

STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

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

STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

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STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

AGENCY OFFICIALS

Director	Mr. Charles D. Johnson
Deputy Director	Mr. Michael Gelder
Fiscal Officer, Acting (Current)	Mr. Elton Arrindell
Fiscal Officer (9/16/04 - 10/15/05)	Ms. Sherry Lucas
Fiscal Officer, Acting (7/31/04 - 9/15/04)	Mr. Elton Arrindell
Fiscal Officer, Acting (7/1/04 - 7/30/04)	Mr. Donald Dorsey
Legal Counsel (Current)	Mr. George Sisk
Legal Counsel (7/1/04 - 9/24/05)	Ms. Gale Thetford
Bureau Chief of Business Services	Ms. Rachel Washington

Agency offices are located at:

421 East Capitol Avenue, #100  
Springfield, IL 62701

James R. Thompson Center  
100 W. Randolph  
Suite 10350  
Chicago, IL 60601

# Illinois Department on Aging



Governor Rod R. Blagojevich  
Director Charles D. Johnson

421 East Capitol Avenue, #100, Springfield, Illinois 62701-1789  
Phone: 217-785-3356, Fax: 217-785-4477, Web: [www.state.il.us/aging](http://www.state.il.us/aging)

Doehring, Winders & Co., LLP  
Certified Public Accountants  
1601 Lafayette Avenue  
Mattoon, IL 61938

November 21, 2006

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 State of Illinois, Department on Aging (Agency). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the year(s) ended June 30, 2005 and June 30, 2006, the Agency has materially complied with the assertions below.

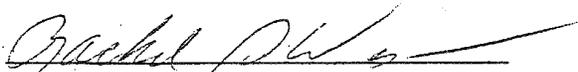
- A. The Agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Agency has obligated, expended, received and used public funds of the State in accordance with any limitations,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

Yours very truly,

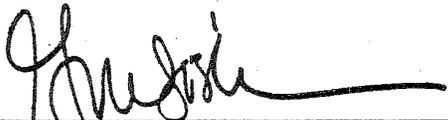
State of Illinois, Department on Aging



Charles D. Johnson, Director



Rachel Washington, Bureau Chief of Business Services



George Sisk, Legal Counsel

STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

COMPLIANCE REPORT - SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant nonstandard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	15	12
Repeated findings	5	2
Prior recommendations implemented or not repeated	7	0

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

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-1	8	Inadequate Internal Controls over Payroll Processing
06-2	10	Inadequate Disaster Contingency Planning
06-3	12	Deficiencies in Membership of Various Committees
06-4	14	Failure to Implement the Community Senior Services and Resources Act
06-5	16	Failure to Establish Required Committees
06-6	18	Failure to Adopt Policies, Priorities and Guidelines for Alzheimer's Day Care Resource Centers
06-7	19	Inadequate Segregation of Duties over Payroll
06-8	20	Failure to Determine Need for Emergency Home Responsive System Program
06-9	21	Failure to Establish a Family Caregiver Training and Support Demonstration Project
06-10	22	Failure to Submit Copies of Enhanced Transition Grant Awards with Illinois Health Facilities Planning Board
06-11	23	Failure to Timely File Joint Annual Report on Minority Senior Citizen Program

STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

COMPLIANCE REPORT - SUMMARY (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE) - Continued		
06-12	24	Improper Voucher Preparation
06-13	26	Insufficient Internal Controls over Automobile Records
06-14	27	Inadequate Internal Controls over Fixed Assets
06-15	29	Inadequate Internal Controls over Accounts Receivable Reporting Process
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-16	31	Efficiency Initiative Payments
06-17	31	Inadequate Security Policies and Procedures
06-18	31	Failure to Timely File Comptroller's Year End Accounting Reports
06-19	31	Annual Review of Internal Controls not Performed Timely
06-20	31	Failure to Implement Senior Benefits Program
06-21	31	Incomplete Payroll Files
06-22	31	Payment of Interest Penalty

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on March 20, 2007. Attending were:

Department on Aging

Charles D. Johnson, Director  
Michael Gelder, Deputy Director  
Rachel Washington, Bureau Chief of Business Services  
Bernard Clancy, CIO  
Betsy Creamer, Supervisor of Office of Older American Services  
Shelly Ebbert, Division Manager of Planning, Research and Development  
Alan Fowler, Administrative Operations Manager

Office of the Auditor General

Candice M. Long, CPA, Audit Manager

Doehring, Winders & Co. LLP

Robert E. Arnholt, CPA, Partner  
Matthew D. Cekander, CPA, Supervisor

Responses to the recommendations were provided by Elton A. Arrindell, Assistant to the Director, in a letter dated March 30, 2007.

**DOEHRING, WINDERS & CO. LLP**  
*Certified Public Accountants*  
*& Business Advisers*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

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 have examined the State of Illinois, Department on Aging's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the State of Illinois, Department on Aging is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department on Aging's compliance based on our examination.

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

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 on Aging'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 on Aging's compliance with specified requirements.

In our opinion, the State of Illinois, Department on Aging complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-3 through 06-6, and 06-8 through 06-12.

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

### **Internal Control**

The management of the State of Illinois, Department on Aging is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Department on Aging'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 other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1, 06-2, 06-7, and 06-13 through 06-15.

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

### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006 and the 2005 Supplementary Information for State Compliance Purposes, except for information on the Annual Cost 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 2004 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, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

*Doehring, Winders & Co. LLP*

November 21, 2006

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE

Two Years Ended June 30, 2006

06-1 INADEQUATE INTERNAL CONTROLS OVER PAYROLL PROCESSING

The Department did not exercise adequate internal controls over payroll vouchers.

During our testing, we noted the following:

- Five occurrences of terminated/retired employees received compensation for up to three pay periods after the employee separated from the Department. The Department failed to detect these overpayments which resulted in total accumulated overpayments of approximately \$18,000. The Department did seek restitution for the overpayments and recovered the full amount from the former employees.
- The Department does not have a formal procedure for balancing output reports from the Central Payroll System (CPS) to the transactions entered.

The State Comptroller Act (15 ILCS 405/9(g)) states that "state agencies shall have the principal responsibility for the preaudit of their encumbrances, expenditures, and other transactions as otherwise required by law." The Statewide Accounting Management System (SAMS Procedure 17.10.30) states that the primary system control associated with the vouchering process is known as preaudit. Preaudit is defined as the examination of a proposed financial transaction or a transaction in process for the purpose of determining its propriety. All vouchers and schedules are first preaudited at the agency level. Agency level preauditing is defined as an examination by the agency head or designated individual for the purpose of determining the legality and propriety of a proposed transaction or a transaction in process. By affixing a signature to a voucher or agency tape balancing report for paperless transactions, the agency official responsible for voucher approval or a duly authorized representative certifies that the voucher meets the above requirement.

Department management stated they did not recognize the amounts being paid after termination or retirement due to oversight arising from the departure of the Department's payroll and personnel officer.

Failure to properly review payroll journals and comparing report totals to transactions entered increases the risk that the Department could pay for services not rendered by an individual, including continued payments after termination. (Finding Code No. 06-1)

**RECOMMENDATION**

We recommend that the Department implement the necessary controls to ensure review of payroll journals and output from the CPS in accordance with the State Comptroller Act and applicable SAMS procedures.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-1 INADEQUATE INTERNAL CONTROLS OVER PAYROLL PROCESSING (CONTINUED)

AGENCY RESPONSE

Agree. During the examination period, the Department's finance and human resources divisions were affected by the loss of staff which included the death of the Payroll Supervisor, leave of absence of the Payroll Clerk, and the inability to backfill the CFO position since October 2005. In the past year, the Payroll Supervisor position has been filled and the Office of Human Resources has been staffed with two permanent positions. Several quality control measures have been implemented to ensure the accuracy and correctness of payroll vouchers produced by the Central Payroll System (CPS). One new measure is that at least once, prior to the close of each payroll cycle, payroll transactions are reviewed by two different employees, to ensure the accuracy of the entries. Additionally, the payroll vouchers produced by the CPS are reviewed for quality and accuracy by three different employees prior to the signing of the vouchers. The entire Division of Finance and Administration is in the process of reviewing, modifying and implementing new written procedures to ensure that the best practices are in place throughout our Division. We believe that the processes we have put into place in the last six months have brought us into compliance with the State Comptroller Act and applicable SAMS procedures. Lastly, the Department is one of several agencies that form part of the Shared Services Initiative Scope B Implementation Plan. This initiative will integrate fiscal and human resources processes among groupings of agencies with similar mission and services in a shared services model to improve automation, efficiency, and service delivery.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-2 INADEQUATE DISASTER CONTINGENCY PLANNING

The Department did not establish an adequately developed and tested disaster contingency plan for ensuring recovery of its critical computer systems.

The Department relies on several critical applications, including the Community Care Program Information System (CCPIS), for meeting its business objectives. During fiscal year 2005 and 2006, the Department relied on its computer systems to administer approximately \$561,000,000 in State and \$122,000,000 in federal funds.

During our examination, we noted the following deficiencies:

- The Department did not update its contingency plan (Plan) to reflect its current environment and did not include the web-based component (eCCPIS) of the Department's most critical system (CCPIS) within the Plan.
- The Plan did not include recovery timeframes associated with recovering the Department's critical applications. The Department did not perform an analysis of the maximum allowable downtime for critical applications.
- The Plan did not contain procedures for performing recovery tests, nor did it include testing documentation requirements.
- The Plan did not include discussion of an alternate recovery location.

In addition, although Department officials stated they routinely recover lost files and rebuild network servers during the normal course of business, the Department never tested its disaster contingency plan to ensure the Plan is adequate for recovering its critical systems and computer operations.

Disasters may range from a particular system outage to a complete destruction of the computer facility. Therefore, an adequate disaster contingency plan must provide for various types of emergency situations and contain specific detail to all Department personnel to recover critical computer operations in a timely manner. Without an adequately developed and tested comprehensive disaster contingency plan, the risk of delayed recovery as well as the overall impact on the Department's business operations are greater.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal development and testing of disaster contingency plans. Tests of disaster contingency plans and documentation of the test results verify that the plan, procedures, and resources (including personnel) provide the capability to recover critical systems within the required timeframes.

Although Department officials were aware of this deficiency, officials stated the Department is awaiting finalization of a contingency plan currently being developed by a newly hired employee. The Department plans on expanding the contingency plan to include all Department computer systems, including the eCCPIS component. (Finding Code No. 06-2, 04-2)

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-2 INADEQUATE DISASTER CONTINGENCY PLANNING (CONTINUED)

RECOMMENDATION

The Department should update its disaster contingency plan to reflect its current operations. As new developments and/or modifications occur, the plan should be updated to ensure it remains current and can be relied upon during a disaster situation.

The Plan should also be updated to:

- Require formal reviews and updates of the Plan at least annually;
- Establish testing procedures, including documentation requirements; and
- Provide for alternate sites for restoration of service should the Department's primary computing facilities become inoperable.

The Department should assess the criticality of its systems and determine a reasonable recovery timeframe associated with at least its critical application. These recovery timeframes should then be incorporated into the Department's contingency plan and tested during recovery testing.

Once updated and approved, the Department should test the plan to ensure it is adequate in recovering its critical systems and computer operations. The Department should test the plan at least annually and update the contingency plan accordingly based on testing results. A copy of the Plan should be stored at a secured, offsite location and made available to appropriate personnel.

AGENCY RESPONSE

A detailed eCCPIS recovery plan exists but has not been incorporated into the Disaster Recovery Plan. A reference to the eCCPIS will be added to a new LAN Applications section of the Disaster Recovery Plan.

The Department concurs that the Disaster Recovery Plan is critical to preserving and safeguarding its information systems against potential disasters. A Business Risk evaluation will be performed to help establish appropriate timeframes in the next version of the Disaster Recovery Plan. Testing and appropriate documentation will also be an important part of the updated Disaster Recovery Plan. During the time of this bi-annual examination for the period ending June 30, 2006, no alternate site existed. However, plans are now underway for an alternate recovery location within the Department's Ridgely site, where the Print Shop was relocated to in June 2006. Other potential sites will be reviewed based on the outcomes of the review and comprehensive Plan updates. The Department will also maintain a hard copy of the most recent recovery Plan at a secured offsite location where related backup system files are currently maintained and accessed by authorized agency personnel.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-3 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES

The Department failed to ensure all membership requirements were met on various committees for which it has been charged with oversight.

The Older Adult Services Act (320 ILCS 42/35(b)) requires the Director of the Department to appoint members to the Older Adult Services Advisory Committee (OASAC). The membership is required to be made up of a specified number of people representing a specified variety of groups and/or organizations. The Community Senior Services and Resources Act (320 ILCS 60/35) also specifies the membership requirements for the Community Senior Services and Resource Center Advisory Committee as well as requires the committee to meet at least quarterly.

During the two years ended June 30, 2006, the membership of OASAC was deficient in membership representation of the following categories:

- One advanced practice nurse with experience in gerontological nursing (vacant since December 2005)
- One representative of municipalities (vacant since September 2005)
- One representative of county officials (vacant since July 2004)
- One representative of health care facilities licensed under the Hospital Licensing Act (vacant since December 2005)
- One citizen member over the age of 60 (vacant since December 2005)

During the two years ended June 30, 2006, the membership of the Community Senior Services and Resource Center Advisory Committee was deficient in membership representation of the following categories:

- One member as recommended by an association representing township governments (vacant since March 2006)
- One member as recommended by an association representing park districts (vacant since April 2006)
- One member as recommended by an association representing municipalities (vacant since January 2004)
- One member who is a director of an Area Agency on Aging (vacant since February 2005)

Additionally, the Community Senior Services and Resource Center Advisory Committee has not had a quorum at any meeting, which is required to conduct the business of the committee, since October 2005.

Department officials stated that as membership of the various committees is ended for various reasons (resignation, death, etc.), it is sometimes difficult to find appropriate replacements for the categories that are left vacant. Department officials also stated, in regards to the Community Senior Services and Resource Center Advisory Committee, that the group has not been able to obtain a quorum at its meetings in the last year due to disinterest given the fact that there is no business to conduct without funding to provide grants for this program pursuant to 320 ILCS 60/20. Department officials also stated that it has not requested any funding because the legislation creating this program delineated the funding sources, and although the funding sources were listed in the legislation, there was no requirement for them to fund the program.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-3 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES (CONTINUED)

All of the sources, including the Offices of the Secretary of State, State Treasurer, and Attorney General, declined to provide funds, and the Department believes the intent was not to request the funding from the General Revenue Fund, so it has not done so. No funding has been received in the past.

Failure to maintain the required membership of OASAC results in noncompliance with the Older Adult Services Act. Failure to hold the required meetings and to maintain the required membership of the Community Senior Services and Resource Advisory Committee results in noncompliance with the Community Senior Services Act. (Finding Code No. 06-3)

RECOMMENDATION

We recommend that the Department fill the various vacancies on both OASAC and the Community Senior Services and Resource Advisory Committee in order to comply with the statute. Further, the Department should ensure that the Community Senior Services and Resource Advisory Committee hold meetings as required by the statute.

AGENCY RESPONSE

The Department will continue to solicit members for the statutory vacancies on the Community Senior Services and Resource Advisory Committee and will forward those potential appointees to the Governor's office for approval. In addition, Department staff will continue to work with the Chair of that committee to determine the feasibility of scheduling meetings.

It has been about two years since the Department sent the name of a nominee for the vacant Area Agency on Aging position on the Advisory Council to the Governor's office. On January 9, 2007, Director Johnson and Department staff met with the Chair of the Advisory Committee and several other representatives of the Illinois Association of Seniors Centers to discuss vacancies on the committee. The Advisory Council Chair has come to a decision on possible replacements and will work with the Director's Office to fill vacancies on the Older Adult Services Advisory Committee.

The Department will again seek funding during the next legislative and budget year to implement the Community Senior Services and Resources Act, and/or seek an amendment be in compliance.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-4 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT

The Department failed to implement the provisions of the Community Senior Services and Resources Act (the Act).

Effective July 22, 2003, the Community Senior Services and Resources Act (320 ILCS 60/20) requires the Department to perform the following duties:

- Promulgate rules, regulations, guidelines, and directives necessary to implement the Act.
- Establish a Community Senior Services and Resource Center Advisory Committee.
- Make grants to non-profit agencies and units of local government on or after January 1, 2005.
- Facilitate access to government -issued bonds for the purpose of capital improvement.
- Provide technical assistance to centers.
- Develop a comprehensive list of centers and the senior services they offer for publication on the Department's website and for distribution through other promotional opportunities.
- Develop a survey for annual distribution through the centers to gather information concerning the lack or inadequacy of senior services and to identify service demand trends and the unique needs of older Illinoisans and their families.
- Conduct an annual survey of centers to assess their facility, program and operational needs.
- Report annually in conjunction with the Advisory Committee to the Governor and the General Assembly. This report shall include findings from all surveys conducted pursuant to this Act, a list of grantees by county (including amounts awarded), and recommendations concerning the ongoing financial stability of centers.
- Pursue alternative funding opportunities.

The Department did establish a Community Senior Services and Resource Center Advisory Committee. The membership was appointed by the Governor in July 2004. However, as reported in Finding No. 06-3, this committee has not met since October 2005. The Department did not promulgate any rules, regulations, guidelines or directives necessary to implement the Act. Efforts by the Department to pursue alternative funding from those sources outlined in the legislation to administer the provisions of the Act have been unsuccessful ; therefore, no grants have been made, no government bonds have been issued, and technical assistance has not been provided to centers. The Department did develop a survey to gather information from the centers concerning the lack or inadequacy of senior services and to identify service demand trends and the unique needs of older Illinoisans and their families. This survey was distributed to the centers through three separate mailings in early 2006; however, the results of the survey had not been compiled at June 30, 2006. Although there are various listings of the centers available on the Department's website that offer certain services, a comprehensive list of centers and the services they provide has not been compiled for distribution through other promotional opportunities. No report regarding the program has been made to the Governor or the General Assembly.

Department officials stated that they have been unable to obtain funding to implement the Act due to the fact that funding for this program was tied to several funding sources, including the Secretary of State, State Treasurer's Office, Attorney General's Office, and State's Attorney

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-4 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT  
(CONTINUED)

Association, which had the discretion to fund this initiative, and all of them chose not to fund this initiative. Therefore, there were no funds to award and no specific dollar amount of funding requested by the Department. Department officials also stated that they have not determined the amount of funding necessary to implement the Act due to the expected large cost of surveying all of the Area Agencies on Aging and the Senior Centers. Department officials further stated that they intended to use the results of the annual survey to aid in the creation of a written brochure containing names and locations of centers and the services they provide.

Failure to implement all of the provisions of the Act results in non-compliance with the Act. (Finding Code No. 06-4, 04-07)

RECOMMENDATION

We recommend that the Department fully implement the Community Senior Services and Resources Advisory Act by seeking and obtaining funding to administer the provisions of the Act, including promulgating rules, regulations, guidelines, and directives necessary to implement the Act, making grants and facilitating access to government-issued bonds as called for under the Act, and providing technical assistance to centers. Further, the Department should develop a comprehensive list of centers and the senior services they offer for publication and distribution through other promotional opportunities as well as report annually in conjunction with the Advisory Committee to the Governor and the General Assembly as called for under the Act. If the aforementioned recommendations are found to be unattainable by the Department, we recommend the Department to seek legislative remedy to the statutory requirement.

AGENCY RESPONSE

This past year, the Department sought first a legislative remedy and then a general revenue appropriation in the Department's FY08 budget submission. Both efforts were unsuccessful. For the next legislative year and budget process, the Department will again seek both remedies. If successful with a legislative remedy, the Department will implement that remedy. If successful in obtaining a general revenue appropriation, the Department will work with the Community Senior Services and Resources Advisory Committee to implement the necessary rules and procedures to make awards under this Act.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

**06-5 FAILURE TO ESTABLISH REQUIRED COMMITTEES**

The Department failed to establish various committees as required by state statute.

The Prevention of Unnecessary Institutionalization Act (310 ILCS 100/35) requires the Department to establish an Advisory Committee for the Prevention of Unnecessary Institutionalization Program (the Advisory Committee) and for this committee to be comprised of a specified membership. The Act on Aging (20 ILCS 105/8.01 to 8.03) requires the Department to establish a Coordinating Committee of State Agencies Serving Older Persons (the Coordinating Committee) and for this committee to be comprised of a specified membership.

During the two years ended June 30, 2006, there was neither an Advisory Committee for the Prevention of Unnecessary Institutionalization Program or a Coordinating Committee of State Agencies Serving Older Persons established by the Department.

Department officials stated the Older Adult Services Advisory Committee (OASAC) was formed under the Older Adult Services Act and eliminated the need for these separate committees as it fulfilled the intended requirements of these committees.

Upon inquiry, it was noted that although OASAC is addressing the issues intended to be addressed by the above required committees, its required membership did not fulfill all of the membership requirements of the aforementioned committees.

The Advisory Committee is required to have as a part of its membership three individuals age 60 or over representing different disabilities. OASAC is required to have two citizen members over the age of 60. In addition to the fact that the appointment of these two members to OASAC is one member short of the three required to be on the Advisory Committee, the citizen members of OASAC are not required to also be representatives of different disabilities. In addition, as noted in Finding No. 06-3, OASAC currently only has one member fulfilling the category of "citizen member over the age of 60." OASAC is further required to have one member representing individuals with Alzheimer's disease and related dementias, which may fulfill one of the disabilities that are required to be represented on the Advisory Committee; however the Advisory Committee is required to have three of those individuals, not just one as required by OASAC.

The Coordinating Committee is required to have as a part of its membership the State Superintendent of Education, Secretary of Transportation, Director of Labor, Director of Children and Family Services, Director of Commerce and Economic Opportunity and the Director of Revenue. These individuals are not members of OASAC. The Director of Commerce and Economic Opportunity (or his representative by written designation) is statutorily required to be a member of OASAC, but has never served and has never selected a representative to serve in his place.

Failure to establish an Advisory Committee or Coordinating Committee or to maintain the required membership of these two committees on OASAC results in noncompliance with the Prevention of Unnecessary Institutionalization Act and the Act on Aging. (Finding Code No. 06-5)

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-5 FAILURE TO ESTABLISH REQUIRED COMMITTEES (CONTINUED)

RECOMMENDATION

We recommend that the Department seek the appointment of additional members to OASAC that would fulfill the requirements of the Advisory Committee and the Coordinating Committee in order to comply with the statutes or seek legislative remedy from these committee requirements.

AGENCY RESPONSE

The Department will seek to repeal the legislation that created the Advisory Committee for the Prevention of Unnecessary Institutionalization Program or a Coordinating Committee and incorporate the Coordinating Committee of State Agencies Serving Older Persons through regular meetings of IDPH, IDHFS, and IDOA through OASAC.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

**06-6 FAILURE TO ADOPT POLICIES, PRIORITIES AND GUIDELINES FOR ALZHEIMER'S DAY CARE RESOURCE CENTERS**

The Department failed to adopt policies, priorities and guidelines to carry out the purposes of the Illinois Act on Aging in regards to the establishment of specialized Alzheimer's Day Care Resource Centers.

The Illinois Act on Aging (20 ILCS 105/8.05(b)) states that in order to address the needs of persons suffering from Alzheimer's disease or a disease of a related type, the Department shall encourage the development of adult day care for these persons through the administration of specialized Alzheimer's Day Care Resource Centers. The Act requires the Department to establish at least one urban and one rural specialized Alzheimer's Day Care Resource Center, to develop a training module for the specialized Alzheimer's Day Care Centers and to adopt policies, priorities and guidelines to carry out the purposes of this section of the Act.

The Department has established two Alzheimer's Day Care Resource Centers that aid in the training of specialized Alzheimer's Day Care Centers and has developed a module to aid in that training. However, no policies, priorities or guidelines have been adopted in order to carry out the purposes of this section of the Act.

Department officials stated that without additional appropriations for this purpose, the state's two "resource centers" have evolved into training centers, which the Department supports through continuing training contracts with the Illinois Adult Day Service Association without specific rules or policies. Although Department officials stated \$500,000 of funding for this has been requested in its FY 2008 budget request, the Department did not request any specific funding for this purpose in FY 2005 and FY 2006.

Failure to adopt policies, priorities and guidelines to carry out this section of the Act results in a lack of an authoritative standard of which the Department is to follow in order to ensure that all of the intentions of this section of the Act are being fulfilled and also results in noncompliance with the Illinois Act on Aging. (Finding Code No. 06-6, 04-08)

**RECOMMENDATION**

We recommend that the Department adopt the policies, priorities and guidelines needed in order to adequately carry out this section of the Act.

**AGENCY RESPONSE**

The Department will seek the necessary funding and develop and implement policies and procedures to adequately carry out the Act.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-7 INADEQUATE SEGREGATION OF DUTIES OVER PAYROLL

The Department lacked proper segregation of duties in processing payroll.

The payroll clerk who creates payroll transactions in the Department's Central Payroll System also retrieves the payroll warrants from the Comptroller's Office. Payroll paid by warrant totaled \$812,187 and \$1,001,863 for fiscal years 2006 and 2005, respectively.

Good internal controls require the Department to segregate duties associated with the physical access or custody of assets from record keeping function.

Department officials stated that the lack of the appropriate number of staff in the fiscal office made segregating duties difficult.

A lack of adequate segregation of duties increases the risk that a loss from errors or fraud could occur and would not be detected in a timely manner in the normal course of employees carrying out their assigned duties. (Finding Code No. 06-7, 04-9)

RECOMMENDATION

We recommend that the Department implement appropriate compensating controls or revise its policies and practices to segregate duties and strengthen internal controls over payroll processing.

AGENCY RESPONSE

The Department of Central Management Services (CMS) signs Department on Aging payroll vouchers prior to their being processed by the Comptroller's Office. As CMS manages the personnel system for the State of Illinois, they also serve as an internal control for the payroll approval process. Discrepancies in the payroll file as compared against the CMS personnel system (i.e. verification of employment or salary amount) causes CMS to flag transactions within the payroll file. If the agency fails to respond appropriately to the flagged issue, CMS will not authorize the Department's payroll. Additionally, the percentage of Aging employees that are paid via direct deposit is approximately 90%. All new employees to the Department are encouraged to sign up for direct deposit. The Division of Finance and Administration is currently in the process of reviewing current procedures for the purpose of revising and implementing new written procedures, additional safeguards and potential segregation will also be reviewed and enhanced where necessary.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

**06-8 FAILURE TO DETERMINE NEED FOR EMERGENCY HOME RESPONSIVE SYSTEM PROGRAM**

The Department failed to determine the need of an emergency home responsive system program for every applicant of its community care program.

The Illinois Act on Aging (20 ILCS 105/8.07) requires the Department make a determination of need as to whether the applicant or recipient of services is in need of an emergency home response system upon initial determination or any redetermination for eligibility for community care program services provided by the Department.

During the two years ended June 30, 2006, the emergency home responsive system program was not in place. Therefore, applicants and recipients were not being assessed for their need of such a program during the fiscal years in question.

Department officials stated that funding had not been available to establish an emergency home responsive system program until very recently and that the program was established in October 2006. The Department did not request any specific funding for this program in FY 2005 as no funding for new initiatives was being granted in FY 2005. In FY 2006, the Department was appropriated \$1.8 million for its implementation on April 1, 2006, but due to State-wide budgetary constraints, its implementation was delayed six months until October 1, 2006 (FY 2007). The FY 2007 budget, effective July 1, 2006, includes funding of \$2 million for this program.

Failure to determine the need of an emergency home responsive system program for every applicant of its community care program results in noncompliance with the Illinois Act on Aging and denies applicants a chance to receive special services they may need. (Finding Code No. 06-8)

**RECOMMENDATION**

We recommend that the Department make the appropriate determination of need of its community care program service applicants or recipients for the emergency home response system as required by this statute.

**AGENCY RESPONSE**

The Department implemented the Emergency Home Response (EHR) service through the Community Care Program on October 15, 2006, and included the appropriate determination of need policies & procedures for an EHR assessment as required by statute.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-9 FAILURE TO ESTABLISH A FAMILY CAREGIVER TRAINING AND SUPPORT DEMONSTRATION PROJECT

The Department failed to establish a Family Caregiver Training and Support Demonstration Project as required by the Family Caregiver Act (320 ILCS 65/16).

Effective August 5, 2004, the Family Caregiver Act required the Department to seek federal funding in order to establish a Family Caregiver Training and Support Demonstration Project under which two sites would be funded. The Act requires the Department to adopt rules to govern participation and oversight of the program and to seek technical assistance from the Department of Healthcare and Family Services (formerly the Department of Public Aid) and the Department of Human Services. Finally, the Act requires the Department to assess the program and to advise the Governor and the General Assembly regarding the effectiveness of the program within six months after the conclusion of the demonstration period.

During the two years ended June 30, 2006, the Department did not establish a Family Caregiver Training and Support Demonstration Project as set forth in this statute. Additionally, no rules were adopted to govern the participation and oversight of the program.

Department officials stated that there were no federal funds available for this particular type of project due to shifts in priorities at the federal level, but that the federal funding received for the current Caregiver Support Program is through Title III (e) of the Older Americans Act, also known as the "National Family Caregiver Support Program," under which the Department provides a variety of caregiver support services through the various Area Agencies on Aging throughout the State. The Department received \$6,360,393 and \$6,507,022 of federal funding for this program during fiscal 2006 and 2005, respectively. Department officials also stated that they felt that the Department was fulfilling the essence of this statute through two Aging and Disability Resource Center (ADRC) sites that the Department has established. These ADRC sites (funded under the federal Older Americans Act) do not focus solely on family caregiver training and support; however, they do provide some of these services.

Failure to establish a Family Caregiver Training and Support Demonstration Project as well as failure to establish rules that govern participation and oversight of the program result in noncompliance with the Family Caregiver Act. (Finding Code No. 06-9)

**RECOMMENDATION**

We recommend the Department comply with the requirements as set forth in the Family Caregiver Act or seek legislative remedy.

**AGENCY RESPONSE**

The Department is seeking a legislative remedy via Senate Bill 1432 which is sponsored by Senator Hunter during the current legislative session. Senate Bill 1432 amends the Family Caregiver Act by repealing the provision concerning a Family Caregiver Training and Support Demonstration Project. It is the Department's expectation that this bill will be passed by the State Legislature and signed into law by the Governor.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

**06-10 FAILURE TO SUBMIT COPIES OF ENHANCED TRANSITION GRANT AWARDS WITH ILLINOIS HEALTH FACILITIES PLANNING BOARD**

The Department failed to submit copies of the grant awards made under the Enhanced Transition Demonstration Project to the Illinois Health Facilities Planning Board.

The Older Adult Services Act (320 ILCS 42/20(g)) requires that for the purpose of maintaining the statewide inventory authorized by the Illinois Health Facilities Planning Act, the Department send a copy of each grant award made under this subsection to the Illinois Health Facilities Planning Board (the Board).

Beginning July 1, 2005, the Department made grants to six area agencies on aging under the Enhanced Transition Demonstration Project. The Department did not send copies of any of these grant awards to the Board.

Department officials stated that the grant awards were not submitted to the Board due to inadvertent oversight as the Department actively worked to get this new initiative implemented to enhance community-based service options for seniors through the Community Care Program.

Failure to submit copies of the grant awards made under the Enhanced Transition Demonstration Project to the Illinois Health Facilities Planning Board results in an incomplete statewide inventory as authorized by the Illinois Health Facilities Planning Act and noncompliance with the Older Adult Services Act. (Finding Code No. 06-10)

**RECOMMENDATION**

We recommend that the Department comply with the statute by properly submitting copies of the Enhanced Transition grant awards to the Illinois Health Facilities Planning Board.

**AGENCY RESPONSE**

Agree. The Department will submit copies of the Enhanced Transition grant awards to the Illinois Health Facilities Planning Board by March 30, 2007.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

**06-11 FAILURE TO TIMELY FILE JOINT ANNUAL REPORT ON MINORITY SENIOR CITIZEN PROGRAM**

The Department failed to file its joint annual report on its Minority Senior Citizen Program by September 30.

The Illinois Act on Aging (20 ILCS 105/4.06) requires the Department to cooperate with the Department of Public Health, the Department of Healthcare and Family Services (formerly the Department of Public Aid) and the Department of Human Services in the development and submission of an annual report on programs and services provided under the Minority Senior Citizen Program. This report is to be filed with the Governor and the General Assembly on or before September 30 of each year.

During the two years ended June 30, 2006, the Department, in coordination with the other aforementioned State Departments, did develop an annual report on the programs provided under the Minority Senior Citizen Program. However, this report was not filed with the Governor or the General Assembly by September 30 of each year as required. The report due September 30, 2004 was filed October 10, 2006, or 2 years and 10 days late. The report due September 30, 2005 was filed October 10, 2006, or 1 year and 10 days late.

Department officials stated that changes in personnel due to retirement, staff transfer to the Illinois Department of Central Management Systems (CMS) and other competing priorities resulted in the failure of the required report filing.

Failure to file the annual report on programs and services provided under the Minority Senior Citizen Program results in noncompliance with the Illinois Act on Aging and does not give the Governor or the General Assembly the information they require in order to properly evaluate this program. (Finding Code No. 06-11)

**RECOMMENDATION**

We recommend that the Department comply with the statute by filing the annual report on programs and services provided under the Minority Senior Citizen Program by September 30 of each year as required.

**AGENCY RESPONSE**

The Department concurs with this finding and will continue to seek adequate staff resources and address this mandate on a timely basis.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-12 IMPROPER VOUCHER PREPARATION

The Department did not properly process all invoice vouchers.

We tested 366 invoice vouchers and noted the following deficiencies:

- Eleven (3.0%) of the vouchers were not approved or denied within 30 days of receipt of a proper bill. The Department approved the vouchers from 3 to 38 days late.
- Eleven (3.0%) of the vouchers did not have receiving dates. Also, eight (2.2%) of these eleven vouchers did not have receiving signatures.

Per the Illinois Administrative Code (74 Ill. Adm. Code 900.70), an agency shall approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt. The Illinois Administrative Code (74 Ill. Adm. Code 900.30) requires all State agencies to maintain written or electronic records reflecting the date or dates on which the Proper Bill was received by the State agency.

Further, the Statewide Accounting Manual (SAMS 17.20.20) requires that upon the receipt of goods or services, the receiving officer should verify that the goods or services meet the stated specifications by signing and dating the invoice-voucher form (C-13).

Department officials stated that this exception was caused by oversight due to low staffing levels.

Failure to approve or deny vouchers within 30 days of receipt of a proper bill and not implementing procedures to verify the date the Department received the goods or services and that those goods or services meet the Department's specifications results in noncompliance with the Illinois Administrative Code and the Statewide Accounting Manual. (Finding Code No. 06-12, 04-11)

RECOMMENDATION

We recommend that the Department implement procedures to ensure that all vouchers are properly prepared in compliance with the Illinois Administrative Code and the Statewide Accounting Manual.

AGENCY RESPONSE

The Department concurs with this material finding. The Department acknowledges that the failure to approve or deny vouchers within 30 days of receipt of a proper bill and not implementing procedures to verify the date the Department received the goods or services and that those goods or services meet the Department's specifications was partially caused by low staffing levels. We estimate approximately 97.8% of the vouchers were proper and processed timely. This resulted in approximately 2.2% improper voucher error rate or not in compliance with the Statewide Accounting Management System (SAMS) manual. Procedures will be implemented to insure that all invoices have an invoice date, receipt date, an approval date and a signature prior to payment. Any invoices found missing the aforementioned items will be

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-12 IMPROPER VOUCHER PREPARATION (CONTINUED)

AGENCY RESPONSE (CONTINUED)

returned to the proper individual for correction. A procedure will be initiated to track and monitor all returned or improper invoices to insure the documentation of approval or denial is within the 30 day limitation.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-13 INSUFFICIENT INTERNAL CONTROLS OVER AUTOMOBILE RECORDS

The Department did not have sufficient internal controls over automobile records.

During our testing, we noted the following conditions:

- 12 of 20 (60%) of the expenditures tested revealed the original charge tickets were missing. As a result, these charges could not be traced to the vehicle or the employee who incurred the charge.
- Five of six (83%) of the vehicle records tested were missing the odometer readings for the beginning of fiscal year 2005.

Good internal control requires records be maintained to adequately control and support fiscal operations and to provide reliable data for necessary management reports regarding vehicle usage.

Department officials stated that the reasons for these occurrences were due to staff oversight and Agency personnel holding onto the charge tickets while waiting for the vendor invoice to arrive.

Without proper automobile records, the automobile expenditure and use policies are more susceptible to abuse and may go undetected by the Department. (Finding Code No. 06-13)

**RECOMMENDATION**

We recommend the Department obtain and maintain adequate support before paying expenditures by requiring the original charge tickets be attached to the invoice. Further, the Department should verify and document all odometer readings, especially those at the beginning and end of all fiscal periods in order to determine adequate vehicle usage.

**AGENCY RESPONSE**

Agree. The Division of Finance and Administration is currently in the process of reviewing current procedures for the purpose of revising and implementing new written procedures. Department employees are periodically issued notices on vehicle usage and will be informed of updated policies and procedures. Additionally, a web based auto scheduling application has been requested of the Department's Information Technology Division. The application will include edits that will not allow the scheduling of additional Department vehicle usage by personnel who fail to log the required information (i.e. odometer readings).

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-14 INADEQUATE INTERNAL CONTROLS OVER FIXED ASSETS

The Department did not maintain sufficient controls over the accuracy and reporting of its fixed assets. We noted the following:

- \$152,043 of equipment purchased during fiscal year 2003 was not added to the Property Control System until the first quarter of fiscal year 2006.
- Seven of 40 (17.5%) deletions tested were reported as “lost” on the “Request for Deletion from Inventory” form. These seven items had an original cost totaling \$11,633.
- One of 40 (2.5%) deletions tested was approved for deletion in April 2002 but was not removed from the fixed asset records until September 2005.
- Three of 60 (5.0%) assets physically inspected were not in the correct location per the fixed asset records, and the Department did not complete a transfer request form to document the assets’ current location.
- One of 20 (5.0%) assets physically inspected and selected from our tour of the facility was not reported on the fixed asset records.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) states that agencies are required to adjust property records within 30 days of acquisition, change or deletion of equipment items. The State Property Control Act (30 ILCS 605/4) also requires that the Department be accountable for the supervision, control and inventory of all property under its jurisdiction and control.

Department personnel stated the reason for the inadequate controls over fixed assets during fiscal years 2005 and 2006 resulted from the 2004 retirement of the Department’s property control worker who was not immediately replaced.

Inaccurate fixed asset reporting reduces the reliability of statewide fixed asset information. (Finding Code No. 06-14)

**RECOMMENDATION**

We recommend the Department comply with the State Property Control Act and the Illinois Administrative Code by ensuring all equipment under its jurisdiction is recorded accurately and timely on its property records.

**AGENCY RESPONSE**

The Department concurs with this finding. The Division of Finance and Administration is currently in the process of reviewing current procedures for the purpose of revising and implementing new written procedures. In the past year, the Department has also reassigned a fulltime staff to track and administer the agency’s inventory among related responsibilities with

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-14 INADEQUATE INTERNAL CONTROLS OVER FIXED ASSETS (CONTINUED)

AGENCY RESPONSE (CONTINUED)

the intent to improve adequate internal controls of agency property. Department staff will also be reminded of the policies regarding the movement of fixed assets. Additional staff within the Division of Finance and Administration will be trained in the management of fixed assets to ensure that the transactions are processed, timely.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-15 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING PROCESS

The Department did not have adequate controls over the accounts receivable reporting process which led to inadequate documentation, late filing with the Office of the Comptroller, and potential inaccurate reporting.

With respect to the accounts receivable reporting and reconciliations performed during fiscal years 2005 and 2006, we noted the following:

- For one out of eight quarters, the ending balance of accounts receivable (AR) on the Comptroller's AR report did not agree to the amount on the Department's records.
- For three out of eight quarters, the information related to the aging of AR did not agree to the Department's records.
- For all eight quarters, the Department could not provide the information required on the Comptroller's AR report to present the billings, collections, and accounts written off as separately stated items. The accounting system would only provide the net change in receivables for a given quarter.
- The accounts receivable quarterly reports were not timely filed with the Comptroller's Office for the quarters ended September 30, 2005 (six days late) and December 31, 2005 (21 days late).
- The Department became responsible for the Circuit Breaker program effective July 1, 2004. When the Department inherited this program, \$248,000 of the total program's receivables (\$309,000 at July 1, 2004) were previously considered uncollectible by the Illinois Department of Revenue. However, for all eight quarters, the Department never displayed a balance for uncollectible accounts on the quarterly AR reports and never performed an analysis during this period to determine what the allowance for uncollectible accounts should be. AR approximated \$340,000 and \$321,000 at June 30, 2006 and 2005, respectively.

The Statewide Accounting Management System (SAMS) (Procedure 26.20.10) states, "To support the recognition and tracking of receivables, detail information related to each receivable must be recorded and maintained by each State agency." SAMS (Procedure 26.30.10) requires the reports mentioned above be received by the Comptroller no later than the last day of the month following the end of the quarter.

Department officials stated the reason for accounts receivable control deficiencies was due to the Circuit Breaker Pharmaceutical Program, which was previously handled under the Illinois Department of Revenue, and this program's related file movement to the Illinois Department on Aging during fiscal year 2005.

Failure to establish and maintain adequate internal controls over the accounts receivable reporting process increases the risk that the Department's receivable balances could be inaccurate, not properly valued, and submitted late to the Comptroller. (Finding Code No. 06-15)

STATE OF ILLINOIS  
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2006

06-15 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING  
PROCESS (CONTINUED)

RECOMMENDATION

We recommend the Department implement the necessary internal controls to (1) improve the documentation of the receivable balances at each quarter end, (2) improve the valuation and accuracy of the receivables reported, and (3) ensure prompt submission of the quarterly reports to the Comptroller.

AGENCY RESPONSE

The entire Division of Finance and Administration is in the process of reviewing, modifying and implementing new written procedures. Additional reporting from the Bureau of Information Systems related to the Circuit Breaker (CB) Accounts Receivables (AR) will be requested and developed as part of this process in order to better support the AR quarterly reports.

Based on the reporting that is currently in place, the billings and collections have been reported as separately stated items as of the first quarter of fiscal year 2007 (quarter ended 09/30/06).

The AR quarterly reports that were found to not be filed timely occurred during a period of transition within the Division of Finance and Administration. The Chief Financial Officer of the Department had resigned and the task of the AR quarterly reporting had to be transitioned to other staff. The process is now on a stabilized schedule and has been submitted on time since the quarter ending 12/31/05, as noted in the finding.

STATE OF ILLINOIS  
DEPARTMENT ON AGING

PRIOR FINDINGS NOT REPEATED - STATE

Two Years Ended June 30, 2006

- 06-16 In the prior examination, the Department on Aging (Department) made payments for efficiency initiative billings from improper line item appropriations. During our current examination, the Department made their efficiency initiative payments from the proper appropriation code; therefore this finding is not repeated. (Finding Code No. 04-1)
- 06-17 In the prior examination, the Department had not formally established adequate comprehensive computer security related policies and procedures, nor had it assigned a security administrator. During our current examination, we noted that formal comprehensive computer security policies and procedures had been established and a computer security administrator had been appointed; therefore this finding is not repeated. (Finding Code No. 04-3)
- 06-18 In the prior examination certain accounting reports were not filed on a timely basis with the Comptroller's office. During our current examination, the results of our sample testing indicated that the accounting reports were being filed with the Comptroller's office on a timely basis; therefore this finding is not repeated. (Finding Code No. 04-4)
- 06-19 In the prior examination, the annual review of internal control certification was not timely filed with the Office of the Auditor General. The certification was timely filed during our current examination; therefore this finding is not repeated. (Finding Code No. 04-5)
- 06-20 In the prior examination, the Department failed to implement a senior benefits advocacy program statewide through area agencies as required by the Illinois Aging Act (20 ILCS 105/4.10). The Department has implemented a senior benefits advocacy program during our current examination; therefore this finding is not repeated. (Finding Code No. 04-6)
- 06-21 In the prior examination, instances were found where there was no supporting documentation to support the payroll deduction taken on the payroll voucher. No instances of missing supporting documentation were found during our current examination test results; therefore this finding is not repeated. (Finding No. 04-10)
- 06-22 In the prior examination, numerous instances were noted where the Department did not pay interest penalties on late payment of vendor bills as required by the State Prompt Payment Act (30 ILCS 540/3-2(2)). Significant improvements were noted during our current examination; therefore this finding is not repeated. (Finding Code No. 04-12)

STATE OF ILLINOIS  
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
SUMMARY

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

λ Fiscal Schedules and Analysis:

Schedule of Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

Schedule of Appropriations, Expenditures and Lapsed Balances

Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

Schedule of Efficiency Initiative Payments

Schedule of Changes in State Property

Comparative Schedule of Cash Receipts

Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

Analysis of Significant Variations in Expenditures

Analysis of Significant Variations in Cash Receipts

Analysis of Significant Lapse Period Spending

Analysis of Accounts Receivable

Schedule of Indirect Cost Reimbursements

λ Analysis of Operations:

Agency Functions and Planning Program

Average Number of Employees

Annual Cost Statistics (Not Examined)

Emergency Purchases

Service Efforts and Accomplishments (Not Examined)

The auditor's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the auditor has applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditor does not express an opinion on the supplementary information.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
Schedule of Expenditures of Federal Awards  
For the Years Ended June 30, 2006 and 2005

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	
		<u>FY06</u>	<u>FY05</u>
Aging Cluster:			
U.S. Department of Health and Human Services:			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 17,471,585	\$ 16,770,015
Title III, Part C - Nutrition Services	93.045	<u>21,695,167</u>	<u>21,556,258</u>
Total Aging Cluster		<u>39,166,752</u>	<u>38,326,273</u>
Other Programs:			
U.S. Department of Health and Human Services:			
Title VII, Part G - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	207,493	205,909
Title VII, Part E - Long-Term Care Ombudsman Services for Older Individuals	93.042	573,630	583,064
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	875,945	847,204
Title IV, Part C - Training Research and Discretionary Projects and Programs	93.048	189,597	305,903
Title III, Part E - National Family Caregiver Support Program	93.052	6,360,393	6,507,022
Nutrition Services Incentive Program	93.053	6,500,000	6,500,000
State Survey and Certification of Health Care Providers and Suppliers	93.777	746,259	751,687
Grants under Section 1110 of the Social Security Act	93.779	180,943	1,113
State Pharmaceutical Assistance Program payments under Title XVIII, MMA Section 1860D-23 of the Social Security Act	93.786	<u>3,019,240</u>	<u>2,294,927</u>
Total U.S. Department of Health and Human Services		<u>18,653,500</u>	<u>17,996,829</u>
U.S. Department of Labor:			
Title V - Senior Community Service Employment Program	17.235	<u>3,353,540</u>	<u>3,225,228</u>
Total U.S. Department of Labor		<u>3,353,540</u>	<u>3,225,228</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
Schedule of Expenditures of Federal Awards (Continued)  
For the Years Ended June 30, 2006 and 2005

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>	
		<u>FY06</u>	<u>FY05</u>
Other Programs (Continued):			
U.S. Department of Agriculture:			
USDA Meal Reimbursement Cash in Lieu of Commodities	10.558	\$ 1,134,796	\$ 1,045,256
Administrative Costs	10.560	<u>43,944</u>	<u>37,560</u>
Total U.S. Department of Agriculture		<u>1,178,740</u>	<u>1,082,816</u>
Total Other Programs		<u>23,185,780</u>	<u>22,304,873</u>
Total Expenditures of Federal Awards		<u>\$ 62,352,532</u>	<u>\$ 60,631,146</u>

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
Notes to the Schedule of Expenditures of Federal Awards  
For the Years Ended June 30, 2006 and 2005

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the State of Illinois, Department on Aging (Department), and is presented on the modified accrual basis of accounting.

**NOTE 2 - SIGNIFICANT FEDERAL PROGRAMS**

The Department has the following significant federal programs for fiscal years 2006 and 2005:

Title III, Part B - Grants for Supportive Services and Senior Centers (CFDA No. 93.044), provides for assistance for many types of services that are necessary for the general welfare of older individuals. These services include, but are not limited to, support of local senior centers, health, education, training and counseling services, transportation services, legal assistance, services to assist in obtaining adequate housing, abuse prevention, and services designed to avoid institutionalization.

Title III, Part C - Nutrition Services (CFDA No. 93.045), provides reimbursements for both congregate meals and home delivered meals for senior citizens. The objective of these programs is to provide senior citizens at least one nutritious meal per day. The reimbursements are passed through to the area agencies on aging, which reimburse the meal providers.

Title III, Part E - National Family Caregiver Support Program (CFDA No. 93.052), provides multifaceted systems of support services for family caregivers, and for grandparents or older individuals who are relative caregivers.

The State Pharmaceutical Assistance Program (CFDA No. 93.786), a segment of Circuit Breaker, has joined with SeniorCare to form Illinois Cares Rx. This federally funded prescription drug plan helps seniors pay for prescription medications that Medicare Part D does not cover.

Title V, Senior Community Service Employment Program (CFDA No. 17.235), seeks to promote useful part-time employment opportunities for low-income persons age fifty-five years or older. The Department distributes monies to the area agencies on aging, which in turn provides funds to not-for-profit or governmental agencies to subsidize part-time employment in community service jobs for senior citizens.

Nutrition Services Incentive Program (CFDA No. 93.053) provides area agencies on aging and providers with funds for the effective delivery of nutritious meals to older adults.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
Notes to the Schedule of Expenditures of Federal Awards (Continued)  
For the Years Ended June 30, 2006 and 2005

**NOTE 3 - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, State of Illinois Department on Aging provided federal awards to subrecipients as follows:

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA	Amount Provided to Subrecipients	
	Number	FY06	FY05
USDA Meal Reimbursement / Cash in Lieu of Commodities	10.558	\$ 1,134,796	\$ 1,045,256
Title V - Senior Community Service Employment Program	17.235	3,175,104	3,045,228
Title VII, Part G - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	197,302	195,590
Title VII - Part E - Long Term Care Ombudsman Services for Older Individuals	93.042	543,905	554,554
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	834,830	804,130
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	16,560,402	15,920,195
Title III, Part C - Nutrition Services	93.045	20,507,069	20,325,179
Title IV, Part C - Training, Research, and Discretionary Projects and Programs	93.048	186,436	303,807
Title III, Part E - National Family Caregiver Support Program	93.052	6,059,402	6,165,781
Nutrition Services Incentive Program	93.053	6,500,000	5,980,743
State Survey and Certification of Health Care Providers and Suppliers	93.777	746,259	751,687
Grants under Section 1110 of the Social Security Act	93.779	179,314	-
State Pharmaceutical Assistance Program payments under Title XVIII, MMA Section 1860D-23 of the Social Security Act	93.786	2,362,508	2,261,250
Total Amounts Provided to Subrecipients		\$ 58,987,327	\$ 57,353,400

**NOTE 4 - FEDERAL FINANCIAL ASSISTANCE**

The Department did not receive Federal Financial Assistance in the form of noncash assistance, insurance or loans.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>APPROPRIATED FUNDS</b>					
<b>GENERAL REVENUE FUND - 001</b>					
Distributive Items:					
Operations					
Elder Abuse and Neglect Act	\$ 10,041,400	\$ 8,459,097	\$ 1,475,910	\$ 9,935,007	\$ 106,393
Circuit Breaker and Prescription Drug Assistance	51,978,600	38,789,610	2,789,771	41,579,381	10,399,219
Senior Employment Specialist Program	264,300	250,765	1,367	252,132	12,168
Intergenerational Program	60,900	40,491	-	40,491	20,409
Grandparent Raising Grandchildren Program	136,500	108,013	21,079	129,092	7,408
Home Delivered Meals	250,000	-	250,000	250,000	-
Alzheimer's Initiative	104,700	35,350	16,347	51,697	53,003
Monitoring and Support Services	296,900	252,989	42,634	295,623	1,277
Illinois Council on Aging	12,200	11,748	-	11,748	452
Senior Meal Program	34,500	23,108	-	23,108	11,392
Alzheimer's Disease Task Force	12,400	3,907	969	4,876	7,524
Senior Helpline	468,400	456,505	7,430	463,935	4,465
Red Tape Cutter Program	9,800	9,800	-	9,800	-
Awards and Grants					
Purchase of IL Community Care Program					
Homemaker and Senior Companion Services	234,564,500	216,154,371	18,398,423	234,552,794	11,706
Retired Senior Volunteer Program	782,000	782,000	-	782,000	-
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,078,561	163,139	2,241,700	-
Adult Day Care Services	16,276,100	14,872,106	1,377,503	16,249,609	26,491
Foster Grandparents Program	342,100	342,100	-	342,100	-
Expenses to Area Agencies on Aging for					
Long-Term Care Systems Development	276,000	207,000	69,000	276,000	-
Grants for the Suburban Area on Aging for the Red					
Tape Cutter Program	251,700	251,700	-	251,700	-
Ombudsman Program	391,000	336,330	54,670	391,000	-
Delivered Meals and Mobile Food Equipment	6,969,600	5,815,210	1,154,390	6,969,600	-
Grants for the Chicago Department on Aging for the Red					
Tape Cutter Program	603,600	603,600	-	603,600	-
Community Based Services, Including Information and					
Referral, Transportation, and Delivered Meals	3,062,300	2,456,160	606,140	3,062,300	-
Community Based Service Grants	1,955,000	1,718,624	236,376	1,955,000	-
Case Management	27,877,800	25,023,202	2,845,878	27,869,080	8,720
Emergency Home Response	1,800,000	-	-	-	1,800,000
Pharmaceutical Refunds	146,000	22,984	-	22,984	123,016
<b>Total Distributive Items</b>	<b>\$ 361,210,000</b>	<b>\$ 319,105,331</b>	<b>\$ 29,511,026</b>	<b>\$ 348,616,357</b>	<b>\$ 12,593,643</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>GENERAL REVENUE FUND - 001 (Continued)</b>					
<b>Division of Home and Community Services</b>					
Personal Services	\$ 721,800	\$ 567,858	\$ 164	\$ 568,022	\$ 153,778
Employee Retirement Contribution Paid by State	1,500	1,131	-	1,131	369
State Contribution to State Employee Retirement	56,200	44,271	13	44,284	11,916
State Contribution to Social Security and Medicare	55,200	41,985	13	41,998	13,202
Travel	20,000	19,950	-	19,950	50
Commodities	500	197	185	382	118
<b>Total Division of Home and Community Services</b>	<b>855,200</b>	<b>675,392</b>	<b>375</b>	<b>675,767</b>	<b>179,433</b>
<b>Division of Finance and Administration</b>					
Personal Services	1,013,000	973,261	(67,145)	906,116	106,884
Employee Retirement Contribution Paid by State	3,550	3,467	-	3,467	83
State Contribution to State Employee Retirement	78,900	70,774	(126)	70,648	8,252
State Contribution to Social Security and Medicare	77,500	68,177	(121)	68,056	9,444
Contractual Services	324,200	263,713	41,994	305,707	18,493
Travel	8,550	3,841	1,950	5,791	2,759
Commodities	21,900	15,590	6,048	21,638	262
Equipment	15,200	13,304	1,694	14,998	202
Electronic Data Processing	120,400	41,289	51,728	93,017	27,383
Telecommunications	69,800	69,706	3	69,709	91
Operation of Automotive Equipment	3,400	3,395	-	3,395	5
<b>Total Division of Finance and Administration</b>	<b>1,736,400</b>	<b>1,526,517</b>	<b>36,025</b>	<b>1,562,542</b>	<b>173,858</b>
<b>Division of Planning Research and Development</b>					
Personal Services	261,400	158,340	343	158,683	102,717
State Contribution to State Employee Retirement	20,400	11,847	27	11,874	8,526
State Contribution to Social Security and Medicare	20,000	11,681	26	11,707	8,293
Travel	20,000	10,777	3,770	14,547	5,453
Commodities	500	268	82	350	150
<b>Total Division of Planning Research and Development</b>	<b>\$ 322,300</b>	<b>\$ 192,913</b>	<b>\$ 4,248</b>	<b>\$ 197,161</b>	<b>\$ 125,139</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
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Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>GENERAL REVENUE FUND - 001 (Continued)</b>					
Division of Communications and Outreach					
Personal Services	\$ 375,900	\$ 303,543	\$ 380	\$ 303,923	\$ 71,977
Employee Retirement Contribution Paid by State	400	79	-	79	321
State Contribution to State Employee Retirement	29,300	23,672	29	23,701	5,599
State Contribution to Social Security and Medicare	28,700	22,611	29	22,640	6,060
Contractual Services	60,000	7,997	3,903	11,900	48,100
Travel	24,700	10,864	3,099	13,963	10,737
Commodities	500	421	55	476	24
Printing	23,500	16,940	3,873	20,813	2,687
<b>Total Division of Communications and Outreach</b>	<b>543,000</b>	<b>386,127</b>	<b>11,368</b>	<b>397,495</b>	<b>145,505</b>
Division of the Executive Office					
Personal Services	646,000	531,619	-	531,619	114,381
State Contribution to State Employee Retirement	50,300	41,443	-	41,443	8,857
State Contribution to Social Security and Medicare	49,400	39,940	-	39,940	9,460
Contractual Services	50,000	45,151	1,674	46,825	3,175
Travel	33,600	27,213	6,025	33,238	362
Commodities	500	213	210	423	77
<b>Total Division of the Executive Office</b>	<b>829,800</b>	<b>685,579</b>	<b>7,909</b>	<b>693,488</b>	<b>136,312</b>
<b>TOTAL GENERAL REVENUE FUND - 001</b>	<b>365,496,700</b>	<b>322,571,859</b>	<b>29,570,951</b>	<b>352,142,810</b>	<b>13,353,890</b>
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	8,890,900	2,916,726	2,099,266	5,015,992	3,874,908
Senior Health Assistance	1,100,000	1,051,671	-	1,051,671	48,329
<b>TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733</b>	<b>\$ 9,990,900</b>	<b>\$ 3,968,397</b>	<b>\$ 2,099,266</b>	<b>\$ 6,067,663</b>	<b>\$ 3,923,237</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>					
Distributive Items:					
Operations					
Training Services	\$ 148,300	\$ 89,554	\$ 34,155	\$ 123,709	\$ 24,591
Discretionary Government Projects	6,405,000	3,182,675	207,105	3,389,780	3,015,220
Expenses of Senior Meal Program	52,100	42,946	998	43,944	8,156
Awards and Grants					
Grants for USDA Adult Day Care	1,200,000	853,462	281,334	1,134,796	65,204
Grants for Employment Services	3,397,000	2,997,889	176,150	3,174,039	222,961
Grants for Nutrition Services	24,475,800	16,543,387	3,963,682	20,507,069	3,968,731
Grants for Social Services	27,164,000	19,322,841	4,873,000	24,195,841	2,968,159
USDA Elderly Feeding Program	6,500,000	5,085,755	1,414,245	6,500,000	-
Total Distributive Items	<u>69,342,200</u>	<u>48,118,509</u>	<u>10,950,669</u>	<u>59,069,178</u>	<u>10,273,022</u>
Division of Home and Community Services					
Personal Services	1,112,000	1,048,109	-	1,048,109	63,891
Employee Retirement Contribution Paid by State	7,000	6,776	-	6,776	224
State Contribution to State Employee Retirement	86,600	81,640	-	81,640	4,960
State Contribution to Social Security and Medicare	85,100	78,081	-	78,081	7,019
State Contribution to Group Insurance	243,000	211,219	-	211,219	31,781
Contractual Services	15,000	3,464	-	3,464	11,536
Travel	52,100	52,029	-	52,029	71
Total Division of Home and Community Services	<u>1,600,800</u>	<u>1,481,318</u>	<u>-</u>	<u>1,481,318</u>	<u>119,482</u>
Division of Finance and Administration					
Personal Services	388,400	312,820	-	312,820	75,580
Employee Retirement Contribution Paid by State	1,700	1,016	-	1,016	684
State Contribution to State Employee Retirement	30,300	24,031	-	24,031	6,269
State Contribution to Social Security and Medicare	29,700	22,254	-	22,254	7,446
State Contribution to Group Insurance	121,500	79,064	-	79,064	42,436
Contractual Services	77,400	5,132	27,169	32,301	45,099
Travel	10,000	548	-	548	9,452
Commodities	7,200	-	6,615	6,615	585
Printing	12,800	7,513	4,185	11,698	1,102
Equipment	1,100	-	1,100	1,100	-
Telecommunications	15,500	15,440	40	15,480	20
Operation of Automotive Equipment	2,400	2,395	-	2,395	5
Total Division of Finance and Administration	<u>698,000</u>	<u>470,213</u>	<u>39,109</u>	<u>509,322</u>	<u>188,678</u>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
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Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)</b>					
Division of Planning Research and Development					
Personal Services	\$ 345,200	\$ 202,130	-	\$ 202,130	\$ 143,070
Employee Retirement Contribution Paid by State	600	591	-	591	9
State Contribution to State Employee Retirement	26,900	15,753	-	15,753	11,147
State Contribution to Social Security and Medicare	26,400	15,143	-	15,143	11,257
State Contribution to Group Insurance	94,500	43,127	-	43,127	51,373
Contractual Services	15,000	867	2,000	2,867	12,133
Travel	10,000	9,963	-	9,963	37
Total Division of Planning Research and Development	<u>518,600</u>	<u>287,574</u>	<u>2,000</u>	<u>289,574</u>	<u>229,026</u>
Division of Communications and Outreach					
Personal Services	183,800	181,862	(6,930)	174,932	8,868
Employee Retirement Contribution Paid by State	600	553	-	553	47
State Contribution to State Employee Retirement	14,300	14,197	(542)	13,655	645
State Contribution to Social Security and Medicare	14,100	12,805	(492)	12,313	1,787
State Contribution to Group Insurance	67,500	55,162	(1,833)	53,329	14,171
Travel	10,000	36	2,063	2,099	7,901
Total Division of Communications and Outreach	<u>290,300</u>	<u>264,615</u>	<u>(7,734)</u>	<u>256,881</u>	<u>33,419</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>72,449,900</u>	<u>50,622,229</u>	<u>10,984,044</u>	<u>61,606,273</u>	<u>10,843,627</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
Private Partnership Projects Expense	45,000	23,151	-	23,151	21,849
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>45,000</u>	<u>23,151</u>	<u>-</u>	<u>23,151</u>	<u>21,849</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 447,982,500</u>	<u>\$ 377,185,636</u>	<u>\$ 42,654,261</u>	<u>\$ 419,839,897</u>	<u>\$ 28,142,603</u>
NONAPPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items					
Refund Subgrantee Interest		\$ 97,078	-	\$ 97,078	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618		<u>\$ 97,078</u>	<u>-</u>	<u>\$ 97,078</u>	

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
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Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

Public Act 94 - 0015	Appropriations (Net After Transfers)	Expenditures Through 6/30/2006	Lapse Period Expenditures 7/01 - 8/31/06	Total Expenditures	Balances Lapsed
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>					
Distributive Items					
Seniorcare Administrative Refund to DPA	\$ 58,723	-	-	\$ 58,723	
Ombudsman Grant	746,259	-	-	746,259	
Seniorcare Grants	297	-	-	297	
	<u>805,279</u>	<u>-</u>	<u>-</u>	<u>805,279</u>	
<b>TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>	<u>\$ 902,357</u>	<u>-</u>	<u>-</u>	<u>\$ 902,357</u>	
<b>TOTAL - ALL NONAPPROPRIATED FUNDS</b>	<u>\$ 378,087,993</u>	<u>\$ 42,654,261</u>	<u>\$ 420,742,254</u>		
<b>GRAND TOTAL - ALL FUNDS</b>					

Note: The information contained in this schedule was taken from Agency records and has been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

Public Act 93 - 0842	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Elder Abuse and Neglect Act	\$ 8,898,200	\$ 7,033,702	\$ 1,337,015	\$ 8,370,717	\$ 527,483
Circuit Breaker and Prescription Drug Assistance	57,284,900	42,161,892	6,189,552	48,351,444	8,933,456
Senior Employment Specialist Program	264,300	259,820	4,340	264,160	140
Intergenerational Program	60,900	31,554	-	31,554	29,346
Grandparent Raising Grandchildren Program	136,500	118,088	3,170	121,258	15,242
Monitoring and Support Services	296,900	238,610	13,761	252,371	44,529
Illinois Council on Aging	12,200	11,900	-	11,900	300
Senior Meal Program	34,500	29,473	20	29,493	5,007
Senior Helpline	468,600	455,128	5,268	460,396	8,204
Red Tape Cutter Program	9,800	4,375	-	4,375	5,425
Awards and Grants					
Purchase of IL Community Care Program					
Homemaker and Senior Companion Services	211,019,600	190,024,590	20,992,927	211,017,517	2,083
Retired Senior Volunteer Program	802,000	802,000	-	802,000	-
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,144,532	97,168	2,241,700	-
Case Management	25,578,000	23,104,714	2,473,143	25,577,857	143
Adult Day Care Services	15,152,000	13,781,171	1,347,439	15,128,610	23,390
Alzheimer's Initiative and Related Programs	104,700	26,805	36,149	62,954	41,746
Foster Grandparent Program	342,100	342,100	-	342,100	-
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	276,000	207,533	68,467	276,000	-
Grants for the Suburban Area on Aging for the Red Tape Cutter Program	251,700	251,700	-	251,700	-
Ombudsman Program	391,000	352,062	38,938	391,000	-
Delivered Meals and Mobile Food Equipment	6,969,600	5,912,489	1,057,111	6,969,600	-
Grants for the Chicago Department on Aging for the Red Tape Cutter Program	603,600	603,600	-	603,600	-
Grants for Local Senior Centers	260,000	260,000	-	260,000	-
Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	3,062,300	2,574,838	487,462	3,062,300	-
Community Based Service Grants	1,955,000	1,796,920	158,080	1,955,000	-
Pharmaceutical Refunds	146,600	33,129	18,834	51,963	94,637
Total Distributive Items	<u>\$ 336,622,700</u>	<u>\$ 292,562,725</u>	<u>\$ 34,328,844</u>	<u>\$ 326,891,569</u>	<u>\$ 9,731,131</u>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
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Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

Public Act 93 - 0842	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
<b>GENERAL REVENUE FUND - 001 (Continued)</b>					
<b>Division of Long-Term Care</b>					
Personal Services	\$ 972,100	\$ 888,751	\$ -	\$ 888,751	\$ 83,349
State Contribution to State Employee Retirement	156,600	142,762	-	142,762	13,838
State Contribution to Social Security and Medicare	74,300	65,225	-	65,225	9,075
Travel	55,400	45,571	2,022	47,593	7,807
Alzheimer's Disease Task Force	12,400	12,398	(40)	12,358	42
<b>Total Division of Long-Term Care</b>	<b>1,270,800</b>	<b>1,154,707</b>	<b>1,982</b>	<b>1,156,689</b>	<b>114,111</b>
<b>Division of Administrative Support</b>					
Personal Services	1,306,807	1,299,439	-	1,299,439	7,368
Employee Retirement Contribution Paid by State	912	911	-	911	1
State Contribution to State Employee Retirement	210,465	206,938	-	206,938	3,527
State Contribution to Social Security and Medicare	100,503	97,183	6	97,189	3,314
Contractual Services	151,622	124,303	3,914	128,217	23,405
Travel	47,588	38,558	6,743	45,301	2,287
Commodities	17,910	17,853	36	17,889	21
Printing	11,158	10,994	-	10,994	164
Equipment	15,058	4,275	1,753	6,028	9,030
Telecommunication	54,798	54,785	-	54,785	13
Operation of Automotive Equipment	3,400	3,295	13	3,308	92
<b>Total Division of Administrative Support</b>	<b>1,920,221</b>	<b>1,858,534</b>	<b>12,465</b>	<b>1,870,999</b>	<b>49,222</b>
<b>Division of Management Information Services</b>					
Personal Services	603,600	600,969	-	600,969	2,631
State Contribution to State Employee Retirement	97,200	95,784	-	95,784	1,416
State Contribution to Social Security and Medicare	46,100	44,590	-	44,590	1,510
Contractual Services	120,900	83,575	17,201	100,776	20,124
Travel	4,600	2,162	-	2,162	2,438
Commodities	5,800	5,526	77	5,603	197
Printing	12,200	10,989	-	10,989	1,211
Electronic Data Processing	120,305	65,665	47,194	112,859	7,446
Telecommunications	14,100	13,439	382	13,821	279
<b>Total Division of Management Information Services</b>	<b>1,024,805</b>	<b>922,699</b>	<b>64,854</b>	<b>987,553</b>	<b>37,252</b>
<b>TOTAL GENERAL REVENUE FUND - 001</b>	<b>\$ 340,838,526</b>	<b>\$ 296,498,665</b>	<b>\$ 34,408,145</b>	<b>\$ 330,906,810</b>	<b>\$ 9,931,716</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
Public Act 93 - 0842					
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	\$ 8,890,900	\$ 8,314,818	\$ (25,786)	\$ 8,289,032	\$ 601,868
Senior Health Assistance	1,100,000	1,030,157	-	1,030,157	69,843
<b>TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733</b>	<b>9,990,900</b>	<b>9,344,975</b>	<b>(25,786)</b>	<b>9,319,189</b>	<b>671,711</b>
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>					
Distributive Items:					
Operations					
Senior Caregivers of Adult Training Services	214,500	56,579	-	56,579	157,921
Discretionary Government Projects	148,300	127,486	15,071	142,557	5,743
Expenses of Senior Meal Program	120,000	-	47,500	47,500	72,500
Awards and Grants	52,100	35,924	1,636	37,560	14,540
Grants for USDA Adult Day Care	1,200,000	866,393	178,863	1,045,256	154,744
Grants for Employment Services	3,397,000	2,816,264	228,964	3,045,228	351,772
Grants for Nutrition Services	24,475,800	16,541,764	3,783,415	20,325,179	4,150,621
Grants for Social Services	27,164,000	19,166,823	4,367,801	23,534,624	3,629,376
USDA Elderly Feeding Program	6,500,000	5,561,279	938,721	6,500,000	-
<b>Total Distributive Items</b>	<b>63,271,700</b>	<b>45,172,512</b>	<b>9,561,971</b>	<b>54,734,483</b>	<b>8,537,217</b>
Division for Older American Services					
Personal Services	1,056,900	963,469	-	963,469	93,431
State Contribution to State Employee Retirement	170,200	155,297	-	155,297	14,903
State Contribution to Social Security and Medicare	80,900	71,810	2	71,812	9,088
State Contribution to Group Insurance	181,400	180,726	-	180,726	674
Travel	55,700	54,017	1,677	55,694	6
<b>Total Division for Older American Services</b>	<b>1,545,100</b>	<b>1,425,319</b>	<b>1,679</b>	<b>1,426,998</b>	<b>118,102</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

Public Act 93 - 0842	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
<b>SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)</b>					
Division of Administrative Support					
Personal Services	\$ 774,600	\$ 717,818	\$ -	\$ 717,818	\$ 56,782
Employee Retirement Contribution Paid by State	54,900	26,435	-	26,435	28,465
State Contribution to State Employee Retirement	124,800	110,820	-	110,820	13,980
State Contribution to Social Security and Medicare	59,300	52,470	-	52,470	6,830
State Contribution to Group Insurance	165,500	164,982	-	164,982	518
Contractual Services	57,400	23,151	3,696	26,847	30,553
Travel	26,400	25,410	329	25,739	661
Commodities	7,200	6,646	554	7,200	-
Printing	12,800	12,374	-	12,374	426
Equipment	1,100	-	1,009	1,009	91
Telecommunications	15,500	15,453	-	15,453	47
Operation of Automotive Equipment	2,400	2,371	17	2,388	12
Total Division of Administrative Support	<u>1,301,900</u>	<u>1,157,930</u>	<u>5,605</u>	<u>1,163,535</u>	<u>138,365</u>
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>66,118,700</u>	<u>47,755,761</u>	<u>9,569,255</u>	<u>57,325,016</u>	<u>8,793,684</u>
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>					
Distributive Items					
Private Partnership Projects Expense	45,000	-	-	-	45,000
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 416,993,126</u>	<u>\$ 353,599,401</u>	<u>\$ 43,951,614</u>	<u>\$ 397,551,015</u>	<u>\$ 19,442,111</u>
<b>NONAPPROPRIATED FUNDS</b>					
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>					
Distributive Items					
Aging and Disease Research Center		\$ 242,096	\$ 16,307	\$ 258,403	
State Pharmaceutical Assistance Program		2,159,809	135,118	2,294,927	
Real Choice Rebalancing Initiative		1,113	-	1,113	
Refund Subgrantee Interest		37,162	-	37,162	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>\$ 2,440,180</u>	<u>\$ 2,440,180</u>	<u>\$ 151,425</u>	<u>\$ 2,591,605</u>	

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

Public Act 93 - 0842	Appropriations (Net After Transfers)	Expenditures Through 6/30/2005	Lapse Period Expenditures 7/01 - 8/31/05	Total Expenditures	Balances Lapsed
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>					
Distributive Items					
Seniorcare - Prescription	\$ 82,157	-	\$ -	82,157	
Ombudsman Grant	650,599	101,088	101,088	751,687	
Enhanced Transition Projects	-	2,000,000	2,000,000	2,000,000	
	<u>732,756</u>		<u>2,101,088</u>	<u>2,833,844</u>	
<b>TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>				<u><u>2,833,844</u></u>	
<b>TOTAL - ALL NONAPPROPRIATED FUNDS</b>	<u><u>\$ 3,172,936</u></u>		<u><u>\$ 2,252,513</u></u>	<u><u>\$ 5,425,449</u></u>	
<b>GRAND TOTAL - ALL FUNDS</b>	<u><u>\$ 356,772,337</u></u>		<u><u>\$ 46,204,127</u></u>	<u><u>\$ 402,976,464</u></u>	

Note: The information contained in this schedule was taken from Agency records and has been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2006	2005	2004
	PA 94 - 0015	PA 93 - 0842	PA 93 - 0071
<b>GENERAL REVENUE FUND - 001</b>			
Appropriations (Net After Transfers)	\$ 365,496,700	\$ 340,838,526	\$ 262,992,382
<b>Expenditures</b>			
<b>Operating Expenditures</b>			
Personal Services	2,468,363	2,789,159	2,708,467
Employee Retirement Contribution Paid by State	4,677	911	15,521
State Contribution to State Employees Retirement	191,950	445,484	238,005
State Contribution to Social Security and Medicare	184,341	207,004	201,976
Contractual Services	364,432	228,993	242,715
Travel	87,489	95,056	77,921
Commodities	23,269	23,492	23,787
Printing	20,813	21,983	23,094
Equipment	14,998	6,028	10,719
Electronic Data Processing	93,017	112,859	92,213
Telecommunications Services	69,709	68,606	71,368
Operation of Automotive Equipment	3,395	3,308	3,499
<b>Operation Grants:</b>			
Elder Abuse and Neglect Act	9,935,007	8,370,717	6,690,079
Circuit Breaker and Prescription Drug Assistance	41,579,381	48,351,444	-
Senior Employment Specialist Program	252,132	264,160	264,178
Intergenerational Program Expenses	40,491	31,554	33,772
Grandparent Raising Grandchildren Program	129,092	121,258	118,242
Home Delivered Meals	250,000	-	-
Alzheimer's Initiative	51,697	-	-
Monitoring and Support Services	295,623	252,371	281,939
Illinois Council on Aging	11,748	11,900	11,385
Senior Meal Program	23,108	29,493	29,096
Alzheimer's Disease Task Force	4,876	12,358	7,152
Senior Helpline	463,935	460,396	388,253
Red Tape Cutter Program	9,800	4,375	10,000
Talented Older Person In School	-	-	100,905
<b>Total Operating Expenditures</b>	<b>56,573,343</b>	<b>61,912,909</b>	<b>11,644,286</b>
<b>Grants-in-Aid</b>			
Purchase of IL Community Care Program			
Homemaker and Senior Companion Services	234,552,794	211,017,517	185,573,739
Grants for Retired Senior Volunteer Program	782,000	802,000	800,000
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,241,700	2,293,300
Grants for Adult Day Care Services	16,249,609	15,128,610	15,039,821
Alzheimer's Initiative and Related Programs	-	62,954	27,470
Foster Grandparents Program	342,100	342,100	350,000
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	276,000	276,000	282,400
Grants for the Suburban Area on Aging for the Red Tape Cutter Program	251,700	251,700	-
Ombudsman Program	391,000	391,000	400,000
Delivered Meals and Mobile Food Equipment	6,969,600	6,969,600	6,618,500
Grants for the Chicago Department on Aging for the Red Tape Cutter Program	603,600	603,600	617,500
Red Tape Cutter Demonstration Project	-	-	257,500
Grants for Local Senior Centers	-	260,000	-
Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	3,062,300	3,062,300	3,107,200
Grants for Community Based Services	1,955,000	1,955,000	2,000,000
Case Management	27,869,080	25,577,857	26,660,889
Pharmaceutical Refunds	22,984	51,963	-
<b>Total Grants-in-Aid</b>	<b>\$ 295,569,467</b>	<b>\$ 268,993,901</b>	<b>\$ 244,028,319</b>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2006 PA 94 - 0015	2005 PA 93 - 0842	2004 PA 93 - 0071
<b>GENERAL REVENUE FUND - 001 (Continued)</b>			
Total Expenditures	\$ 352,142,810	\$ 330,906,810	\$ 255,672,605
Lapsed Balances	<u>\$ 13,353,890</u>	<u>\$ 9,931,716</u>	<u>\$ 7,319,777</u>
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>			
Appropriations (Net After Transfers)	<u>\$ 9,990,900</u>	<u>\$ 9,990,900</u>	<u>\$ 1,100,000</u>
<b>Expenditures</b>			
Circuit Breaker and Prescription Drug Assistance	5,015,992	8,289,032	-
Senior Health Assistance	1,051,671	1,030,157	1,030,856
Total Expenditures	<u>6,067,663</u>	<u>9,319,189</u>	<u>1,030,856</u>
Lapsed Balances	<u>\$ 3,923,237</u>	<u>\$ 671,711</u>	<u>\$ 69,144</u>
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>			
Appropriations (Net After Transfers)	<u>\$ 72,449,900</u>	<u>\$ 66,118,700</u>	<u>\$ 66,070,300</u>
<b>Expenditures</b>			
<b>Operating Expenditures</b>			
Personal Services	1,737,991	1,681,287	1,611,385
Employee Retirement Contribution Paid by State	8,936	26,435	31,418
State Contribution to State Employee Retirement	135,079	266,117	216,697
State Contribution to Social Security and Medicare	127,791	124,282	119,118
State Contribution to Group Insurance	386,739	345,708	273,161
Contractual Services	38,632	26,847	65,383
Travel	64,639	81,433	72,697
Commodities	6,615	7,200	6,791
Printing	11,698	12,374	9,466
Equipment	1,100	1,009	660
Telecommunications Services	15,480	15,453	15,491
Operation of Automotive Equipment	2,395	2,388	2,364
Training Services	123,709	142,557	123,540
Senior Caregivers of Adult	-	56,579	178,659
Discretionary Government Projects	3,389,780	47,500	30,000
Expenses of Senior Meal Program	43,944	37,560	34,938
Total Operating Expenditures	<u>6,094,528</u>	<u>2,874,729</u>	<u>2,791,768</u>
<b>Grants-in-Aid</b>			
Grants for USDA Adult Day Care	1,134,796	1,045,256	1,018,089
Grants for Employment Services	3,174,039	3,045,228	3,025,989
Grants for Nutrition Services	20,507,069	20,325,179	21,400,180
Grants for Social Services	24,195,841	23,534,624	23,912,552
USDA Elderly Feeding Program	6,500,000	6,500,000	4,594,777
Total Grants	<u>55,511,745</u>	<u>54,450,287</u>	<u>53,951,587</u>
Total Expenditures	<u>61,606,273</u>	<u>57,325,016</u>	<u>56,743,355</u>
Lapsed Balances	<u>\$ 10,843,627</u>	<u>\$ 8,793,684</u>	<u>\$ 9,326,945</u>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES

	Fiscal Year		
	2006 PA 94 - 0015	2005 PA 93 - 0842	2004 PA 93 - 0071
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>			
Appropriations (Net after Transfers)	\$ 45,000	\$ 45,000	\$ 45,000
Expenditures			
Private Partnership Projects Expense	23,151	-	192
Total Expenditures	23,151	-	192
Lapsed Balances	\$ 21,849	\$ 45,000	\$ 44,808
<b>TOTAL - ALL APPROPRIATED FUNDS</b>			
Appropriations (Net After Transfers)	\$ 447,982,500	\$ 416,993,126	\$ 330,207,682
Expenditures	419,839,897	397,551,015	313,447,008
Lapsed Balances	\$ 28,142,603	\$ 19,442,111	\$ 16,760,674
<b>NONAPPROPRIATED FUNDS</b>			
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>			
Distributive Items			
Aging and Disease Research Center	\$ -	\$ 258,403	\$ -
State Pharmaceutical Assistance Program	-	2,294,927	-
Real Choice Rebalancing Initiative	-	1,113	-
Refund Grantee Interest Income	97,078	37,162	38,058
Total Distributive Items	\$ 97,078	\$ 2,591,605	\$ 38,058
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>			
Expenditures			
Seniorcare Administrative Refund to DPA	\$ 58,723	\$ -	\$ -
Seniorcare Prescription	-	82,157	68,543
Ombudsman Grant	746,259	751,687	747,801
Enhanced Transition Projects	-	2,000,000	-
Seniorcare Grants	297	-	-
Total Expenditures	\$ 805,279	\$ 2,833,844	\$ 816,344
<b>GENERAL REVENUE FUND - 001 State Comptroller</b>			
Appropriations (Net After Transfers)	\$ 98,200	\$ 98,200	\$ 98,200
Expenditures			
Director's Salary	98,200	98,200	98,200
Total Expenditures	98,200	98,200	98,200
Lapsed Balances	\$ -	\$ -	\$ -

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS  
For the Two Years Ended June 30, 2006

	<u>FY 2006</u>	<u>FY 2005</u>
<b>Procurement Efficiency Initiative</b>		
General Revenue Fund - 001		
Lump Sum and Other Purposes	<u>\$ -</u>	<u>\$ 10,065</u>
Sub-Total	<u>-</u>	<u>10,065</u>
<b>Information Technology Initiatives</b>		
General Revenue Fund - 001		
Lump Sum and Other Purposes	<u>-</u>	<u>43,321</u>
Sub-Total	<u>-</u>	<u>43,321</u>
Grand Total	<u><u>\$ -</u></u>	<u><u>\$ 53,386</u></u>

Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For the Years Ended June 30, 2006 and 2005

	2006	2005
Balance, beginning of period	\$ 1,520,436	\$ 1,115,660
Additions:		
Transferred In	-	353,667
Equipment Purchased	1,105,307	158,593
Total Additions	1,105,307	512,260
Deductions:		
Transferred Out	218,112	75,762
Deletions	43,973	31,722
Total Deductions	262,085	107,484
Balance, end of period	\$ 2,363,658	\$ 1,520,436

Note: This information was obtained from Agency records which have been reconciled to property reports submitted to the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
COMPARATIVE SCHEDULE OF CASH RECEIPTS  
For the Years Ended June 30:

	2006	2005	2004
<b>GENERAL REVENUE FUND - 001</b>			
Freedom of Information Act Copying Fees	\$ 128	\$ 54	\$ 30
Jury Duty	48	260	301
Miscellaneous Reimbursements	14	-	8
Miscellaneous Rebates / Recoveries	989	1,200	50
Miscellaneous Pharmaceutical	15,820	-	-
Board and Care Registration	-	900	900
Pharmaceutical Refunds	-	334,240	-
Pharmaceutical Registration	131,043	410,806	-
Prior Year Refunds Deposited in Current Year	30,349	78,129	411,513
Total Receipts - Fund - 001	<u>178,391</u>	<u>825,589</u>	<u>412,802</u>
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>			
U.S. Department of Health and Human Services	55,572,055	55,247,295	53,843,088
U.S. Department of Agriculture	1,065,055	1,096,267	1,047,847
U.S. Department of Labor	3,521,072	3,076,162	3,400,000
Grantee Interest Income	97,078	37,162	38,058
Prior Year Refunds Deposited in Current Year	5,544	26,047	26,488
Prior Year Warrant Voids	3,934	-	-
Total Receipts - Fund - 618	<u>60,264,738</u>	<u>59,482,933</u>	<u>58,355,481</u>
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>			
Prior Year Refunds Deposited in Current Year	123	1,154	-
Total Receipts - Fund - 733	<u>123</u>	<u>1,154</u>	<u>-</u>
<b>DEPARTMENT ON AGING STATE PROJECTS FUND - 830</b>			
U.S. Public Health Service Fund	750,000	750,000	750,000
IL Criminal Justice Information Authority	-	17,151	-
IL Department of Public Aid	-	2,000,000	-
Department of Central Management Services	-	-	150,700
Donation from Private Organization	-	1,687	6,000
Miscellaneous	-	105	-
Prior Year Refunds Deposited in Current Year	-	-	297
Total Receipts - Fund - 830	<u>750,000</u>	<u>2,768,943</u>	<u>906,997</u>
<b>TOTAL RECEIPTS - ALL FUNDS</b>	<u>\$ 61,193,252</u>	<u>\$ 63,078,619</u>	<u>\$ 59,675,280</u>

RECONCILIATION OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER

	2006	2005	2004
Cash Receipts per Department	\$ 61,153,302	\$ 62,973,289	\$ 59,236,982
Prior Year Refunds Deposited in Current Year	36,016	105,330	438,298
Prior Year Warrant Voids	3,934	-	-
	<u>\$ 61,193,252</u>	<u>\$ 63,078,619</u>	<u>\$ 59,675,280</u>
 Total Deposits Remitted to the State Comptroller	 <u>\$ 61,193,252</u>	 <u>\$ 63,078,619</u>	 <u>\$ 59,675,280</u>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Explanations were obtained for expenditures with a variance of at least 20% and \$20,000 between fiscal years 2006 and 2005.

	2006	2005
<b>GENERAL REVENUE FUND - 001</b>		
State Contribution to State Employees Retirement	<u>\$ 191,950</u>	<u>\$ 445,484</u>
The retirement contribution rate for the Agency decreased from 16.107% in fiscal year 2005 to 7.792% in fiscal year 2006.		
Contractual Services	<u>\$ 364,432</u>	<u>\$ 228,993</u>
Fiscal year 2006 was the first year that the Agency made contractual service consolidation payments to the Illinois Department of Central Management Services for graphic designers and communications managers which increased this line item.		
Home Delivered Meals	<u>\$ 250,000</u>	<u>\$ -</u>
This appropriation was new in fiscal year 2006 and was related to home delivered meals and mobile equipment. The funds were all subgranted out to the area agencies.		
Alzheimer's Initiative	<u>\$ 51,697</u>	<u>\$ -</u>
This is not a new appropriation; however, the Comptroller assigned a new appropriation code in FY 2006. Expenditures for FY 2005 totaled \$62,954 (see next explanation).		
Alzheimer's Initiative and Related Programs	<u>\$ -</u>	<u>\$ 62,954</u>
This was the previous appropriation code for the Alzheimer's Initiative. The Comptroller assigned a new appropriation code in FY 2006. Expenditures for FY 2006 totaled \$51,697 (see previous explanation).		
Grants for Local Senior Centers	<u>\$ -</u>	<u>\$ 260,000</u>
This was a one-time appropriation for local senior centers that the Agency received in FY 2005. The funds were all distributed to the area agencies.		
Pharmaceutical Refunds	<u>\$ 22,984</u>	<u>\$ 51,963</u>
These were refunds to individuals that had submitted a fee for their pharmaceutical assistance cards. The fees were subtracted from the individuals' Circuit Breaker grants so the incoming fees had to be returned. The fees for pharmaceutical cards ended December 31, 2005; therefore, the refunds were significantly reduced in FY 2006.		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)  
For the Two Years Ended June 30, 2006

	2006	2005
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>		
Circuit Breaker and Prescription Drug Assistance	\$ 5,015,992	\$ 8,289,032

The State of Illinois, as a whole, received less Tobacco Settlement Funds, Fund 733, in FY 2006; therefore, the Department on Aging used General Revenue Funds for a longer period of time during FY 2006 before switching to the use of the Tobacco Settlement Funds.

**SERVICES FOR OLDER AMERICANS FUND - 618**

State Contribution to State Employee Retirement	\$ 135,079	\$ 266,117
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The retirement contribution rate for the Agency decreased from 16.107% in fiscal year 2005 to 7.792% in fiscal year 2006.

Senior Caregivers of Adults	\$ -	\$ 56,579
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This was a federal discretionary grant that ended on December 31, 2004.

Discretionary Government Projects	\$ 3,389,780	\$ 47,500
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After the federal discretionary grant appropriation had been set at \$120,000 for FY 2005, the Agency began receiving the State Pharmaceutical Assistance Program (SPAP). Since the appropriation was already set, the Agency established a non-appropriated account for the expenditures. Then, for FY 2006, the appropriation for federal discretionary grants was increased to \$6,405,000 to cover the SPAP grant expenditures.

**DEPARTMENT ON AGING STATE PROJECTS FUND - 830**

Private Partner Projects Expense	\$ 23,151	\$ -
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During FY 2005, the Agency did not have any nonfederal discretionary grants that were small enough to be paid out of this appropriation line. During FY 2006, however, the Agency did receive two smaller grants that were able to be paid out of this appropriation.

**NONAPPROPRIATED FUNDS**

**SERVICES FOR OLDER AMERICANS FUND - 618**

Aging and Disease Research Center	\$ -	\$ 258,403
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The Agency did not receive funding for this federal discretionary grant during FY 2006.

State Pharmaceutical Assistance Program	\$ -	\$ 2,294,927
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This was the nonappropriated fund that the Department on Aging set up to cover expenditures for the SPAP program during FY 2005. During FY 2006, the SPAP expenditures were paid from appropriated funds.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)  
For the Two Years Ended June 30, 2006

SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)	2006	2005
Refund Grantee Interest Income	\$ 97,078	\$ 37,162

The Department on Aging has no control over these expenditures. They consist of funds from the various area agencies on aging to be sent to the federal government for interest earned on federal funds in excess of \$250. These funds are required to pass through the Department on Aging.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Seniorcare Administrative Refund to DPA	\$ 58,723	\$ -
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This was a one-time refund of FY 2003 unexpended administrative funds in support of the Seniorcare Waiver Program to the Illinois Department of Healthcare and Family Services.

Seniorcare Prescription	\$ -	\$ 82,157
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This was a one-time refund of FY 2004 unexpended Senior Citizens Prescription Grant funds to Illinois Department of Central Management Services

Enhanced Transition Projects	\$ -	\$ 2,000,000
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This was a one-time grant for the Enhanced Transition Project from the Illinois Department of Public Aid in the amount of \$2 million for the period from December 9, 2004 to June 30, 2005.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2006

Explanations were obtained for expenditures with a variance of at least 20% and \$20,000 between fiscal years 2005 and 2004.

	2005	2004
<b>GENERAL REVENUE FUND - 001</b>		
State Contribution to State Employees Retirement	\$ 445,484	\$ 238,005
In FY 2005, the Agency acquired the Circuit Breaker program which increased the number of employees by nearly 50%. Also, the retirement rate that the Agency was required to pay increased from 13.439% in FY 2004 to 16.107% in FY 2005.		
Electronic Data Processing	\$ 112,859	\$ 92,213
In FY 2005, the Agency made a \$10,000 Efficiency Initiative payment out of the EDP appropriation. In addition, 40 new computer monitors were purchased.		
Elder Abuse and Neglect Act	\$ 8,370,717	\$ 6,690,079
The appropriation for FY 2005 increased by \$1,681,400 for program expansion, increased client load, and rate increases.		
Circuit Breaker and Prescription Drug Assistance	\$ 48,351,444	\$ -
The Department on Aging acquired the Circuit Breaker Program from the Department of Revenue on July 1, 2004. Therefore, IDOA was not expending funds for this program during FY 2004.		
Talented Older Person in School	\$ -	\$ 100,905
These funds were only appropriated to the Agency from FY 2001 through FY 2004. The Agency no longer handles this program.		
Alzheimer's Initiative and Related Programs	\$ 62,954	\$ 27,470
In FY 2004, one grant that was funded by this initiative was funded by another program.		
Grants for the Suburban Area on Aging for the Red Tape Cutter Program	\$ 251,700	\$ -
The expenditures for this appropriation for FY 2004 were paid out of the Red Tape Cutter Demonstration Project. Expenditures for FY 2004 out of that appropriation were \$257,500 (see next explanation).		
Red Tape Cutter Demonstration Project	\$ -	\$ 257,500
The expenditures for this appropriation for FY 2005 were paid out of the Grants for the Suburban Area on Aging for the Red Tape Cutter Program. Expenditures for FY 2005 out of that appropriation were \$251,700 (see previous explanation).		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)  
For the Two Years Ended June 30, 2006

	2005	2004
<b>GENERAL REVENUE FUND - 001 (Continued)</b>		
Grants for Local Senior Centers	\$ 260,000	\$ -

This was a one-time appropriation for local senior centers that the Agency received in FY 2005. The funds were all distributed to the area agencies.

Pharmaceutical Refunds	\$ 51,963	\$ -
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These were refunds to individuals that had submitted a fee for their pharmaceutical assistance cards. The fees were subtracted from the individuals' Circuit Breaker grants so the incoming fees had to be returned. The fees for pharmaceutical cards did not apply in FY 2004 as the Circuit Breaker program was not yet part of the Department on Aging.

**TOBACCO SETTLEMENT RECOVERY FUND - 733**

Circuit Breaker and Prescription Drug Assistance	\$ 8,289,032	\$ -
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The Department on Aging acquired the Circuit Breaker Program from the Department of Revenue on July 1, 2004. Therefore, the Department on Aging was not expending funds for this program during FY 2004.

**SERVICES FOR OLDER AMERICANS FUND - 618**

State Contribution to State Employee Retirement	\$ 266,117	\$ 216,697
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In FY 2005, the Agency acquired the Circuit Breaker program which increased the number of employees by nearly 50%. Also, the retirement rate that the Agency was required to pay increased from 13.439% in FY 2004 to 16.107% in FY 2005.

State Contribution to Group Insurance	\$ 345,708	\$ 273,161
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Group insurance is capped so that the Agency pays a maximum amount per individual per year. In FY 2004, the rate was \$10,200 per individual; in FY 2005, the rate increased to \$12,000.

Contractual Services	\$ 26,847	\$ 65,383
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During FY 2004, the Agency paid some postage and audit costs out of these federal contractual funds. Those items are most generally paid out of the General Revenue appropriation funding.

Senior Caregivers of Adults	\$ 56,579	\$ 178,659
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This was a federal discretionary grant that ended on December 31, 2004.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)  
For the Two Years Ended June 30, 2006

	2005	2004
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)		
USDA Elderly Feeding Program	\$ 6,500,000	\$ 4,594,777

The Agency did not expend the entire \$6.5 million appropriation in FY 2004 because their spending is limited to the lesser of the federal grant or the appropriation. The federal government was late in funding the fourth quarter and did not do so before the end of the lapse period. Therefore, the Agency could not expend the full amount.

NONAPPROPRIATED FUNDS

SERVICES FOR OLDER AMERICANS FUND - 618

Aging and Disease Research Center	\$ 258,403	\$ -
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This was a new federal discretionary grant that began on July 1, 2004.

State Pharmaceutical Assistance Program	\$ 2,294,927	\$ -
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This was a new federal discretionary grant that began on October 1, 2004.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Enhanced Transition Projects	\$ 2,000,000	\$ -
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This was a one-time grant for the Enhanced Transition Project from the Illinois Department of Public Aid in the amount of \$2 million for the period from December 9, 2004 to June 30, 2005.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS  
For the Two Years Ended June 30, 2006

Explanations were obtained for cash receipts with a variance of at least 15% and \$5,000 between fiscal years 2006 and 2005.

	2006	2005
<b>GENERAL REVENUE FUND - 001</b>		
Miscellaneous Pharmaceutical	\$ 15,820	\$ -

Although the fee for pharmaceutical assistance cards was dropped in January 2006, the Department received some pharmaceutical receipts and recorded them as miscellaneous in 2006 rather than in another pharmaceutical line item. In total, pharmaceutical receipts were less compared to FY 2005.

Pharmaceutical Refunds	\$ -	\$ 334,240
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The fee for pharmaceutical assistance cards was dropped in January 2006. As a result, the Department did not record any receipts in this line item.

Pharmaceutical Registration	\$ 131,043	\$ 410,806
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The fee for pharmaceutical assistance cards was dropped in January 2006. As a result, in total, pharmaceutical receipts were less compared to FY 2005.

Prior Year Refunds Deposited in Current Year	\$ 30,349	\$ 78,129
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During FY 2005, the Department on Aging received some larger unusual refunds. A large refund from the Postmaster came in after the mailing of the IL-1363 booklets, an Elder Abuse refund from Project Life AAA was received, and a refund came in from Addus HealthCare due to duplicate billings.

**SERVICES FOR OLDER AMERICANS FUND - 618**

Grantee Interest Income	\$ 97,078	\$ 37,162
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These receipts vary depending on the interest rates and the amount of federal funds being held at the area agency level. The federal government requires that the area agencies refund any interest earned on federal funds in excess of \$250.

Prior Year Refunds Deposited in Current Year	\$ 5,544	\$ 26,047
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The majority of these refunds result from Title V monies being refunded after the grant is closed. The refunds will vary from year to year depending on how accurately the expenditures are projected.

**DEPARTMENT ON AGING STATE PROJECTS FUND - 830**

IL Criminal Justice Information Authority	\$ -	\$ 17,151
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The Department received a one-time grant from the Illinois Criminal Justice Information Authority in FY 2005.

IL Department of Public Aid	\$ -	\$ 2,000,000
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The Department received a one-time grant for the Enhanced Transition Project from the Illinois Department of Public Aid in the amount of \$2 million for the period December 9, 2004 to June 30, 2005.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS  
For the Two Years Ended June 30, 2006

Explanations were obtained for cash receipts with a variance of at least 15% and \$5,000 between fiscal years 2005 and 2004.

	<u>2005</u>	<u>2004</u>
<b>GENERAL REVENUE FUND - 001</b>		
Pharmaceutical Refunds	<u>\$ 334,240</u>	<u>\$ -</u>
The fees for pharmaceutical cards did not apply in FY 2004 as the Circuit Breaker program was not yet part of the Department on Aging.		
Pharmaceutical Registration	<u>\$ 410,806</u>	<u>\$ -</u>
The fees for pharmaceutical cards did not apply in FY 2004 as the Circuit Breaker program was not yet part of the Department on Aging.		
Prior Year Refunds Deposited in Current Year	<u>\$ 78,129</u>	<u>\$ 411,513</u>
During FY 2004, a large one-time refund of \$389,322 was received from the Catholic Charities of the Archdiocese of Chicago to close out the FY 2003 Extended Community Care Options Demonstration Project.		

**DEPARTMENT ON AGING STATE PROJECTS FUND - 830**

IL Criminal Justice Information Authority	<u>\$ 17,151</u>	<u>\$ -</u>
There was a one-time grant received from the Illinois Criminal Justice Information Authority for FY 2005.		
IL Department of Public Aid	<u>\$ 2,000,000</u>	<u>\$ -</u>
The Department received a one-time grant for the Enhanced Transition Project from the Illinois Department of Public Aid in the amount of \$2 million for the period December 9, 2004 to June 30, 2005.		
Department of Central Management Services	<u>\$ -</u>	<u>\$ 150,700</u>
The Department received a one-time Rx Drug Discount Program grant from the Illinois Department of Central Management Services for FY 2004.		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2006

Explanations were obtained for lapse period expenditures that made up for 15% or greater of the total expenditures for that line item for the two fiscal years.

<u>Fiscal Year 2006</u>	<u>Lapse Period</u>	<u>Total Expenditures</u>
<b>GENERAL REVENUE FUND - 001</b>		
<b>Operations:</b>		
Grandparents Raising Grandchildren Program	<u>\$ 21,079</u>	<u>\$ 129,092</u>
These were grant payments to cover services for the program. The requests were not received until late in the fiscal year.		
Home Delivered Meals	<u>\$ 250,000</u>	<u>\$ 250,000</u>
This was a new program during FY 2006 that was not prepared to begin providing services until very late into the fiscal year.		
Alzheimer's Initiative	<u>\$ 16,347</u>	<u>\$ 51,697</u>
Payments for a conference that was held in May were made during the lapse period. Also, various items for the program had been ordered prior to June 30, 2006, but were not received until after the fiscal year had ended resulting in increased lapse period expenditures.		
Alzheimer's Disease Task Force	<u>\$ 969</u>	<u>\$ 4,876</u>
These were payments associated with a certification training held June 20-23, 2006.		
<b>Awards and Grants:</b>		
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	<u>\$ 69,000</u>	<u>\$ 276,000</u>
These lapse period expenditures represent the fourth quarter payments to the area agencies for the long-term care systems development grant.		
Delivered Meals and Mobile Food Equipment	<u>\$ 1,154,390</u>	<u>\$ 6,969,600</u>
After July 1, 2006, the Agency received large cash requests for reimbursement of services rendered, resulting in significant lapse period spending for this program.		
Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	<u>\$ 606,140</u>	<u>\$ 3,062,300</u>
During the lapse period, the Agency received large cash requests for reimbursement of services rendered under this program.		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)  
For the Two Years Ended June 30, 2006

Fiscal Year 2006 (Continued)	Lapse Period	Total Expenditures
<b>GENERAL REVENUE FUND - 001 (Continued)</b>		
Division of Home and Community Services:		
Commodities	\$ 185	\$ 382
These expenditures were for items ordered prior to the end of FY 2006 but not received until after year-end.		
Division of Finance and Administration:		
Travel	\$ 1,950	\$ 5,791
These expenditures represent the June 2006 travel reimbursements and the Air Transportation Revolving Fund payment for June 2006.		
Commodities	\$ 6,048	\$ 21,638
These expenditures were for items ordered prior to the end of FY 2006 but not received until after year-end.		
Electronic Data Processing	\$ 51,728	\$ 93,017
The Agency ordered electronic data processing equipment prior to June 30, 2006 but did not receive it until after July 1, 2006.		
Division of Planning Research and Development:		
Travel	\$ 3,770	\$ 14,547
These lapse period expenditures were for the June 2006 travel reimbursements.		
Commodities	\$ 82	\$ 350
These expenditures were for items ordered prior to the end of FY 2006 but not received until after year-end.		
Division of Communications and Outreach:		
Contractual Services	\$ 3,903	\$ 11,900
These expenditures consist of June 2006 payments for temporary workers, employee reimbursement for June 2006 registration fees, and a Communications Revolving Fund payment for video and press releases.		
Travel	\$ 3,099	\$ 13,963
These lapse period expenditures represent reimbursements for travel in June 2006.		
Printing	\$ 3,873	\$ 20,813
Paper and printing supplies that were ordered prior to the fiscal year-end were not received until after July 1, 2006 resulting in lapse period expenditures.		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)  
For the Two Years Ended June 30, 2006

Fiscal Year 2006 (Continued)	Lapse Period	Total Expenditures
<b>GENERAL REVENUE FUND - 001 (Continued)</b>		
Division of the Executive Office:		
Travel	\$ 6,025	\$ 33,238
These lapse period expenditures represent reimbursements for travel in June 2006.		
Commodities	\$ 210	\$ 423
These expenditures were for items ordered prior to the end of FY 2006 but not received until after year-end.		
<b>TOBACCO SETTLEMENT RECOVERY FUND - 733</b>		
Distributive Items:		
Circuit Breaker and Prescription Drug Assistance	\$ 2,099,266	\$ 5,015,992
Tobacco Settlement Recovery Funds are used for Circuit Breaker expenditures late in the fiscal year. Most Circuit Breaker expenditures are made out of the General Revenue Fund. Total FY 2006 expenditures for Circuit Breaker were \$46,595,373. These lapse period expenditures account for less than 5% of the total.		
<b>SERVICES FOR OLDER AMERICANS FUND - 618</b>		
Distributive Items:		
Training Services	\$ 34,155	\$ 123,709
These lapse period expenditures are made up of expenditures related to conference expenses and various final grant and contract payments. Also, the Agency had ordered some items prior to year-end that were not received until after year-end.		
Awards and Grants:		
Grants for USDA Adult Day Care	\$ 281,334	\$ 1,134,796
The grant payments for April 2006 were delayed due to changes in the federal cash draw procedures. Therefore, during lapse period, expenditures were made for the April, May, and June grant payments as well as the 90-day grant payments.		
Grants for Nutrition Services	\$ 3,963,682	\$ 20,507,069
Lapse period expenditures of the Grants for Nutrition Services represent final fiscal year payments to the Area Agencies on Aging paid in August 2006.		
Grants for Social Services	\$ 4,873,000	\$ 24,195,841
Lapse period expenditures of the Grants for Social Services represent final fiscal year payments to the Area Agencies on Aging paid in August 2006.		
USDA Elderly Feeding Program	\$ 1,414,245	\$ 6,500,000
Due to federal funding issues, the fourth quarter grant funds did not arrive until after the fiscal year-end. Therefore, the funds were expended during the lapse period.		

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)  
For the Two Years Ended June 30, 2006

Fiscal Year 2006 (Continued)	Lapse Period	Total Expenditures
<b>SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)</b>		
Division of Finance and Administration:		
Contractual Services	\$ 27,169	\$ 32,301

The significant amount of lapse period expenditures was due to a single payment to the Auditor General's Office for audit costs. The bill was not received from them until the last week of June 2006.

Commodities	\$ 6,615	\$ 6,615
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These expenditures were for items ordered prior to the end of FY 2006 but not received until after year-end.

Printing	\$ 4,185	\$ 11,698
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Paper and printing supplies that were ordered prior to the fiscal year-end were not received until after July 1, 2006 resulting in lapse period expenditures.

Equipment	\$ 1,100	\$ 1,100
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The Agency had ordered equipment prior to June 30, 2006, but did not receive the goods until after the lapse period had begun.

Division of Planning Research and Development:

Contractual Services	\$ 2,000	\$ 2,867
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This significant lapse period expenditure was for a payment associated with the costs of an Advisory Council retreat held late in the fiscal year.

Division of Communications and Outreach:

Travel	\$ 2,063	\$ 2,099
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These lapse period expenditures represent reimbursements for travel in June 2006.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2006

Explanations were obtained for lapse period expenditures that made up for 15% or greater of the total expenditures for that line item for the two fiscal years.

Fiscal Year 2005	Lapse Period	Total Expenditures
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GENERAL REVENUE FUND - 001  
Operations:

Elder Abuse and Neglect	\$ 1,337,015	\$ 8,370,717
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The Elder Abuse and Neglect June reports and closeouts are not due until after July 1; therefore, the June 2005 payroll was expended during the lapse period along with any printing or equipment items that were ordered prior to lapse period but not received until after July 1, 2005.

Awards and Grants:

Alzheimer's Initiative and Related Programs	\$ 36,149	\$ 62,954
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The majority of the lapse period expenditures are made up of grant payments from the end of June 2005. Reports for final grant payments of \$12,000 were not due until June 20, 2005 and \$24,000 was a grant for the time period of June 15- 30, 2005.

Expenses to Area Agencies on Aging for Long-Term Care Systems Development	\$ 68,467	\$ 276,000
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The fourth quarter payments for the area agency expenditures were not made until after the end of the fiscal year.

Delivered Meals and Mobile Food Equipment	\$ 1,057,111	\$ 6,969,600
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The cash request from the City of Chicago was not made until after the fiscal year-end resulting in large lapse period spending.

Community Based Services, Including Information and Referral, Transportation and Delivered Meals	\$ 487,462	\$ 3,062,300
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The lapse period spending is due to cash requests not being received by the Agency until after July 1, 2005.

Pharmaceutical Refunds	\$ 18,834	\$ 51,963
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The pharmaceutical refunds are processed at the Agency level by an individual who was out of the office for an extended period of time during FY 2005 resulting in some delayed payments.

Division of Administrative Support:

Equipment	\$ 1,753	\$ 6,028
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The Agency ordered equipment prior to the fiscal year-end, but the goods were not received until after July 1, 2005.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)  
For the Two Years Ended June 30, 2006

Fiscal Year 2005 (Continued)	Lapse Period	Total Expenditures
GENERAL REVENUE FUND - 001 (Continued)		
Division of Management Information Services:		
Contractual Services	\$ 17,201	\$ 100,776

The majority of these lapse period expenditures was for three months worth of billing from the Illinois Department of Central Management Services for Statistical Services payments due. Agency personnel did not receive these bills in a timely manner to be paid before lapse period began.

Electronic Data Processing	\$ 47,194	\$ 112,859
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These lapse period expenditures were for electronic data processing equipment that was ordered prior to the fiscal year-end but not received until after year-end.

SERVICES FOR OLDER AMERICANS FUND - 618  
Operations:

Discretionary Government Projects	\$ 47,500	\$ 47,500
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These payments were made during the lapse period for a federal grant that did not end until September 30, 2005.

Awards and Grants:

Grants for USDA Adult Day Care	\$ 178,863	\$ 1,045,256
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These lapse period expenditures are made up of the grant payments for May and June 2005 plus the 90-day payments.

Grants for Nutrition Services	\$ 3,783,415	\$ 20,325,179
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Lapse period expenditures of the Grants for Nutrition Services represent final fiscal year payments to the Area Agencies on Aging paid after June 30, 2005.

Grants for Social Services	\$ 4,367,801	\$ 23,534,624
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Lapse period expenditures of the Grants for Social Services represent final fiscal year payments to the Area Agencies on Aging paid after June 30, 2005.

Division of Administrative Support:

Equipment	\$ 1,009	\$ 1,009
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The Agency ordered equipment prior to the fiscal year-end, but the goods were not received until after July 1, 2005.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANALYSIS OF ACCOUNTS RECEIVABLE  
For the Two Years Ended June 30, 2006 and 2005

The Department had approximately \$11,218,000 and \$9,771,000 due from federal agencies at June 30, 2006 and 2005, respectively. The receivables from federal agencies, which were comprised of the U.S. Department of Labor, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services, all passed through in the Service for Older Americans Fund 618. The Department considers these receivables to be current and collectible.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SCHEDULE OF INDIRECT COST REIMBURSEMENTS  
For the Two Years Ended June 30, 2006

The Department negotiates indirect cost reimbursement rates with the U.S. Department of Health and Human Services (DHHS). These indirect cost rates are used to support claims for indirect costs pertaining to grants and contracts with the federal government.

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. The indirect cost rates are based on direct salaries and wages including retirement and social security. The latest rate agreement, dated March 31, 2006, approved the following rates:

COSTS APPLICABLE TO	RATE TYPE	EFFECTIVE PERIOD	RATE
Older American Services	Final	07/01/03 - 06/30/04	59.6%
	Provisional	07/01/04 - 06/30/05	59.6%
	Provisional	07/01/05 - Until Amended	59.6%
Long Term Care	Final	07/01/03 - 06/30/04	118.0%
	Provisional	07/01/04 - 06/30/05	118.0%
	Provisional	07/01/05 - Until Amended	118.0%
Communication and Training	Final	07/01/03 - 06/30/04	126.0%
	Provisional	07/01/04 - 06/30/05	126.0%
	Provisional	07/01/05 - Until Amended	126.0%
General Services' Management Information System	Final	07/01/03 - 06/30/04	41.6%
	Provisional	07/01/04 - 06/30/05	41.6%
	Provisional	07/01/05 - Until Amended	41.6%
General Services' Grants Management Unit	Final	07/01/03 - 06/30/04	98.5%
	Provisional	07/01/04 - 06/30/05	98.5%
	Provisional	07/01/05 - Until Amended	98.5%
Community Services and Intergenerational Programs	Final	07/01/03 - 06/30/04	119.0%
	Provisional	07/01/04 - 06/30/05	119.0%
	Provisional	07/01/05 - Until Amended	119.0%
Circuit Breaker / Pharmaceutical Assistance	Final	07/01/04 - 06/30/05	57.5%
	Provisional	07/01/05 - Until Amended	57.5%
Home and Community Care / Planning, Research and Development	Final	07/01/04 - 06/30/05	66.1%
	Provisional	07/01/05 - Until Amended	66.1%
Finance and Administration	Final	07/01/04 - 06/30/05	52.9%
	Provisional	07/01/05 - Until Amended	52.9%
Communication and Outreach	Final	07/01/04 - 06/30/05	76.7%
	Provisional	07/01/05 - Until Amended	76.7%

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
AGENCY FUNCTIONS AND PLANNING PROGRAM  
For the Two Years Ended June 30, 2006

## AGENCY FUNCTIONS

The State of Illinois, Department on Aging (Department) was created by the State Legislature in 1973 for the purpose of improving the quality of life for Illinois' senior citizens by coordinating programs and services enabling older persons to preserve their independence as long as possible. It is the single State agency in Illinois authorized to receive and dispense Federal Older Americans Act funds, as well as specific State funds, through area agencies on aging and community based service providers.

The mission of the Department is to provide a comprehensive and coordinated service system for the State's approximately two million aging population, giving high priority to those older persons in greatest need; to conduct studies and research into the needs and problems of the elderly; and to ensure participation by older persons in the planning and operation of all phases of the system. In fulfilling its mission, the Department responds to the dynamic needs of society's aging population through a variety of activities including planning, implementing, and monitoring integrated service systems; coordinating and assisting the efforts of local community agencies; advocating for the needs of the State's elderly population; and cooperating with federal, state, local, and other agencies of government in developing programs and initiatives.

The Department's main office is located at 421 East Capitol Avenue, Springfield, Illinois 62701. It also has an office at the James R. Thompson Center in Chicago, Illinois. The Director, Charles D. Johnson, was appointed Director of the Department in February 2003.

The Department is organized into the following divisions:

- λ The Executive Office provides leadership in administering Department programs, ensuring effective management and acting as a visible advocate for Illinois' older persons. The functions include establishing policy, analyzing management operations, and providing legal counsel.
- λ The Division of Finance and Administration is responsible for the efficient and effective management of accounting, budgeting, grant administration, human resources, data processing, and office support services.
- λ The Division of Home and Community Services plans, develops, and manages various programs that serve and advocate for older Illinoisans and their caregivers by administering programs and promoting partnerships that encourage independence, dignity, and quality of life. These programs include Community Care Services, Older American Services, Elder Rights, State Ombudsman, and Training and Development.
- λ The Division of Planning, Research and Development is responsible for planning and establishing priorities and identifying initiatives in fulfilling the Department's overall mission to serve older Illinoisans and their caregivers.
- λ The Division of Communications and Outreach is responsible for media and community relations; public information, publications, graphics, and printing; advocacy initiatives that promote and respond to the special needs of older people and their families; state-wide training for the aging network, special projects, and staff development. The Division is also responsible for the Department's Senior Helpline.
- λ The Division of Circuit Breaker and Pharmaceutical Assistance is responsible for providing grants to senior citizens and persons with disabilities to help them reduce the impact of taxes and prescription medication costs.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)  
For the Two Years Ended June 30, 2006

**PLANNING PROGRAM**

The Department engages in both long-term and short-term planning on a continual basis. Long-term planning is accomplished through ongoing discussions and developments on policies and programs within the Department and through interaction with other State and federal agencies and organizations, as well as discussions with area agencies on aging and other provider agencies. Short-term planning is principally manifested in the annual budgetary process and intra-departmental discussions.

The budgetary process identifies various programs and issues to be addressed during the next fiscal year, in addition to more routine considerations of the Department's operations. The result of this process is a formal program of objectives to be accomplished, which is subject to monitoring and revision throughout the fiscal year.

**AUDITOR'S ASSESSMENT OF AGENCY'S PLANNING PROGRAM**

The planning program for the Department consists of formal, written long-term goals and shorter-term objectives for meeting the long-term goals. The Department monitors the performance through various reviews of its operations and administration and periodically reevaluates the goals and objectives and whether alternative approaches are necessary.

The Department's planning program is adequate to fulfill the Department's statutory mandates.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
AVERAGE NUMBER OF EMPLOYEES  
For the Two Years Ended June 30, 2006

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Executive Office	10	10	7
Division of Home and Community Services	34.5	40	23
Division of Planning, Research and Development	7.5	8	20
Division of Finance and Administration	33	35	28
Division of Communications and Outreach	17.5	18.5	30
Division of Circuit Breaker and Pharmaceutical Assistance	<u>43</u>	<u>44</u> (1)	<u>-</u>
Total average number of employees	<u><u>145.5</u></u>	<u><u>155.5</u></u>	<u><u>108</u></u>

(1) In FY 2005, the Division of Circuit Breaker and Pharmaceutical Assistance moved from the State of Illinois, Department of Revenue to the Department on Aging.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
ANNUAL COST STATISTICS  
For the Two Years Ended June 30, 2006  
(Not Examined)

Statistical Information on State Community Care Program

The following comparative data was prepared from Department records for the fiscal years ended June 30:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average Monthly Caseload (1)	<u>42,964</u>	<u>40,578</u>	<u>39,321</u>
Percentage of Males	26%	26%	25%
Percentage of Females	74%	74%	75%
Percentage of Clients over 75 Living Alone	63%	65%	60%
Percentage of Ethnic/Minority	47%	47%	46%
Average Cost per Client per Month	\$ 541	\$ 517	\$ 482
Average Unit Cost			
Homemaker (per hour)	\$ 13.12	\$ 11.84	\$ 11.06
Adult Day Care (per hour)	\$ 7.02	\$ 7.02	\$ 7.02
Adult Day Service Transportation (one-way trip)	\$ 4.15	\$ 4.15	\$ 4.15
Prospective Nursing Home Cases (2)			
Number of Cases Prescreened	91,782	87,750	78,206
Number of Face-to-Face Screens	91,186	86,006	76,611
Number of Non-Face-to-Face Screens	596	1,744	1,595

Note: Updated figures have been used for comparative fiscal year 2004 that were not available at the time of the fiscal year 2004 report.

- (1) Average monthly caseload refers to Community Care Program (CCP) clients who received a paid service for that month. This count is adjusted to include clients who receive service through the Managed Care and Community Based Residential Facility demonstration projects.
- (2) Subsection G.12., DIVERSIONS FROM INSTITUTIONAL CARE, of the approved Home and Community-Based Services Waiver for the Elderly Population, which is currently in effect, states in part: "The present caseload represents persons deflected from nursing home placement during the current waiver." Accordingly, all clients of the Community Care Program are considered to be prospective nursing home cases who have been diverted from institutional care.

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
EMERGENCY PURCHASES  
For the Two Years Ended June 30, 2006

During the two years ended June 30, 2006, the Department filed the following emergency purchase affidavit with the Office of the Auditor General.

<u>Date Filed</u>	<u>Description</u>	<u>Fiscal Year Cost</u>	
		<u>2006</u>	<u>2005</u>
June 8, 2006	On May 31, 2006, the basement of the Herndon Building, which is the primary office of the Department and is located at 421 East Capital, Springfield, Illinois, experienced extensive water damage that resulted in the immediate closing of the building on June 2, 2006. As a result, the Department needed movers, a temporary site for Department operations, a document storage facility, the initiation of necessary start-up maintenance, and restoration services.	<u>\$ 118,110</u>	<u>\$ -</u>

STATE OF ILLINOIS  
DEPARTMENT ON AGING  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Two Years Ended June 30, 2006  
(Not Examined)

The following are key indicators of the Department's performance by fiscal year. The Department provided this information to the Comptroller's Public Accountability Project Office for FY 2006 and FY 2005.

Performance Indicators	Fiscal Year		
	2006	2005	2004
<b>Input Indicators</b>			
Community Care Program (CCP) Budget Appropriation	\$ 280,134,000	\$ 253,108,200	\$ 228,602,400
Number of CCP Personnel	17	22	20
<b>Output Indicators</b>			
Total Assessments Conducted	187,118	180,922	175,144
Number of Deinstitutionalizations Conducted	293 (1)	341	397
Units of Service Conducted			
Homemaker Service	20,546,062	20,216,619	19,091,723
Adult Day Service	2,552,292	2,350,227	2,332,877
<b>Outcome Indicators</b>			
Percent of CCP Screens			
Face-to-Face	99.4%	98.1%	98.0%
Non-Face-to-Face	0.6%	1.9%	2.0%
CCP Caseload Cost vs. Nursing Home Caseload Costs	22.5%	21.8%	20.9%
<b>Efficiency/Cost-Effective Indicators</b>			
CCP Average Monthly Caseload	42,964	40,578	39,321
CCP Average Monthly Cost of Care	\$ 541	\$ 517	\$ 482
Average Monthly Cost of Medicaid Nursing Home Individuals in CCP vs. Nursing Home	\$ 2,399	\$ 2,369	\$ 2,300
Monthly Savings (Federal/State)	\$ 79,847,400	\$ 75,152,300	\$ 71,498,800
Yearly Savings (Federal/State)	\$ 958,168,800	\$ 901,827,600	\$ 857,985,600

Note: Updated figures have been used for comparative fiscal year 2004 that were not available at the time of the fiscal year 2004 report.

- (1) The number of deinstitutionalizations conducted decreased in fiscal year 2006 due to the implementation of the Enhanced Transition Program which provides additional assistance for transition from Nursing Home.