

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES

ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2005

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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SCHOOL OFFICIALS

Superintendent:

| | |
|-------------------------------|----------------------|
| 04/10/05-Current | Dr. Richard Snowden |
| 06/22/04-04/09/05 (Acting) | Mrs. Marjorie Olsen |
| 10/01/03-06/21/04 | Mr. Carroll Jackson |
| 07/08/03-09/30/03 (Acting) | Mrs. Kris Smith |
| 07/01/03-07/07/03 | Mr. Reginald Clinton |
| Business Office Administrator | Mr. John Wilcox |

The School is located at:

658 East State Street
Jacksonville, Illinois 62650

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

COMPLIANCE REPORT

SUMMARY

The limited State compliance testing performed in 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 | 2 | 1 |
| Repeated findings | - | - |
| Prior recommendations implemented or not repeated | 1 | 1 |

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

SCHEDULE OF FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> |
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| CURRENT FINDINGS | | |
| 05-1 | 9 | Lack of Adequate Segregation of Duties in Locally Held Funds |
| 05-2 | 10 | Employee Evaluations |
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STATE OF ILLINOIS
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ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
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EXIT CONFERENCE

The School waived having an exit conference per a letter dated November 1, 2005.

INSERT YELLOW AUDITORS' REPORT TAB HERE

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we performed a limited scope compliance examination of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired (School) compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2005. The management of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services - Illinois School for the Visually Impaired's compliance based on our examination.

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

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

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

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

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

In our opinion, the State of Illinois Department of Human Services - Illinois School for the Visually Impaired complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. 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, Recommendations and School Responses as finding 05-2.

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

Internal Control

The management of the State of Illinois Department of Human Services - Illinois School for the Visually Impaired is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services - Illinois School for the Visually Impaired's internal control over compliance with the aforementioned requirements 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed another matter involving internal control 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, Recommendations and School Responses as finding 05-1.

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

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 2005 and the 2004 Supplementary Information for State Compliance Purposes, except for information on Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, Shared Resources, School Utilization, Annual School Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

West & Company, LLC

September 29, 2005

INSERT YELLOW FINDINGS AND RECOMMENDATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES
For the Two Years Ended June 30, 2005

Current Findings

05-1 FINDING - Lack of Adequate Segregation of Duties in Locally Held Funds:

The School has internal control weaknesses due to an inadequate segregation of duties.

We noted that one employee has the ability to perform all functions associated with cash receipts, including the reconciliation of bank accounts, for locally held funds. The School received \$126,217 and \$140,031 of receipts in fiscal year 2004 and 2005, respectively.

Good business practices require adequate segregation of duties between record keeping, custody, approving, and reconciling transactions. These practices help ensure the safeguarding of assets, assist in providing the most accurate and reliable accounting data and promote operational efficiency.

According to School management, the control weakness resulted from a change in duties assigned to business office personnel.

A lack of segregation of duties increases the possibility that a loss from errors or fraud could occur and not be detected in the normal course of business. (Finding Code No. 05-1)

RECOMMENDATION:

We recommend the School implement procedures designed to ensure that no single employee has the ability to record, deposit, approve, and reconcile the cash receipts.

AGENCY RESPONSE:

Agree. Duties have been reassigned. The Director of Residential Services will open and log cash receipts before they are given to the Accountant for recording in the school records and subsequent deposits. The Business Administrator will review reconciliation of bank statement to school records on a monthly basis.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES
For the Two Years Ended June 30, 2005

Current Findings (continued)

05-2 FINDING - Employee Evaluations:

Employee evaluations were not performed timely.

During our testing of employee files, we noted 20 of 39 (51%) files contained untimely completion of employee evaluations. Upon further review, we noted that 15 of the 20 (75%) were performed at least 30 days after the required due date, including one employee who had not received their fiscal year 2004 or 2005 evaluation.

The Illinois Administrative Code (80 IL Adm. Code 302.270) requires an agency to prepare an evaluation for each employee not less often than annually. Further, the Department's Administrative Directive (01.02.04.020) requires that employees at all levels of the organization be given clear and appropriate performance objectives and be held accountable for the achievement of those objectives.

According to School management, due to significant employee turnover, many evaluations were not performed in a timely manner.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations serve as a foundation for promotion, demotion, discharge, layoff, recall, and reinstatement decisions in a timely manner. Delays in evaluations cause untimely formal feedback to employees regarding their performance and may cause certain probationary employees to become certified prior to formal review. (Finding Code No. 05-2)

RECOMMENDATION:

We recommend the School implement procedures to ensure designated supervisory staff or management perform timely employee evaluations in compliance with the Illinois Administrative Code.

AGENCY RESPONSE:

Agree. ISVI Personnel Office will distribute to supervisors the first week of the month, employee evaluations that are due during the month. All supervisors are expected to give this task a high priority. ISVI Personnel Office will implement the above procedure again on outstanding evaluations one week before these evaluations are due with a copy sent to the Superintendent. A goal of the Superintendent is that all evaluations will be done before the reminder list is implemented.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
FINDINGS, RECOMMENDATIONS AND SCHOOL RESPONSES
For the Two Years Ended June 30, 2005

Prior Findings Not Repeated

05-3 FINDING - Inadequate Commodity Inventory Records:

During the prior audit, the Illinois School for the Visually Impaired (School) did not maintain the perpetual commodity inventory system for the period of February 2003 to September 2003.

The auditors noted that:

- The School did not record any transactions during the aforementioned time period.
- The School could not reconcile its perpetual inventory of commodities to the physical count performed as of June 30, 2003.
- An accurate value of commodities was not available for the period ended June 30, 2003.
- The June 30, 2003 physical inventory counts and subsequent inventory transactions were not entered into the commodities system until September 2003.

During the current audit, the School strengthened controls over the perpetual inventory system. For the sample tested, we noted the School promptly entered all transactions, kept all receiving reports and requisitions and reconciled them to the physical count, conducted periodic counts of inventory, and kept commodity inventory under lock to ensure security. The commodity inventory appeared to be accurately valued for fiscal years 2004 and 2005. (Finding Code No. 03-1)

INSERT BLUE SUPPLEMENTARY INFORMATION TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

Fiscal Schedules and Analysis

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

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 Schedule of Changes in State Property, Schedule of Changes in Inventories, Employee Overtime, Contractual Payroll Employees, Shared Resources, School Utilization, Annual School Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

INSERT BLUE SUPPLEMENTARY SCHEDULES TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

| | <u>APPROPRIATIONS NET OF TRANSFERS</u> | <u>EXPENDITURES THROUGH JUNE 30, 2005</u> | <u>LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2005</u> | <u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005</u> | <u>BALANCES LAPSED AUGUST 31, 2005</u> |
|--|--|---|--|---|--|
| PUBLIC ACT 93-0842 & 93-0681 | | | | | |
| <u>GENERAL REVENUE FUND - 001</u> | | | | | |
| Personal services | \$ 5,972,000 | \$ 4,874,148 | \$ 914,871 | \$ 5,789,019 | \$ 182,981 |
| Student, member or inmate compensation | 16,400 | 13,502 | 1,500 | 15,002 | 1,398 |
| Employee retirement contributions paid by employer | 2,985 | 2,984 | - | 2,984 | 1 |
| State contributions to state employees' retirement system | 1,018,200 | 538,002 | 76,193 | 614,195 | 404,005 |
| State contributions to Social Security | 379,300 | 261,185 | 38,772 | 299,957 | 79,343 |
| Contractual services | 608,600 | 488,689 | 113,877 | 602,566 | 6,034 |
| Travel | 8,300 | 5,948 | - | 5,948 | 2,352 |
| Commodities | 229,200 | 208,454 | 15,034 | 223,488 | 5,712 |
| Printing | 2,500 | 656 | 146 | 802 | 1,698 |
| Equipment | 57,500 | 14,766 | 42,647 | 57,413 | 87 |
| Telecommunication services | 81,600 | 41,986 | 36,733 | 78,719 | 2,881 |
| Operation of auto equipment | 15,000 | 13,375 | 958 | 14,333 | 667 |
| Subtotal - Fund 001 | <u>\$ 8,391,585</u> | <u>\$ 6,463,695</u> | <u>\$ 1,240,731</u> | <u>\$ 7,704,426</u> | <u>\$ 687,159</u> |
| <u>VOCATIONAL REHABILITATION FUND - 081</u> | | | | | |
| Secondary transitional experience program | <u>\$ 42,900</u> | <u>\$ 6,372</u> | <u>\$ -</u> | <u>\$ 6,372</u> | <u>\$ 36,528</u> |
| Total - All Appropriated Funds | <u>\$ 8,434,485</u> | <u>\$ 6,470,067</u> | <u>\$ 1,240,731</u> | <u>\$ 7,710,798</u> | <u>\$ 723,687</u> |

Note: The information reflected in this schedule was taken from the School's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

| | <u>APPROPRIATIONS NET OF TRANSFERS</u> | <u>EXPENDITURES THROUGH JUNE 30, 2004</u> | <u>LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2004</u> | <u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004</u> | <u>BALANCES LAPSED AUGUST 31, 2004</u> |
|--|--|---|--|---|--|
| PUBLIC ACT 93-0092 | | | | | |
| <u>GENERAL REVENUE FUND - 001</u> | | | | | |
| Personal services | \$ 6,378,500 | \$ 5,240,705 | \$ 550,748 | \$ 5,791,453 | \$ 587,047 |
| Student, member or inmate compensation | 16,700 | 10,151 | 1,500 | 11,651 | 5,049 |
| Employee retirement contributions paid by employer | 267,900 | 193,403 | 1,786 | 195,189 | 72,711 |
| State contributions to state employees' retirement system | 691,400 | 325,760 | 21,070 | 346,830 | 344,570 |
| State contributions to Social Security | 322,100 | 283,688 | 22,042 | 305,730 | 16,370 |
| 14 Contractual services | 610,900 | 491,328 | 106,916 | 598,244 | 12,656 |
| Travel | 9,800 | 5,681 | 26 | 5,707 | 4,093 |
| Commodities | 229,200 | 199,555 | 23,658 | 223,213 | 5,987 |
| Printing | 2,500 | 122 | 425 | 547 | 1,953 |
| Equipment | 84,500 | 55,780 | 28,715 | 84,495 | 5 |
| Telecommunication services | 55,200 | 42,376 | 12,520 | 54,896 | 304 |
| Operation of auto equipment | 17,600 | 12,369 | 4,865 | 17,234 | 366 |
| Subtotal - Fund 001 | <u>\$ 8,686,300</u> | <u>\$ 6,860,918</u> | <u>\$ 774,271</u> | <u>\$ 7,635,189</u> | <u>\$ 1,051,111</u> |
| <u>VOCATIONAL REHABILITATION FUND - 081</u> | | | | | |
| Secondary transitional experience program | \$ 42,900 | \$ 6,792 | \$ - | \$ 6,792 | \$ 36,108 |
| Total - All Appropriated Funds | <u>\$ 8,729,200</u> | <u>\$ 6,867,710</u> | <u>\$ 774,271</u> | <u>\$ 7,641,981</u> | <u>\$ 1,087,219</u> |

Note: The information reflected in this schedule was taken from the School's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
YEARS ENDED JUNE 30,

| | FISCAL YEARS | | |
|---|---------------------------|--------------|--------------|
| | 2005 | 2004 | 2003 |
| | P.A. 93-0842 & 93-0681 | P.A. 93-0092 | P.A. 92-0538 |
| GENERAL REVENUE FUND - 001 | | | |
| Appropriations (net of transfers) | \$ 8,391,585 | \$ 8,686,300 | \$ 8,046,500 |
| EXPENDITURES | | | |
| Personal services | 5,789,019 | 5,791,453 | 5,774,351 |
| Student, member or inmate compensation | 15,002 | 11,651 | 10,483 |
| Employee retirement contributions paid by employer | 2,984 | 195,189 | 222,281 |
| State contributions to state employees' retirement system | 614,195 | 346,830 | 401,190 |
| State contributions to Social Security | 299,957 | 305,730 | 306,367 |
| Contractual services | 602,566 | 598,244 | 585,584 |
| Travel | 5,948 | 5,707 | 4,742 |
| Commodities | 223,488 | 223,213 | 219,914 |
| Printing | 802 | 547 | 1,099 |
| Equipment | 57,413 | 84,495 | 6,869 |
| Telecommunication services | 78,719 | 54,896 | 43,703 |
| Operations of auto equipment | 14,333 | 17,234 | 12,334 |
| Total Expenditures | 7,704,426 | 7,635,189 | 7,588,917 |
| LAPSED BALANCES | \$ 687,159 | \$ 1,051,111 | \$ 457,583 |
| VOCATIONAL REHABILITATION FUND - 081 | | | |
| Appropriations (net of transfers) | \$ 42,900 | \$ 42,900 | \$ 42,900 |
| EXPENDITURES | | | |
| Secondary transitional experience program | 6,372 | 6,792 | 5,256 |
| Total Expenditures | 6,372 | 6,792 | 5,256 |
| LAPSED BALANCES | \$ 36,528 | \$ 36,108 | \$ 37,644 |
| GRAND TOTAL - ALL APPROPRIATED FUNDS | | | |
| Appropriations (net of transfers) | \$ 8,434,485 | \$ 8,729,200 | \$ 8,089,400 |
| Total Expenditures | 7,710,798 | 7,641,981 | 7,594,173 |
| Lapsed Balances | \$ 723,687 | \$ 1,087,219 | \$ 495,227 |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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 Revenue Fund

The General Revenue Fund consists of the Petty Cash Account. The 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 purchasing items of small cost, payment of postage due, and for other nominal expenditures that cannot be administered economically and efficiently through the customary vouchering system.

Special Revenue Fund

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

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

Permanent Trust Fund

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

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
DESCRIPTION OF LOCALLY HELD FUNDS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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 is also used as a clearing account for student compensation and for general receipts.

Bank Account Locations

The following schedule lists the locations of bank accounts of the locally held funds at June 30, 2005:

DHS/DORS Special Revenue Fund and DHS/DORS Agency Fund

NOW Account, Farmers State Bank, Jacksonville, IL
NOW Account, US Bank, Jacksonville, IL
NOW Account, US Bank, Jacksonville, IL

DHS/DORS Permanent Trust Fund

NOW Account, US Bank, Jacksonville, IL
Money Market Account, US Bank, Jacksonville, IL
Savings Account, Farmers State Bank, Jacksonville, IL

Petty Cash Account

Checking Account, Farmers State Bank, Jacksonville, IL

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2005

| | 1149 DHS/DORS Special Revenue Fund | 1147 DHS/DORS Agency Fund | 1150 DHS/DORS Permanent Trust Fund | N/A Petty Cash Account |
|--------------------------|---|------------------------------------|---|---------------------------------|
| Balance - July 1, 2004 | \$ 46,563 | \$ 100 | \$ 39,120 | \$ 66 |
| Receipts | | | | |
| Investment income | 95 | 3 | 313 | - |
| Local governmental units | 28,583 | - | - | - |
| Student deposits | - | 31,864 | - | - |
| Donations | 13,728 | 5,065 | - | - |
| General revenue fund | - | 22,960 | - | - |
| Federal Grant funds GRF | - | 7,190 | - | 3,424 |
| Reimbursements | 20,368 | - | - | - |
| Other | 6,366 | 72 | - | - |
| Total Receipts | <u>69,140</u> | <u>67,154</u> | <u>313</u> | <u>3,424</u> |
| Disbursements | | | | |
| Commodities | 15,968 | 2,187 | - | - |
| Contractual services | 50,009 | 6,588 | 100 | 3,484 |
| Student awards & grants | - | 13,502 | - | - |
| Equipment | - | 1,186 | - | - |
| Federal Grant funds GRF | - | 5,828 | - | - |
| Student withdrawals | - | 30,776 | - | - |
| Other | - | 6,668 | - | - |
| Total Disbursements | <u>65,977</u> | <u>66,735</u> | <u>100</u> | <u>3,484</u> |
| Balance - June 30, 2005 | <u>\$ 49,726</u> | <u>\$ 519</u> | <u>\$ 39,333</u> | <u>\$ 6</u> |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS
JUNE 30, 2004

| | 1149 DHS/DORS Special Revenue Fund | 1147 DHS/DORS Agency Fund | 1150 DHS/DORS Permanent Trust Trust Fund | N/A Petty Cash Account |
|--------------------------|---|------------------------------------|---|---------------------------------|
| Balance - July 1, 2003 | \$ 49,442 | \$ 3,674 | \$ 38,530 | \$ 417 |
| Receipts | | | | |
| Investment income | 61 | 70 | 224 | - |
| Local governmental units | 31,102 | - | - | - |
| Student deposits | - | 31,190 | - | - |
| Donations | 9,262 | 4,048 | 466 | - |
| General revenue fund | - | 20,732 | - | 3,021 |
| Federal Grant funds GRF | - | 4,035 | - | - |
| Reimbursements | 16,021 | - | - | - |
| Other | 5,817 | 168 | - | - |
| Total Receipts | <u>62,263</u> | <u>60,243</u> | <u>690</u> | <u>3,021</u> |
| Disbursements | | | | |
| Commodities | 15,241 | 2,240 | - | - |
| Contractual services | 49,788 | 4,427 | 100 | 3,372 |
| Student awards & grants | - | 12,401 | - | - |
| Equipment | 113 | 380 | - | - |
| Federal Grant funds GRF | - | 5,823 | - | - |
| Student withdrawals | - | 32,627 | - | - |
| Other | - | 5,919 | - | - |
| Total Disbursements | <u>65,142</u> | <u>63,817</u> | <u>100</u> | <u>3,372</u> |
| Balance - June 30, 2004 | <u>\$ 46,563</u> | <u>\$ 100</u> | <u>\$ 39,120</u> | <u>\$ 66</u> |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF CHANGES IN STATE PROPERTY
YEARS ENDED JUNE 30, 2004 & 2005
NOT EXAMINED

| | Land and land improvements | Buildings and building improvements | Site improvements | Equipment | Total |
|----------------------------|----------------------------------|---|----------------------|--------------|---------------|
| Balance June 30, 2003 | \$ 18,000 | \$ 15,804,182 | \$ 1,693,821 * | \$ 2,157,866 | \$ 19,673,869 |
| Additions: | | | | | |
| Purchases | - | - | - | 75,759 | 75,759 |
| Transfers-in: | | | | | |
| Intra-agency | - | - | - | 454,389 | 454,389 |
| Capital Development Board | - | 523,936 | - | - | 523,936 |
| Adjustments: | | | | | |
| Used equipment additions | - | - | - | 1,240,462 | 1,240,462 |
| Price adjustments | - | - | - | 1,490 | 1,490 |
| Total Additions | - | 523,936 | - | 1,772,100 | 2,296,036 |
| Deductions: | | | | | |
| Transfers-out: | | | | | |
| Intra-agency | - | - | - | 507,104 | 507,104 |
| Surplus property | - | - | - | 27,620 | 27,620 |
| Clerical reclassifications | - | - | - | 726 | 726 |
| Scrap property | - | - | - | 799 | 799 |
| Clerical error | - | - | - | 1,187,958 | 1,187,958 |
| Other | - | - | - | 14,233 | 14,233 |
| Price adjustment | - | - | - | 11,931 | 11,931 |
| Total Deductions | - | - | - | 1,750,371 | 1,750,371 |
| Balance June 30, 2004 | \$ 18,000 | \$ 16,328,118 | \$ 1,693,821 | \$ 2,179,595 | \$ 20,219,534 |
| Additions: | | | | | |
| Purchases | - | - | - | 67,056 | 67,056 |
| Transfers-in: | | | | | |
| Intra-agency | - | - | - | 739,164 | 739,164 |
| Capital Development Board | - | 350,653 | - | - | 350,653 |
| Adjustments: | | | | | |
| Used equipment additions | - | - | - | 9,250 | 9,250 |
| Price adjustments | - | - | - | 685 | 685 |
| Total Additions | - | 350,653 | - | 816,155 | 1,166,808 |
| Deductions: | | | | | |
| Transfers-out: | | | | | |
| Intra-agency | - | - | - | 626,895 | 626,895 |
| Surplus property | - | - | - | 12,918 | 12,918 |
| Scrap property | - | - | - | 5,612 | 5,612 |
| Clerical error | - | - | - | 4,274 | 4,274 |
| Other | - | - | - | 4,139 | 4,139 |
| Price adjustment | - | - | - | 165 | 165 |
| Total Deductions | - | - | - | 654,003 | 654,003 |
| Balance June 30, 2005 | \$ 18,000 | \$ 16,678,771 | \$ 1,693,821 | \$ 2,341,747 | \$ 20,732,339 |

* Beginning balance differs from prior year ending balance by \$6,777. Alan Gleason, Department of Human Services, verified adjustments to correct final 2003 balances. The numbers presented agree with the Department's records.

Note: The property balances at June 30, 2004 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
YEARS ENDED JUNE 30,

| | FISCAL YEARS | | |
|--|---------------|-----------------|---------------|
| | 2005 | 2004 | 2003 |
| GENERAL REVENUE FUND - 001 | | | |
| <u>RECEIPTS</u> | | | |
| Jury duty, witness fees, military duty | \$ 55 | \$ 105 | \$ 160 |
| Copy charges | 18 | 45 | 37 |
| Meal tickets | 3 | 29 | 98 |
| Substitute teacher reimbursement | - | 160 | - |
| Lost keys | 30 | 65 | 15 |
| Telephone reimbursements | 14 | 416 | 3 |
| Refunds / rebates | 311 | 252 | - |
| Miscellaneous other | 349 | 4 | - |
| TOTAL RECEIPTS | <u>\$ 780</u> | <u>\$ 1,076</u> | <u>\$ 313</u> |
| <u>DEPOSITS</u> | | | |
| Receipts recorded by School | \$ 780 | \$ 1,076 | \$ 313 |
| Add: Deposits in transit - Beginning of year | - | 5 | 385 |
| Deduct: Deposits in transit - End of year | - | - | 5 |
| Reconciling items | | | |
| Prior year refunds applied to appropriations | (311) | - | - |
| Receipts not deposited per Comptroller report (SB04) | - | (42) | - |
| Unknown deposit on Comptroller report (SB04) | (61) | 176 | 55 |
| DEPOSITS RECORDED BY COMPTROLLER | <u>\$ 408</u> | <u>\$ 1,215</u> | <u>\$ 748</u> |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

| <u>EXPENDITURE ITEM</u> | <u>FISCAL YEAR ENDED</u> <u>JUNE 30</u> | | <u>INCREASE</u> <u>(DECREASE)</u> | |
|---|--|-------------|--------------------------------------|----------|
| | <u>2005</u> | <u>2004</u> | <u>AMOUNT</u> | <u>%</u> |
| Student compensation | \$ 15,002 | \$ 11,651 | \$ 3,351 | 28.76 % |
| Employee retirement contributions paid by employer | \$ 2,984 | \$195,189 | (\$192,205) | (98.47)% |
| State contribution to state employees' retirement system | \$614,195 | \$346,830 | \$267,365 | 77.09 % |
| Printing | \$ 802 | \$ 547 | \$ 255 | 46.62 % |
| Equipment | \$ 57,413 | \$ 84,495 | (\$ 27,082) | (32.05)% |
| Telecommunication services | \$ 78,719 | \$ 54,896 | \$ 23,823 | 43.40 % |

Student compensation:

Student compensation increased \$3,351 or 28.76% in fiscal year 2005. This increase resulted from increased student participation in the work program.

Employee retirement contributions paid by employer:

Employee retirement contributions paid by employer decreased \$192,205 or 98.47% in fiscal year 2005. The decrease in Employee Retirement Contribution expenditures in FY05 was due to the State discontinuing payment of the State's portion of the State Employee Retirement Contribution.

State contribution to state employees' retirement system:

State contribution to state employees' retirement system increased \$267,365 or 77.09% in fiscal year 2005. The increase in State Contribution to State Employees' Retirement Systems expenditures in FY05 was due to the State discontinuing payments into the State Employees' Retirement System and the employees being required to pay the State's portion as well. In addition, the overall State employee retirement rate increased from 13.4% to 16.1%.

Printing:

Expenditures increased \$255 or 46.62% in fiscal year 2005. Printing costs in fiscal year 2004 were unusually low due to the outsourcing of print jobs to the Illinois School for the Deaf. The School did not outsource any of the print jobs for fiscal year 2005 and incurred the related printing costs.

Equipment:

Expenditures decreased \$27,082 or 32.05% in fiscal year 2005. This decrease resulted from an appropriation transfer from equipment to telecommunications in accordance with an e-rate grant awarded to the School to allow the campus to be completely rewired electronically.

Telecommunication services:

Telecommunication services spending increased \$23,823 or 43.40% in fiscal year 2005 due to a complete rewiring of the campus.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2005

Fiscal Year 2004

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2004 and June 30, 2003 are shown below:

| <u>EXPENDITURE ITEM</u> | <u>FISCAL YEAR ENDED</u> <u>JUNE 30</u> | | <u>INCREASE</u> <u>(DECREASE)</u> | |
|--|--|-------------|--------------------------------------|-----------|
| | <u>2004</u> | <u>2003</u> | <u>AMOUNT</u> | <u>%</u> |
| Travel | \$ 5,707 | \$ 4,742 | \$ 965 | 20.35 % |
| Printing | \$ 547 | \$ 1,099 | (\$ 552) | (50.23)% |
| Equipment | \$ 84,495 | \$ 6,869 | \$ 77,626 | 1130.09 % |
| Telecommunication services | \$ 54,896 | \$ 43,703 | \$ 11,193 | 25.61 % |
| Operation of automotive equipment | \$ 17,234 | \$ 12,334 | \$ 4,900 | 39.73 % |
| Secondary transitional experience program | \$ 6,792 | \$ 5,256 | \$ 1,536 | 29.22 % |

Travel:

Travel increased \$965 or 20.35% in fiscal year 2004. Expenditures for travel in fiscal year 2003 were unusually low, resulting in a greater fluctuation from the normal expenditure level in fiscal year 2004.

Printing:

Printing decreased \$552 or 50.23% in fiscal year 2004. This decrease resulted from the outsourcing of some of the School's printing to the Illinois School for the Deaf.

Equipment:

Equipment increased \$77,626 or 1130.09% in fiscal year 2004. During fiscal year 2003, an equipment freeze was in effect and no purchases of equipment were allowed unless in an emergency situation. However, the freeze was lifted for fiscal year 2004 and the School fully utilized its equipment appropriations.

Telecommunication services:

Telecommunication services increased \$11,193 or 25.61% in fiscal year 2004. This increase was the result of a required Efficiency Initiative payment to Central Management Services.

Operation of auto equipment:

Operation of auto equipment increased \$4,900 or 39.73% in fiscal year 2004. This increase was the result of a Fleet Initiative payment to Central Management Services and increased fuel prices.

Secondary transitional experience program:

Secondary transitional experience program increased \$1,536 or 29.22% in fiscal year 2004. This increase was the result of more students involved in the program than in fiscal year 2003.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 2005 and 2004 and have identified significant lapse period spending (20% or more). A schedule of significant lapse period spending for fiscal year 2005 is shown below:

Fiscal Year Ended June 30, 2005

| <u>EXPENDITURE ITEM</u> | <u>TOTAL EXPENDITURES</u> | <u>LAPSE PERIOD EXPENDITURES</u> | <u>PERCENTAGE</u> |
|----------------------------|-------------------------------|--------------------------------------|-------------------|
| Equipment | \$ 57,413 | \$ 42,647 | 74.28 % |
| Telecommunication services | \$ 78,719 | \$ 36,733 | 46.66 % |

Equipment:

The lapse period expenditures were attributed to the purchase of two minivans in February 2005. The vans were delivered and placed into service in July 2005.

Telecommunication services:

The lapse period expenditures were attributed to the campus rewiring project completed late in the fiscal year.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2005

A schedule of significant lapse period spending for the fiscal year ended June 30, 2004 is shown below:

| <u>Fiscal Year Ended June 30, 2004</u> | | | |
|--|---------------------------|----------------------------------|-------------------|
| <u>EXPENDITURE ITEM</u> | <u>TOTAL EXPENDITURES</u> | <u>LAPSE PERIOD EXPENDITURES</u> | <u>PERCENTAGE</u> |
| Printing | \$ 547 | \$ 425 | 77.70 % |
| Equipment | \$ 84,495 | \$ 28,715 | 33.98 % |
| Telecommunication services | \$ 54,896 | \$ 12,520 | 22.81 % |
| Operation of auto equipment | \$ 17,234 | \$ 4,865 | 28.23 % |

Printing:

The lapse period expenditures were attributed to printing costs incurred for the brochures for summer camp.

Equipment:

The lapse period expenditures resulted from the purchase of computers, computer desks, and classroom desks delivered and placed into service in July in preparation for the school year.

Telecommunication services:

The lapse period expenditures resulted from the payment of three months worth of phone billings received in late June, July, and August.

Operation of auto equipment:

The lapse period expenditures were attributed to payments to the State Garage Revolving Funds. Department of Human Services – Budget Office requested the School hold all payments to the Revolving Fund until all negotiations with Central Management were complete.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
SCHEDULE OF CHANGES IN INVENTORIES
FOR THE TWO YEARS ENDED JUNE 30, 2005
NOT EXAMINED

| | <u>Balance</u> <u>July 1, 2004</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2005</u> |
|---|---------------------------------------|-------------------|-------------------|--|
| Office and educational supplies | \$ 1,518 | \$ 3,830 | \$ 3,764 | \$ 1,584 |
| Food supplies | 7,451 | 88,266 | 89,902 | 5,815 |
| Household, laundry and cleaning supplies | 4,619 | 8,407 | 8,951 | 4,075 |
| TOTAL | <u>\$ 13,588</u> | <u>\$ 100,503</u> | <u>\$ 102,617</u> | <u>\$ 11,474</u> |

| | <u>Balance</u> <u>July 1, 2003</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>June 30, 2004</u> |
|---|---------------------------------------|-------------------|-------------------|--|
| Office and educational supplies | \$ 2,266 | \$ 5,660 | \$ 6,408 | \$ 1,518 |
| Food supplies | 16,118 | 86,166 | 94,833 | 7,451 |
| Household, laundry and cleaning supplies | 5,216 | 15,214 | 15,811 | 4,619 |
| TOTAL | <u>\$ 23,600</u> | <u>\$ 107,040</u> | <u>\$ 117,052</u> | <u>\$ 13,588</u> |

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF ACCOUNTS RECEIVABLE
FOR THE YEARS ENDED JUNE 30,

DHS/DORS Special Revenue Fund

The School bills the students' home school districts 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:

| | <u>2005</u> | June 30, <u>2004</u> | <u>2003</u> |
|------------------------|-----------------|--------------------------------|-----------------|
| Current (0-3 months) | \$21,738 | \$12,815 | \$ 6,743 |
| Past due (4-6 months) | 319 | 299 | 81 |
| Past due (7-12 months) | <u>386</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$22,443</u> | <u>\$13,114</u> | <u>\$ 6,824</u> |

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:

| | <u>2005</u> | June 30, <u>2004</u> | <u>2003</u> |
|------------------------|-----------------|--------------------------------|---------------|
| Current (0-3 months) | \$ 2,479 | \$ 3,938 | \$ 418 |
| Past due (4-6 months) | 512 | 335 | - |
| Past due (7-12 months) | <u>168</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 3,159</u> | <u>\$ 4,273</u> | <u>\$ 418</u> |

INSERT BLUE ANALYSIS OF OPERATIONS TAB HERE

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

SCHOOL FUNCTIONS AND PLANNING PROGRAM

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

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

The School also administers three outreach programs. An annual parent-infant institute is conducted which provides information, diagnostic assessments, and networking opportunities for parents of infants/toddlers who are blind or visually impaired; direct counseling services are available to children, birth to three, who are experiencing a visual impairment; and evaluations are conducted of school-aged children from throughout the State of Illinois who are visually impaired, providing consultation to the student and his/her teachers in the public school.

The current Superintendent of the School is Dr. Richard Snowden.

Agency Planning Program

The School has been one of the several State operated facilities of the Department. Within this framework, the Department developed a five-year program for the School as well as short term planning programs, usually annually, which serves as guidelines for the School's administration. The School develops a capital projects/renovations plan every year to assess capital improvements and additions needed to each building on the School's grounds, and also developed specific plans and objectives based on the particular needs of the students. To facilitate the planning process, the administration of the School regularly monitored the performance of the School and its mandatory functions.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

Agency Planning Program (continued)

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

- Curriculum – To develop and implement a curriculum that aligns the School with the new learning standards.
- Outreach – To provide necessary information about the School and offer assistance on educating visually impaired children to all local educational agencies and the Board of Education.
- Technology – To increase the availability of computer resources and assistive technology at all grade levels.
- Residential – To provide students with the support necessary to succeed academically in school. To ensure students have a thorough curriculum dealing with today's issues including all activities of independent living.
- Infrastructure – To build a diagnostic center for visually impaired and autistic children.

Auditors' Assessment

The School has established plans to achieve formal, written long-term goals as prescribed by the Department. The School's planning program appears to have been adequate for meeting the statutorily defined functions of the Department.

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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 | | |
|-------------------------|-------------|-------------|-------------|
| | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Business Administration | 14 | 13 | 12 |
| Child Care | 37 | 38 | 39 |
| Dietary | 12 | 13 | 13 |
| Educators | 37 | 38 | 39 |
| Housekeeping | 7 | 6 | 7 |
| Maintenance | 14 | 14 | 14 |
| Nurses | 3 | 3 | 3 |
| Social Services | <u>3</u> | <u>2</u> | <u>2</u> |
| Total Employees | <u>127</u> | <u>127</u> | <u>129</u> |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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 fiscal year 2005 and 2004.

| | <u>2005</u> | <u>2004</u> |
|---|------------------|------------------|
| Paid overtime hours worked during fiscal year | <u>6,441</u> | <u>10,016</u> |
| Value of overtime hours worked during fiscal year | <u>\$151,335</u> | <u>\$226,043</u> |
| Compensatory hours earned during fiscal year | <u>8,596</u> | <u>10,136</u> |
| Value of compensatory hours earned during fiscal year | <u>\$146,400</u> | <u>\$163,893</u> |
| Total paid overtime hours and earned compensatory hours during fiscal year | <u>15,037</u> | <u>20,152</u> |
| Total value of paid overtime hours and earned compensatory hours during fiscal year | <u>\$297,735</u> | <u>\$389,936</u> |

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

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 area of substitute teachers.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2005 and 2004.

| | <u>2005</u> | <u>2004</u> |
|--|-----------------|-----------------|
| Contractual payroll employees paid during the fiscal year | <u>15</u> | <u>14</u> |
| Total amount expended for contractual payroll employees during the fiscal year | <u>\$19,614</u> | <u>\$42,255</u> |

SHARED RESOURCES (not examined)

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

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

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

STATE OF ILLINOIS
DEPARTMENT OF HUMAN SERVICES
ILLINOIS SCHOOL FOR THE VISUALLY IMPAIRED
ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2005

SCHOOL UTILIZATION (not examined)

Illinois School for the Visually Impaired (School) is situated on 14 acres in Jacksonville, Illinois. The School has 12 buildings on its grounds. School management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the School.

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

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COST PER YEAR/DAY PER STUDENT (not examined)

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

| | | <u>Fiscal Year</u> | |
|---------------------------|-------------|--------------------|-------------|
| | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Cost per year per student | * | \$122,234 | \$ 94,629 |
| Cost per day per student | * | \$ 522 | \$ 406 |

* - 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>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------------------|------------------|------------------|------------------|
| Average number of students | <u>115</u> | <u>121</u> | <u>94</u> |
| Average number of employees | <u>127</u> | <u>127</u> | <u>129</u> |
| Ratio of employees to students | <u>1.10 to 1</u> | <u>1.05 to 1</u> | <u>1.37 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>2005</u> | <u>2004</u> | <u>2003</u> |
|--------------------------------------|-------------|-------------|-------------|
| Number of reported employee injuries | <u>12</u> | <u>13</u> | <u>11</u> |

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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 | | |
|----------------------------|------------------|------------------|------------------|
| | <u>2005</u> | <u>2004</u> | <u>2003</u> |
| Meals served | <u>40,340</u> | <u>43,210</u> | <u>62,100</u> |
| Total food costs | \$ 88,266 | \$ 86,166 | \$ 94,009 |
| Total labor costs | <u>462,386</u> | <u>468,588</u> | <u>421,836</u> |
| Total costs | <u>\$550,652</u> | <u>\$554,754</u> | <u>\$515,845</u> |
| Average food costs / meal | \$ 2.19 | \$ 1.99 | \$1.51 |
| Average labor costs / meal | <u>11.46</u> | <u>10.84</u> | <u>6.79</u> |
| Total average cost / meal | <u>\$13.65</u> | <u>\$12.83</u> | <u>\$8.30</u> |

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(not examined)

- In June 2005, the School held an autism task force meeting to review current state and school resources to provide for 2005-2006 autistic students. A plan of action was put in place and implemented. Dr. Pawletko, a national blind/autism expert, was contracted in August to provide staff training. Currently, a team of three School educators provide autism staff support for individual students upon teacher request.
- The School implemented psychiatry services in 2005 upon student need and the recommendation of the School's social workers/assessment team.
- The School made improvements on the grounds for student security. Several new lights were installed around the gym, parking spots, and athletic field areas. A new light pole was also installed in the school garden area near the student recreation center.
- The School addressed safety issues in the school parking lot by replacing metal parking signs with painted designated parking spots. Further, the School removed a decaying tree and created a new unloading area to make it unnecessary for vehicles to back up.
- The School is in the process of bidding on hallway cameras to ensure student safety and the security of student property stored in the assigned lockers.
- During the fiscal year ended June 30, 2005, the School identified a group of several thousand public and private school visually impaired students that would benefit from a year-round education and summer program. Adaptive physical education, social events, music, field trips, vocational skills, and living skills would be implemented. The building proposed would be called the Vince Demuzio Center.
- The School's intake system has been changed to do more outreach to parents and potential students. The School organized a new school assessment team to alleviate all intake duties assigned to one individual. The team will work closely with the intake coordinator and is organized similarly to past successful intake operations at the School.
- The School entered into a contractual agreement in August 2005 with Blind Business Enterprises. Blind Business Enterprises has provided several games for the School's recreation area in the past and will provide student jobs, vocational training, and an opportunity to work with the Blind Business Enterprises on future projects.

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(not examined)

- The School participated in the Transition Outreach Training for Adult Living (TOTAL). A team of personnel and educators from the School was established to focus on student-centered transition as a part of the Individualized Education Plan process. In fiscal years 2004 and 2005, teachers and residential staff were trained on the TOTAL program. Social workers and residential personnel were also added to the team. TOTAL has components being used in the dorm, classroom and IEP process. Students are encouraged not only to participate, but to be leaders in self advocacy. The TOTAL modules will result in a portfolio for the students that will serve as a guide for their transition experience.
- In fiscal year 2005, the School welcomed two students from Illinois State University to participate in a Field Based Experience by staying on campus and helping in the classrooms and on the athletic fields.
- In fiscal year 2005, the School invited students from MacMurray College to tour the school, participate in classroom observations, and serve as student teachers. Further, School teachers and staff have presented to special education classes at MacMurray.
- In the two fiscal years ending June 30, 2005, the School had many technological advances through the purchase of various pieces of equipment, for the betterment of student living and the overall educational experience.