330,711	330,711
Balance June 30, 2006	\$ 20,000	\$ 47,944,518	\$ 2,509,857	\$ -	\$ 4,365,037	\$ 54,839,412
Additions:						
Purchases	-	-	-	-	237,512	237,512
Transfers-in:						
Intra-agency	-	-	-	-	139,005	139,005
Capital Development Board	-	739,047	-	-	-	739,047
Surplus Property	-	-	-	-	-	-
DAVTE Fund	-	-	-	-	-	-
Donations	-	-	-	-	-	-
Adjustments	-	-	-	-	25,077	25,077
Total Additions	-	739,047	-	-	401,594	1,140,641
Deductions:						
Transfers-out:						
Intra-agency	-	-	-	-	400,091	400,091
Surplus property	-	-	-	-	2,285	2,285
Scrap property	-	-	-	-	41,303	41,303
Condemned and lost property	-	-	-	-	-	-
Retirements	-	-	-	-	-	-
Adjustment	-	-	-	-	45,870	45,870
Total Deductions	-	-	-	-	489,549	489,549
Balance June 30, 2007	\$ 20,000	\$ 48,683,565	\$ 2,509,857	\$ -	\$ 4,277,082	\$ 55,490,504

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

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

	FISCAL YEARS		
	2007	2006	2005
GENERAL REVENUE FUND - 001			
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	\$ 85	\$ 228	\$ 178
Rental of real property	2,594	2,830	2,594
Vendor Credit Memo	1,741	-	-
Fees	-	50	-
Morgan County Polling Place	-	-	105
Refunds / rebates	-	-	1,182
Miscellaneous other	-	394	87
TOTAL RECEIPTS	<u><u>\$ 4,420</u></u>	<u><u>\$ 3,502</u></u>	<u><u>\$ 4,146</u></u>
<u>DEPOSITS</u>			
Receipts recorded by Center/School	\$ 4,420	\$ 3,502	\$ 4,146
Add: Deposits in transit - Beginning of year	743	488	531
Deduct: Deposits in transit - End of year	236	743	488
Deduct: Receipts recorded by agency, not by department	<u>1,740</u>	<u>183</u>	<u>1,233</u>
DEPOSITS RECORDED BY COMPTROLLER	<u><u>\$ 3,187</u></u>	<u><u>\$ 3,064</u></u>	<u><u>\$ 2,956</u></u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2007

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u>		<u>INCREASE</u>	
	<u>2007</u>	<u>2006</u>	<u>(DECREASE)</u>	<u>%</u>
Employee retirement contributions paid by employer	\$0	\$76,930	\$(76,930)	(100.00)%
State contributions to State Employee's Retirement System	\$929,076	\$637,499	\$291,577	45.74%
Travel	\$18,876	\$15,408	\$3,468	22.51%
Printing	\$537	\$710	\$(173)	(24.37)%

Employee retirement contributions paid by employer

The decrease in employee retirement contribution expenditures in FY 2007 was due to the State discontinuing payment of the State's portion of the State Employee Retirement contribution.

State contributions to State Employee's Retirement System

The increase in State contributions to State Employees' Retirement Systems expenditures in FY 2007 was due to the contribution rate increasing from 7.8% in FY 2006 to 11.5% in FY 2007.

Travel

The increase in travel expenditures in FY 2007 was due to variations from year to year in the amount of travel paid from Federal grants versus the General Revenue Fund for educators to receive continuing education. Travel in FY 2007 was also impacted by the increase in the mileage reimbursement rate.

Printing

The decrease in printing expenditures in FY 2007 was due to a smaller demand for printed materials at the School during FY 2007.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2007

Fiscal Year 2006

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

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u>		<u>INCREASE</u>	
	<u>2006</u>	<u>2005</u>	<u>(DECREASE)</u>	<u>%</u>
Employee retirement contributions paid by employer	\$76,930	\$5,501	\$71,429	1,298.45%
State contributions to State Employee's Retirement System	\$637,499	\$1,131,401	\$(493,902)	(43.65)%
Printing	\$710	\$517	\$193	37.33%
Telecommunications services	\$52,030	\$21,640	\$30,390	140.43%

Employee retirement contributions paid by employer

The increase in Employee Retirement Contribution expenditures was due to a regulatory change initiated late in the preceding fiscal year. For most of FY 2005, retirement contributions paid by the State were paid from the personal services appropriation. Retirement contributions paid by the State resumed at the beginning of FY 2006, then ceased in calendar year 2006.

State contributions to State Employee's Retirement System

State contributions to State Employees' Retirement Systems expenditures decreased in FY 2006 due to the overall decrease in the State retirement contribution rate from 16.1% in FY 2005 to 7.8% in FY 2006.

Printing

The increase in printing expenditures in FY 2006 was due to a larger demand for printed materials at the School during FY 2006.

Telecommunications services

The increase in telecommunications expenditures in FY 2006 was due to a smaller amount of e-rate benefits was utilized to offset telecommunications expenditures.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

We have reviewed lapse period spending for fiscal years ended June 30, 2007 and 2006 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for fiscal year 2007 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2007</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Telecommunications services	\$56,059	\$11,448	20.42%

Telecommunications services

The lapse period telecommunications expenditures were primarily due to the purchase of Blackberry communication devices to facilitate communication with and between deaf staff. These purchases were completed earlier in the fiscal year, but could not be paid until sufficient funds were transferred to this appropriation from another appropriation late in the fiscal year. Also, the last two months of cellular phone service was paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2007

A schedule of significant lapse period spending for the fiscal year ended June 30, 2006 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2006</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$136,132	\$32,025	23.52%
Telecommunications services	\$ 52,030	\$32,872	63.18%

Equipment

The lapse period equipment expenditures were primarily due to orders of equipment that were submitted during February and March. Completion of the orders and delivery of equipment did not occur until lapse period. Also vouchered during lapse period were marker boards for the high school classrooms, late in the fiscal year.

Telecommunications services

The lapse period telecommunications expenditures were primarily due to phone bills paid directly by the school rather than being offset by E-rate contributions. The School was not able to determine until late in the fiscal year that all phone bills were not going to be offset by E-rate receipts, therefore they were not paid until lapse period. Also, the year-end purchase of wiring materials for installing phone lines in the high school building was paid during lapse period. Materials were ordered at the time the high school CDB project was completed and the building turned back over to the school.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SCHEDULE OF CHANGES IN INVENTORIES
For the Two Years Ended June 30, 2007
(not examined)

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2007</u>
Office and educational supplies	\$ 22,303	\$ 44,092	\$ 44,948	\$ 21,447
Food supplies	62,604	219,570	239,172	43,002
Household, laundry and cleaning supplies	41,413	91,002	80,346	52,069
TOTAL	<u>\$ 126,320</u>	<u>\$ 354,664</u>	<u>\$ 364,466</u>	<u>\$ 116,518</u>

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Office and educational supplies	\$ 15,728	\$ 39,490	\$ 32,915	\$ 22,303
Food supplies	46,706	264,355	248,457	62,604
Household, laundry and cleaning supplies	39,074	68,970	66,631	41,413
TOTAL	<u>\$ 101,508</u>	<u>\$ 372,815</u>	<u>\$ 348,003</u>	<u>\$ 126,320</u>

Note: The inventories consist primarily of commodities and medications and are valued at weighted average cost.

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

DHS/DORS Special Revenue Fund

The School bills the student's home school district for the students' bus trips to and from the school during the various breaks in the school year. The money is accounted for in the locally held fund and is used to fund future transportation costs. The School also advances money to teachers and employees to take students on field trips and requests reimbursement from the General Revenue Fund. An aging of accounts receivable for amounts due from local school districts and the General Revenue Fund for these purposes is as follows:

	June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current (0-3 months)	\$34,042	\$5,696	\$60,283

DHS/DORS Agency Fund

The School advances money to student accounts to purchase necessary medicine for students with insufficient funds to pay. Other advances may occur when students' account balances are not sufficient to cover the amount requisitioned. The School also pays students from locally held funds and requests reimbursement from the General Revenue Fund. An aging of accounts receivable from students is as follows:

	June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current (0-3 months)	\$1,017	\$960	\$1,008

Hansen-Therkelson Memorial Deaf Student College Fund – 123

The School loans students that have graduated from the School and deaf or hard of hearing residents of Illinois money for college tuition. Each student may borrow up to \$4,000 per year not to exceed \$16,000 over a four-year period. The student is required to set up a repayment plan schedule six months after graduation from college if employed.

	June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Current (0-3 months)	\$17,000	\$34,000	\$50,000
Past Due (4-6 months)	1,000	15,000	0
Past Due (7-12 months)	16,000	12,000	16,000
Past Due (over 1 year)	<u>72,000</u>	<u>52,000</u>	<u>43,000</u>
Total	<u>\$106,000</u>	<u>\$113,000</u>	<u>\$109,000</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

SCHOOL FUNCTIONS AND PLANNING PROGRAM

School Functions

The Illinois School for the Deaf (School) is located at 125 S. Webster in Jacksonville, Illinois. The School was established by an act of the General Assembly in 1839 and operates pursuant to the Disabled Persons Rehabilitation Act (20 ILCS 2405/0.01 et seq.) The School operates both residential and day programs for students who are deaf and hard of hearing from 3 to 21 years of age. Additionally, the School has an outreach program for children from 0 to 3 years that serves families of infants and toddlers who are deaf and hard of hearing.

During Fiscal Years 2006 and 2007, the Illinois Department of Human Services Division of Rehabilitation Services administered the School. The Department is mandated to operate a residential school for the education of children who are deaf or hard of hearing who are unable to take advantage of the regular educational facilities provided in their home community, and to provide in connection there with such academic, vocational and related services as may be required. Children, birth through twelfth grade, are eligible for admission to the School after proper diagnoses and evaluation in accordance with procedures prescribed by the Department.

The Secretary of the Department of Human Services is Carol L. Adams and the Superintendent of the School is Marybeth Lauderdale.

Planning Program

The School is one of several State operated facilities of the Department. Within this framework, the School develops annual goals for each department as well as five-year plans for curriculum, capital development projects, repair and maintenance projects, and equipment purchases. Detailed annual reports are developed by each department within the School to ensure goals set in five-year plans are met.

The mission of the Illinois School for the Deaf is to educate students who are deaf or hard of hearing to be responsible, self-supporting citizens. The purpose of the educational program is to instruct students to achieve their highest academic and social potential through the instructional, residential, and recreational programs and related support services. Individual education plans with instructional goals and objectives for each student are developed annually. Appropriate social development and independent living skills are encouraged through participation in extracurricular and recreational activities.

The School continued to participate in the North Central Association (NCA) accreditation process. The NCA is an organization that accredits schools worldwide. As a part of the accreditation process, the School must accomplish target goals over a five year period. During

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

SCHOOL FUNCTIONS AND PLANNING PROGRAM - Continued

Fiscal Years 2006 and 2007, the School continued the five year cycle for the NCA accreditation process that began in Fiscal Year 2005.

The School's NCA target goals for Fiscal Years 2006 and 2007 were:

1. All students will improve their ability to apply reading strategies to improve understanding and fluency across the curricula.
2. All students will increase their ability to investigate, represent, and solve problems using number facts, operations and their properties, algorithms, and relationships across the curricula.

The School is fully accredited by the Conference of Educational Administrators of Schools and Programs for the Deaf as well as the North Central Association of Schools and Colleges.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

AVERAGE NUMBER OF EMPLOYEES

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

	Fiscal Year ending June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Business Administration	5	5	5
Child Care	73	74	66
Dietary	15	15	14
Educators	76	75	76
Housekeeping	15	14	14
Maintenance	14	13	16
Nurses	5	6	5
Social Services	5	5	5
Other	<u>26</u>	<u>27</u>	<u>40</u>
Total Employees	<u>234</u>	<u>234</u>	<u>241</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

EMPLOYEE OVERTIME (not examined)

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

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

	Fiscal Year ending June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>14,114</u>	<u>14,334</u>	<u>10,408</u>
Value of overtime hours worked during fiscal year	<u>\$406,084</u>	<u>\$388,956</u>	<u>\$282,394</u>
Compensatory hours earned during fiscal year	<u>33,460</u>	<u>30,981</u>	<u>27,914</u>
Value of compensatory hours earned during fiscal year	<u>\$652,711</u>	<u>\$572,772</u>	<u>\$484,257</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>47,574</u>	<u>45,315</u>	<u>38,321</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,058,795</u>	<u>\$961,728</u>	<u>\$766,651</u>

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The School hires some individuals to perform personal services pursuant to a contract where the individual is deemed an “employee” under IRS regulations. Some of the services provided by the contractual payroll employees were in the areas of interpreters, substitute teachers, athletic coaches, and job coaches.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

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

	Fiscal Year ending June 30,		
	2007	2006	2005
Contractual payroll employees paid during the fiscal year	<u>36</u>	<u>60</u>	<u>42</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$104,744</u>	<u>\$255,656</u>	<u>\$166,384</u>

SHARED RESOURCES

The Illinois School for the Deaf and the Illinois School for the Visually Impaired share a business administrator and a payroll administrator. For half the year these employees are paid by the Illinois School for the Deaf and half of the year these employees are paid by the Illinois School for the Visually Impaired.

SCHOOL UTILIZATION (not examined)

Illinois School for the Deaf School is situated on 52 acres in Jacksonville, IL. The School has 16 buildings on its grounds. School management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the School as of June 30, 2007.

Building	Type/Use	Square Feet	Status	Utilization
Administration Building	Offices, storage	57,978	Occupied	75%
Health Center	Health Center	12,600	Occupied	100%
Cullom Hall	Dormitory	19,536	Occupied	90%
Elementary	Classrooms	55,742	Occupied	100%
Burns Gym	Gym	16,341	Occupied	100%
Wait Hall	Dormitory	56,190	Occupied	80%
Horner Hall	Dormitory	56,190	Occupied	95%
Officer Hall	Dormitory	56,190	Occupied	90%
High School	Classrooms	36,900	Occupied	100%
Marshall Gym	Gym	20,000	Occupied	100%
Vocational Building	Classrooms	36,597	Occupied	100%
Dietary Building	Cafeteria	32,256	Occupied	100%
Auto body Building	Auto Body Lab	10,350	Occupied	100%
Laundry	Laundry	1,327	Occupied	100%
Power Plant	Power Plant	18,490	Occupied	100%
Concession Stand	Concession Stand	1,050	Seasonal Occupied	100%

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

COST PER YEAR/DAY PER STUDENT (not examined)

The following schedule represents costs per student based upon the Department of Human Services Management Cost System. This includes costs for depreciation and an allocation of costs incurred by the Department's Central Office and other State agencies.

	Fiscal Year ending June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cost per year per student	*	\$ <u>75,527</u>	\$ <u>74,338</u>
Cost per day per student	*	\$ <u>315</u>	\$ <u>316</u>

* - The Department had not calculated this statistic by the close of fieldwork.

RATIO OF EMPLOYEES TO STUDENTS (not examined)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Average number of students	<u>238</u>	<u>263</u>	<u>270</u>
Average number of employees	<u>234</u>	<u>234</u>	<u>241</u>
Ratio of employees to students	<u>.98 to 1</u>	<u>.89 to 1</u>	<u>.89 to 1</u>

REPORTED EMPLOYEE JOB INJURIES (not examined)

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Number of reported employee injuries	<u>21</u>	<u>38</u>	<u>26</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2007

FOOD SERVICES (not examined)

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

	Fiscal Year ending June 30,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
Meals served	<u>100,394</u>	<u>96,892</u>	<u>139,000</u>
Total food costs	\$219,570	\$264,356	\$243,941
Total labor costs	<u>505,466</u>	<u>479,081</u>	<u>465,488</u>
Total costs	<u>\$725,030</u>	<u>\$743,437</u>	<u>\$709,429</u>
Average food costs / meal	\$2.19	\$2.73	\$1.75
Average labor costs / meal	<u>5.03</u>	<u>4.94</u>	<u>3.35</u>
Total average cost / meal	<u>\$7.22</u>	<u>\$7.67</u>	<u>\$5.10</u>

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2007
(not examined)

NCA and CEASD committees successfully worked with the entire campus to ensure that ISD meets and/or exceeds the accreditation standards of each of these organizations. ISD received NCA accreditation in April 2007 and received CEASD accreditation in October, 2006.

Mandated state testing at specified grade levels and the “No Child Left Behind (NCLB) Act” continued to impact ISD, as students with disabilities were no longer waived from taking the tests. Students in grades 3 through 8 took the Illinois Standards Achievement Test (ISAT). All of the Grade 11 students took the Prairie State Achievement Exam (PSAE). The PSAE includes the American College Test (ACT) as a component of the exam. Students whose Individualized Education Programs (IEPs) indicated that the ISAT and PSAE were not appropriate took the Illinois Alternate Assessment (IAA). Students who are deaf and hard of hearing have a difficult time passing state tests because English is not their first language. Meetings continue with ISBE advocating for a form of the test that would be presented in American Sign Language (ASL).

Management worked with staff to ensure that we are producing clear, concise and timely New Student Reports, SKYWARD Discipline Reports, Parent Conference Forms and Employee Evaluations. Staff worked diligently and successfully to ensure that all paperwork was completed and submitted on time. As a result of these efforts, most of our employee evaluations are caught up and are now being done on time. Additionally New Student Reports, discipline reports and parent conferences are being completed in a more timely manner, allowing administration to quickly deal with any situations that may occur.

ISD continued to run outreach programs offering technical assistance and training programs state wide. Hearing and Vision Connections (HVC) and Highlighting Education and Resources (H.E.A.R.) continued to grow and change. HVC offered technical assistance and training for providers for children from 0-3. Highlighting Education and Resources (H.E.A.R.) is a service delivery model that is to assure appropriate comprehensive programming for students who are deaf or hard of hearing that provides direct and meaningful communication in the least restrictive environment. HEAR focused most time and resources on training educational interpreters during this reporting period.

We have decreased the number of Administrative Council and Principal’s Meetings to one per month to allow staff to focus their efforts on their areas of expertise. Advisory Council meetings are more tightly structured and make the best use of the Council’s time.

Reading and math teachers wrote goals and objectives for IEPs this year. Other educators covered their flex periods to allow them to work on this. This allowed us to successfully move the IEP document from curriculum-based to deficit-based.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SERVICE EFFORTS AND ACCOMPLISHMENTS - Continued
For the Two Years Ended June 30, 2007
(not examined)

Accelerated Reader has been implemented school wide and the existing schedule was expanded upon where possible. Bridges and AEBPD (ASL/English Bilingual Professional Development) continued their growth and development. The Bullying Program continued to be developed and monitored. We worked diligently to secure the restoration of full funding to the HEAR (Highlighting Education And Resources) and HVC (Hearing and Vision Connections) programs and expand our overall outreach efforts. All of the above programs have been successfully implemented and enjoyed growth and acceptance among staff and students.

ISD continued to participate in the Star Schools Project that began in August 1999. This program has as its vision high academic achievement for students who are deaf or hard of hearing and proficiency for students in American Sign Language and English. The program accomplishes its goals through a staff development program in assessment and curriculum, parental involvement, and the use of technology.

Each department was given a budget amount for the year 2006-07, and allowed to spend the money throughout the year as needs arose. The departments used their budgets to make improvements to their programs and environment as they were needed.

The USA Deaf Track and Field Association voted ISD's track team 2006 Team of the Year for the 3rd year in a row - the 4th time in the last five years! Once again the ISD track team enjoyed great success at the State Track Meet held in May 2007. Five of our students placed highly in their respective events.

A supporting family donated \$50K for a literacy program here at ISD. We planned to piecemeal purchase the Star Reading/Star Math programs to support our target goals, but we were able to purchase both full programs and training. A Reading Specialist was hired to support this program. The students responded to the program with amazing enthusiasm.

A leading expert visited our campus to observe our students and programs and to offer in-service training to staff in regards to bullying. Her insights helped us develop effective strategies to help combat this problem.

ISD students took advantage of several opportunities to participate in the democratic process by attending a legislative breakfast where they met and talked with the representatives from their home districts as well as several of Illinois' constitutional officers. Members of SBG (Student Body Government) helped serve the breakfast at the ISAC Legislative breakfast.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SERVICE EFFORTS AND ACCOMPLISHMENTS - Continued
For the Two Years Ended June 30, 2007
(not examined)

An author presented her thoughts on bullying in our schools to ISD's student body and to students from our local junior high schools and high schools. Since that presentation, ISD made a concerted effort to confront bullying in our school through several programs designed to prevent bullying and to work with both the victims and bullies.

After meeting with our students at the Legislative Breakfast, a State Representative visited our campus and gave an extremely motivating and interesting program on how state government operates as well as speaking with them about personal motivation in life.

ISD held their first Mr./Ms Deaf USA pageant on campus. Our winners went on to compete in the National Contest in San Antonio, Texas.

In June 2006 and 2007, ISD hosted the 62nd and 63rd annual Institutes for Parents of Preschool Children Who are Deaf/Hard of Hearing. Each year, this week-long program's mission is "to provide information and support to families so that they can make informed decisions on behalf of their child who is deaf or hard of hearing."

From February 7 to 11, 2007, two of our talented ISD students were at the Deaflympics in Salt Lake City, Utah. This trip was the award for winning first and third places in the Gallaudet National Essay, Art, and Sign Contest. One student won first place for her powerful essay, "Living with Usher Syndrome; Understanding Who You Are." Another student won third place for her original artwork, "Shades of Gold."

ISD Staff were trained by the Illinois State Police in an ISBE-sponsored Disaster Reaction training. Illinois School for the Deaf staff and students participated in a planned safety drill based on criteria provided by the ISBE.

ISD was fortunate to be able to implement both GradeReporter and eSPED. These programs placed ISD on the cutting edge of the use of technology. Our IT department did an excellent job implementing these programs. The grades will be computed automatically by the software.

The work of the Task Force on Communication Options for Children who are Deaf and Hard of Hearing was completed last year. A House Resolution was introduced in the spring, 2005 legislative session to establish a full task force on education of the deaf in Illinois. This issue was addressed at the National Summit in California and plans to convene the Task Force in the Fall of 2006 were successful. The ISD Superintendent and HVC Educator serve on this Task Force.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SERVICE EFFORTS AND ACCOMPLISHMENTS - Continued
For the Two Years Ended June 30, 2007
(not examined)

ISD was again fortunate to receive several donations this school year. These donations were used to supplement ISD's program. Donations from a large corporation were made to permit students to attend the Epcot Center in Disney World. Donations were also made to ISD's Needy Children's Fund. The ISD Parent Organization also made several donations to ISD's program.

A foundation made several large donations to ISD due to two grants that were made to that foundation. The first grant was for a literacy grant for \$50,000. The literacy grant allowed the foundation to purchase a learning program for reading and math and all of the software and hardware to run the programs. These materials were then donated to ISD. The second large donation came from an organization which named ISD as the state wide president's project for the year. The organization donated over \$68,000 for ISD. The first purchase made with this money was a \$22,000 electronic hearing system for the students in the Elementary School.

ISD celebrated the tenth anniversary of the ISD business/education partnership with a large local corporation. This program included a pen friends program, a student of the month award, a student of the year award, an entrepreneur program, and the Reading is Fundamental Program (RIF). In the RIF program each of the ISD students received books from the corporation. The children read the books and then presented book reports to the corporation's employees. ISD and the corporation also participated in an internship program for students. ISD students worked along side their employees in a variety of different settings. ISD staff taught sign classes at the corporation. The corporation presented awards for the 2006 Staff Member of the Year and the 2007 Staff Member of the Year to very deserving ISD staff members. The corporation sponsored a trip to Disney World for several ISD students and a staff member. The students worked in the Land Pavilion at the Epcot Center while in Disney World. The president of the large local corporation retired in December 2005. This gentleman was president of the plant in Jacksonville when the first business education partnership was established in September, 1995. On December 13, 2005, ISD staff and students honored this individual on his retirement with programs in the elementary school, junior high school, and high school.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE DEAF
SERVICE EFFORTS AND ACCOMPLISHMENTS - Continued
FOR THE TWO YEARS ENDED JUNE 30, 2007
(not examined)

Average student population for the last three years was as follows:

<u>Academic Year</u>	<u>Students</u>
2005	270
2006	263
2007	238

Number of high school graduates for the last three years were as follows:

<u>Academic Year</u>	<u>Students</u>
2005	45
2006	39
2007	36