

**STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2012

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2012

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**AGENCY OFFICIALS – CENTRAL OFFICE**

Director (8/8/11 to current)	Ms. Erica Borggren
Director (7/1/10 to 8/7/11)	Mr. Dan Grant
Assistant Director (10/11/11 to current)	Mr. Rodrigo Garcia
Assistant Director (7/1/10 to 10/10/11)	Mr. Sergio Estrada
Chief of Staff (8/2/11 to current)	Mr. Simon Wlodarski
Chief of Staff (7/1/10 to 8/1/11)	Mr. Stewart Reeve
Chief Legal Counsel (6/7/12 to current)	Mr. Jamie Martinez
Chief Legal Counsel (7/1/10 to 6/6/12)	Mr. Jim Robideau
Fiscal Officer	Ms. Deborah Miller
Senior Home Administrator (9/4/12 to current)	Ms. Joy Ward
Chief Internal Auditor (4/18/11 to current)	Mr. H. Jay Wagner

Department offices are located at:

833 S. Spring Street  
P.O. Box 19432  
Springfield, Illinois 62794-9432

James R. Thompson Center  
100 W. Randolph  
Suite 5-570  
Chicago, Illinois 60601-3219

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**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT ANNA**

Home Administrator (9/9/13 to current)	Ms. Angela Simmons
Acting Home Administrator (4/16/13 to 9/8/13)	Mr. Lenard Winnicki
Home Administrator (12/31/11 to 4/15/13)	Mr. Steve Emling
Acting Home Administrator (3/18/11 to 12/30/11)	Ms. Jennifer Hall
Home Administrator (7/1/10 to 3/17/11)	Ms. Linda Hadley
Business Administrator (6/16/13 to current)	Ms. Erin Siebert
Business Administrator (3/1/13 to 6/15/13)	Vacant
Business Administrator (11/1/12 to 2/28/13)	Mr. Donald Burk
Acting Business Administrator (7/16/12 to 10/31/12)	Ms. Debbie Dillon
Business Administrator (7/1/10 to 7/16/12)	Ms. Christine Butler
Adjutant (4/18/11 to current)	Mr. Donnie Houghland
Adjutant (7/1/10 to 4/17/11)	Vacant

The Home is located at:

792 North Main Street  
Anna, Illinois 62906

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**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT LASALLE**

Home Administrator	Mr. John Koehler
Acting Business Administrator (7/1/13 to current)	Ms. Lisa Fellows
Business Administrator (7/1/10 to 6/28/13)	Mr. Raymond Schneider
Adjutant	Ms. Luann Pierard

The Home is located at:

1015 O'Connor Avenue  
LaSalle, Illinois 61301

**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT MANTENO**

Acting Home Administrator (9/19/13 to current)	Mr. Lenard Winnicki
Home Administrator (8/1/13 to 9/18/13)	Vacant
Home Administrator (7/1/10 to 7/31/13)	Mr. Reginald Booker
Business Administrator	Mr. Stanley Stam
Adjutant (11/11/10 to current)	Mr. Lenard Winnicki
Adjutant (7/1/10 to 11/10/10)	Vacant

The Home is located at:

1 Veterans Drive  
Manteno, Illinois 60950

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**AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT QUINCY**

Home Administrator	Mr. Bruce Vaca
Business Administrator	Mr. John McPherson
Adjutant (7/1/11 to current)	Ms. Dawn Whitcomb
Adjutant (7/1/10 to 6/30/11)	Mr. John Wingerter

The Home is located at:

1707 North 12<sup>th</sup> Street  
Quincy, Illinois 62301



STATE OF ILLINOIS  
**DEPARTMENT OF VETERANS' AFFAIRS**

P.O. BOX 19432, 833 S. SPRING STREET, SPRINGFIELD, ILLINOIS 62794-9432  
TELEPHONE: 217/782-6641 \* FAX: 217/524-0344 \* TDD: 217/524-4645

PAT QUINN  
GOVERNOR

ERICA J. BORGGREN  
DIRECTOR

MANAGEMENT ASSERTION LETTER

October 22, 2013

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

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 Department. 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 Department's compliance with the following assertions during the two-year period ended June 30, 2012. Based on this evaluation, we assert that during the two years ended June 30, 2011 and June 30, 2012, the Department 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.

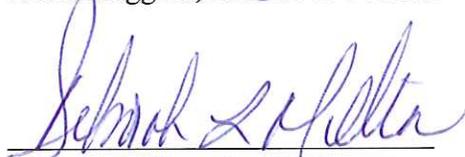
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Department of Veterans' Affairs



Erica Borggren, Executive Director



Deborah Miller, Fiscal Officer



Jaime Martinez, General Counsel

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
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**COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANTS' REPORT**

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

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	Report	Report
	22	25
Repeated findings	18	16
Prior recommendations implemented or not repeated	7	9

**SCHEDULE OF FINDINGS**

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
12-1	14	Inadequate documentation maintained	Significant Deficiency and Noncompliance
12-2	17	Improper management of waiting lists, admissions, and applications	Significant Deficiency and Noncompliance
12-3	19	Improper use of Members' Benefit Fund	Material Weakness and Material Noncompliance
12-4	21	Inadequate documentation of resident personal property	Significant Deficiency and Noncompliance

FINDINGS (STATE COMPLIANCE), CONTINUED

12-5	23	Failure to properly notify applicants	Significant Deficiency and Noncompliance
12-6	25	Corrective action not taken	Significant Deficiency and Noncompliance
12-7	28	Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program	Significant Deficiency and Noncompliance
12-8	30	Inaccurate reporting of direct patient care statistics	Significant Deficiency and Noncompliance
12-9	32	Inadequate controls over the purchase, recording and reporting of State property	Significant Deficiency and Noncompliance
12-10	36	Inadequate control over travel expenditures	Significant Deficiency and Noncompliance
12-11	38	Inadequate control over contractual agreements	Significant Deficiency and Noncompliance
12-12	40	Inadequate controls over locally held funds and related reporting	Significant Deficiency and Noncompliance
12-13	44	Inadequate controls over grant agreements and related reporting	Significant Deficiency and Noncompliance
12-14	46	Inadequate control over receipts and refunds	Significant Deficiency and Noncompliance
12-15	48	Inaccurate recording and reporting of accounts receivable	Significant Deficiency and Noncompliance
12-16	50	Excessive quantity of refunds processed	Significant Deficiency and Noncompliance
12-17	51	Department inaccurately compiled and reported the activities of its Veterans' Service Officers	Material Weakness and Material Noncompliance
12-18	54	Inadequate control over employee attendance records and personnel functions	Significant Deficiency and Noncompliance

FINDINGS (STATE COMPLIANCE), CONTINUED

12-19	56	Employee performance evaluations not performed timely	Significant Deficiency and Noncompliance
12-20	57	Inaccurate Agency Workforce Reports	Significant Deficiency and Noncompliance
12-21	59	Inadequate control over commodities inventories	Significant Deficiency and Noncompliance
12-22	61	Inadequate control over voucher processing	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	63	Failure to fully establish the Veterans' Memorial Commission
B	63	Failure to establish Division of Women Veterans' Affairs
C	63	Failure to conduct annual review of benefits received by Illinois veterans
D	64	Inadequate reporting by Illinois Discharged Servicemember Task Force
E	64	Inadequate control over year end financial reporting
F	64	Lack of monthly expenditure reconciliations
G	64	Inadequate control over employee overtime

**EXIT CONFERENCE**

The Department waived an exit conference in correspondence dated September 6, 2013. Responses to the recommendations were provided by Mr. H. Jay Wagner in correspondence dated September 19, 2013.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois, Department of Veterans' Affairs' 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, 2012. The management of the State of Illinois, Department of Veterans' Affairs is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Veterans' Affairs' compliance based on our examination.

- A. The State of Illinois, Department of Veterans' Affairs has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Veterans' Affairs has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Veterans' Affairs has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Department of Veterans' Affairs are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois, Department of Veterans' Affairs on behalf of the State or held in trust by the State of Illinois, Department of Veterans' Affairs 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 of Veterans' Affairs' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Veterans' Affairs' compliance with specified requirements.

As described in items 12-3 and 12-17 in the accompanying schedule of findings, the State of Illinois, Department of Veterans' Affairs did not comply with requirements regarding:

- A. The State of Illinois, Department of Veterans' Affairs 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.
- C. The State of Illinois, Department of Veterans' Affairs has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department of Veterans' Affairs to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Department of Veterans' Affairs complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-1, 12-2, 12-4, 12-5, 12-6, 12-7, 12-8, 12-9, 12-10, 12-11, 12-12, 12-13, 12-14, 12-15, 12-16, 12-18, 12-19, 12-20, 12-21, and 12-22.

### **Internal Control**

Management of the State of Illinois, Department of Veterans' Affairs is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Veterans' Affairs' internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide,

issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Veterans' Affairs' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*A deficiency in an entity's internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as items 12-3 and 12-17 to be material weaknesses.

*A significant deficiency in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 12-1, 12-2, 12-4, 12-5, 12-6, 12-7, 12-8, 12-9, 12-10, 12-11, 12-12, 12-13, 12-14, 12-15, 12-16, 12-18, 12-19, 12-20, 12-21, and 12-22 to be significant deficiencies.

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

The State of Illinois, Department of Veterans' Affairs' responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Department of Veterans' Affairs' responses and, accordingly, we express no opinion on the responses.

### **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 for the years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 11 and the Analysis of Operations Section 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 June 30, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 11. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3, 4, 5, 6, 8, and 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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



BRUCE L. BULLARD, CPA

Director of Financial and Compliance Audits

October 22, 2013

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Inadequate documentation maintained)

The Department of Veterans' Affairs (Department) did not maintain adequate documentation of the outcome of its application process to document compliance with the operating policies of the Prince Home at Manteno (Home) program.

The Home is a residential program for homeless and disabled veterans. Opened in 2007, the Home provides housing and supportive services for homeless Illinois veterans by helping them cope with Post Traumatic Stress, substance abuse, and other challenges. Enrollment in the Home's program averaged 14 and 15 veterans during Fiscal Years 2011 and 2012, respectively. Expenditures for the Home's program totaled \$162,617 and \$736,844 in Fiscal Years 2011 and 2012, respectively.

During testing of 30 applicants, we noted the Home did not follow the policies and procedures outlined by management for the Prince Home Program. The following deficiencies were noted:

- Eighteen (60%) applications tested were not considered complete prior to the in-person interview. Missing information from the applications included staff or applicant signatures, dates, incomplete release of information form, and other required information.
- Two (7%) applications tested were not properly reviewed in order to determine whether to deny or accept the applicant based on the Home's selection criteria. One of the applicants was denied admission, but no documented reason was on file. The other applicant was re-admitted on 3/16/11 after separating from the Home on 12/3/09, but no screening was performed for re-admission. The operating policies do not address re-admissions.
- For two (7%) applications tested, the Home's clinical staff did not document results of the interview with a potential resident on the required Screening Summary form as outlined by the Home's Policies and Procedures Manual. For one applicant the Screening Summary form was not on file, and for the other applicant notebook paper was used instead of the Screening Summary form.
- For 28 (93%) applications tested, the applicant's Intake Status form was either missing from the applicant's file or was incomplete. Seventeen Intake Status forms were incomplete. Missing fields included dates and/or the Program Director's signature. Eleven Intake Status forms were missing from the applicant's file.
- For 27 (90%) application files tested, the auditors were unable to verify whether the prospective resident and/or the referral source were made aware of the final decision to accept or deny the applicant within five business days of receipt of all required materials.

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

- For three (10%) application files tested, the Application Checklist Form (HDP – 088) was either missing or was incomplete.

During the examination period, the Home did not maintain a waiting list for applicants considered eligible for admittance to the Prince Homeless Program. The auditors were unable to verify the adequacy of progression of eligible residents and whether they were properly admitted as space or vacancies became available. Fourteen (47%) applicants selected for testing were admitted during the examination period, however their respective placement or progression could not be verified as no waiting list was provided by the Home.

The operating policies of the Prince Home Program require upon verbal referral from a referral resource, community intake, and/or self referral, a written referral packet to be submitted prior to in-person interview. A complete referral documentation packet must include the following:

- Intake form IDVA-HDP-001
- Medical History/ Emergency Data form
- Social History form
- Mental Health History form
- Substance Abuse Profile
- Background screening form
- DD214 Copy
- Copy of VA ID Card
- Copy of Drivers License, and
- Release of Information forms HDP-002 and HDP-002a.

Upon receipt of completed referral packet, the application will be date stamped on the face sheet. The application identification is then logged on to the Client Application Log. An in-person interview will be scheduled and conducted with the prospective resident if applicant meets admission criteria. Interviews require staff from the program, at least one being a clinical member. Following the interview the Screening summary will be completed by the clinical staff, signed by all staff in attendance, with recommendations of approval or decline; explanations must be submitted to the Program Director for final determination.

The prospective resident and referral source will be made aware of the final decision within five business days of receipt of all required materials.

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Approved applicants will be given a date of admission or their number on the waiting list if no beds are available. The approved applicant will be assigned a rehabilitative counselor for the admission process.

The State Records Act (5 ILCS 160/8) requires each agency to create and maintain documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activities.

Department and Home personnel indicated the errors and omissions described above were due to oversight.

Failure to adequately document the application process limits oversight and may result in noncompliance with policy and procedures. (Finding Code No. 12-1, 10-3)

**RECOMMENDATION**

We recommend the Department ensure proper documentation of the application process and its outcomes are maintained to demonstrate compliance with operating policies.

**DEPARTMENT RESPONSE**

Accepted. The Department has hired clerical staff to provide administrative support to the Prince Home, and is in the process of revising its operating procedures and processes.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-2. **FINDING** (Improper management of waiting lists, admissions, and applications)

The Department of Veterans' Affairs (Department) did not maintain proper documentation to substantiate compliance with requirements governing the admission of veterans into the Illinois Veterans' Homes operated by the Department.

The Department operates four Homes throughout Illinois, located in Anna, LaSalle, Manteno, and Quincy, with a total of 1,285 beds licensed during Fiscal Years 2011 and 2012. The Homes admitted a total of 601 patients into skilled nursing care units during Fiscal Years 2011 and 2012.

To gain admission into one of the Homes, veterans and/or spouses desiring care must file an application for admission. In addition, applicants must provide the Home with a completed health questionnaire and pertinent medical records. Once all necessary documentation has been submitted, each Home's Admissions Review Committee (ARC) reviews the documentation to ensure the Home can meet the individual needs of the applicant. If approved for admission, the applicant is granted admission, or in a situation where no beds are immediately available, is placed on the appropriate waiting list for the type of care desired.

We noted the following with regard to operations of the Illinois Veterans' Home at Anna (Anna):

- The ARC did not meet once a month as required. For nine of 24 (38%) months during our examination period, the ARC did not meet.

The Home's Policy and Procedure Manual (Policy 16-003) states the ARC will meet a minimum of once per month, and the results of each meeting will be maintained in the Adjutant's office.

We noted the following with regard to operations of the Illinois Veterans' Home at LaSalle (LaSalle):

- For 10 of 58 (17%) applications selected for testing, the ARC form documenting the ARC's admission decision and relevant notes was not completed.
- We were unable to determine if applicants were properly placed on waiting lists due to a lack of documentation. Historical waiting lists were not maintained for the entire examination period, and as a result, we were unable to determine if 39 of 58 (67%) applicants selected for testing were properly placed on the waiting list.

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- For one of 58 (2%) applicants selected for testing, the Home's Medical Review Committee did not conduct the necessary investigatory research needed to determine whether the applicant was eligible for admission. Relevant disqualifying information was later discovered, and the applicant was subsequently removed from the applicable waiting list.
- For one of 58 (2%) applicants selected for testing, Home personnel could not locate the application or related documentation.

The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency to establish and maintain a records management program, which shall ensure effective controls over the maintenance of records. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls. Good internal controls require the proper and accurate administration of waiting lists to ensure veterans gain timely and equitable admission into the Home.

Department personnel stated the issues noted were due to oversight and a lack of clerical support.

Failure to comply with and adhere to application and admission requirements increases the risk qualified veterans will not gain timely and equitable admission into the Home and may reduce veterans' access to the residential and nursing care to which they are entitled. Failure to complete prescribed forms impedes the Home's ability to validate any actions taken with regard to eligibility and admissions decisions. (Finding Code No. 12-2, 10-1, Anna – 08-1)

**RECOMMENDATION**

We recommend the Department implement adequate controls over its waiting lists and Admissions Review Committee. We further recommend the Department adequately document its implementation efforts.

**DEPARTMENT RESPONSE**

Accepted. Noting that this finding is restricted to the eligibility determination process and associated meetings and documentation (rather than placement/location on wait lists), the Department will improve its documentation of admissions decisions and adjust policies to reflect the reality of meeting and documentation requirements.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-3. **FINDING** (Improper use of Members' Benefit Fund)

The Prince Home at Manteno (Home) improperly utilized its Members' Benefit Fund to subsidize operations. Activity in the Members' Benefit Fund for Fiscal Years 2011 and 2012 is summarized below:

	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2012</u>
Beginning Balance, July 1	\$ 28,532	\$ 19,975
Receipts	11,990	11,953
Disbursements	20,547	13,523
Ending Balance, June 30	<u>\$ 19,975</u>	<u>\$ 18,405</u>

During testing, the following conditions were noted:

- During Fiscal Year 2011, the Home utilized monies in its Members' Benefit Fund for operational commodity purchases. Members' Benefit Fund commodity expenditures totaled \$16,584 in Fiscal Year 2011. No commodity expenditures were noted from appropriated funds during Fiscal Year 2011.
- The Home established a grant program using monies in its Members' Benefit Fund during the examination period. The Program Director implemented the Homeless and Disabled Program (Program) to provide services for eligible veterans to prevent homelessness, as well as to provide services to veterans who have departed the Prince Home at Manteno program in good standing. Three of 20 (15%) Benefit Fund disbursements tested, totaling \$2,455, were for emergency payments to help specific veterans under the Program. In addition, the Home accepted donations for the Program.

The Department of Veterans Affairs Act (Act) (20 ILCS 2805/2.01a) states expenditures from the Members' Benefit Fund may not be used to supplement a shortfall in the ordinary and contingent operating expenses of the Home and shall be expended only for the special comfort, pleasure, and amusement of the residents.

The Illinois Department of Veterans' Affairs Policy HOM-003, Members' Benefit Fund states donations should not be accepted or requested for items that do not add to the pleasure, amusement, or comfort of residents. Furthermore, the Act (20 ILCS 2805/2) states the Department may accept and hold on behalf of the State, if for the public interest, a grant, gift, devise or bequest of money or property to the Department made for the general benefit of Illinois veterans. The Department shall cause each grant, gift, devise or bequest to be kept as a distinct fund and shall invest such funds in the manner

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provided by the Public Funds Investment Act, and shall make such reports as may be required by the Comptroller concerning what funds are so held and the manner in which such funds are invested. The Department may make grants from these funds for the general benefit of Illinois veterans.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

Department personnel stated the conditions were due to a lack of awareness of applicable rules and statutes.

Inappropriate spending of Members' Benefit Fund monies and operation of a grant program is noncompliance with the Department of Veterans Affairs Act. (Finding Code No. 12-3)

**RECOMMENDATION**

We recommend the Department strengthen controls over Members' Benefit Fund monies and process transactions in accordance with the Act.

**DEPARTMENT RESPONSE**

Corrected. The Department had discontinued the use of the Prince Homeless Program's Member's Benefit Fund for commodities purchases in fiscal year 2011, and has discontinued its use for homelessness prevention assistance in fiscal year 2013.

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12-4. **FINDING** (Inadequate documentation of resident personal property)

The Department of Veterans' Affairs (Department) did not maintain adequate documentation of resident personal property upon admission and/or discharge.

The Department of Veterans Affairs Act (Act) (20 ILCS 2805/2.01a) requires any articles of personal property belonging to any resident separated by death, discharge, or unauthorized absence from an Illinois Veterans' Home, with the exception of clothing left in the custody of officers, if unclaimed for a period of 2 years, be sold and the money deposited into the Members Benefit Fund for the special comfort, pleasure, and amusement of residents. The Act also states clothing left at a Home by residents at the time of separation may be used as determined by the Home if unclaimed by the resident or legal representatives thereof within 30 days after notification.

During our testing at the Illinois Veterans' Homes at Anna, LaSalle, and Manteno, we noted the Homes did not maintain a detailed inventory sheet or properly document the final disposition of the residents' personal property or clothing at the time of separation for a total of 49 of 73 (67%) residents tested who separated from the Homes during the examination period. As a result, we were unable to determine if the residents' personal property was disposed of according to the individual resident's wishes or if the resident's clothing was provided to the resident or legal guardian at the time of separation or discharge.

In one instance at the Illinois Veterans' Home at Manteno, the Home was obligated to replace a television in response to a claim made by the estate of a deceased resident. Because a proper inventory of personal items was not taken upon the resident's death, the Home did not have the records necessary to dispute the claim. Consequently, the Home submitted a tort claim to the Illinois Attorney General to gain authorization to replace the television at a cost of \$150.

In addition, we noted for 20 of 20 (100%) residents tested who separated from the Illinois Veterans' Home at Manteno, records maintained by the Home did not include the amount of physical cash held by the resident at the time of admission and discharge.

Illinois Veterans' Home at Manteno policy (6.37) requires an account of each resident's personal belongings to be maintained through the utilization of an inventory sheet, including currency. The inventory sheet is required to be prepared by nursing staff upon admission and to be updated throughout the resident's stay until separation or discharge from the Home.

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Department personnel stated the documentation was not maintained due to oversight and competing priorities for the responsible personnel.

Failure to maintain documentation limits the Department's ability to substantiate compliance with State statute and increases the risk of claims for the replacement of property, which the Department will be unable to dispute. In addition, the failure to maintain documentation resulted in a potentially avoidable loss of \$150. (Finding Code No. 12-4)

**RECOMMENDATION**

We recommend the Department and Homes remind staff of the importance of maintaining accurate and up-to-date inventory records of resident personal property, including cash.

**DEPARTMENT RESPONSE**

Accepted. The Department will ensure the accuracy of residents' personal property records.

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12-5. **FINDING** (Failure to properly notify applicants)

The Department of Veterans' Affairs (Department) did not properly notify denied applicants of their potential eligibility for care in other facilities.

In instances where applicants seeking admission into one of the Illinois Veterans' Homes operated by the Department are denied admission because of failure to meet applicable criteria, the Illinois Administrative Code (Code) (95 Ill. Adm. Code 107.10(c)) requires the Department to notify the denied applicant of his or her potential eligibility for care in a United States Department of Veterans' Affairs (USDVA), State, county, or city hospital, or other Illinois Veterans' Home.

During our testing at the Illinois Veterans' Home at LaSalle, we noted the Home personnel were unable to provide supporting documentation to verify denied applicants were properly notified of alternative placements for care. In each instance, we noted letters were sent to the applicant informing him or her of the Home's decision to deny the applicant admission into the Home. However, the letters did not notify the applicant of his or her potential eligibility for care in other facilities as required by the Code.

During our testing at the Illinois Veterans' Home at Manteno, we noted the Home only provided the required notification to applicants who were denied admission to the Home due to criminal offenses. In the other instances tested, we noted letters were sent to the applicant informing him or her of the Home's decision to deny the applicant admission into the Home. However, the letters did not notify the applicant of his or her potential eligibility for care in other facilities as required by the Code.

Department personnel indicated each Home sends a letter indicating the reasons for denying an applicant admission to the Home. Department personnel also stated each Home's adjutant speaks with the affected parties and verbally advises them to contact the USDVA or other Homes for possible placement. However, this communication is not documented and does not yield the evidence needed to substantiate compliance with this requirement.

Failure to implement a notification process with proper documentation for denied applicants is noncompliance with the Illinois Administrative Code and limits information available to veterans seeking care. (Finding Code No. 12-5)

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**RECOMMENDATION**

We recommend the Department revise its denial letters to include all necessary notifications required by the Code.

**DEPARTMENT RESPONSE**

Corrected. The Department has implemented denial letters which include referral information as required by 95 Illinois Administrative Code 107.10(c).

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12-6. **FINDING** (Corrective action not taken)

The Department of Veterans' Affairs (Department) did not take corrective action to prevent future inappropriate involvement by employees in residents' personal finances. We noted the following:

- During the Fiscal Year 2007 and 2008 examination period, auditors noted an employee of the Illinois Veterans' Home at Anna (Home) assisted a resident with writing checks from his personal checking account. In addition, the employee stated she received monthly bank statements from the resident, then forwarded them to the appointed power of attorney. However, the auditors noted copies of some bank statements were maintained in the resident's file at the Home. Approximately \$45,000 flowed through this account on an annual basis during the prior examination period.

As noted in the Home's Finding 08-3, the involvement of an individual employee of the Home in a resident's personal finances is inappropriate and circumvents controls previously established by the Department. The Members' Trust Fund (Fund) as established by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2.04) to provide an approved mechanism for the deposit, safeguarding and distribution of residents' monies, as initiated by the resident. The Home acts as a fiduciary over the Fund and is thus required to maintain an appropriate system of internal controls over the Fund, including but not limited to, an adequate segregation of duties and monthly reconciliation of the individual accounts within the Fund by an independent person. However, such internal controls are not in place for personal resident accounts maintained outside of the Fund. The Home did not have authority to assist any resident with their personal finances maintained outside the Fund.

In this finding, we recommended the Home prohibit employee involvement in the residents' personal finances maintained outside the Fund.

- During the prior examination period covering Fiscal Years 2009 and 2010, we noted the Department did pursue disciplinary action against the employee involved in the circumstances described above. However, no new policies were enacted in response to our finding and recommendation. Employees of the Illinois Veterans' Homes were not engaged in training or given instruction to prevent any future inappropriate involvement by employees in resident's personal finances.

We reviewed the Department's current Employee Handbook (dated July 2005), which prohibits certain types of business transactions between employees and residents.

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However, the type of involvement in personal finances noted in Finding 08-3 is not prohibited under this policy. In addition, the Employee Handbook prohibits employees from accepting gifts or loans from residents and gifts from residents' families. However, these policies do not specifically prohibit the type of problem noted during the Fiscal Year 2007 and 2008 examination period.

- During the current examination period, we noted the Department failed to enact new policies in response to our previous findings and recommendations. Home Administrators were advised of planned upcoming revisions to the Department's Employee Handbook. However, the Department could not provide documentation to show the updates were communicated to all employees.

While we did not note evidence of any inappropriate involvement by employees in residents' personal finances during the current examination period, good internal controls require the Department to evaluate findings and take adequate corrective action to address any findings noted during the examination process.

Department personnel stated a draft has been written to expand the section of the Department's Employee Handbook regarding business transactions with residents. However, due to fiscal constraints, the Department has not had the resources available to print new Employee Handbooks for all personnel and has therefore delayed implementation of the updated policy.

Failure to adopt policies and inform employees of appropriate and inappropriate activities with regard to residents' personal finances increases the risk that inappropriate involvement by employees in residents' personal finances will occur again. (Finding Code No. 12-6, 10-2, Anna – 08-3)

**RECOMMENDATION**

We recommend the Department modify their current Employee Handbook to clearly prohibit all situations where employees are involved in a resident's personal finances outside of the funds and controls established for such purposes. We also recommend the Department implement training on this topic as a component of ongoing training for all employees of the Homes.

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**DEPARTMENT RESPONSE**

Accepted. The Employee Handbook will be updated to prohibit employee involvement in resident finances during the next distribution.

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12-7. **FINDING** (Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program)

The Department of Veterans' Affairs (Department) failed to implement a Post-Traumatic Stress Disorder Outpatient Counseling Program as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/8).

During Fiscal Year 2011, the Department received an appropriation, totaling \$200,000, for a Post-Traumatic Stress Disorder Outpatient Counseling Program but failed to comply with the Act. The Act required the Department to perform the following, subject to appropriation:

- Contract with professional counseling specialists to provide confidential counseling and direct treatment services to war-affected Southwest Asia combat veterans and their family members;
- Provide additional treatment and services to Viet Nam war veterans for post-traumatic stress disorder;
- Develop an educational program designed to inform and train primary health care professionals, about the effects of war related stress and trauma;
- Provide informational and counseling services for the purpose of establishing and fostering peer-support networks throughout the State for families of deployed members of the reserves and the Illinois National Guard; and
- Provide for veterans' families a referral network of mental health providers who are skilled in treating deployed stress, combat stress, and post-traumatic stress.

The Department did not request an appropriation for this purpose for Fiscal Year 2012.

Department personnel stated the Fiscal Year 2011 appropriation received was not sufficient to adequately address all provisions of the Act, and the appropriation lapsed. Department personnel also indicated that P.A. 97-765, effective July 6, 2012, modified the requirements for this program and will permit the Department to implement components of the program to the extent appropriations are available.

Failure to provide the services required by the Act when appropriations were received for this specific purpose is noncompliance with State statute. (Finding Code No. 12-7, 10-6)

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**RECOMMENDATION**

We recommend the Department provide the services required by the Act in years when appropriations are received for this purpose.

**DEPARTMENT RESPONSE**

Corrected. In response to the prior audit finding, Public Act 97-765, effective July 6, 2012, amended the Department of Veterans Affairs Act (20 ILCS 2805/8) to subject implementation of the program to the extent appropriations allow.

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12-8. **FINDING** (Inaccurate reporting of direct patient care statistics)

The Department of Veterans' Affairs (Department) did not accurately report direct patient care statistics to the General Assembly as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2.07).

We tested four (100%) of the reports required to be submitted to the General Assembly during the examination period and noted the following:

- The Department did not maintain a signed copy of two of the four (50%) reports.
- Three of 12 (25%) entries on the June 2012 report were calculated incorrectly. The hours reported per patient were between 0.11 and 0.31 more than calculated.
- Two of 48 (4%) entries on the reports did not include the number of direct care staff employed in providing direct patient care at the homes.
- Two of 48 (4%) entries on the reports did not meet the minimum required standards and the number of staff required for compliance was not indicated in the report.
- One of 48 (2%) entries on one report included incorrect dates.

The Act requires the Department to report to the General Assembly, by January 1 and July 1 of each year, the number of staff employed in providing direct patient care at each of the veterans' homes, their compliance or noncompliance with staffing standards established by the United States Department of Veterans' Affairs for direct patient care, and in the event of noncompliance with such standards, the number of staff required for compliance. In addition, good internal controls require agency personnel to review reports prior to submission to ensure accurate data is being reported.

Department personnel stated the errors noted were due to oversight.

Failure to provide complete and accurate data to the General Assembly on the number of direct patient care hours provided to residents of the four veterans' homes is noncompliance with the Department of Veterans Affairs Act. (Finding Code No. 12-8)

**RECOMMENDATION**

We recommend the Department prepare accurate and complete reports on direct patient care statistics for submission and review by the members of the General Assembly.

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**DEPARTMENT RESPONSE**

Accepted. The Department will take measures to ensure direct patient care statistics are reported accurately.

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- 12-9. **FINDING** (Inadequate controls over the purchase, recording and reporting of State property)

The Department of Veterans' Affairs (Department) did not exercise adequate control over the purchase, recording and reporting of State property. We noted the following during our review of the Department's equipment records and controls over property:

- Equipment items purchased were not added to the Department's equipment records timely. We noted four of 40 (10%) vouchers tested were for the purchase of four equipment items totaling \$17,241. These items were added to the Department's records from 20 to 103 days late.
- The Illinois Veterans' Home at LaSalle (LaSalle) did not maintain an adequate segregation of duties with respect to property control. The same employee was responsible for the periodic receiving of items, input of equipment into the inventory records, entering equipment deletions and transfers, compiling inventory records, and equipment reconciliations.
- LaSalle did not report accurate and complete information to the Department of Central Management Services (DCMS) as required. Specifically, we noted discrepancies in the Common Systems Inventory Control which is utilized to report and certify inventory records to DCMS. In addition, we noted the Home did not report numerous equipment items recorded on an internal inventory listing labeled "Not on Fixed Assets." The value of noted items could not be determined because the listing did not provide a tag number or original purchase cost.
- LaSalle's property inventory listing documented 305 computer equipment items, totaling \$198,847, under a generic location code. The generic location code does not allow the Home to properly record identifying computer equipment information such as serial number, location building name or number, recipient of the equipment, and the movement and transfer of computer equipment. After additional testing, auditors noted 25 computers, totaling \$19,046, were recorded on the master property inventory listing but were not recorded on the Home's internal computer inventory listing. Eight computers recorded on the internal computer inventory listing provided by the Home were not recorded on the master property inventory listing. The auditors were unable to verify the existence or value of the computers. The Home has a policy in place to erase data and software from computers prior to disposal; however, due to the lack of controls over computer equipment, the Home was unable to assess whether missing computers contained confidential information.

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- Based on auditor observation and responses provided by the Property Control Clerk, it appears the Prince Home does not follow its policies and procedures regarding the purchases, maintenance, and donation of equipment items.
  - The Home has made purchases of equipment without notifying the Property Control Clerk and following customary procurement procedures.
  - Equipment activity, such as location changes, is not reported to the Property Control Clerk to update the property records.
  - The auditors noted numerous donated equipment items that were not valued and tagged with a State property tag.

We also noted numerous surplus and unused equipment items located within Department facilities throughout the State. Our testing noted 140 equipment items, totaling \$103,407, are being held in Department facilities. These items are obsolete, unused, and/or awaiting surplus.

Conditions noted of lesser significance are reported in the letter of immaterial findings.

Statewide Accounting Management System (SAMS) (Procedure 29.10.10) states the objective of fixed asset reporting is to ensure that agencies are updating property records to reflect the current balance of fixed assets and to enhance the accuracy of information reported. Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. Additionally, good business practices require an agency to review all reported information for accuracy before submission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. In addition, good internal controls require the Department to maintain adequate segregation of authorization, record keeping and custody duties.

The State Property Control Act (30 ILCS 605/4) requires responsible officers of the State maintain accountability for the supervision, control, and inventory of all property under their jurisdiction to ensure the proper accounting and safeguarding of State assets. Further, the Illinois Administrative Code (44 Ill. Admin. Code 5010.400) requires the Department to update its property records within 30 days of acquisition, change, or deletion of equipment items.

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SAMS (Procedure 29.10.10) requires the Department to retain supporting detail records including the function and activity, organization unit charged with the custody, and location of each item of property and equipment controlled by the Department. SAMS also states that assets that are obsolete, damaged or no longer used in operations should be identified and removed from the Agency's asset records.

The Data Security on State Computers Act (20 ILCS 450 et seq.) requires an authorized agency that disposes of surplus electronic equipment by sale, donation, or transfer to implement a policy mandating that computer hardware be cleared of all data and software before disposal by sale, donation, or transfer and requires the head of each agency to establish a system for the protection and preservation of State data on State-owned electronic data processing equipment necessary for the continuity of government functions upon relinquishment of the equipment to a successor executive administration.

The State Property Control Act (30 ILCS 605/1.04 and 7.3) defines transferable property as property no longer needed or usable by the agency and requires the agency heads to periodically report transferable property to the Department of Central Management Services. The Illinois Administrative Code (44 Ill. Admin. Code 5010.620(a)) requires the Department to regularly survey their equipment inventory for transferable equipment and report such equipment to the Department of Central Management Service's Property Control Division.

Department personnel stated the errors noted were due to employee oversight and insufficient staff.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. Inaccurate property reporting reduces the reliability of statewide property information. In addition, a lack of segregation of duties increases the possibility that a loss from errors or irregularities could occur and not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 12-9, 10-9, Central Office – 08-15, Anna – 08-2, LaSalle – 08-2, Manteno 08-2)

**RECOMMENDATION**

We recommend the Department strengthen internal controls over the recording and reporting of State property by reviewing their inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommend the Department establish a proper segregation of duties for the property control functions.

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**DEPARTMENT RESPONSE**

Accepted. In response to the prior audit finding, the Department began the process of identifying and acquiring a new inventory system. The new inventory system is currently being implemented, and the Department will increase efforts to ensure the proper processing and reporting of purchased property.

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12-10. **FINDING** (Inadequate control over travel expenditures)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its travel expenditures. We noted the following:

- Six of 40 (15%) travel vouchers tested, totaling \$11,496 were not submitted timely. We noted the travel vouchers were submitted between 11 and 53 days late. Good internal controls require travel vouchers be submitted timely. Further, according to IRS Publication 535, employee travel expense reimbursements will be considered taxable wages if the travel expenses are not submitted within a reasonable period of time.
- One of 40 (3%) travel vouchers tested, totaling \$960 contained reimbursements for expenses between the employee's residence and headquarters, totaling \$37. The Illinois Administrative Code (Code) (80 Ill. Adm. Code 2800.235) states expenses incurred between an employee's residence and headquarters are not reimbursable.
- Seven of 40 (18%) travel vouchers tested were not complete or were not completed properly. Errors and omissions noted included the absence of a residence city, lack of identification of which field the employee works for, and incorrect social security numbers, among others. Statewide Accounting Management System (SAMS) (Procedure 17.20.20) identifies the information required to be included on travel vouchers. Good internal controls require the careful review of all vouchers for accuracy and completeness before approval for payment.
- Two of 40 (5%) travel vouchers tested, totaling \$1,898, included reimbursements for mileage, lodging, meals and incidentals that were not in accordance with travel allowances, resulting in overstatements of \$72. The Code (80 Ill. Adm. Code 2800.Appendix A) outlines the applicable rates for mileage, lodging, meals, and incidental expenses incurred.

We also selected a sample of the agency's top travelers for a detailed review of travel vouchers. In this sample, we noted 1 of 20 (5%) top travelers tested received reimbursement from the State for travel expenses totaling \$538. However, the vendor directly billed the Department for the lodging and received payment. The employee, in this case, did not incur the lodging expense and therefore should not have been reimbursed for the lodging totaling \$110. The Code (80 Ill. Adm. Code 2800.260) states employees may not be reimbursed for items billed directly to the State.

As of July 31, 2013, the Department has not recouped the amounts erroneously paid to employees as described above.

Department personnel indicated the conditions noted were due to oversight.

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Untimely travel voucher submission increases the risk of processing errors and may result in untimely and inaccurate information on agency obligations. Inadequate control over travel expenditures resulted in overpayments to travelers and is an inefficient use of State resources. (Finding Code No. 12-10, 10-18, Central Office – 08-1)

**RECOMMENDATION**

We recommend the Department strengthen its review of travel vouchers to ensure reimbursements are in accordance with all applicable statutes, rules, and regulations. We also recommend the Department seek reimbursement from the employees who were overpaid.

**DEPARTMENT RESPONSE**

Accepted. The Department will increase efforts to ensure the accuracy of travel documentation and the proper control of expenditures.

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12-11. **FINDING** (Inadequate control over contractual agreements)

The Department of Veterans' Affairs (Department) did not ensure its contractual agreements included all required clauses.

The Illinois Procurement Code (Code) (30 ILCS 500 et seq.) sets forth requirements for the content of contracts entered into by State agencies. The following provisions are among those requirements:

- The Code (30 ILCS 500/20-60(b)) states all contracts made or entered into shall include a statement that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.
- The Code (30 ILCS 500/20-65(b)) requires contracts to include a statement that the contractor or subcontractor must maintain adequate books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. In addition, the Code requires contracts to include a statement that the contractor or subcontractor shall make those records available for review and audit by the Auditor General, chief procurement officer, internal auditor, and the purchasing agency.

However, we noted four of 40 (10%) contracts tested did not include these clauses as required.

Department personnel stated the provisions were omitted due to oversight.

Failure to include all necessary clauses in contractual agreements limits the Department's recourse in years where appropriations are not received or are not sufficient to make payments pursuant to the terms of the contract. In addition, the absence of a clause guaranteeing the maintenance of records and the right to audit such records potentially limits the information available to the Department and external parties for oversight. (Finding Code No. 12-11, 10-11)

**RECOMMENDATION**

We recommend the Department implement procedures to ensure contractual agreements include all required clauses.

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**DEPARTMENT RESPONSE**

Corrected. Contractual agreements now include all required clauses.

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12-12. **FINDING** (Inadequate controls over locally held funds and related reporting)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its locally held funds and related reporting at its Veterans' Homes.

Anna Home

The Illinois Veterans' Home at Anna (Anna) conducts activities in three locally held funds: the Members' Trust Fund, Members' Benefit Fund, and Anna Clearing Account. During testing of Anna locally held funds, we noted for two of 40 (5%) receipts tested, totaling \$348, the Home did not maintain adequate supporting documentation of when the receipts were received. As a result, we could not determine if the receipts were deposited timely.

LaSalle Home

The Illinois Veterans' Home at LaSalle (LaSalle) conducts activities in three locally held funds: the Members' Trust Fund, Members' Benefit Fund, and LaSalle Clearing Account. During testing of LaSalle locally held funds, we noted the Home did not properly complete one of eight (13%) Members' Trust Fund C-17s. In the quarter ended 12/30/10, the amount of Cash on Hand and in Banks was understated by \$46,689.

Manteno Home

The Illinois Veterans' Home at Manteno (Manteno) conducts activities in three locally held funds: the Members' Trust Fund, Members' Benefit Fund, and Manteno Clearing Account. The Prince Home at Manteno conducts its activities in two locally held funds: Prince Benefit Fund and Prince Trust Fund. During testing of Manteno locally held funds, we noted the following:

- The Home did not deposit locally held fund receipts in a timely manner.
  - Receipts, totaling \$13,583, from seven of 36 (19%) Members' Benefit Fund deposits tested were not deposited timely. Deposits were made from eight to 35 days after receipt of funds.
  - Receipts, totaling \$43, from two of 25 (8%) Clearing Account deposits tested were not deposited timely. Deposits were made 23 to 128 days after receipt of funds.

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- The Home had inadequate controls over locally held fund reporting, reconciliations, and related recordkeeping.
  - Five of 8 (63%) Members' Benefit Fund C-17s incorrectly reported total receipts due to improper cutoff at the fiscal year end. \$1,502 was collected on 6/27/11 but was excluded from the 6/30/11 C-17 causing an understatement of receipts and total cash on hand and in banks at that date. Furthermore, the \$1,502 was included in the Fiscal Year 2012 C-17s, resulting in an overstatement of receipts.
  - Eight of 8 (100%) Members' Trust Fund C-17s reported amounts of cash on hand and in banks that did not agree to the adjusted bank balance and imprest fund per the corresponding bank reconciliations. The difference ranged from \$1,462 to \$16,276.
  - Six of 8 (75%) Clearing Account C-17s reported \$0 balance for cash on hand and in banks that did not agree to the amount of the adjusted bank balance per the corresponding bank reconciliations. Amounts per corresponding ranged from \$23 to \$20,875.
  - Three of 8 (38%) Clearing Account bank reconciliations were not properly completed. The book balance per the reconciliation did not agree to the general ledger and ranged from \$24,835 to \$39,439 in difference.
  
- The Home did not have proper controls over Members' Trust Fund disbursements for 14 of 40 (35%) Members' Trust Fund disbursements tested, totaling \$39,146. In these instances, the disbursements were made without the residents' signature of approval.

Prince Home

We also noted the following during testing of the Prince Home at Manteno:

- The Home made improper expenditures from both the Benefit and Trust Funds. One of 20 (5%) Benefit Fund disbursements tested, totaling \$250, was for background checks on residents. This was an operational expense and should have been paid for with appropriated funds.
  
- The Home lacked proper segregation of duties over locally held fund processing. One of 20 (5%) Benefit Fund disbursements tested, totaling \$201, was made out to the Program Director for reimbursement of lunch expenses. In addition, the Program Director has signature authority and overall approval authority of the funds, which creates a lack of segregation of duties.

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- The Home lacked proper internal controls over the Home's locally held funds.
  - During review of the bank reconciliations it was noted that the Program Director had been issued signed blank checks from the Benefit Fund. In one instance, two blank checks were recorded as disbursements on 6/30/11 in the General Ledger even though the Program Director did not use them until July 2011 causing an error in the 6/30/11 bank reconciliation.
  - One of 20 (5%) Benefit Fund disbursement tested, in the amount of \$109, did not have a vendor receipt or invoice as support for food purchases.
  - One of 6 (17%) Benefit Fund receipts tested, totaling \$923, did not have proper documentation.
  - Three of 20 (15%) Benefit Fund disbursements tested, totaling \$1,044, were not properly approved. Two were not properly approved by the Business Office and one was not properly approved by the Chief Fiscal Officer.
  - Four of 6 (67%) Trust Fund receipts tested, totaling \$16,104, did not have detailed supporting documentation other than the deposit slips and corresponding bank statements.
  - Three of 10 (30%) Trust Fund disbursements tested, totaling \$11,909, did not include the resident's signature on the requesting document.
  - Two of 6 (33%) Trust Fund receipts tested, totaling \$11,847, were not deposited timely. Deposits ranged from 9 to 38 days after receipt of funds.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls to ensure funds are safeguarded against waste, loss, unauthorized use, and misappropriation.

The State Records Act (Act) (5 ILCS 160/8) requires the Home preserve records containing adequate and proper documentation of the essential transactions of the Home to protect the legal and financial rights of the State.

Statewide Accounting Management System (SAMS) (Procedure 33.13.20) requires each agency to submit accurate quarterly reports of receipts and disbursements of all locally held funds to the Office of the State Comptroller via the "Report of Receipts and Disbursements for Locally Held Funds" (C-17).

Good business practice would require accurate information be recorded at all levels of record keeping. In addition, good business practice would require that bank reconciliations be completed properly. This includes promptly investigating old outstanding checks and ensuring the reconciliation's balance per books agrees to the agency's general ledger.

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Department personnel stated the conditions described were due to oversight and a lack of clerical support.

Failure to correctly and consistently report receipts and disbursements limits the usefulness of management reports. In addition, the lack of supporting documentation and proper approval reduces the overall control over expenditures and receipts and may lead to inappropriate expenditures and inaccurate Statewide financial reporting. (Finding Code No. 12-12, 10-15)

**RECOMMENDATION**

We recommend the Department strengthen controls over locally held fund transactions and reporting.

**DEPARTMENT RESPONSE**

Accepted. The Department will increase efforts to improve the management of locally held funds and related reporting.

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12-13. **FINDING** (Inadequate controls over grant agreements and related reporting)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its Veterans' Assistance Program agreements.

The Department did not enforce compliance with its grant agreements' requirements regarding timely submission of required reports. As a result, the Department's ability to monitor State grants was negatively impacted. The Department awarded Veterans' Assistance grants totaling \$2,613,315 and \$2,271,064 in Fiscal Years 2011 and 2012, respectively.

We noted six of 40 (15%) grants tested totaling \$387,687, where the grantees did not submit or timely submit semi-annual progress reports as required by the grant agreement.

- Three of these 6 grantees did not submit their required 6-month progress report at all.
- Three of these 6 grantees submitted the required 6-month progress reports between four and 15 days late.

We also noted for two of 40 (5%) vouchers tested for Veterans' Assistance grant payments, the auditors could not determine from information provided the received dates or approval dates of the related grant agreements. As a result, we could not determine when any semi-annual progress reports would have been due for these grants.

The Department's Veterans Cash Grant agreement requires the grantee to submit a semi-annual progress report to the Department on the status of funded projects or programs and on the expenditure of grant funds including specific and general information, funding status, and program evaluation.

Department personnel stated the Department has made increasing efforts to get grantees to report, and these exceptions are due to recipient noncompliance.

Failure to enforce all grant provisions and requirements, including semi-annual progress reports, limits the Department's ability to continuously monitor grantees for the proper use of funds and adherence to the original grant proposal. (Finding Code No. 12-13, 10-25, Central Office – 08-13, Manteno – 08-5)

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**RECOMMENDATION**

We recommend the Department adequately monitor its grants to ensure all required reports are received from grantees. We further recommend the Department improve procedures to document its monitoring efforts.

**DEPARTMENT RESPONSE**

Accepted. The Department will increase efforts to bring grant recipients into compliance with their reporting requirements.

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12-14. **FINDING** (Inadequate control over receipts and refunds)

The Department of Veterans' Affairs (Department) did not exercise adequate controls over receipts and refunds and related reporting. During testing, we noted the following:

- Four of 14 (29%) refunds tested, totaling \$3,160, did not include the receipt date of the refund; therefore, timeliness of the deposit could not be determined. In addition, one of 40 (3%) receipts tested, totaling \$35,610, did not include the receipt date; therefore, timeliness of the deposit could not be determined.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) requires each State agency to keep a detailed account of money received showing the date of receipt, the payor, purpose and amount when receipts are received.

- For one of 14 (7%) refunds tested, totaling \$1,056, the Department could not locate a copy of the bank deposit slip; therefore, timeliness of the deposit could not be determined.

Good internal controls require copies of original documents, such as bank deposit slips, to be retained to ensure the safeguarding of assets and the accuracy and reliability of accounting data.

- The Department did not properly report fees collected on its Fiscal Year 2011 Agency Fee Imposition Report. The Department overstated the amount of fees collected during Fiscal Year 2011 by \$3,561.

The State Comptroller Act (15 ILCS 405/16.2(a)) requires those agencies that impose fees to file the report with the Office of the Comptroller. In addition, good internal controls require an agency to review all reported information for accuracy before submission.

Department personnel stated the problems noted were due to oversight.

Failure to implement adequate internal controls over money received increases the risk that errors and irregularities could occur and not be detected. Failure to accurately report information regarding fees collected affects the accuracy and reliability of Statewide fee information compiled by the Office of the Comptroller. (Finding Code No. 12-14, 10-12)

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**RECOMMENDATION**

We recommend the Department strengthen its controls over receipts and refunds by ensuring receipt dates are recorded and all supporting documentation is maintained. In addition, we recommend the Department carefully review its Agency Fee Imposition Reports to ensure all fees collected are accurately reported.

**DEPARTMENT RESPONSE**

Accepted. The Department will strengthen its controls and carefully review documentation to promote accuracy of receipts and refunds.

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12-15. **FINDING** (Inaccurate recording and reporting of accounts receivable)

The Department of Veterans' Affairs (Department) did not accurately record and report accounts receivable on its Quarterly Summary of Accounts Receivable Reports (Reports) as required.

The Department records and collects accounts receivable in nine different funds. The table below summarizes accounts receivable balances as of June 30:

	<u>FY2012</u>	<u>FY2011</u>
Anna Home Fund (Fund 272)	\$ 614,000	\$ 1,832,000
LaSalle Home Fund (Fund 273)	342,000	321,000
G.I. Education Fund (Fund 447)	0	211,000
Quincy Home Fund (Fund 619)	3,218,000	2,063,000
Veterans' Affairs Federal Project Fund (Fund 897)	0	0
Manteno Home Fund (Fund 980)	1,520,000	4,090,000
Manteno Benefit Fund (Fund 1219)	0	0
Manteno Trust Fund (Fund 1220)	0	0
Quincy Trust Fund (Fund 1246)	1,000	1,000
Total Accounts Receivable at June 30	<u>\$ 5,695,000</u>	<u>\$ 8,518,000</u>

(Note: Amounts presented have been rounded to the nearest thousand.)

During testing of those funds, we noted the following:

- Amounts reported by the Department as collected on one of 72 (1%) reports tested did not agree to underlying records. Collections reported by the Department were understated by \$717,000, when compared to amounts collected per the underlying records.
- Amounts claimed on the U.S. Department of Veterans' Affairs Form 10-5588, State Home Report and Statement of Federal Aid Claimed, were not calculated correctly. The amount claimed was understated by \$775, which resulted in an understatement of the Department's accounts receivable.
- Adjustments were not made in the proper quarters. We noted a \$23,000 adjustment should have been included in the Fiscal Year 2010 3<sup>rd</sup> quarter report; however, this adjustment was reported on the Fiscal Year 2011 3<sup>rd</sup> quarter report. In addition, we noted a \$30,000 adjustment should have been included in the Fiscal Year 2011 4<sup>th</sup> quarter report.

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Statewide Accounting Management System (SAMS) (Procedure 26.20.10) states accounts receivable should be recognized when the State's claim for future cash is reasonably estimable and the amount due becomes measurable. In addition, SAMS (Procedure 26.30.20) requires the correction of any errors or discrepancies to be reported as adjustments on the Quarterly Summary of Accounts Receivable Report (C-97) with corresponding explanations for the adjustments. Good internal controls require the careful preparation and review of all reports for accuracy before filing.

Department personnel stated errors were due to oversight.

Failure to maintain accurate accounts receivable records and accurately report accounts receivable balances could lead to the failure to properly collect all amounts owed to the State and inaccuracies in Statewide financial statement reporting. (Finding Code No. 12-15, 10-14)

**RECOMMENDATION**

We recommend the Department thoroughly review all reports prepared from internal records for accuracy before submission to the Office of the Comptroller. We also recommend the Department ensure amounts calculated and claimed from the federal government are accurate. Lastly, we recommend the Department ensure adjustments to receivable amounts are reported timely.

**DEPARTMENT RESPONSE**

Accepted. The Department will strengthen its controls over accounts receivable, ensure calculations are executed properly, thoroughly review documentation, and report adjustments timely.

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12-16. **FINDING** (Excessive quantity of refunds processed)

The Department of Veterans' Affairs (Department) received and processed an excessive quantity of refunds.

During Fiscal Years 2011 and 2012, the Department received and processed 140 refunds, totaling \$159,298. We tested 14 of the 140 refunds processed, totaling \$35,049. During testing, we noted the following:

- Six of 14 (43%) refunds tested, totaling \$20,766, were due to overpayments made on vendor invoices.
- Four of 14 (29%) refunds tested, totaling \$1,616, were due to refunds of salary garnishments.
- Four of 14 (29%) refunds tested, totaling \$12,667, were due to the overpayment of wages to employees.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that funds are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal controls states invoices and payroll transactions should undergo careful review prior to processing for payment.

Department personnel stated that the number of refunds processed is largely due to external events beyond the Department's control, such as the timely notification of involuntary withholding requirements.

Failure to implement adequate internal controls over expenditures increases the risk that errors and irregularities could occur and not be detected. (Finding Code No. 12-16, 10-13)

**RECOMMENDATION**

We recommend the Department strengthen its controls over expenditures by carefully reviewing each invoice before it is paid. Additionally, we recommend the Department carefully review payroll transactions prior to processing for payment.

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**DEPARTMENT RESPONSE**

Under Study. While refunds are often due to circumstances beyond the Department's control, the Department will investigate possible solutions that may reduce the quantity of refunds.

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- 12-17. **FINDING** (Department inaccurately compiled and reported the activities of its Veterans' Service Officers)

The Department of Veterans' Affairs (Department) inaccurately compiled and reported the activities and information of its field service offices staffed by Veterans' Services Officers (VSOs). In addition, we noted field offices did not appear to be operating as intended by the Department.

The Department operates field service offices in counties throughout the State on either a full-time or itinerant basis to provide veterans with local access to information regarding federal and State benefits associated with their military service. VSOs are employed in these locations to answer questions, provide assistance with filing paperwork, address telephone calls, and issue hunting/fishing and camping licenses. The VSOs prepare daily, weekly, and monthly records of their numbers of veterans served in-person, requests handled by U.S. mail, and telephone call questions received, in addition to a categorized breakdown of the types of services and information provided.

We tested 10 field offices operated by the Department. At each of the 10 field offices, we tested six months' worth of monthly statistical reports for all Veterans' Service Officers at each field office for a total of 72 monthly statistical reports tested. In addition, we judgmentally selected one week from each of the monthly statistical reports for detail testing and comparison to its corresponding daily interview records for a total of 72 weeks tested. We noted the following:

- For three of 72 (4%) months selected for testing, the monthly statistical reports, and the underlying documentation could not be provided by the Department. In addition, for one of the 72 (1%) months selected for testing, the monthly statistical report, the weekly statistical reports and the underlying documentation could not be provided by the Department. Further, for five of 72 (7%) months selected for testing, the weekly statistical reports could not be provided by the Department.
- For three of 72 (4%) months selected for testing, the monthly statistical reports and weekly statistical reports were not signed by the VSO. In addition, for ten of 72 (14%) months selected for testing, the weekly statistical reports were not signed by the VSO.
- Two of 72 (3%) monthly statistical reports did not trace to information on the weekly statistical reports.
- Nine of 72 (13%) weekly statistical reports information did not trace to underlying documentation.

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Also, for two of the ten (20%) field offices tested:

- The Department was unable to provide veterans' signatures to verify the authenticity of sign-in records.
- The Department was unable to agree sign-in records to interview records for four of 72 (5%) weekly statistical reports tested.

We also noted the following:

- For one of the 10 (10%) field offices tested, there was a lack of adequate physical guards to protect the Department's confidential information.
- For the 10 field offices tested and 15 of 50 (30%) itinerant offices with telephones, we inquired anonymously about hours of operation with the Veterans' Service Officers (VSO). We then compared the hours stated by the VSO with the hours listed on the Department's website. Three of 10 (30%) field offices tested stated hours of operation which varied from the hours listed on the Department's website. For two of 15 (13%) itinerant offices tested, the telephone was not answered on days called. Three of 15 (20%) itinerant offices tested stated hours of operation which varied from the hours listed on the Department's website.
- For three of the 49 (6%) hunting/fishing and camping licenses selected for testing, we were unable to determine if the veteran met all of the criteria to be issued licenses due to missing documentation. For six of the 10 (60%) field offices tested, the Department was unable to provide documentation as to the total number of hunting and fishing licenses issued during the examination period.
- We reviewed four consecutive weekly itineraries as submitted by the regional division field office supervisors and noted various discrepancies. We noted the itineraries did not match the supervisor sign-in records for nine of 44 (20%) visits tested. We also noted seven instances where supervisors signed-in and conducted visits that did not appear on their individual itineraries.

Good business practices require sufficient documentation and maintenance of records in order to report accurate information.

The Department of Veterans Affairs Act (20 ILCS 2805/3), requires the Department to maintain case files containing records of services rendered to each applicant, progress cards, and a follow-up system to facilitate the completion of each request.

The Department stated discrepancies related to statistical reporting of field offices are due to oversight that should have been caught by subsequent supervisory reviews. In addition, missing documentation could not be provided due to information either being misfiled or

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purged by the Department. Further, missing documentation for licenses issued was due to information being purged by the Department. The Department also stated that discrepancies regarding the hours of operation are due to temporary staffing needs and the subsequent failure to update the online directory. Finally, the Department stated that supervisors often visit field offices in addition to their scheduled itinerary and may not sign in for the short period of time they are on-site.

Failure to accurately compile and retain data regarding services provided by VSOs at field offices results in inaccurate data for use by the Department upon which to base decisions. In addition, failure to provide accurate hours of operations limits the public's access to Department services. (Finding Code No. 12-17, 10-19, Central Office – 08-8, Central Office – 06-7)

**RECOMMENDATION**

We recommend the Department strengthen controls and enforce procedures to ensure VSOs and their supervisors maintain accurate and complete records. In addition, we recommend the Department provide accurate hours of operations for its locations to the public.

**DEPARTMENT RESPONSE**

Corrected. In response to the prior audit finding, the Department had already begun designing a new veterans' database application to address this issue; now implemented, this database will promote completeness and accuracy of veterans' service officer documentation.

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- 12-18. **FINDING** (Inadequate control over employee attendance records and personnel functions)

The Department of Veterans' Affairs (Department) did not exercise adequate control over employee attendance records and other personnel functions.

We tested 60 employees' attendance records for four months during the examination period, and we noted the following:

- Timesheets for five of 60 (8%) employees tested contained discrepancies. Problems noted included the following:
  - Amounts of sick time reported as used on timesheets did not agree with the absence history report submitted for the same time period. We noted six instances where three employees reported the use of sick time on their time sheets, but the amounts reported on the absence history report differ.
  - Amounts of vacation time reported as used on timesheets did not agree with the absence history report submitted for the same time period. We noted six instances where three employees reported the use of vacation time on their time sheets, but the amounts reported on the absence history report differ.

We also noted the following with regard to the Department's personnel functions:

- Three of 60 (5%) employees selected for testing did not have accurate CMS-2 forms in their personnel files. The employees were paid accurate amounts, based on other documentation maintained by the Department; however, the CMS-2 forms were outdated and reflected incorrect salary information.
- Three of 60 (5%) employees selected for testing lacked proper authorizations for miscellaneous payroll deductions. Two employees did not have authorizations on file for union dues to be deducted. One employee did not authorize miscellaneous insurance deductions that the Department mistakenly allowed to be taken out.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 303.340) implemented and authorized by the Personnel Code (20 ILCS 415/1 et seq.) states each operating agency shall maintain accurate, daily attendance records. The State Records Act (5 ILCS 160/8) requires the head of each agency ensure records are prepared and maintained which contain documentation of the agency's essential transactions. The Voluntary Payroll Deductions Act (5 ILCS 340/4) states that employees are to authorize withholdings of wages for contribution to various organizations.

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Department personnel stated the conditions described above were due to oversight and competing priorities for the responsible personnel.

Failure to maintain adequate controls over employee attendance and attendance records increases the risk of the Department paying for services not rendered by employees. Failure to maintain complete personnel files, including accurate CMS-2 forms and authorized deductions, limits the Department's ability to verify and document qualifications and the propriety of the hiring process. (Finding Code No. 12-18, 10-23, Central Office – 08-2)

**RECOMMENDATION**

We recommend the Department implement controls to ensure employees accurately complete the time sheets and agree those records to the Department's absence history report to ensure accrued absence balances are accurate. We further recommend the Department strengthen controls to ensure employee personnel files are complete and the voluntary deductions are properly authorized.

**DEPARTMENT RESPONSE**

Accepted. The Department will increase efforts to ensure completeness and accuracy over attendance and personnel documentation.

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12-19. **FINDING** (Employee performance evaluations not performed timely)

The Department of Veterans' Affairs (Department) did not complete annual employee performance evaluations timely.

During the examination period, the Department did not timely complete annual evaluations for 13 of 60 (22%) employees tested. Employee evaluations were completed from 10 to 467 days late. In addition, one employee tested did not have a performance evaluation completed for Fiscal Year 2011 or Fiscal Year 2012, and five employees tested did not receive a Fiscal Year 2012 evaluation.

The Department's Employee Handbook states performance evaluations take place annually, unless otherwise specified under the Personnel Rules.

Department personnel stated evaluations were not performed or were not performed timely due to competing priorities for managerial staff and due to turnover in some management positions.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 12-19, 10-22, Central Office – 08-9, LaSalle – 08-3, Manteno 08-3)

**RECOMMENDATION**

We recommend the Department take appropriate measures to ensure performance evaluations are conducted annually as required by policy.

**DEPARTMENT RESPONSE**

Accepted. The Department has made significant progress in reducing the number of delinquent evaluations, and will continue its efforts to ensure evaluations are performed timely.

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12-20. **FINDING** (Inaccurate Agency Workforce Reports)

The Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (report) with the Office of the Governor and the Office of the Secretary of State. We tested both of the reports required to be filed during the examination period and noted the following:

- Supporting documentation provided for the Fiscal Year 2010 report did not support the amounts reported.
- The report for Fiscal Year 2010 was not filed timely. The report was filed 74 days late.
- Supporting documentation could not be provided to support the number of employees reported in 13 different categories, across six different salary ranges for the Fiscal Year 2011 report; and
- The Fiscal Year 2011 report contained clerical errors. The total number of employees and minorities across three different salary ranges did not total accurately. The report contained numerous inaccurate percentages of employee calculations under various reportable employee groups. The report did not properly compute the total number of employees reported in 13 different categories, which resulted in an overstatement of the total number of Department employees by 60.

The State Employment Records Act (5 ILCS 410 et seq.) requires State agencies to collect, classify, maintain and report certain employment statistics for women, disabled and minority groups. Annual reports summarizing the information in a prescribed format are required to be filed by January 1 each year for the preceding fiscal year with the Office of the Secretary of State and with the Office of the Governor.

In addition, as reported in our prior year examination report as Finding Code No. 10-16, we noted the Department's reports for Fiscal Years 2008 and 2009 contained errors. However, the Department did not file corrected reports with the Office of the Governor and the Office of the Secretary of State as required.

The Illinois State Auditing Act (30 ILCS 5/3-2.2) requires State agencies to file corrected reports with the Office of the Governor and the Office of the Secretary of State within 30 days after release of the audit.

Department personnel stated the errors noted were due to oversight.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of the Governor prevents fulfillment of the purpose of the State

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Employees Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code No. 12-20, 10-16)

**RECOMMENDATION**

We recommend the Department prepare accurate and complete reports and file them with the Office of the Secretary of State and the Office of the Governor. Further, the Department should also file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act.

**DEPARTMENT RESPONSE**

Accepted. The Department will ensure agency workforce reports are completed timely and accurately.

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12-21. **FINDING** (Inadequate control over commodities inventories)

The Department of Veterans' Affairs (Department) did not exercise adequate control over commodities inventories at the Illinois Veterans' Homes. We noted the following:

- During testing of the Illinois Veterans' Home at LaSalle (LaSalle), we noted the Home did not maintain an adequate segregation of duties. We noted store clerks responsible for receiving goods and entering the items into the inventory system also had the ability to modify purchase orders within the inventory system. In addition, there were no controls in place to segregate duties in the event that both store clerks are unavailable to receive goods. In the absence of both store clerks, the storekeeper performed all of the functions of the receiver.
- During testing of the Illinois Veterans' Home at Quincy (Quincy), we noted the results of eight of 40 (20%) test counts performed did not agree with the Home's inventory records. The net cost difference was a \$29 overstatement in inventory records. In addition, the Home had a 5.5 years supply of toothbrushes on hand at a total cost of \$4,551.
- During testing of the Illinois Veterans' Home at Anna (Anna), we noted counts were not maintained for 127 of 577 (22%) items on the Home's medical supplies inventory. As a result, we could not perform test counts of any of those items to determine the existence of any overages or shortages of goods.

The Illinois Administrative Code (44 Ill. Adm. Code 1.6010) requires each State agency to have general supervision and accountability for tangible personal property and other supplies under its control and to conduct periodic inventory of all warehouses and similar storage areas under its jurisdiction. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. In addition, good internal controls require the Home maintain adequate segregation of authorization, record keeping, and custody duties. The Illinois Procurement Code (30 ILCS 500/50-55) requires State agencies to inventory and stock no more than a 12-month supply of commodities except as otherwise authorized by the State agency's regulations.

LaSalle Home personnel stated that the store clerks were unaware of their access to the purchase order function and the storekeeper only performs all functions of the receiver in the long-term absence of both store clerks.

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Quincy Home personnel stated that differences noted on the pharmacy's inventory is due to estimating quantities on hand while conducting the annual physical inventory counts. The differences in the mechanical stores and general store inventories were the result of human error. Quincy personnel also stated that the overstocking of toothbrushes was due to the vendor changing the quantity per case.

Anna Home personnel stated the records were incomplete due to oversight and human error.

Failure to maintain accurate, complete and timely inventory records of inventory items could result in shortages, overstocking, theft, or waste of commodities. In addition, failure to maintain proper internal controls could also result in theft or waste of commodities. (Finding Code No. 12-21, 10-10)

**RECOMMENDATION**

We recommend the Department and Homes devote adequate resources to ensure commodity records are accurate. In addition, we recommend the Homes review their internal controls over inventory and perform evaluations of all inventory items held to ensure inventory records are complete and to eliminate any items that are overstocked.

**DEPARTMENT RESPONSE**

Accepted. The Department will increase efforts to promote the proper handling of commodities and related records.

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12-22. **FINDING** (Inadequate control over voucher processing)

The Department of Veterans' Affairs (Department) did not exercise adequate control over voucher processing. During testing, we noted the following:

- One hundred and twenty of 347 (35%) vouchers tested, totaling \$362,772, were not signed and/or dated by the receiving officer. In addition, 35 of 62 (56%) federal and grants in aid expenditures tested, totaling \$29,344, were not signed and/or dated by the receiving officer.

Statewide Accounting Management System (SAMS) (Procedure 17.20.20) states each invoice-voucher, upon receipt of goods or services, must be signed by the receiving officer verifying goods or services meet the stated specifications.

- Fifty-four of 347 (16%) vouchers tested, totaling \$82,874, did not contain the proper approvals on the order documents.

Statewide Accounting Management System (SAMS) (Procedure 17.10.30) requires the responsible agency official to examine proposed financial transactions and certify their propriety.

- Twenty-two of 347 (6%) vouchers tested, totaling \$30,776, were approved for payment from 1 to 46 days late. In addition, 2 of 22 (9%) federal expenditures tested, totaling \$2,126, were approved for payment from 3 to 11 days late. Furthermore, 22 of 347 (6%) vouchers tested, totaling \$62,217, and 2 of 40 (5%) Illinois Veterans' Assistance expenditures tested, totaling \$100,000, did not include documentation of proper approval and/or date the invoice was received. As a result, we were unable to determine if the vouchers were approved timely in these instances.

The Illinois Administrative Code (74 Ill Adm. Code 900.70) states that an agency shall review each vendor's bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part within 30 days after physical receipt of the bill. In addition, good internal controls require vouchers be timely approved for payment. Further, the State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill for Fiscal Year 2011, and 90 days for Fiscal Year 2012.

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

Department personnel stated the errors noted were due to oversight and human error.

Failure to promptly approve vouchers may result in the late payment of bills and could cause the State to pay interest penalties. The lack of a receiving officer's signature, lack of proper approval for expenditure, and lack of or incomplete supporting documentation reduces the overall control over expenditures and may lead to inappropriate expenditures. (Finding Code No. 12-22, 10-20, Central Office Finding Code 08-14; Manteno Finding Code 08-4, 06-2, 04-2)

**RECOMMENDATION**

We recommend the Department implement controls to ensure vouchers are approved within the required time frame. In addition, we recommend the Department enhance and improve internal controls over voucher processing to make sure vouchers are receiving proper approvals and dates. We also recommend the Department document its efforts to implement controls over voucher processing.

**DEPARTMENT RESPONSE**

Accepted. The Department will investigate potential improvements to the current vouchering process.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

**Prior Findings Not Repeated**

A. **FINDING** (Failure to fully establish the Veterans' Memorial Commission)

During our prior examination, the Department of Veterans' Affairs (Department) did not fully comply with the Department of Veterans' Affairs Act (Act) regarding the Veterans' Memorial Commission (Commission). The Commission did not conduct studies or make reports regarding laws and rules affecting veterans' memorials in Illinois.

During the current examination, the Commission met as required and made a report of its findings, dated June 21, 2012. The Commission then dissolved on July 1, 2012 due to statutory changes made effective by P.A. 97-0297. (Finding Code No. 10-4)

B. **FINDING** (Failure to establish Division of Women Veterans' Affairs)

During the prior examination, the Department of Veterans' Affairs (Department) did not establish a Division of Women Veterans' Affairs as required by the Department of Veterans' Affairs Act (20 ILCS 2805/1.2).

During the current examination, the Department implemented programs and outreach efforts directed at female veterans. In addition, P.A. 97-0297, effective January 1, 2012, amended the requirement to establish a Division of Women Veterans' Affairs by making the requirement subject to appropriations received for this purpose. (Finding Code No. 10-5)

C. **FINDING** (Failure to conduct annual review of benefits received by Illinois veterans)

During the prior examination, the Department of Veterans' Affairs (Department) did not comply with the Department of Veterans' Affairs Act (Act) regarding an annual review of the benefits received by Illinois veterans.

During the current examination, the Department sought a legislative remedy to this requirement. P.A. 97-0765, effective July 6, 2012, repealed this section of the Act. (Finding Code No. 10-7)

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

**Prior Findings Not Repeated (continued)**

D. **FINDING** (Inadequate reporting by Illinois Discharged Servicemember Task Force)

During the prior examination, the Department of Veterans' Affairs' (Department's) Illinois Discharged Servicemember Task Force (Task Force) did not report on all elements as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/20). Specifically, the report issued July 1, 2009, did not include information regarding the effects of post-traumatic stress disorder and disabilities or discharged service members, as required by the Act.

During the current examination, the Department's Task Force reported on all elements as required by the Act. (Finding Code No. 10-8)

E. **FINDING** (Inadequate control over year end financial reporting)

During the prior examination, the Department of Veterans' Affairs (Department) did not exercise adequate control over year-end financial reporting.

During the current examination, the Department materially complied with year-end financial reporting requirements. (Finding Code No. 10-17)

F. **FINDING** (Lack of monthly expenditure reconciliations)

During the prior examination, the Department of Veterans' Affairs (Department) did not perform and document required monthly expenditure reconciliations.

During the current examination, the Department performed and documented monthly expenditure reconciliations as required. (Finding Code No. 10-21)

G. **FINDING** (Inadequate control over employee overtime)

During the prior examination, the Department of Veterans' Affairs (Department) did not exercise adequate control over employees' accrual and use of overtime.

During the current examination, the Department materially exercised adequate control over employees' accrual and use of overtime for the sample of employees tested. (Finding Code No. 10-24)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2012

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

- Fiscal Schedules and Analysis:
  - Schedule of Appropriations, Expenditures and Lapsed Balances – Fiscal Year 2012
  - Schedule of Appropriations, Expenditures and Lapsed Balances – Fiscal Year 2011
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally Held Funds
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts
  - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  - Analysis of Accounts Receivable
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Average Number of Employees (Not Examined)
  - Emergency Purchases (Not Examined)
  - Annual Statistics (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 11. However, the accountants do not express an opinion on the supplementary information. The accountants' report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year June 30, 2012

Fourteen Months Ended August 31, 2012

	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures		Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
			July 1 to August 31	August 31		
P.A. 97-0070 FISCAL YEAR 2012						
<b><u>General Revenue Fund (001) - Central Office (01)</u></b>						
Personal Services	\$ 3,559,500	\$ 3,030,920	\$ 134,896	\$ 3,165,816	\$ 393,684	
State Contributions to Social Security	272,300	224,762	10,069	234,831	37,469	
Contractual Services	486,200	436,610	40,165	476,775	9,425	
Travel	21,700	15,661	3,520	19,181	2,519	
Commodities	10,000	4,089	-	4,089	5,911	
Printing	6,700	5,234	33	5,267	1,433	
Equipment	4,500	-	-	-	4,500	
Electronic Data Processing	667,700	367,124	163,125	530,249	137,451	
Telecommunications	50,600	40,039	8,304	48,343	2,257	
Operation of Automotive Equipment	19,400	16,083	1,641	17,724	1,676	
Bonus Payments to War Veterans and Peacetime Crisis Survivors	297,000	160,400	19,100	179,500	117,500	
Educational Opportunities for Children of Certain Veterans	99,000	49,250	5,500	54,750	44,250	
Cartage and Erection of Veterans' Headstones	544,500	283,200	78,300	361,500	183,000	
Illinois Warrior Assistance Program	297,000	204,730	19,263	223,993	73,007	
Total Fiscal Year 2012	\$ 6,336,100	\$ 4,838,102	\$ 483,916	\$ 5,322,018	\$ 1,014,082	
<b><u>Illinois Veterans' Home Fund (102) - Central Office (01)</u></b>						
Operations of Veterans' Homes	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	
Total Fiscal Year 2012	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year June 30, 2012

		Fourteen Months Ended August 31, 2012			
P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<b><u>Illinois Veterans' Assistance Fund (236) - Central Office (01)</u></b>					
Grant from Illinois Veterans' Assistance Fund	\$ 3,500,000	\$ 2,704,478	\$ -	\$ 2,704,478	\$ 795,522
Total Fiscal Year 2012	<u>\$ 3,500,000</u>	<u>\$ 2,704,478</u>	<u>\$ -</u>	<u>\$ 2,704,478</u>	<u>\$ 795,522</u>
<b><u>Illinois Affordable Housing Trust Fund (286) - Central Office (01)</u></b>					
Specially Adapted Housing for Veterans	\$ 223,000	\$ 60,000	\$ -	\$ 60,000	\$ 163,000
Total Fiscal Year 2012	<u>\$ 223,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 163,000</u>
<b><u>Illinois Military Family Relief Fund (725) - Central Office (01)</u></b>					
Payment of Benefits under the Survivor's Compensation Act	\$ 250,000	\$ 18,000	\$ 3,000	\$ 21,000	\$ 229,000
Total Fiscal Year 2012	<u>\$ 250,000</u>	<u>\$ 18,000</u>	<u>\$ 3,000</u>	<u>\$ 21,000</u>	<u>\$ 229,000</u>
<b><u>Disabled Veterans' Property Tax Relief Fund (880) - Central Office (01)</u></b>					
Tax Check-off contributions for Property Tax for Disabled Veterans	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000
Total Fiscal Year 2012	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
<b>TOTAL CENTRAL OFFICE (01)</b>	<u>\$ 10,609,100</u>	<u>\$ 7,620,580</u>	<u>\$ 486,916</u>	<u>\$ 8,107,496</u>	<u>\$ 2,501,604</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year June 30, 2012

		Fourteen Months Ended August 31, 2012			
P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<b>General Revenue Fund (001) - Field Services (15)</b>					
Personal Services	\$ 4,362,400	\$ 3,949,349	\$ 180,072	\$ 4,129,421	\$ 232,979
State Contributions to Social Security	329,100	292,389	13,370	305,759	23,341
Contractual Services	236,000	198,934	18,220	217,154	18,846
Travel	85,000	51,270	3,535	54,805	30,195
Commodities	7,900	7,221	-	7,221	679
Printing	6,900	4,416	1,476	5,892	1,008
Equipment	500	-	-	-	500
Telecommunications	114,100	87,498	16,523	104,021	10,079
Operation of Automotive Equipment	32,900	22,877	1,796	24,673	8,227
Total Fiscal Year 2012	<u>\$ 5,174,800</u>	<u>\$ 4,613,954</u>	<u>\$ 234,992</u>	<u>\$ 4,848,946</u>	<u>\$ 325,854</u>
<b>TOTAL FIELD SERVICES (15)</b>					
<b>General Revenue Fund (001) - Anna (18)</b>					
Personal Services	\$ 2,936,700	\$ 2,936,521	\$ -	\$ 2,936,521	\$ 179
State Contributions to Social Security	219,400	218,429	-	218,429	971
Contractual Services	10,000	-	10,000	10,000	-
Commodities	47,100	42,007	3,991	45,998	1,102
Total Fiscal Year 2012	<u>\$ 3,213,200</u>	<u>\$ 3,196,957</u>	<u>\$ 13,991</u>	<u>\$ 3,210,948</u>	<u>\$ 2,252</u>
<b>Anna Veterans' Home Fund (273) - Anna (18)</b>					
Personal Services	\$ 1,091,800	\$ 814,097	\$ 218,541	\$ 1,032,638	\$ 59,162
State Contribution to State Employees' Retirement System	373,300	279,163	77,362	356,525	16,775
State Contributions to Social Security	83,500	60,401	16,889	77,290	6,210
Contractual Services	689,500	659,232	26,053	685,285	4,215
Travel	6,000	5,042	425	5,467	533
Commodities	301,000	294,578	2,926	297,504	3,496

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Appropriations for Fiscal Year June 30, 2012

		Fourteen Months Ended August 31, 2012			
P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate		Approximate Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
Printing	4,000	2,791	-	2,791	1,209
Equipment	12,300	10,095	-	10,095	2,205
Electronic Data Processing	12,400	11,023	-	11,023	1,377
Telecommunications	14,400	10,278	2,735	13,013	1,387
Operation of Automotive Equipment	9,700	7,687	878	8,565	1,135
Refunds	39,700	27,011	12,000	39,011	689
Permanent Improvements	10,000	9,622	-	9,622	378
Total Fiscal Year 2012	\$ 2,647,600	\$ 2,191,020	\$ 357,809	\$ 2,548,829	\$ 98,771
<b>TOTAL ANNA (18)</b>	<b>\$ 5,860,800</b>	<b>\$ 5,387,977</b>	<b>\$ 371,800</b>	<b>\$ 5,759,777</b>	<b>\$ 101,023</b>
<b>General Revenue Fund (001) - Quincy (20)</b>					
Personal Services	\$ 21,889,700	\$ 21,838,360	\$ -	\$ 21,838,360	\$ 51,340
State Contributions to Social Security	1,608,300	1,604,288	-	1,604,288	4,012
Contractual Services	119,200	86,488	31,343	117,831	1,369
Commodities	100	-	-	-	100
Total Fiscal Year 2012	\$ 23,617,300	\$ 23,529,136	\$ 31,343	\$ 23,560,479	\$ 56,821
<b>Quincy Veterans' Fund (619) - Quincy (20)</b>					
Personal Services	\$ 8,979,600	\$ 7,828,362	\$ -	\$ 7,828,362	\$ 1,151,238
Member Compensation	30,000	26,859	879	27,738	2,262
State Contribution to State					
Employees' Retirement System	3,070,100	2,238,002	444,625	2,682,627	387,473
State Contributions to Social Security	687,000	483,984	96,224	580,208	106,792
Contractual Services	3,147,200	2,376,569	327,478	2,704,047	443,153
Travel	6,000	2,343	1,073	3,416	2,584
Commodities	4,795,200	3,956,292	524,027	4,480,319	314,881

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Appropriations for Fiscal Year June 30, 2012

Fourteen Months Ended August 31, 2012

P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
Printing	23,700	18,737	-	18,737	4,963
Equipment	128,500	52,989	1,878	54,867	73,633
Electronic Data Processing	67,800	55,338	2,323	57,661	10,139
Telecommunications	81,300	63,309	14,913	78,222	3,078
Operation of Automotive Equipment	112,000	63,285	12,943	76,228	35,772
Refunds	247,800	207,701	2,287	209,988	37,812
Permanent Improvements	20,000	5,974	-	5,974	14,026
Total Fiscal Year 2012	\$ 21,396,200	\$ 17,379,744	\$ 1,428,650	\$ 18,808,394	\$ 2,587,806
<b>TOTAL QUINCY (20)</b>	<b>\$ 45,013,500</b>	<b>\$ 40,908,880</b>	<b>\$ 1,459,993</b>	<b>\$ 42,368,873</b>	<b>\$ 2,644,627</b>
<b>General Revenue Fund (001) - LaSalle (23)</b>					
Personal Services	\$ 8,330,300	\$ 8,316,720	\$ -	\$ 8,316,720	\$ 13,580
State Contributions to Social Security	614,700	613,570	-	613,570	1,130
Contractual Services	100	-	-	-	100
Commodities	100	-	-	-	100
Electronic Data Processing	100	-	-	-	100
Total Fiscal Year 2012	\$ 8,945,300	\$ 8,930,290	\$ -	\$ 8,930,290	\$ 15,010
<b>LaSalle Veterans' Fund (272) - LaSalle (23)</b>					
Personal Services	\$ 3,988,000	\$ 2,444,108	\$ 587,809	\$ 3,031,917	\$ 956,083
State Contribution to State					
Employees' Retirement System	1,363,500	835,953	201,036	1,036,989	326,511
State Contributions to Social Security	305,100	180,945	43,781	224,726	80,374
Contractual Services	2,318,300	1,788,881	242,065	2,030,946	287,354
Travel	8,000	2,231	397	2,628	5,372
Commodities	1,151,600	963,158	94,912	1,058,070	93,530
Printing	6,000	3,916	1,435	5,351	649
Equipment	77,600	56,071	568	56,639	20,961
Electronic Data Processing	25,600	23,567	-	23,567	2,033

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 DEPARTMENT OF VETERANS' AFFAIRS  
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 Appropriations for Fiscal Year June 30, 2012

P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures		Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
		Through June 30	August 31			
Fourteen Months Ended August 31, 2012						
Telecommunications	32,700	27,324	5,369	32,693	7	
Operation of Automotive Equipment	24,700	22,737	1,661	24,398	302	
Refunds	238,500	63,692	17,547	81,239	157,261	
Permanent Improvements	25,000	1,697	-	1,697	23,303	
Total Fiscal Year 2012	\$ 9,564,600	\$ 6,414,280	\$ 1,196,580	\$ 7,610,860	\$ 1,953,740	
<b>TOTAL LASALLE (23)</b>	\$ 18,509,900	\$ 15,344,570	\$ 1,196,580	\$ 16,541,150	\$ 1,968,750	
<b>General Revenue Fund (001) - Manteno (25)</b>						
Personal Services	\$ 15,088,800	\$ 15,088,225	\$ -	\$ 15,088,225	\$ 575	
State Contributions to Social Security	1,105,300	1,105,225	-	1,105,225	75	
Commodities	100	-	-	-	100	
Electronic Data Processing	100	-	-	-	100	
Costs of Operation of a Program for Homeless Veterans	668,500	576,619	36,998	613,617	54,883	
Total Fiscal Year 2012	\$ 16,862,800	\$ 16,770,069	\$ 36,998	\$ 16,807,067	\$ 55,733	
<b>Veterans' Affairs Federal Projects Fund (897) - Manteno (25)</b>						
Homeless Veterans' Fund	\$ 120,000	\$ 118,008	\$ -	\$ 118,008	\$ 1,992	
Total Fiscal Year 2012	\$ 120,000	\$ 118,008	\$ -	\$ 118,008	\$ 1,992	
<b>Manteno Veterans' Fund (980) - Manteno (25)</b>						
Personal Services	\$ 6,558,000	\$ 3,483,425	\$ 833,299	\$ 4,316,724	\$ 2,241,276	
Member Compensation	20,000	16,489	460	16,949	3,051	
State Contribution to State						
Employees' Retirement System	2,242,100	1,191,171	284,957	1,476,128	765,972	
State Contributions to Social Security	501,700	256,429	60,517	316,946	184,754	
Contractual Services	6,319,000	4,853,725	451,511	5,305,236	1,013,764	

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year June 30, 2012

Fourteen Months Ended August 31, 2012

P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures		Approximate Lapse Period Expenditures		Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
		Through June 30	August 31	July 1 to August 31	August 31		
Travel	8,500	4,067	612	4,679	3,821		
Commodities	1,662,300	1,269,019	220,549	1,489,568	172,732		
Printing	22,000	12,834	856	13,690	8,310		
Equipment	476,000	195,077	83,660	278,737	197,263		
Electronic Data Processing	50,800	46,065	1,698	47,763	3,037		
Telecommunications	94,600	77,491	12,980	90,471	4,129		
Operation of Automotive Equipment	91,500	68,912	19,294	88,206	3,294		
Refunds	836,000	152,658	939	153,597	682,403		
Permanent Improvements	63,000	18,784	28,308	47,092	15,908		
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	50,000	4,768	451	5,219	44,781		
Total Fiscal Year 2012	\$ 18,995,500	\$ 11,650,914	\$ 2,000,091	\$ 13,651,005	\$ 5,344,495		
<b>TOTAL MANTENO (25)</b>	\$ 35,978,300	\$ 28,538,991	\$ 2,037,089	\$ 30,576,080	\$ 5,402,220		
<b>GI Education Fund (447) - State Approving Agency (30)</b>							
Personal Services							
State Contribution to State	\$ 622,700	\$ 566,263	\$ 26,549	\$ 592,812	\$ 29,888		
Employees' Retirement System	212,900	193,949	9,085	203,034	9,866		
State Contributions to Social Security	48,100	42,255	1,985	44,240	3,860		
Group Insurance	121,300	96,763	4,575	101,338	19,962		
Contractual Services	58,900	35,736	2,979	38,715	20,185		
Travel	42,300	19,411	237	19,648	22,652		
Commodities	3,300	718	233	951	2,349		
Printing	12,000	971	623	1,594	10,406		
Equipment	62,000	-	-	-	62,000		
Electronic Data Processing	12,600	1,274	-	1,274	11,326		
Telecommunications	17,600	9,220	1,882	11,102	6,498		
Operation of Automotive Equipment	22,400	13,605	603	14,208	8,192		
Total Fiscal Year 2012	\$ 1,236,100	\$ 980,165	\$ 48,751	\$ 1,028,916	\$ 207,184		

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DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year June 30, 2012

Fourteen Months Ended August 31, 2012

P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<b><u>Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)</u></b>					
Troops to Teachers Program	\$ 250,000	\$ 192,370	\$ 9,684	\$ 202,054	\$ 47,946
Total Fiscal Year 2012	<u>\$ 250,000</u>	<u>\$ 192,370</u>	<u>\$ 9,684</u>	<u>\$ 202,054</u>	<u>\$ 47,946</u>
<b>TOTAL STATE APPROVING AGENCY (30)</b>	<u>\$ 1,486,100</u>	<u>\$ 1,172,535</u>	<u>\$ 58,435</u>	<u>\$ 1,230,970</u>	<u>\$ 255,130</u>
<b>TOTAL ALL APPROPRIATED FUNDS</b>	<u>\$ 122,632,500</u>	<u>\$ 103,587,487</u>	<u>\$ 5,845,805</u>	<u>\$ 109,433,292</u>	<u>\$ 13,199,208</u>
<b><u>NON-APPROPRIATED FUNDS</u></b>					
<b><u>Veterans' Affairs Library Grant (775) - Anna (18)</u></b>					
Library Expenses		\$ 3,229	\$ 841	\$ 4,070	
Total Fund 775 - Anna (18)		<u>\$ 3,229</u>	<u>\$ 841</u>	<u>\$ 4,070</u>	
<b><u>Veterans' Affairs Library Grant (775) - Quincy (20)</u></b>					
Library Expenses		\$ 9,036	\$ 5,764	\$ 14,800	
Total Fund 775 - Quincy (20)		<u>\$ 9,036</u>	<u>\$ 5,764</u>	<u>\$ 14,800</u>	
<b><u>Veterans' Affairs Library Grant (775) - LaSalle (23)</u></b>					
Library Expenses		\$ 5,753	\$ 8,036	\$ 13,789	
Total Fund 775 - LaSalle (23)		<u>\$ 5,753</u>	<u>\$ 8,036</u>	<u>\$ 13,789</u>	

STATE OF ILLINOIS  
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Appropriations for Fiscal Year June 30, 2012

		Fourteen Months Ended August 31, 2012			
P.A. 97-0070 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<b><u>Veterans' Affairs Library Grant (775) - Manteno (25)</u></b>					
Library Expenses		\$ 6,423	\$ 8,077	\$ 14,500	
Total Fund 775 - Manteno (25)		<u>\$ 6,423</u>	<u>\$ 8,077</u>	<u>\$ 14,500</u>	
<b><u>GI Education Fund (447) - State Approving Agency (30)</u></b>					
Refund to USDVA		\$ 7,323	-	\$ 7,323	
Total Fund 447 - State Approving Agency (30)		<u>\$ 7,323</u>	<u>\$ -</u>	<u>\$ 7,323</u>	
<b>TOTAL NON-APPROPRIATED FUNDS</b>		<u>\$ 31,764</u>	<u>\$ 22,718</u>	<u>\$ 54,482</u>	
<b>GRAND TOTAL ALL FUNDS</b>		<u>\$ 103,619,251</u>	<u>\$ 5,868,523</u>	<u>\$ 109,487,774</u>	

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor. Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August 31.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
<b><u>General Revenue Fund (001) - Central Office (01)</u></b>					
<b>Operating (01)</b>					
Operational Expenses (1910-9900)	\$ 61,241,900	\$ 58,510,057	\$ 736,478	\$ 59,246,535	\$ 1,995,365
Operational Expenses, Awards, Grants, and Permanent Improvements (1900-9900)	1,990,500	1,203,093	204,890	1,407,983	582,517
Total Fiscal Year 2011	<u>\$ 63,232,400</u>	<u>\$ 59,713,150</u>	<u>\$ 941,368</u>	<u>\$ 60,654,518</u>	<u>\$ 2,577,882</u>
<b><u>Illinois Veterans' Home Fund (102) - Central Office (01)</u></b>					
Operations of Veterans' Homes	\$ 300,000	\$ 48,651	\$ 95,851	\$ 144,502	\$ 155,498
Total Fiscal Year 2011	<u>\$ 300,000</u>	<u>\$ 48,651</u>	<u>\$ 95,851</u>	<u>\$ 144,502</u>	<u>\$ 155,498</u>
<b><u>Illinois Veterans' Assistance Fund (236) - Central Office (01)</u></b>					
Grants from Illinois Veterans' Assistance Fund	\$ 10,000,000	\$ 2,513,315	\$ 100,000	\$ 2,613,315	\$ 7,386,685
Total Fiscal Year 2011	<u>\$ 10,000,000</u>	<u>\$ 2,513,315</u>	<u>\$ 100,000</u>	<u>\$ 2,613,315</u>	<u>\$ 7,386,685</u>
<b><u>Illinois Affordable Housing Trust Fund (286) - Central Office (01)</u></b>					
Specially Adapted Housing for Veterans	\$ 223,000	\$ 120,000	\$ -	\$ 120,000	\$ 103,000
Total Fiscal Year 2011	<u>\$ 223,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 103,000</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
	\$ 250,000	\$ 60,000	-	\$ 60,000	\$ 190,000
	<u>\$ 250,000</u>	<u>\$ 60,000</u>	<u>-</u>	<u>\$ 60,000</u>	<u>\$ 190,000</u>
<b>Illinois Military Family Relief Fund (725) - Central Office (01)</b>					
Payment of Benefits under the Survivor's Compensation Act	\$ 74,005,400	\$ 62,455,116	\$ 1,137,219	\$ 63,592,335	\$ 10,413,065
Total Fiscal Year 2011					
	<u>\$ 74,005,400</u>	<u>\$ 62,455,116</u>	<u>\$ 1,137,219</u>	<u>\$ 63,592,335</u>	<u>\$ 10,413,065</u>
<b>TOTAL CENTRAL OFFICE (01)</b>					
	<u>\$ 74,005,400</u>	<u>\$ 62,455,116</u>	<u>\$ 1,137,219</u>	<u>\$ 63,592,335</u>	<u>\$ 10,413,065</u>
<b>Anna Veterans' Home Fund (273) - Anna (18)</b>					
Personal Services	\$ 1,264,200	\$ 768,806	\$ 207,919	\$ 976,725	\$ 287,475
State Contribution to State					
Employees' Retirement System	382,500	215,702	58,292	273,994	108,506
State Contributions to Social Security	96,700	56,884	15,535	72,419	24,281
Contractual Services	608,100	562,506	40,411	602,917	5,183
Travel	10,400	5,149	712	5,861	4,539
Commodities	347,800	320,579	1,551	322,130	25,670
Printing	2,000	1,461	67	1,528	472
Equipment	23,300	23,297	-	23,297	3
Electronic Data Processing	3,000	2,961	-	2,961	39
Telecommunications	14,400	10,663	3,495	14,158	242
Operation of Automotive Equipment	15,700	5,296	335	5,631	10,069
Refunds	13,000	4,409	-	4,409	8,591
Permanent Improvements	10,000	-	9,790	9,790	210
Total Fiscal Year 2011	<u>\$ 2,791,100</u>	<u>\$ 1,977,713</u>	<u>\$ 338,107</u>	<u>\$ 2,315,820</u>	<u>\$ 475,280</u>
<b>TOTAL ANNA (18)</b>					
	<u>\$ 2,791,100</u>	<u>\$ 1,977,713</u>	<u>\$ 338,107</u>	<u>\$ 2,315,820</u>	<u>\$ 475,280</u>

STATE OF ILLINOIS  
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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
<b><u>Quincy Veterans' Fund (619) - Quincy (20)</u></b>					
Personal Services	\$ 8,278,400	\$ 2,992,077	\$ 1,043,968	\$ 4,036,045	\$ 4,242,355
Member Compensation	39,000	29,414	3,622	33,036	5,964
State Contribution to State					
Employees' Retirement System	2,504,500	839,012	299,537	1,138,549	1,365,951
State Contributions to Social Security	633,300	220,853	79,071	299,924	333,376
Contractual Services	3,060,700	2,204,965	283,225	2,488,190	572,510
Travel	6,000	2,892	354	3,246	2,754
Commodities	4,707,600	4,119,584	450,399	4,569,983	137,617
Printing	23,700	20,052	658	20,710	2,990
Equipment	128,500	53,620	5,002	58,622	69,878
Electronic Data Processing	37,000	32,022	-	32,022	4,978
Telecommunications	81,100	61,887	11,910	73,797	7,303
Operation of Automotive Equipment	107,800	67,648	8,187	75,835	31,965
Refunds	44,600	31,386	4,380	35,766	8,834
Permanent Improvements	20,000	-	-	-	20,000
Total Fiscal Year 2011	\$ 19,672,200	\$ 10,675,412	\$ 2,190,313	\$ 12,865,725	\$ 6,806,475
<b>TOTAL QUINCY (20)</b>	\$ 19,672,200	\$ 10,675,412	\$ 2,190,313	\$ 12,865,725	\$ 6,806,475
<b><u>LaSalle Veterans' Fund (272) - LaSalle (23)</u></b>					
Personal Services	\$ 3,325,200	\$ 868,451	\$ 484,801	\$ 1,353,252	\$ 1,971,948
State Contribution to State					
Employees' Retirement System	1,006,000	243,139	135,722	378,861	627,139
State Contributions to Social Security	254,400	64,194	35,977	100,171	154,229
Contractual Services	2,163,200	1,133,211	873,045	2,006,256	156,944
Travel	14,000	2,877	591	3,468	10,532
Commodities	1,134,200	861,703	112,904	974,607	159,593
Printing	6,000	4,114	602	4,716	1,284
Equipment	139,200	28,526	28,710	57,236	81,964
Electronic Data Processing	15,000	9,503	3,129	12,632	2,368

STATE OF ILLINOIS  
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Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
Telecommunications	31,500	22,666	7,639	30,305	1,195
Operation of Automotive Equipment	19,500	15,840	3,132	18,972	528
Refunds	20,000	14,687	-	14,687	5,313
Permanent Improvements	25,000	7,400	9,181	16,581	8,419
Total Fiscal Year 2011	\$ 8,153,200	\$ 3,276,311	\$ 1,695,433	\$ 4,971,744	\$ 3,181,456
<b>TOTAL LASALLE (23)</b>	\$ 8,153,200	\$ 3,276,311	\$ 1,695,433	\$ 4,971,744	\$ 3,181,456
<b>Veterans' Affairs Federal Projects Fund (897) - Manteno (25)</b>					
Homeless Veterans Fund	\$ 120,000	\$ 117,140	\$ -	\$ 117,140	\$ 2,860
Total Fiscal Year 2011	\$ 120,000	\$ 117,140	\$ -	\$ 117,140	\$ 2,860
<b>Manteno Veterans' Fund (980) - Manteno (25)</b>					
Personal Services	\$ 3,871,800	\$ 750,967	\$ 767,060	\$ 1,518,027	\$ 2,353,773
Member Compensation	20,000	15,903	760	16,663	3,337
State Contribution to State					
Employees' Retirement System	1,171,400	210,318	214,967	425,285	746,115
State Contributions to Social Security	296,200	55,089	55,766	110,855	185,345
Contractual Services	5,552,300	4,308,969	421,443	4,730,412	821,888
Travel	8,500	3,218	1,170	4,388	4,112
Commodities	1,582,100	1,090,082	140,448	1,230,530	351,570
Printing	17,000	9,966	636	10,602	6,398
Equipment	158,800	130,389	10,024	140,413	18,387
Electronic Data Processing	22,000	19,692	910	20,602	1,398
Telecommunications	81,200	66,108	12,696	78,804	2,396
Operation of Automotive Equipment	95,700	52,396	9,379	61,775	33,925
Refunds	32,600	19,361	743	20,104	12,496
Permanent Improvements	37,000	4,904	7,910	12,814	24,186
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	50,000	40,228	5,249	45,477	4,523
Total Fiscal Year 2011	\$ 12,996,600	\$ 6,777,590	\$ 1,649,161	\$ 8,426,751	\$ 4,569,849
<b>TOTAL MANTENO (25)</b>	\$ 13,116,600	\$ 6,894,730	\$ 1,649,161	\$ 8,543,891	\$ 4,572,709

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Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
<b><u>GI Education Fund (447) - State Approving Agency (30)</u></b>					
Personal Services	\$ 661,600	\$ 534,283	\$ 24,810	\$ 559,093	\$ 102,507
State Contribution to State Employees' Retirement System	200,200	156,714	-	156,714	43,486
State Contributions to Social Security	50,600	40,113	1,854	41,967	8,633
Group Insurance	128,400	81,273	3,593	84,866	43,534
Contractual Services	57,600	34,107	3,897	38,004	19,596
Travel	42,300	26,259	2,644	28,903	13,397
Commodities	3,300	1,152	59	1,211	2,089
Printing	12,000	1,850	-	1,850	10,150
Equipment	62,000	30,001	-	30,001	31,999
Electronic Data Processing	12,600	6,881	316	7,197	5,403
Telecommunications	17,600	7,815	1,593	9,408	8,192
Operation of Automotive Equipment	22,400	13,575	1,731	15,306	7,094
Total Fiscal Year 2011	\$ 1,270,600	\$ 934,023	\$ 40,497	\$ 974,520	\$ 296,080
<b><u>Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)</u></b>					
Troops to Teachers Program	\$ 250,000	\$ 141,628	\$ 6,326	\$ 147,954	\$ 102,046
Total Fiscal Year 2011	\$ 250,000	\$ 141,628	\$ 6,326	\$ 147,954	\$ 102,046
<b><u>TOTAL STATE APPROVING AGENCY (30)</u></b>					
	\$ 1,520,600	\$ 1,075,651	\$ 46,823	\$ 1,122,474	\$ 398,126
<b><u>General Revenue Fund (001) - Governors Discretionary Appropriation (88)</u></b>					
Lump Sum	\$ 5,000,000	\$ 4,226,306	\$ 163,513	\$ 4,389,819	\$ 610,181
Total Fiscal Year 2011	\$ 5,000,000	\$ 4,226,306	\$ 163,513	\$ 4,389,819	\$ 610,181
<b><u>TOTAL GOVERNORS DISCRETIONARY APPROPRIATION (88)</u></b>					
	\$ 5,000,000	\$ 4,226,306	\$ 163,513	\$ 4,389,819	\$ 610,181
<b><u>TOTAL ALL APPROPRIATED FUNDS</u></b>					
	\$ 124,259,100	\$ 90,581,239	\$ 7,220,569	\$ 97,801,808	\$ 26,457,292

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 18 Months Ended December 31	Balances Lapsed December 31
		Expenditures Through June 30	Expenditures July 1 to December 31		
<b>NON-APPROPRIATED FUNDS</b>					
<b><u>Veterans Affairs Library Grant (775) - Anna (18)</u></b>					
Library Expenses		\$ 4,302	\$ 6,919	\$ 11,221	
Total Fund 775 - Anna (18)		\$ 4,302	\$ 6,919	\$ 11,221	
<b><u>Veterans Affairs Library Grant (775) - Quincy (20)</u></b>					
Library Expenses		\$ 12,169	\$ 1,331	\$ 13,500	
Total Fund 775 - Quincy (20)		\$ 12,169	\$ 1,331	\$ 13,500	
<b><u>Veterans Affairs Library Grant (775) - LaSalle (23)</u></b>					
Library Expenses		\$ 8,365	\$ 3,414	\$ 11,779	
Total Fund 775 - LaSalle (23)		\$ 8,365	\$ 3,414	\$ 11,779	
<b><u>Veterans Affairs Library Grant (775) - Manteno (25)</u></b>					
Library Expenses		\$ 1,844	\$ 11,656	\$ 13,500	
Total Fund 775 - Manteno (25)		\$ 1,844	\$ 11,656	\$ 13,500	
<b>TOTAL ALL NON-APPROPRIATED FUNDS</b>		<b>\$ 26,680</b>	<b>\$ 23,320</b>	<b>\$ 50,000</b>	
<b>GRAND TOTAL ALL FUNDS</b>		<b>\$ 90,607,919</b>	<b>\$ 7,243,889</b>	<b>\$ 97,851,808</b>	

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2012	2011	2010
<b>Central Office (01)</b>	P.A. 97-0070	P.A. 96-0956	P.A. 96-0042
<b>General Revenue Fund (001) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 6,336,100	\$ 63,232,400	\$ 59,028,700
<u>Expenditures</u>			
Operating (01)			
Operational Expenses (1910-9900)	\$ -	\$ 59,246,535	\$ 5,443,078
Operational Expenses, Awards, Grants, and Permanent Improvements (1900-9900)	-	1,407,983	1,238,116
Personal Services	3,165,816	-	-
Personal Services- Non-Bargaining Unit	-	-	3,818,865
Personal Services- Bargaining Unit	-	-	39,734,273
State Contributions to Social Security	234,831	-	-
State Contributions to Social Security - Non-Bargaining Unit	-	-	279,450
State Contributions to Social Security - Bargaining Unit	-	-	2,921,785
Contractual Services	476,775	-	-
Travel	19,181	-	-
Commodities	4,089	-	-
Printing	5,267	-	-
Equipment	-	-	-
Electronic Data Processing	530,249	-	-
Telecommunications	48,343	-	-
Operation of Automotive Equipment	17,724	-	-
Bonus Payments to War Veterans and Peacetime Crisis Survivors	179,500	-	-
Educational Opportunities for Children of Certain Veterans	54,750	-	-
Cartage and Erection of Veterans' Headstones	361,500	-	-
Illinois Warrior Assistance Program	223,993	-	-
Total Expenditures	\$ 5,322,018	\$ 60,654,518	\$ 53,435,567
Lapsed Balances	\$ 1,014,082	\$ 2,577,882	\$ 5,593,133
<b>Illinois Veterans' Home Fund (102) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 150,000	\$ 300,000	\$ 300,000
<u>Expenditures</u>			
Operations of Veterans' Homes	\$ -	\$ 144,502	\$ 167,623
Total Expenditures	\$ -	\$ 144,502	\$ 167,623
Lapsed Balances	\$ 150,000	\$ 155,498	\$ 132,377

STATE OF ILLINOIS  
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**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Illinois Veterans' Assistance Fund (236) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 3,500,000	\$ 10,000,000	\$ 10,000,000
Expenditures			
Grant from Illinois Veterans' Assistance Fund	\$ 2,704,478	\$ 2,613,315	\$ 1,730,224
Total Expenditures	\$ 2,704,478	\$ 2,613,315	\$ 1,730,224
Lapsed Balances	<u>\$ 795,522</u>	<u>\$ 7,386,685</u>	<u>\$ 8,269,776</u>
<b>Illinois Affordable Housing Trust Fund (286) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 223,000	\$ 223,000	\$ 223,000
Expenditures			
Specially Adapted Housing for Veterans	\$ 60,000	\$ 120,000	\$ 153,150
Total Expenditures	\$ 60,000	\$ 120,000	\$ 153,150
Lapsed Balances	<u>\$ 163,000</u>	<u>\$ 103,000</u>	<u>\$ 69,850</u>
<b>Illinois Military Family Relief Fund (725) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
Payment of Benefits under the Survivors Compensation Act	\$ 21,000	\$ 60,000	\$ 54,000
Total Expenditures	\$ 21,000	\$ 60,000	\$ 54,000
Lapsed Balances	<u>\$ 229,000</u>	<u>\$ 190,000</u>	<u>\$ 196,000</u>
<b>Disabled Veterans' Property Tax Relief Fund (880) - Central Office (01)</b>			
Appropriations (Net of Transfers)	\$ 150,000	\$ -	\$ -
Expenditures			
Tax Check-off contributions for Property Tax for Disabled Veterans	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Lapsed Balances	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>GRAND TOTAL - CENTRAL OFFICE (01)</b>			
Appropriations (Net of Transfers)	\$ 10,609,100	\$ 74,005,400	\$ 69,801,700
Total Expenditures	\$ 8,107,496	\$ 63,592,335	\$ 55,540,564
Lapsed Balances	<u>\$ 2,501,604</u>	<u>\$ 10,413,065</u>	<u>\$ 14,261,136</u>

STATE OF ILLINOIS  
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**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Field Services (15)</u></b>			
<b>General Revenue Fund (001) - Field Services (15)</b>			
Appropriations (Net of Transfers)	\$ 5,174,800	\$ -	\$ -
Expenditures			
Personal Services	\$ 4,129,421	\$ -	\$ -
State Contributions to Social Security	305,759	-	-
Contractual Services	217,154	-	-
Travel	54,805	-	-
Commodities	7,221	-	-
Printing	5,892	-	-
Telecommunications	104,021	-	-
Operation of Automotive Equipment	24,673	-	-
Total Expenditures	\$ 4,848,946	\$ -	\$ -
Lapsed Balances	<u>\$ 325,854</u>	<u>\$ -</u>	<u>\$ -</u>
<b>GRAND TOTAL - FIELD SERVICES (15)</b>			
Appropriations (Net of Transfers)	\$ 5,174,800	\$ -	\$ -
Total Expenditures	\$ 4,848,946	\$ -	\$ -
Lapsed Balances	<u>\$ 325,854</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Illinois Veterans' Home at Anna (18)</u></b>			
<b>General Revenue Fund (001) - Anna (18)</b>			
Appropriations (Net of Transfers)	\$ 3,213,200	\$ -	\$ -
Expenditures			
Personal Services	\$ 2,936,521	\$ -	\$ -
State Contributions to Social Security	218,429	-	-
Contractual Services	10,000	-	-
Commodities	45,998	-	-
Total Expenditures	\$ 3,210,948	\$ -	\$ -
Lapsed Balances	<u>\$ 2,252</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Anna Veterans' Home Fund (273) - Anna (18)</b>			
Appropriations (Net of Transfers)	\$ 2,647,600	\$ 2,791,100	\$ 2,537,800
Expenditures			
Personal Services	\$ 1,032,638	\$ 976,725	\$ 1,020,468
State Contribution to State Employees' Retirement System	356,525	273,994	291,968
State Contributions to Social Security	77,290	72,419	75,460
Contractual Services	685,285	602,917	617,425
Travel	5,467	5,861	2,766
Commodities	297,504	322,130	286,635
Printing	2,791	1,528	2,009

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2012	2011	2010
Equipment	10,095	23,297	6,897
Electronic Data Processing	11,023	2,961	3,283
Telecommunications	13,013	14,158	13,599
Operations of Automotive Equipment	8,565	5,631	11,449
Refunds	39,011	4,409	4,056
Permanent Improvements	9,622	9,790	9,790
<b>Total Expenditures</b>	<b>\$ 2,548,829</b>	<b>\$ 2,315,820</b>	<b>\$ 2,345,805</b>
Lapsed Balances	<u>\$ 98,771</u>	<u>\$ 475,280</u>	<u>\$ 191,995</u>
<b>GRAND TOTAL - ILLINOIS VETERAN'S HOME - ANNA (18)</b>			
Appropriations (Net of Transfers)	<u>\$ 5,860,800</u>	<u>\$ 2,791,100</u>	<u>\$ 2,537,800</u>
Total Expenditures	<u>\$ 5,759,777</u>	<u>\$ 2,315,820</u>	<u>\$ 2,345,805</u>
Lapsed Balances	<u>\$ 101,023</u>	<u>\$ 475,280</u>	<u>\$ 191,995</u>
<b>Illinois Veterans' Home at Quincy (20)</b>			
<b>General Revenue Fund (001) - Quincy (20)</b>			
Appropriations (Net of Transfers)	<u>\$ 23,617,300</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Personal Services	\$ 21,838,360	\$ -	\$ -
State Contributions to Social Security	1,604,288	-	-
Contractual Services	<u>117,831</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<b>\$ 23,560,479</b>	<b>\$ -</b>	<b>\$ -</b>
Lapsed Balances	<u>\$ 56,821</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Quincy Veterans' Fund (619) - Quincy (20)</b>			
Appropriations (Net of Transfers)	<u>\$ 21,396,200</u>	<u>\$ 19,672,200</u>	<u>\$ 18,476,354</u>
Expenditures			
Personal Services	\$ 7,828,362	\$ 4,036,045	\$ 6,413,890
Member Compensation	27,738	33,036	14,653
State Contribution to State			
Employees' Retirement System	2,682,627	1,138,549	1,823,047
State Contributions to Social Security	580,208	299,924	472,620
Contractual Services	2,704,047	2,488,190	2,375,867
Travel	3,416	3,246	3,026
Commodities	4,480,319	4,569,983	4,529,593
Printing	18,737	20,710	23,518
Equipment	54,867	58,622	46,991
Electronic Data Processing	57,661	32,022	23,338
Telecommunications	78,222	73,797	68,222
Operations of Automotive Equipment	76,228	75,835	69,075
Refunds	209,988	35,766	32,905
Permanent Improvements	<u>5,974</u>	<u>-</u>	<u>8,758</u>
<b>Total Expenditures</b>	<b>\$ 18,808,394</b>	<b>\$ 12,865,725</b>	<b>\$ 15,905,503</b>
Lapsed Balances	<u>\$ 2,587,806</u>	<u>\$ 6,806,475</u>	<u>\$ 2,570,851</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2012	2011	2010
<b>GRAND TOTAL - ILLINOIS VETERAN'S HOME - QUINCY (20)</b>			
Appropriations (Net of Transfers)	\$ 45,013,500	\$ 19,672,200	\$ 18,476,354
Total Expenditures	\$ 42,368,873	\$ 12,865,725	\$ 15,905,503
Lapsed Balances	\$ 2,644,627	\$ 6,806,475	\$ 2,570,851
<b>Illinois Veterans' Home at LaSalle (23)</b>			
<b>General Revenue Fund (001) - LaSalle (23)</b>			
Appropriations (Net of Transfers)	\$ 8,945,300	\$ -	\$ -
Expenditures			
Personal Services	\$ 8,316,720	\$ -	\$ -
State Contributions to Social Security	613,570	-	-
Total Expenditures	\$ 8,930,290	\$ -	\$ -
Lapsed Balances	\$ 15,010	\$ -	\$ -
<b>LaSalle Veterans' Fund (272) - LaSalle (23)</b>			
Appropriations (Net of Transfers)	\$ 9,564,600	\$ 8,153,200	\$ 8,374,700
Expenditures			
Personal Services	\$ 3,031,917	\$ 1,353,252	\$ 1,478,387
State Contribution to State Employees' Retirement System	1,036,989	378,861	419,788
State Contributions to Social Security	224,726	100,171	109,395
Contractual Services	2,030,946	2,006,256	918,296
Travel	2,628	3,468	2,673
Commodities	1,058,070	974,607	606,757
Printing	5,351	4,716	2,967
Equipment	56,639	57,236	20,879
Electronic Data Processing	23,567	12,632	4,058
Telecommunications	32,693	30,305	15,430
Operation of Automotive Equipment	24,398	18,972	13,016
Refunds	81,239	14,687	9,092
Permanent Improvements	1,697	16,581	1,192
Personal Services for the Addition of Beds	-	-	1,153,940
Total Expenditures	\$ 7,610,860	\$ 4,971,744	\$ 4,755,870
Lapsed Balances	\$ 1,953,740	\$ 3,181,456	\$ 3,618,830
<b>GRAND TOTAL - ILLINOIS VETERAN'S HOME - LASALLE (23)</b>			
Appropriations (Net of Transfers)	\$ 18,509,900	\$ 8,153,200	\$ 8,374,700
Total Expenditures	\$ 16,541,150	\$ 4,971,744	\$ 4,755,870
Lapsed Balances	\$ 1,968,750	\$ 3,181,456	\$ 3,618,830

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2012	2011	2010
<b>Illinois Veterans' Home at Manteno (25)</b>			
<b>General Revenue Fund (001) - Manteno (25)</b>			
Appropriations (Net of Transfers)	\$ 16,862,800	\$ -	\$ -
Expenditures			
Personal Services	\$ 15,088,225	\$ -	\$ -
State Contributions to Social Security	1,105,225	-	-
Costs of Operation of a Program for Homeless Veterans	613,617	-	-
Total Expenditures	\$ 16,807,067	\$ -	\$ -
Lapsed Balances	\$ 55,733	\$ -	\$ -
<b>Veterans' Affairs Federal Projects Fund (897) - Manteno (25)</b>			
Appropriations (Net of Transfers)	\$ 120,000	\$ 120,000	\$ 120,000
Expenditures			
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	\$ 118,008	\$ 117,140	\$ 116,551
Total Expenditures	\$ 118,008	\$ 117,140	\$ 116,551
Lapsed Balances	\$ 1,992	\$ 2,860	\$ 3,449
<b>Manteno Veterans' Fund (980) - Manteno (25)</b>			
Appropriations (Net of Transfers)	\$ 18,995,500	\$ 12,996,600	\$ 15,552,400
Expenditures			
Personal Services	\$ 4,316,724	\$ 1,518,027	\$ 5,434,088
Member Compensation	16,949	16,663	10,605
State Contribution to State Employees' Retirement System	1,476,128	425,285	1,543,267
State Contributions to Social Security	316,946	110,855	400,694
Contractual Services	5,305,236	4,730,412	4,880,833
Travel	4,679	4,388	6,531
Commodities	1,489,568	1,230,530	972,965
Printing	13,690	10,602	16,265
Equipment	278,737	140,413	142,590
Electronic Data Processing	47,763	20,602	23,973
Telecommunications	90,471	78,804	89,538
Operation of Automotive Equipment	88,206	61,775	61,683
Refunds	153,597	20,104	18,536
Permanent Improvements	47,092	12,814	104,776
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	5,219	45,477	-
Total Expenditures	\$ 13,651,005	\$ 8,426,751	\$ 13,706,344
Lapsed Balances	\$ 5,344,495	\$ 4,569,849	\$ 1,846,056

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>GRAND TOTAL - ILLINOIS VETERANS' HOME - MANTENO (25)</b>			
Appropriations (Net of Transfers)	\$ 35,978,300	\$ 13,116,600	\$ 15,672,400
Total Expenditures	\$ 30,576,080	\$ 8,543,891	\$ 13,822,895
Lapsed Balances	<u>\$ 5,402,220</u>	<u>\$ 4,572,709</u>	<u>\$ 1,849,505</u>
<b>State Approving Agency (30)</b>			
<b>GI Education Fund (447) - State Approving Agency (30)</b>			
Appropriations (Net of Transfers)	\$ 1,236,100	\$ 1,270,600	\$ 1,396,300
Expenditures			
Personal Services	\$ 592,812	\$ 559,093	\$ 536,405
State Contribution to State Employees' Retirement System	203,034	156,714	152,427
State Contributions to Social Security	44,240	41,967	40,219
Group Insurance	101,338	84,866	76,385
Contractual Services	38,715	38,004	45,257
Travel	19,648	28,903	23,391
Commodities	951	1,211	1,753
Printing	1,594	1,850	729
Equipment	-	30,001	-
Electronic Data Processing	1,274	7,197	3,880
Telecommunications	11,102	9,408	12,984
Operation of Automotive Equipment	14,208	15,306	15,874
Total Expenditures	<u>\$ 1,028,916</u>	<u>\$ 974,520</u>	<u>\$ 909,304</u>
Lapsed Balances	<u>\$ 207,184</u>	<u>\$ 296,080</u>	<u>\$ 486,996</u>
<b>Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)</b>			
Appropriations (Net of Transfers)	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
Troops to Teachers Program	\$ 202,054	\$ 147,954	\$ 149,357
Total Expenditures	<u>\$ 202,054</u>	<u>\$ 147,954</u>	<u>\$ 149,357</u>
Lapsed Balances	<u>\$ 47,946</u>	<u>\$ 102,046</u>	<u>\$ 100,643</u>
<b>GRAND TOTAL - STATE APPROVING AGENCY (30)</b>			
Appropriations (Net of Transfers)	\$ 1,486,100	\$ 1,520,600	\$ 1,646,300
Total Expenditures	\$ 1,230,970	\$ 1,122,474	\$ 1,058,661
Lapsed Balances	<u>\$ 255,130</u>	<u>\$ 398,126</u>	<u>\$ 587,639</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2012	2011	2010
<b><u>Governor's Discretionary Appropriation (88)</u></b>			
Appropriations (Net of Transfers)	\$ -	\$ 5,000,000	\$ 1,420,200
Expenditures			
Lump Sums	\$ -	\$ 4,389,819	\$ 182,557
Lump Sums	-	-	379,900
Total Expenditures	\$ -	\$ 4,389,819	\$ 562,457
Lapsed Balances	\$ -	\$ 610,181	\$ 857,743
<b>GRAND TOTAL -APPROPRIATED FUNDS</b>			
Appropriations (Net of Transfers)	\$ 122,632,500	\$ 124,259,100	\$ 117,929,454
Total Expenditures	\$ 109,433,292	\$ 97,801,808	\$ 93,991,755
Lapsed Balances	\$ 13,199,208	\$ 26,457,292	\$ 23,937,699
<b>NON-APPROPRIATED FUNDS</b>			
<b>Veterans' Affairs Library Grant (775) - Anna (18)</b>			
Expenditures			
Library Expenses	\$ 4,070	\$ 11,221	\$ 10,252
Total Expenditures	\$ 4,070	\$ 11,221	\$ 10,252
<b>Veterans' Affairs Library Grant (775) - Quincy (20)</b>			
Expenditures			
Library Expenses	\$ 14,800	\$ 13,500	\$ 12,248
Total Expenditures	\$ 14,800	\$ 13,500	\$ 12,248
<b>Veterans' Affairs Library Grant (775) - LaSalle (23)</b>			
Expenditures			
Library Expenses	\$ 13,789	\$ 11,779	\$ 17,122
Total Expenditures	\$ 13,789	\$ 11,779	\$ 17,122
<b>Veterans' Affairs State Project Fund (501) - Manteno (25)</b>			
Expenditures			
Illinois Housing Authority Trust Grant	\$ -	\$ -	\$ 114,424
Total Expenditures	\$ -	\$ -	\$ 114,424

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Veterans' Affairs Library Grant (775) - Manteno (25)</b>			
Library Expenses	\$ 14,500	\$ 13,500	\$ 9,000
Total Fund 775 - Manteno (25)	<u>\$ 14,500</u>	<u>\$ 13,500</u>	<u>\$ 9,000</u>
<b>GI Education Fund (447) - State Approving Agency (30)</b>			
Refund to USDVA	\$ 7,323	\$ -	\$ -
Total Fund 447 - State Approving Agency (30)	<u>\$ 7,323</u>	<u>\$ -</u>	<u>\$ -</u>
<b>TOTAL NON-APPROPRIATED FUNDS</b>			
<b>GRAND TOTAL NON-APPROPRIATED FUNDS</b>			
Total Expenditures	<u>\$ 54,482</u>	<u>\$ 50,000</u>	<u>\$ 163,046</u>
<b>GRAND TOTAL -ALL FUNDS</b>			
Total Expenditures	<u>\$ 109,487,774</u>	<u>\$ 97,851,808</u>	<u>\$ 94,154,801</u>

Note: Fiscal Year 2012 and Fiscal Year 2010 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August 31.

**Schedule 4**

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
AND FUND BALANCE (CASH BASIS) – LOCALLY HELD FUNDS**  
For the Two Years Ended June 30, 2012

	Anna Veterans' Home		
	1311 Clearing Account Fund	1339 Members' Benefit Fund	1348 Members' Trust Fund
Balance at July 1, 2010	\$ -	\$ 32,472	\$ 90,949
Receipts	653,815	50,748	739,017
Disbursements	(653,815)	(46,859)	(741,488)
Balance at June 30, 2011	\$ -	\$ 36,361	\$ 88,478
Balance at July 1, 2011	\$ -	\$ 36,361	\$ 88,478
Receipts	681,541	55,454	749,378
Disbursements	(681,541)	(55,690)	(727,100)
Balance at June 30, 2012	\$ -	\$ 36,125	\$ 110,756

Note: Amounts have been obtained from Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller.

**Schedule 4, continued**

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
AND FUND BALANCE (CASH BASIS) – LOCALLY HELD FUNDS**

For the Two Years Ended June 30, 2012

	LaSalle Veterans' Home	
	1261 Residents' Benefit Fund	1260 Residents' Trust Fund
Balance at July 1, 2010	\$ 268,105	\$ 333,101
Receipts	76,408	2,419,433
Disbursements	(127,907)	(2,447,901)
Balance at June 30, 2011	\$ 216,606	\$ 304,633
Balance at July 1, 2011	\$ 216,606	\$ 304,633
Receipts	102,315	2,631,811
Disbursements	(79,064)	(2,575,956)
Balance at June 30, 2012	\$ 239,857	\$ 360,488

Note: Amounts have been obtained from Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller.

**Schedule 4, continued**

STATE OF ILLINOIS  
 DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
 AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**  
 For the Two Years Ended June 30, 2012

	Manteno Veterans' Home	
	1219 Members' Benefit Fund	1220 Members' Trust Fund
Balance at July 1, 2010	\$ 424,136	\$ 1,320,655
Receipts	250,916	4,678,905
Disbursements	(198,794)	(4,577,547)
Balance at June 30, 2011	\$ 476,258	\$ 1,422,013
Balance at July 1, 2011	\$ 476,258	\$ 1,422,013
Receipts	193,034	4,912,997
Disbursements	(137,111)	(4,651,404)
Balance at June 30, 2012	\$ 532,181	\$ 1,683,606

Note: Amounts have been reconciled to the Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**  
For the Two Years Ended June 30, 2012

	Prince Homeless Program	
	1397 Members' Benefit Fund	1399 Members' Trust Fund
Balance at July 1, 2010	\$ 28,532	\$ 2,732
Receipts	11,990	40,390
Disbursements	(20,547)	(29,954)
Balance at June 30, 2011	\$ 19,975	\$ 13,168
Balance at July 1, 2011	\$ 19,975	\$ 13,168
Receipts	11,953	80,121
Disbursements	(13,523)	(52,306)
Balance at June 30, 2012	\$ 18,405	\$ 40,983

Note: Amounts have been obtained from Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller.

Schedule 4, continued

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS  
AND FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**  
For the Two Years Ended June 30, 2012

	Quincy Veterans' Home				
	1152	1158	1159	1246	1316
	Members'	Protestant	St. Lawrence	Members'	Clearing
	Benefit	Chapel	Chapel	Trust	Account
	Fund	Fund	Fund	Fund	Fund
Balance at July 1, 2010	\$ 317,829	\$ 47,749	\$ 22,408	\$ 2,154,806	\$ -
Receipts	155,662	8,005	11,705	6,894,590	6,126,792
Disbursements	(177,737)	(10,691)	(9,652)	(7,205,443)	(6,126,792)
Balance at June 30, 2011	<u>\$ 295,754</u>	<u>\$ 45,063</u>	<u>\$ 24,461</u>	<u>\$ 1,843,953</u>	<u>\$ -</u>
Balance at July 1, 2011	\$ 295,754	\$ 45,063	\$ 24,461	\$ 1,843,953	\$ -
Receipts	244,940	9,365	10,047	6,816,113	6,160,682
Disbursements	(199,753)	(7,444)	(7,217)	(6,619,522)	(6,160,682)
Balance at June 30, 2012	<u><u>\$ 340,941</u></u>	<u><u>\$ 46,984</u></u>	<u><u>\$ 27,291</u></u>	<u><u>\$ 2,040,544</u></u>	<u><u>\$ -</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2012

	<u>Equipment</u>
Balance at July 1, 2010	\$ 132,644,201
Additions	909,445
Deletions	(262,125)
Net Transfers	<u>2,724,909</u>
Balance at June 30, 2011	<u><u>\$ 136,016,430</u></u>
Balance at July 1, 2011	\$ 136,016,430
Additions	812,200
Deletions	(290,609)
Net Transfers	<u>3,483,299</u>
Balance at June 30, 2012	<u><u>\$ 140,021,320</u></u>

Note: The above schedule has been derived from property records of the Department and year end property balances have been reconciled in all material respects to reports submitted to the Office of the Comptroller. However, we noted certain errors in Department property records (see Finding Code No. 12-9)

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Years Ended June 30,

<u>GENERAL REVENUE FUND (001)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Central Office Miscellaneous Receipts	\$ 221	\$ -	\$ 635
Field Services	147	11	-
Manteno Veterans' Home Miscellaneous Receipts	93	-	505
Quincy Veterans' Home Miscellaneous Receipts	209	42	361
Repayment to State	-	-	250
Prior Year Refunds	4,550	13,018	17,087
	<hr/>	<hr/>	<hr/>
TOTAL – GENERAL REVENUE FUND	\$ 5,220	\$ 13,071	\$ 18,838
	<hr/>	<hr/>	<hr/>
<u>VETERANS' ASSISTANCE FUND (236)</u>			
Interest Income	\$ -	\$ -	\$ 3,418
Prior Year Refunds	59,144	-	159,020
Prior Year Warrant Voids	-	16	-
	<hr/>	<hr/>	<hr/>
TOTAL VETERANS' ASSISTANCE FUND	\$ 59,144	\$ 16	\$ 162,438
	<hr/>	<hr/>	<hr/>
<u>LASALLE VETERANS' HOME FUND (272)</u>			
Medical Reimbursements	\$ 9,165	\$ 3,516	\$ 6,518
Health and Human Services	90,694	40,316	36,023
Copy Fees	545	28	305
Maintenance Fees	2,325,368	2,168,139	1,748,582
VA Reimbursements	7,913,913	4,680,802	3,555,046
Miscellaneous	1,703	-	-
Repayment Pursuant to Law	174	126	162
Meal Tickets	1,385	1,895	1,403
Prior Year Refunds	-	384	2,120
	<hr/>	<hr/>	<hr/>
TOTAL – LASALLE VETERANS' HOME FUND	\$10,342,947	\$ 6,895,206	\$ 5,350,159
	<hr/>	<hr/>	<hr/>

Schedule 6, continued

STATE OF ILLINOIS  
 DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
 For the Fiscal Years Ended June 30,

<u>ANNA VETERANS' HOME FUND (273)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Third Party Insurance	\$ 1,151	\$ 126	\$ 181
VA Reimbursements	1,945,401	1,564,380	1,682,477
Patient Medicare	8,342	2,916	3,951
Patient Fees	665,805	646,393	744,975
Meal Tickets	3,630	1,599	2,293
Anna Misc. Charges - Phone/Jury Duty	35	26	26
Copy Fees	-	-	-
Miscellaneous	<u>2,579</u>	<u>2,860</u>	<u>4,087</u>
<b>TOTAL - ANNA VETERANS' HOME FUND</b>	<u>\$ 2,626,943</u>	<u>\$2,218,300</u>	<u>\$2,437,990</u>
<u>G.I. EDUCATION FUND (447)</u>			
VA Reimbursements	\$ 1,336,079	\$ 929,423	\$ 877,261
Jury Duty Reimbursements	-	17	-
Prior Year Refunds	-	135	-
<b>TOTAL - G.I. EDUCATION FUND</b>	<u>\$ 1,336,079</u>	<u>\$ 929,575</u>	<u>\$ 877,261</u>

**Schedule 6, continued**

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
For the Fiscal Years Ended June 30,

<u>QUINCY VETERANS' HOME FUND (619)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Health and Human Services	\$ 693,145	\$ 583,969	\$ 590,098
VA Reimbursements	11,667,521	12,642,589	10,616,889
Copy Fees	85	164	80
Patient Fees	5,321,786	5,396,269	5,679,555
Miscellaneous	4,973	15,755	11,615
Medical Reimbursements	110,284	100,597	116,957
Rental Income - Miscellaneous	19,557	19,557	19,557
Rental Income – Property	5,570	9,041	-
Jury Duty/Phone	62	64	58
Shipping Charges	8	48	83
Meal Tickets	4,869	3,320	3,698
Outdated Drugs	134	238	790
Prior Year Refunds	-	106	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL QUINCY VETERANS' HOME FUND</b>	<b><u>\$17,827,994</u></b>	<b><u>\$18,771,717</u></b>	<b><u>\$17,039,380</u></b>
<u>LIBRARY GRANT FUND (775)</u>			
Secretary of State	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<b>TOTAL - LIBRARY GRANT FUND</b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 50,000</u></b>
<u>FEDERAL PROJECT FUND (897)</u>			
Department of Defense Receipt	\$ 182,547	\$ 200,000	\$ 145,579
Grants from Housing and Urban Development (Manteno)	<u>122,639</u>	<u>127,710</u>	<u>101,761</u>
<b>TOTAL - FEDERAL PROJECT FUND</b>	<b><u>\$ 305,186</u></b>	<b><u>\$ 327,710</u></b>	<b><u>\$ 247,340</u></b>

**Schedule 6, continued**

STATE OF ILLINOIS  
 DEPARTMENT OF VETERANS' AFFAIRS  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
 For the Fiscal Years Ended June 30,

<u>MANTENO VETERANS' HOME FUND (980)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Health and Human Services	\$ 252,512	\$ 233,933	\$ 250,935
VA Reimbursements	13,160,311	8,733,855	7,917,519
Patient Fees	4,055,737	4,031,955	3,870,340
Private Organization or Individual	69,464	51,499	44,636
Medical Reimbursements	45,417	40,231	51,174
Jury Duty	430	258	690
Prior Year Refund	627	137	1,960
	<hr/>	<hr/>	<hr/>
TOTAL MANTENO VETERANS' HOME FUND	<u>\$17,584,498</u>	<u>\$13,091,868</u>	<u>\$12,137,254</u>
TOTAL RECEIPTS	<u><u>\$50,138,011</u></u>	<u><u>\$42,297,463</u></u>	<u><u>\$38,320,660</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS  
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Two Years Ended June 30, 2012

<b><u>General Revenue Fund - 001</u></b>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 5,220	\$ 13,071
Add: Deposits in Transit, Beginning of Year	-	23
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 5,220</u>	<u>\$ 13,094</u>
<b><u>Veterans' Assistance Fund - 236</u></b>		
Receipts per Department Records	\$ 59,144	\$ 16
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 59,144</u>	<u>\$ 16</u>
<b><u>LaSalle Veterans' Home Fund - 272</u></b>		
Receipts per Department Records	\$10,342,947	\$ 6,895,206
Add: Deposits in Transit, Beginning of Year	6,932	20,132
Less: Deposits in Transit, End of Year	<u>(2,963)</u>	<u>(6,932)</u>
Deposits Recorded by the Comptroller	<u>\$10,346,916</u>	<u>\$ 6,908,406</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS  
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Two Years Ended June 30, 2012

<b><u>Anna Veterans' Home Fund – 273</u></b>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 2,626,943	\$ 2,218,300
Add: Deposits in Transit, Beginning of Year	1,483	5,931
Less: Deposits in Transit, End of Year	<u>(2,852)</u>	<u>(1,483)</u>
Deposits Recorded by the Comptroller	<u><u>\$ 2,625,574</u></u>	<u><u>\$ 2,222,748</u></u>
<b><u>GI Education Fund – 447</u></b>		
Receipts per Department Records	\$ 1,336,079	\$ 929,575
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u><u>\$ 1,336,079</u></u>	<u><u>\$ 929,575</u></u>
<b><u>Quincy Veterans' Home Fund – 619</u></b>		
Receipts per Department Records	\$17,827,994	\$18,771,717
Add: Deposits in Transit, Beginning of Year	88,030	82,670
Less: Deposits in Transit, End of Year	<u>(73,012)</u>	<u>(88,030)</u>
Deposits Recorded by the Comptroller	<u><u>\$17,843,012</u></u>	<u><u>\$18,766,357</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS  
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Two Years Ended June 30, 2012

<b><u>Library Grant Fund - 775</u></b>	<u>2012</u>	<u>2011</u>
Receipts per Department Records	\$ 50,000	\$ 50,000
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<b><u>Federal Projects Fund – 897</u></b>		
Receipts per Department Records	\$ 305,186	\$ 327,710
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 305,186</u>	<u>\$ 327,710</u>
<b><u>Manteno Veterans' Home Fund - 980</u></b>		
Receipts per Department Records	\$17,584,498	\$13,091,868
Add: Deposits in Transit, Beginning of Year	39,439	26,278
Less: Deposits in Transit, End of Year	<u>(28,334)</u>	<u>(39,439)</u>
Deposits Recorded by the Comptroller	<u>\$17,595,603</u>	<u>\$13,078,707</u>

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012**

**General Revenue Fund (001) – Central Office (Division 01)**

Operational Expenses

In Fiscal Year 2011, the appropriation process combined all personal services and state contributions to social security into only one line item identified as operational expenses. During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines.

Operational Expenses, Awards, Grants, and Permanent Improvements

In Fiscal Year 2011, the appropriation process combined all operating lines (i.e. contractual services, travel, commodities, etc.) into only one line item identified as operational expenses. During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines.

**Illinois Veterans' Homes Fund (102) – Central Office (Division 01)**

Operations of Veterans' Homes

Expenditures of these funds are made for special projects at the Illinois Veterans' Homes at the discretion of Department management. No such special projects were carried out during Fiscal Year 2012.

**Illinois Affordable Housing Trust Fund (286) – Central Office (Division 01)**

Specially Adaptive Housing for Veterans

The decrease in specially adaptive housing for veterans' expenditures in Fiscal Year 2012 was due to a decrease in the number of claims received during the fiscal year.

**Illinois Military Family Relief Fund (725) – Central Office (Division 01)**

Payment of Benefits under the Survivor's Compensation Act

The decrease in this survivors compensation grant expenditures in Fiscal Year 2012 was due to a decrease in the number of claims received during the fiscal year.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**General Revenue Fund (001) – Field Services (Division 15)**

Personal Services, Travel, Commodities, Printing, Equipment, Electronic Data Processing, Telecommunications, Operation of Automotive Equipment

In Fiscal Year 2011, the appropriation process combined all personal services, travel, commodities, printing, equipment, electronic data processing, telecommunications, and operation of automotive equipment into only one line item identified as operational expenses in the Central Office (Division 01). During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines and divisions.

**General Revenue Fund (001) – Anna Veterans' Home (Division 18)**

Personal Services, State Contributions to Social Security, Contractual Services, Commodities

In Fiscal Year 2011, the appropriation process combined all personal services, state contributions to social security, contractual services, and commodities into only one line item identified as operational expenses in the Central Office (Division 01). During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines and divisions.

**Anna Veterans' Home Fund (273) – Anna Veterans' Home (Division 18)**

State Contribution to State Employees' Retirement System

The increase in State contribution to State employees' retirement system is due to the 5.72% increase in personal services expenditures and an increase in the contribution percentage from 30.253% in Fiscal Year 2011 to 34.19% in Fiscal Year 2012.

Printing

During Fiscal Year 2012, printing expenditures increased due to the Home's need for paper, forms, and envelopes.

Equipment

The Fiscal Year 2011 equipment expenditures included purchasing several large replacement items that could not be repaired, such as an industrial mower, upright vacuum, and two different types of refrigerators. These purchases were not repeated during Fiscal Year 2012.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**Anna Veterans' Home Fund (273) – Anna Veterans' Home (Division 18), continued**

Electronic Data Processing

During Fiscal Year 2012, a software program for charting resident's medical records was purchased at a cost of \$7,800, which comprised the majority of the increase over Fiscal Year 2011 expenditures.

Operation of Automotive Equipment

In Fiscal Year 2012, several large repairs were required for the Home's fleet vehicles that were not necessary during Fiscal Year 2011.

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents.

**General Revenue Fund (001) – Quincy Veterans' Home (Division 20)**

Personal Services, State Contributions to Social Security, and Contractual Services

In Fiscal Year 2011, the appropriation process combined all personal services, state contributions to social security, and contractual services into only one line item identified as operational expenses in the Central Office (Division 01). During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines and divisions.

**Quincy Veterans' Home Fund (619) – Quincy Veterans' Home (Division 20)**

Personal Services

The increase in personal services expenditures was due to a budgetary change. Appropriations change each year depending on the total budget and the amount the Home's Fund can support based on receipt projections. The Home Fund was able to support a larger portion of the total personal services line budget in Fiscal Year 2012 than in Fiscal Year 2011.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**Quincy Veterans' Home Fund (619) – Quincy Veterans' Home (Division 20), continued**

State Contributions to State Employees' Retirement System

The large increase in State contribution to State employees' retirement system is due to the 93.96% increase in personal services expenditures and an increase in the contribution percentage from 30.253% in Fiscal Year 2011 to 34.19% in Fiscal Year 2012.

State Contributions to Social Security

The increase in State contributions to Social Security expenditures in Fiscal Year 2012 was due to a 93.96% increase in personal services expenditures, resulting in an increased contribution for Social Security expenditures.

Electronic Data Processing

During Fiscal Year 2012, several software programs for charting resident medical records, tracking resident billings, and monitoring resident prescriptions were purchased which comprised the majority of the increase over Fiscal Year 2011 expenditures.

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents.

**General Revenue Fund (001) – LaSalle Veterans' Home (Division 23)**

Personal Services, State Contributions to Social Security

In Fiscal Year 2011, the appropriation process combined all personal services and state contributions to social security into only one line item identified as operational expenses in the Central Office (Division 01). During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines and divisions.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**LaSalle Veterans' Home Fund (272) – LaSalle Veterans' Home (Division 23)**

Personal Services

The increase in personal services expenditures was due to a budgetary change. Appropriations change each year depending on the total budget and the amount the Home's Fund can support based on receipt projections. The Home Fund was able to support a larger portion of the total personal services line budget in Fiscal Year 2012 than in Fiscal Year 2011.

State Contributions to State Employee Retirement System

The large increase in State contribution to State employees' retirement system is due to the 124.05% increase in personal services expenditures and an increase in the contribution percentage from 30.253% in Fiscal Year 2011 to 34.19% in Fiscal Year 2012.

State Contribution to Social Security

The increase in State contributions to Social Security expenditures in Fiscal Year 2012 was due to a 124.05% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Travel

Travel expenditures depend upon the number of meetings attended and the number of training and/or conferences attended during a fiscal year. During Fiscal Year 2011, several employees attended training for the Department's new timekeeping system and GAAP training, and made several trips to legal hearings that were not repeated during Fiscal Year 2012.

Electronic Data Processing

During Fiscal Year 2012, a software program for charting resident medical records was purchased at a cost of \$9,060, which comprised the majority of the increase over Fiscal Year 2011 expenditures.

Operation of Automotive Equipment

In Fiscal Year 2012, several large repairs were required for the Home's fleet vehicles that were not necessary during Fiscal Year 2011.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**LaSalle Veterans' Home Fund (272) – LaSalle Veterans' Home (Division 23), continued**

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents.

Permanent Improvements

In Fiscal Year 2011, many large projects were completed which were not required to be completed again in Fiscal Year 2012, resulting in a significant decrease in expenditures.

**General Revenue Fund (001) – Manteno Veterans' Home (Division 25)**

Personal Services, State Contributions to Social Security, Costs of Operation of a Program for Homeless Veterans

In Fiscal Year 2011, the appropriation process combined all personal services, state contributions to social security, contractual services, and commodities into only one line item identified as operational expenses in the Central Office (Division 01). During Fiscal Year 2012, the appropriation process once again split all line items back to the original legacy lines and divisions.

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25)**

Personal Services

The increase in personal services expenditures was due to a budgetary change. Appropriations change each year depending on the total budget and the amount the Home's Fund can support based on receipt projections. The Home Fund was able to support a larger portion of the total personal services line budget in Fiscal Year 2012 than in Fiscal Year 2011.

State Contributions to State Employee Retirement System

The large increase in State contribution to State employees' retirement system is due to the 184.36% increase in personal services expenditures and an increase in the contribution percentage from 30.253% in Fiscal Year 2011 to 34.19% in Fiscal Year 2012.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25), continued**

State Contribution to Social Security

The increase in state contributions to Social Security expenditures in Fiscal Year 2012 was due to a 184.36 % increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Commodities

The increase in Fiscal Year 2011 over Fiscal Year 2010 was due to additional purchases of paper products, medical supplies, pharmaceuticals, and cleaning supplies necessary due to a major viral flu outbreak. Another strain of a viral flu outbreak plus the spread of a gastrointestinal infection occurred during Fiscal Year 2012, which required different medical supplies and medications to be purchased, increasing costs during Fiscal Year 2012 above expenditure levels from Fiscal Years 2010 and 2011. Also during Fiscal Year 2012, a certain type of a medical supply was changed to a better but more expensive brand.

Printing

During Fiscal Year 2012, printing expenditures increased due to the Home's need for paper, forms, and envelopes.

Equipment

Several large items were purchased during Fiscal Year 2012 that were not purchased during Fiscal Year 2011. These included a box truck, ice machine, floor scrubber, utility carts, and medical equipment such as med-carts, mattresses, thermometers, and shower chairs. These items were purchased during Fiscal Year 2012 to replace aging, worn, and broken items.

Electronic Data Processing

During Fiscal Year 2012, software programs for charting resident medical records and drug interactions were purchased, which comprised the majority of the increase over Fiscal Year 2011 expenditures. Additionally, small electronic data processing related supplies, such as USBs, DVDs, optical mice, and CAT wire, were purchased during Fiscal Year 2012.

Operation of Automotive Equipment

In Fiscal Year 2012, several large repairs were required by the Home's fleet vehicles that were not necessary during Fiscal Year 2011.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25), continued**

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents.

Permanent Improvements

Several life safety projects, such as installation of cameras, removal of a wall, and installation of doors, were undertaken during Fiscal Year 2012. Those same types of projects were not necessary during Fiscal Year 2011.

Homeless Veterans' Program

During Fiscal Year 2011, the majority of the expenditures from this line were for repair and maintenance projects for the Prince Home Building. In Fiscal Year 2012, less was spent since the same repair and maintenance projects were not necessary.

**GI Education Fund (447) – State Approving Agency (Division 30)**

State Contribution to State Employees' Retirement System

The increase in State contribution to State employees' retirement system expenditures in Fiscal Year 2012 was due the contribution percentage increasing from 30.253% in Fiscal Year 2011 to 34.19% in Fiscal Year 2012. Also, late in Fiscal Year 2011, the employer contribution rate was adjusted. Refunds were calculated and processed for each payroll paid at the old rate. This reduced the amount expended in Fiscal Year 2011 thus increasing the variance for Fiscal Year 2012.

Travel

Travel expenditures decreased due to in-office training demands. Because the staff spent a significant amount of time in training, they were not traveling and visiting colleges and universities to the extent they had in the past.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012, continued**

**GI Education Fund (447) – State Approving Agency (Division 30), continued**

Commodities

Commodities expenditures decreased to a reduction in use of supplies. As a result, fewer of these types of items were purchased during Fiscal Year 2012.

Equipment

The large decrease in equipment expenditures is due to the purchase of two automobiles in Fiscal Year 2011. This type of purchase was not repeated in Fiscal Year 2012.

Electronic Data Processing

The large decrease in electronic data processing expenditures is due to the purchase of two multi-function printers in Fiscal Year 2011. This type of purchase was not repeated in Fiscal Year 2012.

**Veterans' Affairs Federal Projects Fund (897) – State Approving Agency (Division 30)**

Troops to Teachers Program

The increase in the Troops to Teachers grant expenditures in Fiscal Year 2012 was due to the hiring of an additional staff member for part of the fiscal year.

**General Revenue Fund (001) – Governors Discretionary Appropriation (88)**

Lump Sums

During Fiscal Year 2011, the Department received an additional appropriation from the Governors discretionary fund for the payment of Global War on Terrorism Bonus grants, Quincy Veterans' Home personal services and social security line items. This appropriation was not received again in Fiscal Year 2012.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**General Revenue Fund (001) – Central Office (Division 01)**

Operational Expenses, Awards, Grants, and Permanent Improvements

In Fiscal Year 2010, the appropriation process for personal services and state contributions to social security was split between bargaining unit and non-bargaining unit titles. The operating lines were also combined into one line item. In Fiscal Year 2011, the appropriation process combined all operating lines (i.e. contractual services, travel, commodities, etc.) and all personal services and state contributions to social security into only one line item identified as operational expenses. The combination of all line items during Fiscal Year 2011 versus only operating line items during Fiscal Year 2010 accounts for the \$53,803,457 or 988.47% increase in Fiscal Year 2011.

Personal Services-Non-Bargaining Unit, Personal Services-Bargaining Unit, State Contribution to Social Security – Non-Bargaining Unit and State Contribution to Social Security – Bargaining Unit

In Fiscal Year 2010, all of the Agency's divisional general revenue funds Personal Services and Social Security line items were combined and then separated into bargaining unit and non-bargaining unit employees. During Fiscal Year 2011, the appropriation process combined these Personal Services and Social Security line items into the Operational Expenses line item. This move of appropriation lines accounts for the 100% reductions from Fiscal Year 2010 to Fiscal Year 2011.

**Illinois Veterans' Assistance Fund (236) – Central Office (Division 01)**

Grant from Illinois Veterans' Assistance Fund

This line item is comprised of two different expenditure purposes: grants for funding additional services or research projects relating to various veterans issues and Veterans' Care medical related payments. During Fiscal Year 2011, the expenditures for the Veterans' Care program increased over \$240,000 due to an increased number of eligible participants, and the expenditures for the Veterans Grant program increased over \$600,000 due to more grant applications being approved.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**Illinois Affordable Housing Trust Fund (286) – Central Office (Division 01)**

Specially Adaptive Housing for Veterans

The decrease in specially adaptive housing for veteran's expenditures in Fiscal Year 2011 was due to a decrease in the number of claims received during the fiscal year.

**Anna Veterans' Home Fund (273) – Anna Veterans' Home (Division 18)**

Travel

In Fiscal Year 2011, a new timekeeping system was implemented which required several trips for Anna employees to travel for training at Central Office. Additionally, several trips to Springfield and Chicago were required due to labor relations issues. The Home Administrator also attended several seminars in Fiscal Year 2011 for continuing education purposes.

Printing

In Fiscal Year 2011, less paper was ordered than in Fiscal Year 2010. In Fiscal Year 2011, efforts were made to reduce paper consumption. As a result, less paper was ordered for the Home.

Equipment

The Fiscal Year 2011 equipment expenditures included purchasing several large replacement items that could not be repaired such as an industrial mower, upright vacuum and two different types of refrigerators.

Operation of Automotive Equipment

In Fiscal Year 2010, a transmission in one of the state vehicles was repaired at a cost of \$3,486, plus other necessary maintenance repairs to the vehicles. In Fiscal Year 2011, it was not necessary to perform these repairs.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**Quincy Veterans' Home Fund (619) – Quincy Veterans' Home (Division 20)**

Personal Services

The decrease in personal services expenditures was due to a budgetary change. Each fiscal year, the personal services line is appropriated based on the Home Fund cash balance availability. In Fiscal Year 2010, a larger appropriation for personal services expenditures was established in GRF with a smaller appropriation established in the Quincy Veterans' Home Fund. In the Fiscal Year 2011 appropriation, this was reversed with a larger appropriation in the Quincy Veteran Home Fund personal services line and a smaller amount in the GRF line item. As a result, a larger amount of personal services transactions were processed through GRF in Fiscal Year 2010 than in Fiscal Year 2011.

Member's Compensation

The member's compensation line item is to pay the Home's residents for doing small jobs around the facility. This is a form of therapy for most of the residents. During Fiscal Year 2011, a larger number of residents performed these types of therapeutic jobs and were paid for their services than during Fiscal Year 2010.

State Contribution to State Employees' Retirement System

The decrease in the State contribution to State employees' retirement system expenditures in Fiscal Year 2011 was due to the 37.07% decrease in personal services expenditures resulting in a decreased contribution for retirement expenditures.

State Contributions to Social Security

The decrease in State contributions to Social Security expenditures in Fiscal Year 2011 was due to a 37.07% decrease in personal services expenditures resulting in a decreased contribution for Social Security expenditures.

Equipment

The increase in equipment expenditures in Fiscal Year 2011 from Fiscal Year 2010 was due to the replacement and upgrade of various pieces of medical and household equipment to replace broken, outdated equipment.

Electronic Data Processing

The increase in EDP expenditures in Fiscal Year 2011 from Fiscal Year 2010 was due to the replacement and upgrade of several printers that was necessary to replace broken, outdated equipment.

STATE OF ILLINOIS  
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**Quincy Veterans' Home Fund (619) – Quincy Veterans' Home (Division 20), continued**

Permanent Improvements

No permanent improvement projects were carried out during Fiscal Year 2011.

**LaSalle Veterans' Home Fund (272) – LaSalle Veterans' Home (Division 23)**

Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Telecommunications; Operation of Automotive Equipment; Refunds; Permanent Improvements

The increases in all of these line items was due to a change in appropriation from Fiscal Year 2010 lump sum line item to Fiscal Year 2011 individual line items. In Fiscal Year 2010, the lump sum line paid for expenditures related to the new 80-bed addition. In Fiscal Year 2011, all expenditures for the entire Facility were broken out into legacy operating line items again.

For the Addition of Beds

The 100% decrease in this line was due to a change in appropriation from this Fiscal Year 2010 lump sum line item to Fiscal Year 2011 individual line items. In Fiscal Year 2010, the lump sum line paid for expenditures related to the new 80-bed addition. In Fiscal Year 2011, all expenditures for the entire Facility were broken out into legacy operating line items again.

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25)**

Personal Services

The decrease in personal services expenditures was due to a budgetary change. Each fiscal year, the personal services line is appropriated based on the Home Fund cash balance availability. In Fiscal Year 2010, a larger appropriation for personal services expenditures was established in GRF with a smaller appropriation established in the Manteno Veterans' Home Fund. In the Fiscal Year 2011 appropriation, this was reversed with a larger appropriation in the Manteno Veteran Home Fund personal services line and a smaller amount in the GRF line item. As a result, a larger amount of personal services transactions were processed through GRF in Fiscal Year 2010 than in Fiscal Year 2011.

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ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25), continued**

Member's Compensation

The member's compensation line item is to pay the Home's residents for doing small jobs around the facility. This is a form of therapy for most of the residents. During Fiscal Year 2011, a larger number of residents performed these types of therapeutic jobs and were paid for their services than during Fiscal Year 2010.

State Contribution to State Employees' Retirement System

The decrease in the State contribution to State employees' retirement system expenditures in Fiscal Year 2011 was due to the 72.06% decrease in personal services expenditures resulting in a decreased contribution for retirement expenditures.

State Contributions to Social Security

The decrease in State contributions to Social Security expenditures in Fiscal Year 2011 was due to a 72.06% decrease in personal services expenditures resulting in a decreased contribution for Social Security expenditures.

Travel

Travel expenditures depend upon the number of meetings attended and the number of training and/or conferences attended during a fiscal year. During Fiscal Year 2010, several employees attended human resources training and GAAP training, which was not repeated during Fiscal Year 2011.

Commodities

Fiscal Year 2011 expenditures increased over Fiscal Year 2010 due to several factors. Census at the Home increased from Fiscal Year 2010 to Fiscal Year 2011. An increase in census has a direct correlation to commodity expenditures as this includes medical supplies, pharmaceuticals, small medical equipment, and cleaning supplies. The increase is also attributable to an increase in cost of these same items.

Printing

Printing expenditures are determined by the usage of different forms, envelopes and paper in a given fiscal year. Fiscal Year 2011 usage might have been very similar to Fiscal Year 2010 usage, but due to items having minimum order sizes, the orders made in Fiscal Year 2010 enabled the home to limit purchases made during Fiscal Year 2011.

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ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**Manteno Veterans' Home Fund (980) – Manteno Veterans' Home (Division 25), continued**

Permanent Improvements

In Fiscal Year 2010, many large projects, such as facility repairs, plumbing upgrades, and heating and air conditioning projects, were completed which were not required to be completed again in Fiscal Year 2011. This reduced the expenditures from Fiscal Year 2010 to Fiscal Year 2011 extensively.

Operation and Support Services for the Manteno Disabled Homeless Veterans' Program

In Fiscal Year 2011, the Home received an appropriation specifically designated for the operations and support for the Manteno Disabled Homeless Veterans' Program. During Fiscal Year 2010, operational costs of this nature were incurred by the Home but were absorbed into regular operational appropriation lines.

**GI Education Fund (447) – State Approving Agency (Division 30)**

Travel

Fiscal Year 2011 travel expenditures increased over Fiscal Year 2010 due to the Division's employees attending an out of state training seminar required due to the change in mission that SAA has been given by the Federal Government.

Commodities

Fiscal Year 2010 commodity expenditures included several purchases of commodity items for three training sessions for College/University Veteran Coordinators which were not conducted again in Fiscal Year 2011.

Printing

The Fiscal Year 2011 printing expenditures increased from Fiscal Year 2010 due to a purchase of pocket folders to be distributed to attendees of outreach events presented by SAA division.

Equipment

During Fiscal Year 2011, the State Approving Agency purchased two vehicles to replace aging vehicles. This type of purchase was not needed during Fiscal Year 2010.

Electronic Data Processing

Fiscal Year 2011 expenditures exceeded Fiscal Year 2010 expenditures due to the purchase of two multi-function printers and an envelope feeder being made during Fiscal Year 2011.

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ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Fiscal Years Ended June 30, 2012

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

**GI Education Fund (447) – State Approving Agency (Division 30), continued**

Telecommunications

Telecommunication charges decreased from Fiscal Year 2010 to Fiscal Year 2011 due to a change in cellular phone carriers and plan changes. In Fiscal Year 2010, the State plan was 5000 minute service plan. In Fiscal Year 2011, the State plan was 300 minutes with data. This drastically reduced the telecommunication charges in Fiscal Year 2011.

**General Revenue Fund (001) – Governors Discretionary Appropriation (88)**

Lump Sums

During Fiscal Year 2010, the first lump sum was appropriated for Illinois Warrior Assistance Program while in Fiscal Year 2011, it was to pay for Global War on Terrorism Bonus grants, Quincy Veterans' Home personal services and social security line items. The second lump sum line in Fiscal Year 2010 was appropriated for the Global War on Terrorism Bonus grant and this grant was consolidated in Fiscal Year 2011 to the above referenced lump sum.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2012

Significant variations in receipts were determined to be changes of \$20,000 and at least 20% between fiscal years, and are explained below:

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 AND 2011**

**VETERANS' ASSISTANCE FUND (236)**

Prior Year Refunds

The increase in prior year refunds, totaling \$59,144, primarily consisted of grant money returned to the Department because the grantee was unable to spend the money during the contract period.

**LASALLE VETERANS' HOME FUND (272)**

Health and Human Services

The increase in Health and Human Services revenues is partially due to the increase in member census and medical procedures performed at the LaSalle Veterans' Home from Fiscal Year 2011 to Fiscal Year 2012. Also, there was a backlog of claims during Fiscal Year 2011 that were processed during Fiscal Year 2012.

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to the increase in member census, an increase in per diem rates, and the Federal Veterans' Affairs (VA) paying outstanding per diem reimbursements to the LaSalle Veterans' Home. In addition, the Federal VA made more timely per diem reimbursements during Fiscal Year 2012.

**ANNA VETERANS' HOME FUND (273)**

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to an increase in the Anna Veterans' Home's member census in Fiscal Year 2012 and an increase in the Federal Veterans' Affairs (VA) per diem reimbursement rate.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 AND 2011, continued**

**G.I. EDUCATION FUND (447)**

Veterans' Administration Reimbursements

The State Approving Agency receives quarterly reimbursements from the federal government. The increase in Veterans' Administration reimbursements was due to the federal government being behind in paying reimbursement claims. Only three quarters (April 2010 through December 2010) of Fiscal Year 2011 reimbursements were received during Fiscal Year 2011, while five quarters of reimbursements were received (January 2011 through March 2012) during Fiscal Year 2012.

**MANTENO VETERANS' HOME FUND (980)**

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to an increase in per diem rates and the Federal VA paying outstanding per diem reimbursements to the Manteno Veterans' Home. In addition, the Federal VA made more timely per diem reimbursements during Fiscal Year 2012.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2012

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

**VETERANS' ASSISTANCE FUND (236)**

Prior Year Refunds

The decrease in prior year refunds, totaling \$159,020, is primarily due to refunds of prior year grants because grantees were unable to spend their grant money during the contract period. No grant refunds were received by the Department in Fiscal Year 2011.

**LASALLE VETERANS' HOME FUND (272)**

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to the VA per diem rates increasing from Fiscal Year 2010 to Fiscal Year 2011. In addition, there was an increase in member census due to the opening of the 80 bed addition to the LaSalle Veterans' Home during Fiscal Year 2011.

Maintenance Fees

The increase in maintenance fees is due to the increase in the member census due to the opening of the 80 bed addition.

**FEDERAL PROJECT FUND (897)**

Department of Defense

The increase in Department of Defense (DoD) receipts is due to the Troops to Teachers (TTT) program. DoD does not have a payment schedule for states participating in the TTT program. Therefore, the Department has no control over the timing of these receipts.

Grants from Housing and Urban Development (Manteno)

The increase in grant receipts from the Department of Housing and Urban Development (HUD) is due to reimbursements for the end of Fiscal Year 2010 not being received until July of Fiscal Year 2011.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2012****General Revenue Fund (001) – Central Office Division (01)**Electronic Data Processing

The large amounts of expenditures during the lapse period included the following: invoices for phone and data line services for May and June received late in June and in July and paid during lapse period; a programming project completed during June and invoiced and paid during the lapse period; June travel by information technology personnel to Department facilities during June were paid in July; and information technology equipment purchases made during June but not received/invoiced until lapse period.

Cartage & Erection of Headstones

Expenditures for this grant line during lapse period are for headstones that have been set prior to June 30<sup>th</sup>. However, the claims were not received and processed until the lapse period.

**General Revenue Fund (001) – Anna (18)**Contractual Services

Expenditures were incurred for services completed in June, but the related invoices were received and processed during the lapse period.

**Anna Veterans' Home Fund (273)**Personal Services, State Contributions to Social Security

Expenditures for the June 16-30 payroll were paid in the lapse period.

Telecommunications

The majority of the lapse period expenditures were for May & June phone services invoiced from the Department of Central Management Services. The invoices were received in June and July and were processed during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2012, continued**

**Anna Veterans' Home Fund (273), continued**

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents. Due to a larger number of ordinary refunds in Fiscal Year 2012, a 2% transfer was necessary to pay the final residents for their retroactive period refund. The transfer was processed during lapse period to ensure availability of funding.

**Quincy Veterans' Home Fund (619)**

Travel

Expenditures were incurred for travel to Veterans' Organization functions, the Illinois Nursing Home Administration Association meeting, and human resources training during June and were paid during the lapse period.

**LaSalle Veterans' Home Fund (272)**

Printing

Printing supplies were received at the Home in June. The related invoices were received and processed during the lapse period.

Refunds

A retroactive change in per diem qualifications and amounts was introduced by the USDVA for greater than 70% service connected disabled residents. It was determined that qualifying residents of this new per diem rate were due refunds of maintenance fees for the retroactive period. During Fiscal Year 2012, a supplemental appropriation was received to refund these maintenance fees to the eligible residents. A majority of these expenditures are related to this type of refund and were completed during the lapse period due to awaiting final paperwork for these refunds. There were also other refunds to residents made during the lapse period. These refunds were delayed awaiting final paperwork or due to the date of departure from facility being late in the fiscal year.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2012, continued**

**Manteno Veterans' Home Fund (980)**

Equipment

The majority of the lapse expenditures in equipment are related to the purchase of a box truck vehicle. The related invoice was received and processed during the lapse period.

Operation of Automotive Equipment

The lapse period expenditures are related to different types of fuel purchases for the underground storage tanks for May and June. These invoices were either received late in June or sometime during lapse period and were processed during lapse period.

Permanent Improvements

Installation of a dietary tray conveyor line was completed late in June, and the related invoices were received and processed during the lapse period.

**G.I. Education Fund (447)**

Commodities

Office supplies were received late in June, and the related invoice was processed during the lapse period.

Printing

Bond paper for the Springfield and Chicago offices was received in late June. The related invoices were processed during the lapse period.

**FISCAL YEAR 2011**

**Veterans' Home Fund (102) – Central Office (Division 01)**

Operations of Veterans' Homes

Expenditures totaling \$95,851 were paid during the lapse period due to the purchase of equipment items received late in the fiscal year. The related invoices were processed during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2011, continued**

**Anna Veterans' Home Fund (273)**

Personal Services, State Contributions to Social Security

Expenditures for the June 16-30 payroll and a supplemental payroll were paid in the lapse period.

Telecommunications

The majority of the lapse period expenditures were for May and June phone services invoiced from the Department of Central Management Services. The invoices were received in late June and were processed during the lapse period.

Permanent Improvements

Expenditures totaling \$9,790 were paid during the lapse period due to several projects started and completed prior to June 30. However, the related invoices were received and processed during the lapse period.

**Quincy Veterans' Home Fund (619)**

Personal Services, Retirement and Social Security

Expenditures for the June 16-30 payroll were paid in the lapse period.

**LaSalle Veterans' Home Fund (272)**

Personal Services, Retirement and Social Security

Expenditures for the June 16-30 payroll were paid in the lapse period.

Contractual Services

Expenditures were incurred for services rendered in June. However, the invoices were received and processed during the lapse period.

Travel

Expenditures incurred for travel to Veterans' Organization functions during the end of June and other events late in the fiscal year were paid during the lapse period.

Equipment

Expenditures were incurred for equipment items ordered and/or received during June. However, the related invoices were not received and processed until the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2011, continued**

**LaSalle Veterans' Home Fund (272), continued**

Electronic Data Processing

Expenditures were incurred for information technology supplies ordered and/or received during June. However, the related invoices were not received and processed until the lapse period.

Telecommunications

The majority of the lapse period expenditures were for May and June phone services invoiced from the Department of Central Management Services. The invoices were received in June and August and were processed during the lapse period.

Permanent Improvements

Expenditures totaling \$9,181 were paid during the lapse period due to several projects started and completed prior to June 30. However, the invoices were not received and processed until the lapse period.

**Manteno Veterans' Home Fund (980)**

Personal Services, Retirement and Social Security

Expenditures for the June 16-30 payroll were paid in the lapse period.

Travel

Expenditures incurred for travel to Veterans' Organization functions during the end of June and other events late in the fiscal year were paid during the lapse period.

Permanent Improvements

Expenditures totaling \$7,910 were paid during the lapse period due to a large project started and completed prior to June 30. The invoice was not received until late June and was processed during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF ACCOUNTS RECEIVABLE**

For the Fiscal Years Ended June 30,  
(amounts expressed in thousands)

<u>Anna Home Fund – Fund 272</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ 544	\$ 350
1-30 days	3	534
31-90 days	66	500
91-180 days	1	448
181+ days past due	-	-
Total	<u>\$ 614</u>	<u>\$ 1,832</u>

These amounts represent receivables related to per diem reimbursements from the U.S. Department of Veterans' Affairs and maintenance fees due from members.

<u>LaSalle Home Fund – Fund 273</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ 327	\$ 318
1-30 days	3	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	12	3
Total	<u>\$ 342</u>	<u>\$ 321</u>

These amounts represent receivables related to per diem reimbursements from the U.S. Department of Veterans' Affairs and maintenance fees due from members.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF ACCOUNTS RECEIVABLE**

For the Fiscal Years Ended June 30,  
(amounts expressed in thousands)

<u>G.I. Education Fund - Fund 447</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ -	\$ 211
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
Total	<u>\$ -</u>	<u>\$ 211</u>

These amounts represent receivables related to reimbursements from the U.S. Department of Veterans' Affairs for the State Approving Agency program.

<u>Quincy Home Fund - Fund 619</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ 2,152	\$ 1,021
1-30 days	1,058	1,042
31-90 days	4	-
91-180 days	3	-
181+ days past due	1	-
Total	<u>\$ 3,218</u>	<u>\$ 2,063</u>

These amounts represent receivables related to per diem reimbursements from the U.S. Department of Veterans' Affairs and maintenance fees due from members.

**Schedule 11, continued**

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANALYSIS OF ACCOUNTS RECEIVABLE**

For the Fiscal Years Ended June 30,  
(amounts expressed in thousands)

<u>Manteno Home Fund - Fund 980</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ 853	\$ -
1-30 days	7	872
31-90 days	2	1,764
91-180 days	5	792
181+ days past due	<u>653</u>	<u>662</u>
 Total	 <u>\$ 1,520</u>	 <u>\$ 4,090</u>

These amounts represent receivables related to per diem reimbursements from the U.S. Department of Veterans' Affairs and maintenance fees due from members.

<u>Quincy Trust Fund - Fund 1246</u>	<u>2012</u>	<u>2011</u>
<u>Age</u>		
Current	\$ 1	\$ 1
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	<u>-</u>	<u>-</u>
 Total	 <u>\$ 1</u>	 <u>\$ 1</u>

These amounts represent receivables related to interest earned.

Note: Amounts have been obtained from the Quarterly Summary of Accounts Receivable as reported to the Illinois Office of the Comptroller by the Department.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**AGENCY FUNCTIONS**

The Department of Veterans' Affairs (Department) was created on January 1, 1976 through the Department of Veterans' Affairs Act (20 ILCS 2805/0.01 et seq.) and replaced the Illinois Veterans' Commission. The Department was established to aid and assist all veterans, their dependents and survivors in applying for veterans' benefits due by reason of military service, and to provide health care services for certain veterans, their spouses, widows and widowers. The Department provides professional counseling and assistance relative to all veterans programs, both State and federal.

The Department's functions include the operation of the Illinois Veterans' Homes at Quincy, Manteno, LaSalle, and Anna; the operation of Veterans' Service Offices throughout the State; and the maintenance of the Central Office, the State Approving Agency and a Chicago administrative office. The Central Office coordinates the efforts of the Homes and the Service Offices. During Fiscal Year 2007, the Department added the Troops to Teachers Program. The mission of the Troops to Teachers Program is to recruit eligible members of the armed forces for participation in the program and facilitate the certification and employment of such participants as teachers in public schools.

The mission of the Illinois Veterans' Homes is to provide to eligible veterans skilled nursing services that meet or exceed the standards and requirements applicable to facilities within the State. The Homes are subject to inspection by several regulatory agencies, including the U.S. Department of Veterans' Affairs (USDVA), the Illinois Department of Public Health (IDPH), and the Illinois State Fire Marshal. Funding to operate the Homes is provided by resident maintenance fees based on the resident's ability to pay, USDVA per diem reimbursements, and appropriations from the State of Illinois. The nursing units of the Veterans' Homes were constructed in the traditional straight-line hallway model with large central nurses' stations. Current USDVA nursing home designs embrace the small-house model and Community Living Concept. Each Home is moving forward to integrate these principles into the every-day lives of the veterans.

Mr. Daniel W. Grant was named Director of the Department on February 8, 2009. Ms. Erica J. Borggren was named Director of the Department on August 8, 2011. Seven individuals report directly to the Director. These individuals are the Assistant Director, the Director's Assistant, the Legislative Liaison, the Chief of Staff, the Equal Employment Opportunity Officer (EEO), the General Counsel, and the Chief Internal Auditor.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

The Department has the following powers and duties, as outlined in the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2):

To perform such acts at the request of any veteran, or his or her spouse, surviving spouse or dependents as shall be reasonably necessary or reasonably incident to obtaining or endeavoring to obtain for the requester any advantage, benefit or emolument accruing or due to such person under any law of the United States, the State of Illinois or any other state or governmental agency by reason of the service of such veteran, and in pursuance thereof shall:

1. Contact veterans, their survivors and dependents and advise them of the benefits of state and federal laws and assist them in obtaining such benefits;
2. Establish field offices and direct the activities of the personnel assigned to such offices;
3. Create a volunteer field force of accredited representatives, representing educational institutions, labor organizations, veterans' organizations, employers, churches and farm organizations;
4. Conduct informational and training services;
5. Conduct educational programs through newspapers, periodicals and radio for the specific purpose of disseminating information affecting veterans and their dependents;
6. Coordinate the services and activities of all state departments having services and resources affecting veterans and their dependents;
7. Encourage and assist in the coordination of agencies within counties giving service to veterans and their dependents;
8. Cooperate with veterans' organizations and other governmental agencies;
9. Make, alter, amend and promulgate reasonable rules and procedures for the administration of this Act; and,
10. Make and publish annual reports to the Governor regarding the administration and general operation of the Department.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

Also, by executive designation, the Department of Veterans' Affairs is responsible for the approval of education and training programs for the purpose of determining eligibility for payments by the U.S. Department of Veterans' Affairs to eligible veterans. The Department's State Approving Agency carries out these responsibilities.

**Illinois Veterans' Home at Anna**

Home Functions

The Illinois Veterans' Home at Anna (Home) was opened in August 1994 and it currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805 *et seq.*) The Home was established to provide care as described below for the southern Illinois area veteran population. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of twelve eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a fifty bed intermediate and skilled care component for eligible veterans.

According to the Department of Veterans' Affairs (Department), commitment to the care of the aging veteran is and shall continue to be the primary focus of the Department. Program offerings for the Anna Veterans' Home consist of health care, social activities, recreation, and support services.

**Illinois Veterans' Home at LaSalle**

Home Functions

The Illinois Veterans' Home at LaSalle (Home) was established by Public Act 85-1188 of the General Assembly, effective January 1, 1989. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805 *et seq.*) Construction of the Home was completed in the fall of 1990 with an initial capacity of 120 residents. Pursuant to Public Act 95-331, the Home constructed an addition which increased the Home's capacity by 80 beds on January 21, 2009, which includes a 40-bed secure unit for residents with Alzheimer's disease and dementia.

The mission of the Home is to provide direct nursing services to all eligible veterans through the skilled nursing level that will meet or exceed all standards and requirements applicable to similar or like facilities within the State in accordance with the appropriate rules and regulations, policies, and directives. Veterans receive the full spectrum of nursing care services provided at all Veterans' Homes, including social services, and physical, recreational and occupational therapies.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**Illinois Veterans' Home at Manteno**

Home Functions

The Illinois Veterans' Home at Manteno (Home) was established August 12, 1985 by Public Act 84-139. It currently operates under the authority of the Department of Veterans' Affairs Act (20 ILCS 2805 *et seq.*) The Home's campus is located on a 122 acre site which includes five major nursing care units, two ancillary service and support buildings, and several administrative and other support buildings.

The Home is a skilled nursing care facility with a capacity of 340 beds, which includes Alzheimer's care for 40 residents. Services provided by the Home include medical, skilled nursing, therapeutic, nutritional, and social services care. The Home also provides religious and recreational activities for the benefit of its residents.

In addition, the Prince Home at Manteno provides permanent housing, advocacy, therapeutic and supportive services for 15 disabled, homeless Illinois veterans, including veterans suffering from Post Traumatic Stress Disorder (PTSD).

**Illinois Veterans' Home at Quincy**

Home Functions

The Illinois Veteran's Home at Quincy (Home) was established by act of the General Assembly in 1885 and opened in 1887 as a home for the veterans of the American Civil War. In July 1976, it became part of the Department of Veterans' Affairs and in August 1998, it became regulated by the Illinois Department of Public Health. The Home is a mixed care facility composed of independent apartment units with a maximum occupancy of 132 for eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a 551 bed intermediate and skilled care component for eligible veterans.

As required by the Nursing Home Care Act (210 ILCS 45), the community core of the campus offers barber and beauty shops, a library, social services, recreation activities, a post office, bank, convenience-type store and a coffee shop for the more than 500 resident Illinois veterans and their spouses, widows and widowers.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**AGENCY LOCATION**

In addition to its offices in Springfield and Chicago, as well as the four Veterans' Homes, the Department operated 50 full-service Veterans' Service Field Offices statewide to provide assistance and informational services to veterans, their dependents and survivors. The Field Offices operate from the following locations as of March 5, 2013:

<u>City</u>	<u>Location</u>
Aurora	750 Shoreline Drive, Suite 150, 60504
Belleville	4519 W. Main Street, 62226
Benton	500 W. Main Street, PO Box 640, 62812
Bloomington	1616 S. Main Street, Room 116, 61701
Carbondale	1130 E. Walnut Street, Room 108, 62901
Charleston	119 W. State Street, 61920
Chicago	100 W. Randolph, Suite 5-570, 60601
Chicago	1551 N. Kedzie Avenue, 60651
Chicago	5200 S. Cottage Grove Ave., Room 101-103, 60615
Chicago	2122 W. Taylor, Suite 127, 60612
Chicago Heights	1010 Dixie Highway, Suite 101, 60411
Danville	407 N. Franklin, Suite B, 61832
Decatur	707 E. Wood Street, 62523
Des Plaines	52 E. Northwest Highway, 60016
East Alton	606 W. St. Louis Avenue, Suite 1, 62024
East St. Louis	10 Collinsville Avenue, 62201
Effingham	101 N. 4 <sup>th</sup> Street, Room 203, 62401
Elgin	254 Raymond Street, 60120
Freeport	1631 S. Galena Avenue, 61032
Galesburg	362 N. Linwood Road, 61401
Harrisburg	320 E. Raymond, 62946
Harvey	16845 S. Halsted Street, 60426
Jacksonville	45 S. Central Park Plaza, 62650
Joliet	2900 W. Jefferson Street, 60435
Kewanee	111 N. East Street, 61443
Lawrenceville	700 E. Main Street, 62439
LaSalle	1015 O'Connor Avenue, 61301
Litchfield	11006 Airport Trail Road, 62056
Lombard	837 S. Westmore Myers Road, 60148
Machesney Park	10451 N. 2 <sup>nd</sup> Street, 61115
Macomb	135 W. Grant Street, 61455
Marion	2309 W. Main Street, Suite 122, 62959

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
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For the Two Years Ended June 30, 2012

Manteno	#1 Veterans Drive, 60950
Mt. Vernon	4105 N. Water Tower Pl., Room 112, 62864
Murphysboro	1613 Edith Street, 62966
North Chicago	3001 Green Bay Road, Building 135, 60064
North Riverside	7222 W. Cermak Road, Suite 705, 60546
Orland Park	14700 Ravinia Avenue, 60462
Palatine	721 S. Quentin Road, Suite 102, 60067
Peoria	401 Main Street, Suite 650, 61602
Pontiac	825 W. Reynolds, Suite 110, 61764
Quincy	1707 N. 12 <sup>th</sup> Street, 62301
Rock Falls	716 6 <sup>th</sup> Avenue, 61071
Rock Island	1504 3 <sup>rd</sup> Avenue, 61201
Salem	600 E. Main Street, Suite 6, 62881
Springfield	833 S. Spring Street, 62794
Taylorville	1100 Cheney Street, 62568
Urbana	600 E. University Avenue, 61802
Wheaton	421 County Farm Road, Room 2-600A, 60187
Woodstock	1301 Sunset Ridge Road, 60098

In addition to the 50 full-service field offices listed above, the Department also maintained 37 itinerant field offices. An itinerant field office is office space used to meet with a veteran, closer than a full service office would be.

## **AGENCY PLANNING**

The Department of Veterans' Affairs has developed a strategic plan covering the period of Fiscal Years 2011 through 2014. Items in the strategic plan include a brief statement of scope of responsibilities and an operational plan that sets out goals, objectives, evaluation of goals, and status of activities. The Director and the Fiscal Officer develop the strategic plan, and it provides long-term direction for the Department. The various program managers, as well as the Director and Fiscal Officer all participate in the goal-setting process. The goals established in the plan are consistent with the Department's statutory mandates and authority.

The Department also has developed a Long-Range Capital Plan, which states the condition of each facility, and states the capital improvements needed at each facility. To further assist in planning, the Department develops a Planning Programming Budget for each State fiscal year, and an Affirmative Action Plan to increase representation of minorities and women in the Department's work force.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**Illinois Veterans' Home at Anna**

Home Planning

The Anna Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Expand Home with a new 40-50 bed addition to address the increased need for skilled care for veterans, provide an expanded dining room to alleviate overcrowding and better accommodate residents in wheelchairs, and re-organize the nurse's station.
- Establish Alzheimer's unit.
- Upgrade fire doors.
- Enhance Kitchen and dining area.
- Hire potential additional dedicated transport personnel.
- Replace roof on existing structure.
- Renovate domiciliary units.
- Add a small aquatic therapy room near the physical therapy area.
- Construction of oxygen storage rooms.

**Illinois Veterans' Home at LaSalle**

Home Planning

The LaSalle Veterans' Home has developed several goals to be completed in subsequent years. These goals are to:

- Review long-term care facilities' performance measures and practices that improve the quality of care and operational efficiency of the Home.
- Continue to advocate for Capital Development Board funding for physical plant projects listed below:
  - Replacement of the cold water chiller in original residential wing;
  - Construction of additional warehouse space and vehicle storage facility;
  - Replacement of nurse call and fire alarm system in original residential wing;
  - Development of additional parking for visitors; and
  - Construction of oxygen storage rooms.

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DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**Illinois Veterans' Home at Manteno**

Home Planning

The Manteno Veterans' Home developed the following strategic plan to address the needs of the veterans they serve:

- Expand buffet style dining options to make dining more home-like for the residents and increase the number of food choices.
- Convert Unit 3 West to a special needs unit.
- Pursue physical plant upgrades and improvements to better serve the needs of the residents including but not limited to:
  - Installation of dehumidifiers and humidifiers in the residential units;
  - Upgrade of water mains and storm sewers;
  - Installation of heating ventilation/air conditioning in the north and south interconnects and vestibules;
  - Implementation of modern electronic medical record keeping;
  - Address parking lot and paving issues; and
  - Construction of oxygen storage rooms.

**Illinois Veterans' Home at Quincy**

Home Planning

The Quincy Veterans' Home developed the following goals to better meet the needs of today's and tomorrow's veterans and those of their spouses:

- Continue to monitor pandemic influenza projections and adjust the pandemic influenza response plan developed by a multidisciplinary committee using information from state, regional and local health departments, emergency management agencies and the U.S. Department of Veterans Affairs.
- Continue implementation of the plan to decrease the rate of injurious falls by residents.
- In conjunction with Central Office, implement modern electronic medical record keeping and communication capabilities at all levels of Quincy Home staff (includes paper systems, electronic health records, pager systems, cell phones, telephones, computers/e-mail, radios and signs).
- Maintain performance measures, identifying new indicators as necessary, and retain monthly Quality Indicator (QI) review process.

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DEPARTMENT OF VETERANS' AFFAIRS  
**AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**Illinois Veterans' Home at Quincy (continued)**

- Coordinate with Central Office to adjust the licensed/authorized bed count to a level necessitated by the veterans' demand for admission and General Revenue Fund funding levels.
- Continue to advocate for Capital Development Board funding for current physical plant projects.
- Develop a plan to improve security of the campus.
- Upgrade medication and billing systems.

The Quincy Veterans' Home has also developed the following long term goals:

- Finalize plan to increase the number of beds needed to meet the demand for serving dementia/Alzheimer's patients.
- Develop a master plan for capital improvements and equipment life-cycle management.
- Continue to explore the need for and feasibility of providing for additional needs of future veteran residents due to the anticipated resident demographic changing from World War II and Korean War Veterans to Vietnam, Gulf War, and Global War on Terrorism veterans.
- Assess the benefits of consolidating domiciliary residents into one building.
- Upgrades to the current call light system.
- Construction of oxygen storage rooms.

**AGENCY MONITORING**

The Department attempts to coordinate its goals, objectives, strategies and activities with other agencies that provide similar services. To aid in achieving its goals, the Department maintains relationships with many State and federal agencies, veterans' organizations, and educational facilities. The Department's goals are monitored by administrative personnel at the Central Office and by the administrators at each of the Veterans' Homes. The goals are translated into each central office administrator's performance objectives, as well as the performance objectives for Home administrators. The annual evaluations reflect the performance of these objectives, as well as other initiatives. The Department's Director holds monthly staff meetings to review current developments or issues relative to the welfare of veterans and to maintain focus on the Department's goals.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)**  
For the Years Ended June 30,

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

<u>Description</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Central Office	43	44	39
Veterans' Service Offices	72	76	72
Veteran Home at Anna	67	66	60
Veteran Home at Quincy	526	512	495
Veteran Home at LaSalle	195	186	178
Veteran Home at Manteno	319	302	289
Homeless Program at Manteno	9	7	0
State Approving Agency	8	8	8
Troops to Teachers	2	1	1
 Total average full-time employees	 <u>1,241</u>	 <u>1,202</u>	 <u>1,142</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**EMERGENCY PURCHASES (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2011 and Fiscal Year 2012:

<u>Vendor/Description</u>	<u>Cost</u>
Enloe Drugs	
Extension of contract for pharmacy services at LaSalle Veterans' Home to allow time for the competitive bid process	\$176,479
Enloe Drugs	
Emergency purchase extension for pharmacy services at LaSalle Veterans' Home to allow time for the competitive bid process	<u>49,713</u>
TOTAL COST	<u><u>\$226,192</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**ANNA VETERANS' HOME**

**RATIO OF EMPLOYEES TO RESIDENTS**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Certified capacity of Home	62	62	62
Daily average number of residents:			
Skilled Care	48	46	47
Domiciliary	6	5	10
Average number of State employees	67	66	60
Ratio of employees to residents			
Skilled Care	1.40 to 1	1.43 to 1	1.28 to 1
Domiciliary	11.17 to 1	13.2 to 1	6 to 1

**COST PER RESIDENT**

The following costs of resident care were prepared from Department and Home records for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Average healthcare spending per resident per year <sup>1</sup>	\$ 7,369	\$ 6,542	\$ 5,589
Average cost per resident per meal (excludes labor costs)	\$ 3.29	\$ 3.24	\$ 2.81
Average annual cost of meals per resident (excludes labor costs)	\$ 3,600	\$ 3,543	\$ 3,075
Average annual cost of care per resident:			
Skilled Care	\$ 110,569	\$ 95,860	\$ 88,221
Domiciliary	\$ 109,854	\$ 95,597	\$ 87,224

<sup>1</sup>Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**ANNA VETERANS' HOME – continued**

INJURY STATISTICS

The following was taken from the Department records, as reported to the Department of Public Health, for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of resident injuries	11	23	27

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2012 with a comparison to the fiscal year ended June 30, 2010:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Nursing Care</b>			
Number of Admissions	25	22	13
Number of Deaths	26	20	17
Number of Discharges	2	3	2
Veteran Days of Care Furnished	17,137	16,638	16,984
<b>Domiciliary Care</b>			
Number of Admissions	6	4	2
Number of Deaths	-	-	-
Number of Discharges	-	5	-
Veteran Days of Care Furnished	3,013	1,520	3,757

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**LASALLE VETERANS' HOME**

**RATIO OF EMPLOYEES TO RESIDENTS**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Certified capacity of Home	200	200	200
Daily average number of residents:			
Skilled Care	180	165	136
Domiciliary	*	*	*
Average number of State employees	195	186	178
Ratio of employees to residents			
Skilled Care	1.08 to 1	1.13 to 1	1.31 to 1
Domiciliary	*	*	*

\* No domiciliary care

**COST PER RESIDENT**

The following costs of resident care were prepared from Department and Home records for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Average healthcare spending per resident per year <sup>1</sup>	\$ 7,534	\$ 8,502	\$ 8,725
Average cost per resident per meal (excludes labor costs)	\$ 2.67	\$ 2.65	\$ 2.58
Average annual cost of meals per resident (excludes labor costs)	\$ 2,926	\$ 2,898	\$ 2,822
Average annual cost of care per resident:			
Skilled Care	\$ 89,027	\$ 94,882	\$ 115,738
Domiciliary	*	*	*

<sup>1</sup>Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

\* No Domiciliary Care

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**LASALLE VETERANS' HOME – continued**

INJURY STATISTICS

The following was taken from the Department records, as reported to the Department of Public Health, for the fiscal years ended June 30:

	2012	2011	2010
Number of resident injuries	20	33	67

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2012 with a comparison to the fiscal year ended June 30, 2010:

	2012	2011	2010
<b>Nursing Care</b>			
Number of Admissions	72	63	86
Number of Deaths	75	44	44
Number of Discharges	4	1	3
Veteran Days of Care Furnished	62,947	59,355	49,614
<b>Domiciliary Care</b>			
Number of Admissions	*	*	*
Number of Deaths	*	*	*
Number of Discharges	*	*	*
Veteran Days of Care Furnished	*	*	*

\* No domiciliary care

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**MANTENO VETERANS' HOME**

**RATIO OF EMPLOYEES TO RESIDENTS**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Certified capacity of Home	340	340	340
Daily average number of residents:			
Skilled Care	290	288	277
Domiciliary	*	*	*
Average number of State employees	319	302	289
Ratio of employees to residents			
Skilled Care	1.10 to 1	1.05 to 1	1.04 to 1
Domiciliary	*	*	*

\* No domiciliary care

**COST PER RESIDENT**

The following costs of resident care were prepared from Department and Home records for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Average healthcare spending per resident per year <sup>1</sup>	\$ 5,398	\$ 4,486	\$ 5,004
Average cost per resident per meal (excludes labor costs)	\$ 7.92	\$ 7.48	\$ 7.09
Average annual cost of meals per resident (excludes labor costs)	\$ 8,674	\$ 8,196	\$ 7,768
Average annual cost of care per resident:			
Skilled Care	\$ 89,100	\$ 89,797	\$ 100,850
Domiciliary	*	*	*

<sup>1</sup>Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

\* No Domiciliary Care

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**MANTENO VETERANS' HOME – continued**

INJURY STATISTICS

The following was taken from the Department records, as reported to the Department of Public Health, for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of resident injuries	51	59	65

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2012 with a comparison to the fiscal year ended June 30, 2010:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Nursing Care</b>			
Number of Admissions	79	92	137
Number of Deaths	91	100	99
Number of Discharges	3	5	4
Veteran Days of Care Furnished	105,333	104,305	100,585
<b>Domiciliary Care</b>			
Number of Admissions	*	*	*
Number of Deaths	*	*	*
Number of Discharges	*	*	*
Veteran Days of Care Furnished	*	*	*

\* No domiciliary care

The above information was taken from the Monthly Record of Members Changes Report prepared by the Home.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**QUINCY VETERANS' HOME**

**RATIO OF EMPLOYEES TO RESIDENTS**

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Certified capacity of Home	683	683	683
Daily average number of residents:			
Skilled Care	384	379	397
Domiciliary	52	47	48
Average number of State employees	526	512	495
Ratio of employees to residents			
Skilled Care	1.37 to 1	1.35 to 1	1.25 to 1
Domiciliary	10.12 to 1	10.89 to 1	10.31 to 1

**COST PER RESIDENT**

The following costs of resident care were prepared from Department and Home records for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Average healthcare spending per resident per year <sup>1</sup>	\$ 5,248	\$ 5,516	\$ 4,977
Average cost per resident per meal (excludes labor costs)	\$ 3.30	\$ 3.01	\$ 2.74
Average annual cost of meals per resident (excludes labor costs)	\$ 3,618	\$ 3,295	\$ 2,996
Average annual cost of care per resident:			
Skilled Care	\$ 99,072	\$ 99,459	\$ 95,798
Domiciliary	\$ 46,840	\$ 52,071	\$ 53,640

<sup>1</sup>Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**QUINCY VETERANS' HOME – continued**

INJURY STATISTICS

The following was taken from the Department records, as reported to the Department of Public Health, for the fiscal years ended June 30:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Number of resident injuries	34	38	37

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2012 with a comparison to the fiscal year ended June 30, 2010:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Nursing Care</b>			
Number of Admissions	139	109	125
Number of Deaths	129	124	130
Number of Discharges	7	9	23
Veteran Days of Care Furnished	123,152	119,503	121,556
<b>Domiciliary Care</b>			
Number of Admissions	14	7	9
Number of Deaths	2	-	-
Number of Discharges	-	-	-
Veteran Days of Care Furnished	6,520	8,393	9,029

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**ANNUAL STATISTICS (NOT EXAMINED)**  
For the Two Years Ended June 30, 2012

**PRINCE HOME**

	<u>2012</u>	<u>2011</u>
Licensed beds	15	15
Average Census	14.5	13.5
Admissions	15	27
Graduations	11	10

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
**SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)**  
For the Fiscal Years Ended June 30,

Comparative annual service efforts and accomplishments are shown below:

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Field Services</u>			
Number of permanent full-time offices	50	49	49
Number of part-time itinerant offices	43	68	64
<u>Grants</u>			
Number of claims processed	5,372	6,204	8,495