

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

**COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016**

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page(s)</u>
Agency Officials		1-3
Management Assertion Letter		4-5
Compliance Report		
Summary		6-8
Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		9-11
Schedule of Findings		
Current Findings – State Compliance		12-30
Prior Findings Not Repeated.....		31-32
Supplementary Information for State Compliance Purposes		
Summary		33-34
Fiscal Schedules and Analysis		
Schedule of Appropriations, Expenditures and Lapsed Balances		
Fiscal Year 2016	1	35
Fiscal Year 2015	2	36
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances – By Object	3	37-45
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances – By Fund.....	4	46
Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally-Held Funds		
For the Year Ended June 30, 2016.....	5	47
For the Year Ended June 30, 2015.....	6	48
Schedule of Changes in State Property	7	49
Comparative Schedule of Cash Receipts	8	50-51
Reconciliation Schedule of Cash Receipts to Deposits		
Remitted to the State Comptroller		
For the Year Ended June 30, 2016.....	9	52
For the Year Ended June 30, 2015.....	10	53
Analysis of Significant Variations in Expenditures.....	11	54-57
Analysis of Significant Variations in Receipts	12	58-59
Analysis of Significant Lapse Period Spending	13	60
Analysis of Accounts Receivable		
June 30, 2016	14	61
June 30, 2015	15	62

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

TABLE OF CONTENTS (CONTINUED)

	<u>Schedule</u>	<u>Page(s)</u>
Analysis of Operations (Not Examined)		
Agency Functions and Planning (Not Examined)		63-69
Budget Impasse Disclosures (Not Examined)		70
Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined) ..		71
Interest Costs on Fiscal Year 2016 Invoices (Not Examined).....		72
Average Number of Employees (Not Examined)		73
Annual Statistics (Not Examined)		74-82
Emergency Purchases (Not Examined)		83-84
Memorandums of Understanding (Not Examined).....		85-86
Service Efforts and Accomplishments (Not Examined).....		87-95
Schedule of Indirect Cost Reimbursements (Not Examined)		96

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

AGENCY OFFICIALS

AGENCY OFFICIALS – CENTRAL OFFICE

Director	Erica Borggren (through 7/9/14) Rodrigo Garcia, Acting (7/10/14 – 1/11/15) Harry Sawyer, Interim (1/12/15 – 2/16/15) Erica Jeffries (2/17/15 – present)
Assistant Director	Rodrigo Garcia (through 7/9/14) Vacant (7/10/14 – 2/16/15) Harry Sawyer, Acting (2/17/15 – 3/23/15) Harry Sawyer (3/24/15 - present)
Chief of Staff	Simon Wlodarski (through 5/1/15) Vacant (5/2/15 – 7/15/15) Gwen Diehl (7/16/15 – 3/6/16) Renysha Brown (3/7/16 – present)
Chief Legal Counsel	Patricia McGill (through – 1/15/16) Vacant (1/16/16 – 2/8/16) Matthew Roberts (2/9/16 – 11/30/16) Elisabeth Pennix (11/16/16 – present)
Chief Fiscal Officer	Deborah Miller (through 06/24/16) Vacant (6/25/16 – 6/26/16) Leasa Ewing, Acting (6/27/16 – 7/31/16) Harold Wilson (8/1/16 – 10/24/16) William Blinn, Acting (10/25/16 – 12/31/16) Connie Sabo (1/1/17 – present)
Sr. Home Administrator	Joy Ward (through 12/15/14) Bruce Vaca, Acting (12/16/14 – 5/16/15) Lenard Winnicki (5/17/15 – present)
Chief Internal Auditor	Vacant (through 7/31/14) Leighann Brown (8/1/14 – 10/15/15) Vacant (10/16/15 – 11/30/15) Rusti Cummings (12/1/15 – present)

Department offices are located at:

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

69 W. Washington Street, 16th Floor
Chicago, Illinois 60601

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT ANNA

Home Administrator	Angela Simmons
Business Administrator	Erin Siebert (through 3/15/16) Vacant (3/16/16 – 8/31/16) Donna Murray (9/1/16 – present)
Adjutant	Donnie Houghland (through 10/31/14) Vacant (11/1/14 – 11/15/15) Bryan Questelle (11/16/15 – 9/15/16) Vacant (9/16/16 – present)

The Home is located at:

792 North Main Street
Anna, Illinois 62906

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT LASALLE

Home Administrator	John Koehler (through 12/31/14) Vacant (1/1/15 – 1/4/15) Lenard Winnicki (1/5/15 – 5/15/15) Sherri Whitmer (5/4/15 – present)
Business Administrator	John Graham
Adjutant	Luann Pierard (through 4/30/15) Vacant (5/1/15 – 6/21/15) Luann Pierard, Interim (6/22/15 – 11/17/15) Vacant (11/18/15 – 6/30/16) Martin Meredith, Interim (7/1/16 – 9/15/16) Vacant (9/16/16 – present)

The Home is located at:

1015 O’Connor Avenue
LaSalle, Illinois 61301

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT MANTENO

Home Administrator	Lester Robertson
Business Administrator	Stanley Stam
Adjutant	Lenard Winnicki (through 1/4/15) Vacant (1/5/15 – 2/29/16) Tanya Smith (3/1/16 – present)

The Home is located at:

1 Veterans Drive
Manteno, Illinois 60950

AGENCY OFFICIALS – ILLINOIS VETERANS’ HOME AT QUINCY

Home Administrator	Bruce Vaca (through 12/15/14) Vacant (12/16/14 – 5/16/15) Bruce Vaca (5/17/15 – 6/30/16) Vacant (7/1/16 – 8/21/16) Troy Culbertson (8/22/16 – present)
Business Administrator	John McPherson (through 6/30/16) Keith Gerhardt, Acting (7/1/16 – 12/18/16) Hannah Ajdinovich, Acting (12/19/16 – present)
Adjutant	Dawn Whitcomb

The Home is located at:

1707 North 12th Street
Quincy, Illinois 62301



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

833 South Spring Street, Springfield IL 62704
TELEPHONE: 217/782-6641 * FAX: 217/524-0344

BRUCE RAUNER
GOVERNOR

ERICA L. JEFFRIES
DIRECTOR

MANAGEMENT ASSERTION LETTER

March 21, 2017

Sikich LLP
3201 West White Oaks Dr. Suite 102
Springfield, IL 62704

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. The Department performed an evaluation of its compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2016 and June 30, 2015, the Department has materially complied with the assertions below.

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

Yours truly,

Illinois Department of Veterans' Affairs

SIGNED ORIGINAL ON FILE

Director

SIGNED ORIGINAL ON FILE

Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

Chief Legal Counsel

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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.

ACCOUNTANT'S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	12	11
Repeated findings	4	9
Prior recommendations implemented or not repeated	7	13

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2016-001	12	Inadequate controls over the purchase, recording and reporting of State property	Noncompliance and Significant Deficiency
2016-002	15	Employee performance evaluations not performed timely	Noncompliance and Significant Deficiency
2016-003	16	Inaccurate Agency Workforce Reports	Noncompliance and Significant Deficiency
2016-004	18	Inaccurate reporting of emergency purchases	Noncompliance and Significant Deficiency

2016-005	19	Weakness in performing reconciliations	Noncompliance and Significant Deficiency
2016-006	21	Inaccurate Agency Fee Imposition Report	Noncompliance and Significant Deficiency
2016-007	22	Incorrect calculation of resident maintenance fees	Noncompliance and Significant Deficiency
2016-008	24	Inaccurate reporting of federal awards	Noncompliance and Significant Deficiency
2016-009	25	Improper use of Members' Trust Fund at the Quincy Veterans' Home	Noncompliance and Significant Deficiency
2016-010	26	Noncompliance with the Veterans' and Military Discount Program Act	Noncompliance and Significant Deficiency
2016-011	27	Noncompliance with Employment and Economic Opportunity for Persons with Disabilities Task Force	Noncompliance and Significant Deficiency
2016-012	29	Noncompliance with statutory council, committee, and commission requirements	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	31	Inadequate controls over travel expenditures
B	31	Inaccurate compilation and reporting of field service office activities and information
C	31	Inadequate controls over contractual agreements
D	31	Inadequate control over employee attendance records and personnel functions
E	32	Noncompliance with Holocaust and Genocide Commission Act
F	32	Inadequate controls over locally held funds and relating reporting
G	32	Inadequate documentation of resident personal property

EXIT CONFERENCE

The Department did not request an exit conference. Responses to the recommendations were provided by Rusti Cummings, Chief Internal Auditor, in correspondence dated March 21, 2017.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department of Veterans' Affairs' (Department) 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, 2016. The management of the Department is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Department's compliance based on our examination.

- A. The Department 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 Department 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 Department 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 Department 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 Department on behalf of the State or held in trust by the Department 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 Department's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Department's compliance with specified requirements.

In our opinion, the Department complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2016-001 through 2016-012.

Internal Control

Management of the Department 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 Department's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over compliance.

A deficiency in 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2016-001 through 2016-012, that we consider to be significant deficiencies.

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

The Department's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Department's 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, 2016 and June 30, 2015 in Schedules 1 through 15 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, 2016 and June 30, 2015 accompanying supplementary information in Schedules 1 through 15. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014 accompanying supplementary information in Schedules 3, 4, 6, 7, 8, 10, 11 and 12 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.

SIGNED ORIGINAL ON FILE

Springfield, Illinois
March 21, 2017

SCHEDULE OF FINDINGS

CURRENT FINDINGS – State Compliance

2016-001. FINDING (Inadequate controls over the purchase, recording and reporting of State property)

The Illinois 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:

- During equipment voucher testing, we noted five vouchers with equipment purchases not entered into the property records. There were nine items, totaling \$5,143, not entered. Of these items, three items exceeding \$500, totaling \$4,160, were not reported to the Department of Central Management Services (CMS). 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 (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. In addition, the Code (44 Ill. Admin. Code 5010.220) requires all equipment with an acquisition value of \$500 or more be reported to CMS by the holding agency.
- Four of 25 (16%) deletions tested, totaling \$7,456, did not have any documentation to support the deletion was approved to be scrapped. The Code (44 Ill. Admin. Code 5010.920) states no item of equipment valued at \$100 or more may be scrapped without the permission of the Property Control Division. The State Records Act (5 ILCS 160/9) states the head of each agency shall establish, and maintain an active, continuing program for the economical and efficient management of the records of the agency.
- During our testing of the Department's preparation of the Agency Report of State Property (C-15), we noted errors in eight of eight (100%) quarters tested. Specifically:
 - The Department prepared their C-15s based on expenditure records, rather than property records.
 - The Department did not include Capital Development Board (CDB) transfers on its property records for five of five (100%) quarters. The remaining three quarters did not have CDB transfers.
 - Deletions and transfers were inaccurately reported on the C-15 based upon Department records. The Department entered nearly all of its transfers in its property records as deletions, but then prepared its C-15 by considering the deletion request forms and transfer reports.
 - The Department inappropriately entered deletions on the C-15 for one quarter as a negative balance.

As a result of the above errors, we noted the following likely differences between the amounts reported on the C-15s and those which should have been reported.

Transaction	Fiscal Year 2015	Fiscal Year 2016	Total
Additions			
Additions Per Testing	\$811,130	\$718,932	\$1,530,062
Additions per C-15	1,057,200	726,920	1,784,120
Difference	246,070	7,988	254,058
Deletions			
Deletions Per Testing	610,661	634,934	1,245,595
Deletions per C-15	132,792	445,239	578,031
Difference	(477,869)	(189,695)	(667,564)
Net Transfers			
Net Transfers Per Testing	0	733,653	733,653
Net Transfers per C-15	1,467,085	809,712	2,276,797
Difference	\$1,467,085	\$76,059	\$1,543,144

In addition, during our C-15 reasonableness testing, we noted \$40,808 in equipment expenditures were excluded from the first quarter fiscal year 2015 C-15 and property records. The issue was caused by the Department excluding additions from the Illinois Veterans' Home Fund. Additionally, there were three quarters, totaling \$8,144, where additions per the C-15 exceeded equipment expenditures. The Department could not explain the differences.

The Schedule of State Property (Schedule 7 of the compliance examination report) was not corrected by the auditors for the above errors.

The Statewide Accounting Management System (SAMS) (Procedure 29.20.10) provides instructions for preparing the C-15. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

- The Department conducts an annual physical inventory of all equipment with an acquisition cost of \$500 or more and annually reports its results to CMS. In the Physical Inventory Report submitted to CMS in fiscal year 2015, the Department reported it was unable to locate 290 items, totaling \$414,874, which represented 3% of the Department's total property value. Three of these items were computers that the Department noted upon their assessment could potentially contain confidential information. In the Physical Inventory Report submitted to CMS in fiscal year 2016, the Department reported it was unable to locate 242 items, totaling \$348,869. This represented 3% of the Department's total property value. Eight of these items were computers that the Department noted upon their assessment could potentially contain confidential information. The Department noted its policy is to not store confidential information on devices that are not encrypted, but it cannot ensure this practice was followed.

The Department was requested by CMS to conduct an additional inventory on August 2, 2016, for all locations with a discrepancy greater than 1%, on or before October 1, 2016, due to the number of items reported lost or stolen for fiscal year 2016. The Department failed to conduct this inventory. The State Property Control Act (30 ILCS 605/4 and 6.02) requires the Department to be accountable for the supervision, control and inventory of all items under its jurisdiction and control. In addition, the Department had the responsibility to ensure that confidential information is protected from disclosure and that provisions in the Personal Information Protection Act (815 ILCS 530) are followed. The Code (44 Ill. Admin. Code 5010.490) requires that unusually large discrepancies be re-examined and that a written explanation or other documentation be submitted as part of the Certification report.

In response to this previous finding, the Department stated they would enter property transactions and continue with a new inventory system implementation after unforeseen difficulties. Department management attributed the continuing issues to staff turnover, oversight, other operational priorities and complications with the new inventory system and scanning devices.

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. (Finding Code No. 2016-001, 2014-001, 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.

DEPARTMENT RESPONSE

Agree. The Department has initiated a new accounting system which combines the payment for, recording, and reporting of State property into a single system. When fully implemented, this new system will allow all purchased property to be recorded and reported in a complete and accurate manner.

2016-002. FINDING (Employee performance evaluations not performed timely)

The Illinois 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 6 of 40 (15%) employees tested. Employee evaluations were completed from 1 to 137 business days late.

The Department's Employee Handbook states performance evaluations take place annually and are to be discussed with employees, unless otherwise specified under Personnel Rules.

In response to the previous finding, Department management stated they would reduce the number of late evaluations and implement new tracking procedures in order to be timelier. Department management stated they believe improvements have been made regarding the timeliness of performance evaluations, reducing the frequency from 25% to 15%. However, the issues have continued in the current examination period due to other operational needs placed on Department supervisors and managers.

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. 2016-002, 2014-007, 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 timely.

DEPARTMENT RESPONSE

Agree. During the current audit period, the Department's efforts reduced the rate of untimely performance evaluations to 15% from the higher 25% rate presented in the FY13/14 audit report. We continue to emphasize the importance of timely performance evaluations at weekly meetings as well as distributing email reminders to the specific supervisors and managers who need to conduct a performance evaluation during the next month.

2016-003. FINDING (Inaccurate Agency Workforce Reports)

The Illinois Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (reports) 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:

- Documentation provided for the fiscal year 2015 report did not support the amounts reported in two categories, across one salary range and total positions opened.
- The fiscal year 2015 report contained a clerical error. The total number of employees, for one category, across one salary range, included the incorrect total.

In addition, as reported in the prior year examination report as Finding Code No. 2014-009, it was noted that the Department's reports for fiscal years 2012 and 2013 contained clerical errors and the Department was required to file corrected fiscal year 2012 and 2013 reports. During our review, we noted the Department did not file the corrected reports with the Office of the Governor and the Secretary of State as required by the Illinois State Auditing Act.

The State Employment Records Act (5 ILCS 410) 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.

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.

In response to this previous finding the Department stated it would ensure, via a review process, Agency Workforce Reports are completed timely and accurately. Related to the exceptions noted in the current examination, Department management stated the fiscal year 2015 inaccuracies were due to human input error in the preparation, while the prior year corrected reports were not filed due to staff turnover.

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 Employment Records Act, which is to provide information to help guide efforts to achieve a more diversified State work force. (Finding Code No. 2016-003, 2014-009, 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, we recommend the Department file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act.

DEPARTMENT RESPONSE

Agree. The Department has submitted revised Agency Workforce Reports to correct the errors identified in this finding. Before the next Agency Workforce Report is due in January 2018, the Department will modify the computer reports to reduce the risk of errors and the Human Resource Manager has been assigned to independently review the Agency Workforce Report for completeness and accuracy.

2016-004. FINDING (Inaccurate reporting of emergency purchases)

The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over their reporting of emergency purchases.

The Department made ten emergency purchases, totaling \$779,422, during the examination period. During our testing of the Department's emergency purchases, we noted six (60%) instances in which the Department did not file and/or publish information according to the Illinois Procurement Code (Code) (30 ILCS 500/20-30). The information was filed and/or published 11 to 111 business days after the contract was established.

The Code (30 ILCS 500/20-30(b-c)) states that before the next appropriate volume of the Illinois Procurement Bulletin, the purchasing agency shall publish in the Illinois Procurement Bulletin, a copy of each written description and reasons and the total cost of the emergency procurement made during the previous month. When only an estimate of the total cost is known at the time of publication, the estimate shall be identified as an estimate and published. When the actual total cost is determined, it shall also be published in like manner before the 10th day of the next succeeding month.

The Code (30 ILCS 500/20-30(c)) also states a chief procurement officer making a procurement under this Section shall file affidavits with the Procurement Policy Board and the Auditor General within 10 days after the procurement setting forth the amount expended, the name of the contractor involved, and the conditions and circumstances requiring the emergency procurement. When only an estimate of the cost is available within 10 days after the procurement, the actual cost shall be reported immediately after it is determined.

In response to this previous finding, Department management stated they are working to ensure that emergency purchases are posted to the Bulletin and filed with the Office of the Auditor General timely. Department management stated the issue in the current examination were caused by higher priority being given to the health and life safety needs of the residents and employees at the veterans' homes before addressing the fiscal and administrative filing requirements.

Failure to timely record emergency purchase information in the Procurement Bulletin and timely notify the Office of the Auditor General is not in compliance with the Code. (Finding Code No. 2016-004, 2014-004)

RECOMMENDATION

We recommend the Department timely publish extensions, estimated costs and actual costs of emergency purchases in the Illinois Procurement Bulletin as required by the Code.

DEPARTMENT RESPONSE

Agree. The Department plans to timely publish emergency purchases on the Illinois Procurement Bulletin Board as required by the Code.

2016-005. FINDING (Weakness in performing reconciliations)

The Illinois Department of Veterans' Affairs (Department) had weaknesses in performing reconciliations of expenditures, receipts, and cash to the Illinois Office of the Comptroller (Comptroller) records.

During our testing of the Department's monthly expenditure reconciliations to the Comptroller's Monthly Appropriation Status Report (SB01), we noted:

- Three of 20 (15%) reconciliations tested were not dated. Because of the lack of a documented date on the reconciliations, we could not determine if the reconciliations were completed in a timely manner.
- Two of 20 (10%) reconciliations tested were not performed accurately. On the April 2016 and June 2016 Anna Veterans' Home Fund reconciliation, a voucher was noted as issued on April 19, 2016. However, this voucher was not processed by the Comptroller. The Department did not update the Accounting Information System until July 1, 2016 for this item and continued to record it as an in-transit voucher.

During our testing of the Department's monthly receipt reconciliations to the Comptroller's Monthly Receipt Report (SB04), we noted:

- Two of four (50%) reconciliations tested were not dated. Because of the lack of a documented date on the reconciliations, we could not determine if the reconciliations were completed in a timely manner.
- On June 10, 2016, \$269,172 was deposited into the Anna Veterans' Home Fund rather than the LaSalle Veterans' Home Fund. This error was not caught by the SB04 reconciliations performed by the homes or the Department's Central Office.

During our testing of the Department's monthly cash reconciliations to the Comptroller's Monthly Cash Report (SB05), we noted, at June 30, 2016, the Veterans' Affairs Federal Projects Fund was not reconciled accurately, which included a difference of \$2,614 between the Department's records and those of the Comptroller's. When we inquired about the difference, the Department was unable to provide an explanation. Based on our inquiries, the Department performed a new reconciliation, which resolved the difference. We were provided with the updated reconciliation on November 21, 2016, 76 business days after the reconciliation due date of August 1, 2016.

The Statewide Accounting Management System (SAMS) (Procedures 11.40.20, 25.40.20 and 09.40.30) requires the reconciliation of the SB01, SB04, and SB05 to be performed monthly and the Comptroller's Office to be notified of any irreconcilable differences so that the necessary corrective action can be taken to locate the differences and correct the accounting records. In addition, the State Records Act (5 ILCS 160/8) requires the Department make and preserve records containing adequate and proper documentation of the functions and procedures of the Department.

Department management stated the exceptions were due to oversight and other conflicting priorities.

Failure to document when reconciliations are performed does not provide sufficient evidence to determine compliance with SAMS requirements. Failure to timely and accurately perform reconciliations increases the risk that differences will go undetected and/or unresolved. (Finding Code No. 2016-005)

RECOMMENDATION

We recommend the Department strengthen internal controls over expenditures, receipts, and cash reconciliations to ensure they are performed timely and accurately. Furthermore, we recommend the Department document the dates all monthly report reconciliations are completed.

DEPARTMENT RESPONSE

Agree. The Department has communicated the importance of dating reconciliations to document timeliness. In addition, the Department is currently reviewing our reconciliation policies and procedures to ensure strong internal controls and accurate reflection of the new accounting system.

2016-006. FINDING (Inaccurate Agency Fee Imposition Report)

The Illinois Department of Veterans' Affairs (Department) did not properly report fees collected on the Agency Fee Imposition Report (Report) for fiscal year 2015.

The Department underreported the receipts pertaining to two fees for the Manteno Veterans' Home Fund on its fiscal year 2015 Report because it did not include accurate totals for the maintenance fees and rental income. The error resulted in the Department understating the fees collected by \$381,053.

The State Comptroller Act (15 ILCS 405/16.2) requires all State agencies that impose and collect fees prepare the Agency Fee Imposition Report Form. The Illinois State Auditing Act (30 ILCS 5/3-8.5) states the form shall list and describe the fees imposed by the Agency, the purpose of the fees, the amount of revenue generated by each fee, and the funds into which the fees are deposited.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001(4)) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Department management stated the prior year Manteno Veterans' Home Fund maintenance fee and rental income amounts were not updated for the current year amounts due to a clerical error.

Inaccurate fee reporting reduces the reliability of Statewide fee information. (Finding Code No. 2016-006)

RECOMMENDATION

We recommend the Department ensure the accuracy of the Agency Fee Imposition Report Form prior to its submission to the Illinois Office of the Comptroller.

DEPARTMENT RESPONSE

Agree. The Department has communicated the importance of complete and accurate financial reporting to our personnel.

2016-007. FINDING (Incorrect calculation of resident maintenance fees)

The Illinois Department of Veterans' Affairs (Department) did not calculate resident maintenance fees in accordance with the Illinois Administrative Code nor did the Department correctly calculate the maintenance fee charged to residents at the Anna Veterans' Home.

The Illinois Administrative Code (95 Ill. Admin. Code 108.130) states residents at the veterans' homes are entitled to an allowance of \$100/month for every \$1,000 paid in monthly maintenance fees. However, the Department gives each resident a \$200 allowance without taking into account the monthly maintenance fee charged. A Department memo, dated March 1, 2012, to the veterans' homes stated residents are currently allowed to keep the first \$100 of their monthly income before the maintenance fee is assessed. This will double to \$200, allowing them to keep more of their monthly income. The maintenance fee will continue to be calculated at 90% of a resident's remaining income, up to a new monthly maximum. This condition existed at all of the Department's veterans' homes during the examination period.

During our testing at the Anna Veterans' Home, we noted 4 of 10 (40%) monthly maintenance fees tested were incorrectly calculated. All four of the maintenance charges deducted the allowance after a 90% adjustment was applied. However, Department policy is to apply the \$200 allowance before the 90% adjustment. Two of the four maintenance charges used the incorrect allowance, one using \$300 and the other using \$100. One maintenance charge added aid and attendance to income when it should have been deducted. The issues resulted in a \$232 overcharge per month.

Department management stated the Department did not follow the Illinois Administrative Code due to oversight. The Illinois Administrative Code was updated incorrectly and did not reflect procedures set forth in the Department Director's letter adopted in response to the Veterans Advisory Committee public hearings. Department management stated the Anna Veterans' Home incorrectly calculated the maintenance fees because the Adjutant position was vacant and the staff filling in were given improper instructions for calculating the fee.

Failure to follow the Code's calculation for maintenance fees and incorrectly calculating the fees may result in a loss of revenue to the State or overcharging residents at the veterans' homes. (Finding Code No. 2016-007)

RECOMMENDATION

We recommend the Department seek an update to the Illinois Administrative Code to reflect the methodology used to calculate maintenance fees. Furthermore, we recommend the Department strengthen internal controls to ensure maintenance fees are accurately calculated.

DEPARTMENT RESPONSE

Agree. The Department is currently updating the administrative rule for the Assessment of Maintenance Charges to be consistent with the procedures established in the Department Director's March 1, 2012 letter adopted based upon the Veterans' Advisory Committee's public hearings. This update is being coordinated with other potential changes to this same administrative rule. In addition, the Anna Veterans' Home correctly computed Fiscal Year 2017 maintenance charges. Anna is also recalculating the FY2016 maintenance fees and will take appropriate action as necessary for each resident.

2016-008. FINDING (Inaccurate reporting of federal awards)

The Illinois Department of Veteran's Affairs' (Department) year-end federal expenditure reporting process to the Illinois Office of the Comptroller (Comptroller) contained inaccuracies.

During testing of federal expenditures reported on the Grant/Contract Analysis form (SCO-563), we noted the following:

- The Department did not submit the SCO-563 for the General Revenue Fund for June 30, 2016. This led to the Department underreporting federal expenditures by \$1,643,000.
- On the SCO-563 for the Veterans' Affairs Federal Projects Fund at June 30, 2016, the Department reported the incorrect Catalog of Federal Domestic Assistance (CFDA) number for federal programs for two grants. The Department listed the CFDA number as 14.235, Supportive Housing Program. The correct CFDA number was 14.267, Continuum of Care Program. \$72,000 was expended under this CFDA number. Additionally, the SCO-563 indicated that another grant was for CFDA number 12.111, Emergency Advance Measures for Flood Prevention; however, the program was for Troops to Teachers. The Program does not have a CFDA program; thus, it should have been reported as 12.xxx. A total of \$142,000 was expended under this CFDA number.

The Statewide Accounting Management Systems (SAMS) (Procedure 27.10.10) requires State agencies to prepare accurate financial reports (GAAP Reporting Packages) for each of their funds to assist in the annual preparation of the statewide financial statements and the Schedule of Expenditures of Federal Awards (SEFA). Instructions for the preparation of each form are included in Chapter 27 of SAMS.

These errors were due to oversight in the GAAP Reporting Packages' preparation.

The failure to accurately report federal activity to the Comptroller results in inaccurate data being used to prepare the State's SEFA. (Finding Code No. 2016-008)

RECOMMENDATION

We recommend the Department strengthen internal controls to ensure the SCO-563 is accurately submitted to the Comptroller.

DEPARTMENT RESPONSE

Agree. The Department has communicated the importance of complete and accurate financial reporting to our personnel.

2016-009. FINDING (Improper use of Members' Trust Fund at the Quincy Veterans' Home)

The Illinois Department of Veterans' Affairs (Department) improperly utilized the Members' Trust Fund at the Quincy Veterans' Home (Quincy).

The Department holds money in the Members' Trust Fund on behalf of the residents at Quincy. The Department has an imprest fund at Quincy that allows residents to deposit and withdraw cash from the Members' Trust Fund. During our testing, we noted the Department borrowed and repaid \$6,883 and \$7,218 in cash from the Members' Trust Fund to use for the Benefit's Trust Fund in fiscal years 2015 and 2016, respectively. The Department does not have authority to borrow funds held in the Members' Trust Fund. However, borrowing took place to obtain cash used to purchase activity treats, bingo quarters, fishing worms, and various other activities for the enjoyment of the residents. During the two-year examination period, funds were borrowed 40 times with an average value of \$353.

The Department of Veterans' Affairs Act (20 ILCS 2805/2.04) states the administrator of each Veterans' Home shall establish a locally-held trust fund to maintain moneys held for residents. 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.

Department management stated the temporary borrowing of the Members' Trust imprest cash was considered the most efficient means to obtain the cash necessary to procure supplies for various Benefit's Trust Fund activities and the funds were still being used for the resident population.

Money held in the Members' Trust Fund belongs to the members of Quincy Veterans' Home and the Department does not have authority to borrow these funds. The unauthorized use of these funds could result in misuse. (Finding Code No. 2016-009)

RECOMMENDATION

We recommend the Department utilize the Members' Trust Fund only as allowed by statute by discontinuing the practice of borrowing funds from the Members' Trust Fund to use as an imprest fund for the Benefit's Trust Fund.

DEPARTMENT RESPONSE

Agree. Based upon the external audit concern over this procedure, the Department no longer borrows cash from the Members' Trust Fund for Benefit Fund activities.

2016-010. FINDING (Noncompliance with the Veterans' and Military Discount Program Act)

The Illinois Department of Veterans' Affairs (Department) did not comply with the Veterans' and Military Discount Program Act (Act) (330 ILCS 140/10 thru 140/20), effective August, 2015.

During our testing, we noted the Department failed to establish and administer a Veterans' and Military Discount Program as required by the Act. The Act requires the Department to establish and administer a Veterans' and Military Discount Program that enables veterans and active duty military personnel to use photo identification at participating merchants to receive a discount on goods and services or to receive another appropriate money-saving promotion of a merchant's choice.

Department personnel stated the requirement to develop this program had not been completed due to staff turnover and management's efforts to address other priorities.

Failure to establish a discount program for veterans and active duty military personnel represents statutory noncompliance and prevents the veterans and active duty military personnel from using their photo identification at participating merchants to receive a discount on goods and services. (Finding Code No. 2016-010)

RECOMMENDATION

We recommend the Department establish and administer a Veterans' and Military Discount Program as required by the Act.

DEPARTMENT RESPONSE

Agree. The Department is now coordinating the Veterans and Military Discount program via the Department's website. Interested businesses have been invited to submit a form describing their discount offer. The Department's webpage is then updated to reflect the discount offer after the form is received.

2016-011 FINDING (Noncompliance with Employment and Economic Opportunity for Persons with Disabilities Task Force)

The Illinois Department of Veterans' Affairs (Department) did not participate in the meetings of the Employment and Economic Opportunity for Persons with Disabilities Task Force (Task Force) as required by the Employment and Economic Opportunity for Persons with Disabilities Task Force Act (Act) (20 ILCS 4095/10 thru 4095/20) nor did the Task Force create measurable goals as required by the Illinois Employment First Act (20 ILCS 40/20).

During the examination period, neither the Director nor a designee attended any of the four (100%) meetings that were held and the annual reports of activities and recommendations were not completed for either fiscal year 2015 or 2016. In addition, the Task Force did not comply with the Illinois Employment First Act in that it did not establish measurable goals and objectives to implement this Act. Lastly, the Task Force did not submit the final five year strategic report to the Governor, which was due on June 30, 2015.

The Act requires the Director or their designee of the Department of Veterans' Affairs attend the meetings of the Task Force. The Task Force is required to produce an annual report of its activities and recommendations no later than May 1 of each year.

The Illinois Employment First Act requires the Task Force to establish measurable goals and objectives for the State to ensure implementation of the Illinois Employment First Act and monitor the measured progress toward implementation of the Illinois Employment First Act.

Executive Order 14-08 implementing the Illinois Employment First Act requires the Task Force to submit a final strategic plan on or before June 30, 2015 and shall include:

- Strategies for providing capacity building to all stakeholders and providers;
- The short term and long term cost of implementing the necessary changes in policy, practices, and procedures and how these cost will be addressed by State agencies;
- Strategies for reducing the reliance upon vocational placements of people with disabilities in sheltered workshop settings, segregated settings and day treatment settings;
- The interagency agreements, where needed, in collaboration with the Governor's Office Liaison to improve coordination of services and allow for data sharing as appropriate;
- Agency benchmarks; and,
- A plan detailing how State Agencies will work with Illinois Department of Employment Security and Department of Commerce and Economic Opportunity to increase recruitment opportunities for individuals with disabilities with private employers.

The Department did not appoint a member to this Task Force due to oversight when the prior designee left his position with the Department.

Failure to appoint or attend the meetings of the Task Force and not producing an annual report of its activities and recommendations by May 1 of fiscal years 2015 or 2016 is noncompliance with the Act.

Failure to establish measurable goals and objectives for the State to ensure implementation of the Illinois Employment First Act and monitor the measured progress toward implementation is noncompliance with the Illinois Employment First Act (20 ILCS 40/20).

Failure to comply with the requirements of the Employment and Economic Opportunity For Persons with Disabilities Task Force Act and Illinois Employment First Act hinders the Task Force's objective to assist individuals with disabilities in the workplace. (Finding Code No. 2016-011)

RECOMMENDATION

We recommend the Department's designated member attend all meetings of the Commission. If the designee is unable to attend we recommend someone is sent in their place. In addition, we recommend the Department together with other member State agencies of the Task Force comply with the requirements of the Act, the Illinois Employment First Act, and the Executive Order implementing the Illinois Employment First Act.

DEPARTMENT RESPONSE

Agreed. The Department appointed a new member who requested to be included in future Task Force communications. In addition, Department's appointed member will send a back-up to future meetings if unable to attend.

2016-012. FINDING (Noncompliance with statutory council, committee, and commission requirements)

The Illinois Department of Veterans' Affairs' (Department) did not comply with council, committee, and commission requirements mandated by State law.

The Department is required by State law to ensure the composition of certain councils, committees, and commissions as defined. Our testing noted the Department failed to abide by the following statutory requirements during the examination period:

- During the examination period, the Department's member of the Council did not attend four of six (67%) meetings. The Illinois Act on the Aging (20 ILCS 105) requires a non-voting State agency member on the Long-Term Care Council (Council) from the Department of Veterans' Affairs. The Council is mandated to make recommendations and comment on issues pertaining to long-term care and the State Long-Term Care Ombudsman Program to the Department on Aging; advise the Department on Aging on matters pertaining to the quality of life and quality of care in the continuum of long-term care; evaluate, comment on reports regarding, and make recommendations on, the quality of life and quality of care in long-term care facilities and on the duties and responsibilities of the State Long-Term Care Ombudsman Program; prepare and circulate an annual report to the Governor, the General Assembly, and other interested parties concerning the duties and accomplishments of the Council and all other related matters pertaining to long-term care and the protection of residents' rights; provide an opportunity for public input at each scheduled meeting; make recommendations to the Director of the Department on Aging, upon his or her request, as to individuals who are capable of serving as the State Long-Term Care Ombudsman and who should make appropriate application for that position should it become vacant. Department management stated the designated member was unable to attend these meetings due to scheduling conflicts and did not know it was necessary for a back-up to attend.
- During the examination period, the ICED member from the Department did not attend 5 of 12 (42%) meetings. The Illinois Human Rights Act (775 ILCS 5/2-106) requires the Director or their designee of the Department to attend the meetings of the Interagency Committee on Employees with Disabilities (ICED). The purposes and functions of the ICED are to provide a forum where problems of general concern to State employees with disabilities can be raised and methods of their resolution can be suggested to the appropriate State agencies; to provide a clearinghouse of information for State employees with disabilities by working with those agencies to develop and retain such information; to promote affirmative action efforts pertaining to the employment of persons with disabilities by State agencies; and, to recommend, where appropriate, means of strengthening the affirmative action programs for employees with disabilities in State agencies. The ICED is to meet as often as it determines necessary, but at least six times annually. The Department stated the designated member was unable to attend these meetings due to scheduling conflicts and did not know it was necessary for a back-up to attend.

- The Director was unable to attend one of the three (33%) meetings that were held and no designee attended in place of the Director. The Illinois Holocaust and Genocide Commission Act (20 ILCS 5010) requires the Director or their designee of the Department to participate in the quarterly meetings of the Illinois Holocaust and Genocide Commission (Commission) as an ex-officio member of the Commission. The Commission is mandated to provide advice and assistance to public and private elementary and secondary schools and institutions of higher education in this State regarding implementation of Holocaust and genocide courses of study and awareness programs; meet with appropriate representatives of public and private organizations, including service organizations, to provide information on and to assist in planning, coordinating, or modifying Holocaust and genocide courses of study and awareness programs; determine which, if any, existing Holocaust or other genocide memorials, exhibits, or other resources could be included in or used to support Holocaust and genocide courses of study and awareness programs; compile a list of volunteers, such as Holocaust or other genocide survivors, liberators of concentration camps, scholars, and members of the clergy, who have agreed to share, in classrooms, seminars, exhibits, or workshops, their verifiable knowledge and experiences regarding the Holocaust or other genocide; coordinate events in this State memorializing the Holocaust and other genocides on January 27, International Holocaust Remembrance Day, on the Days of Remembrance established by the United States Congress, or on any other day designated by the Commission for that purpose; and solicit volunteers to participate in commemorative events designed to enhance public awareness of the continuing significance of the Holocaust and other genocides. During the examination period, the Commission did not meet quarterly; rather, the Commission met in July and November 2015 and in June 2016. During the prior year examination, Department management stated they would maintain attendance documentation for the Commission's meetings. Department management stated the Director was unable to attend the one meeting during the current examination due to a scheduling conflict, but did advise the Commission Chair of this situation. In addition, the Department did not know it was necessary for a back-up to attend.

Failure to attend the meetings of the statutorily required councils, committees, and/or commissions results in noncompliance with statutory mandates and limits representation from all entities noted in the Acts. (Finding Code No. 2016-012)

RECOMMENDATION

We recommend the Department's designated member attend all meetings of the statutorily formed bodies. If the designee is unable to attend, we recommend someone be sent in their place.

DEPARTMENT RESPONSE

Agree. The Department has shared with all Department personnel appointed to represent the Department on a statutory created council, committee, commission, and other similar organization that they are expected to attend 100% of their respective organization's meetings. In addition, the Department advised such personnel to request a back-up attend the meeting if the primary appointee cannot attend.

PRIOR FINDINGS NOT REPEATED

A. **FINDING** (Inadequate controls over travel expenditures)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) did not have adequate controls over travel expenditures.

During the current examination, auditors noted the Department demonstrated improvement, but our sample testing still noted exceptions. As a result, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 2014-002, 12-10, 10-18, Central Office – 08-01)

B. **FINDING** (Inaccurate compilation and reporting of field service office activities and information)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) inaccurately compiled and reported activities and information of its field service offices staffed by Veteran Service Officers (VSOs).

During the current examination, auditors noted the Department demonstrated improvement, but our sample testing still noted exceptions. As a result, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 2014-003, 12-17, 10-19, Central Office – 08-8, Central Office – 06-7)

C. **FINDING** (Inadequate controls over contractual agreements)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) did not ensure its contractual agreements met all requirements.

During the current examination, auditors noted the Department demonstrated significant improvements. All contracts greater than \$250,000 received approval. Only one clerical error was identified in our sample testing. The auditors concluded the Department had implemented the corrective action included in its response to Finding No. 2014-005, which stated the Department would ensure all contracts in the amount of \$250,000 or more will be reviewed and signed by required management. (Finding Code No. 2014-005, 12-11, 10-11)

D. **FINDING** (Inadequate control over employee attendance records and personnel functions)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over employee attendance records and other personnel functions.

During the current examination, auditors noted discrepancies existed on the timesheets tested; however, the Department had already identified and corrected the items noted by the auditors prior to the auditors' examination. The remaining number of exceptions identified were insignificant. The auditors concluded the Department had implemented the corrective action included in its response to Finding No. 2014-006, which stated it would train staff to prevent future discrepancies on accrued absences and increase efforts to ensure personnel files were complete. (Finding Code No. 2014-006, 12-18, 10-23, Central Office – 08-2)

E. **FINDING** (Noncompliance with Holocaust and Genocide Commission Act)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) could not provide documentation of participation in quarterly meetings of the Illinois Holocaust and Genocide Commission (Commission) as required by the Illinois Holocaust and Genocide Commission Act (20 ILCS 5010/10 through 5010/55) (Act).

During the current examination, auditors noted the Department provided documentation of participation in the quarterly Commission meetings attended during the examination period. One meeting was not attended by the Department designee. This exception was included in Finding No. 2016-012. (Finding Code No. 2014-008)

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

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) did not exercise adequate controls over locally held funds and reporting at its five Veterans' Homes.

During the current examination, auditors noted only one Home did not adequately control cash and deposits. This finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 2014-010, 12-12, 10-15)

G. **FINDING** (Inadequate documentation of resident personal property)

During the prior examination, auditors noted the Illinois Department of Veterans' Affairs (Department) did not maintain adequate documentation of resident personal property upon admission and/or discharge.

During the current examination, auditors noted the Department demonstrated improvement, but our testing noted exceptions, which resulted in noncompliance with Department policy. As a result, this finding has been moved to the Letter of Immaterial Findings. (Finding Code No. 2014-011, 12-4)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

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 2016

- Fiscal Year 2015

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances –
By Object

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances –
By Fund

- Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally-Held Funds

- For the Year Ended June 30, 2016

- For the Year Ended June 30, 2015

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts

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

- Comptroller

- For the Year Ended June 30, 2016

- For the Year Ended June 30, 2015

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Accounts Receivable

- June 30, 2016

- June 30, 2015

- Analysis of Operations (Not Examined):

- Agency Functions and Planning (Not Examined)

- Budget Impasse Disclosures (Not Examined)

- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely

- Payments to Vendors (Not Examined)

- Interest Costs on Fiscal Year 2016 Invoices (Not Examined)

- Average Number of Employees (Not Examined)

- Annual Statistics (Not Examined)

- Emergency Purchases (Not Examined)

- Memorandums of Understanding (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

- Schedule of Indirect Cost Reimbursements (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016 and June 30, 2015 supplementary information in Schedules 1 through 15. However, the accountants do not express an opinion on the supplementary information. The accountant's 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 2016

Fourteen Months Ended August 31, 2016

Public Act 99-0409, 99-0491, 99-0524 and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2016	Lapse Period Expenditures July 1, 2016 to August 31, 2016	Total Expenditures 14 Months Ended August 31, 2016	Balances Lapsed August 31, 2016
Appropriated Funds					
General Revenue Fund - 0001	\$ 59,749,459	\$ 56,915,236	\$ 1,251,555	\$ 58,166,791	\$ 1,582,668
Illinois Veterans' Assistance Fund - 0236	8,300,000	869,273	112,823	982,096	7,317,904
LaSalle Veterans' Home Fund - 0272	17,068,000	10,439,407	1,066,988	11,506,395	5,561,605
Anna Veterans' Home Fund - 0273	5,928,700	3,145,434	279,869	3,425,303	2,503,397
Illinois Affordable Housing Trust Fund - 0286	223,000	-	210,167	210,167	12,833
GI Education Fund - 0447	1,267,300	941,316	46,051	987,367	279,933
Quincy Veterans' Home Fund - 0619	29,721,800	19,654,399	4,111,704	23,766,103	5,955,697
Roadside Memorial Fund - 0697	425,000	-	421,073	421,073	3,927
Illinois Military Family Relief Fund - 0725	250,000	-	-	-	250,000
Veterans' Affairs Federal Projects Fund - 0897	345,500	194,192	2,895	197,087	148,413
Manteno Veterans' Home Fund - 0980	23,776,200	15,312,304	3,537,678	18,849,982	4,926,218
Total Appropriated Funds	\$ 147,054,959	\$ 107,471,561	\$ 11,040,803	\$ 118,512,364	\$ 28,542,595
Non-Appropriated Funds					
Veterans' Affairs State Projects Fund - 0501		\$ 8,920	\$ -	\$ 8,920	
Veterans' Affairs Library Grant Fund - 0775		24,703	20,566	45,269	
Total Non-Appropriated Funds		\$ 33,623	\$ 20,566	\$ 54,189	
Grand Total All Funds		\$ 107,505,184	\$ 11,061,369	\$ 118,566,553	

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of August 31, 2016, and have been reconciled to Department records. The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 2: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received enacted personal services appropriations for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during fiscal year 2016.

Note 3: During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524 were signed into law on August 20, 2015, December 9, 2015 and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 0272, Fund 0273, Fund 0447, Fund 0619, Fund 0897, and Fund 0980. Further, the Department incurred non-payroll obligations within Fund 0236, Fund 0272, Fund 0273, Fund 0286, Fund 0447, Fund 0619, Fund 0697, Fund 0897, and Fund 0980, which the Department was unable to pay until the passage of Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524.

Note 4: Public Act 99-0524 authorizes the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report, at page 70, includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

Schedule 2

Fourteen Months Ended August 31, 2015

Public Act 98-0680 and 99-0001	Appropriations (Net of Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1, 2015 to August 31, 2015	Total Expenditures 14 Months Ended August 31, 2015	Balances Lapsed August 31, 2015
Appropriated Funds					
General Revenue Fund - 0001	\$ 68,078,950	\$ 64,738,962	\$ 786,024	\$ 65,524,986	\$ 2,553,964
Illinois Veterans' Assistance Fund - 0236	8,300,000	1,536,573	495,498	2,032,071	6,267,929
LaSalle Veterans' Home Fund - 0272	12,136,500	8,774,913	1,343,619	10,118,532	2,017,968
Anna Veterans' Home Fund - 0273	3,649,700	2,672,260	391,265	3,063,525	586,175
Illinois Affordable Housing Trust Fund - 0286	223,000	135,000	30,000	165,000	58,000
GI Education Fund - 0447	1,494,700	954,899	67,765	1,022,664	472,036
Quincy Veterans' Home Fund - 0619	24,657,300	18,307,110	2,739,214	21,046,324	3,610,976
Illinois Military Family Relief Fund - 0725	250,000	9,000	-	9,000	241,000
Veterans' Affairs Federal Projects Fund - 0897	341,100	295,027	9,031	304,058	37,042
Manteno Veterans' Home Fund - 0980	21,109,100	15,154,197	2,455,580	17,609,777	3,499,323
Total Appropriated Funds	<u>\$ 140,240,350</u>	<u>\$ 112,577,941</u>	<u>\$ 8,317,996</u>	<u>\$ 120,895,937</u>	<u>\$ 19,344,413</u>
Non-Appropriated Funds					
Veterans' Affairs State Projects Fund - 0501		\$ 39,555	\$ 1,300	\$ 40,855	
Veterans' Affairs Library Grant Fund - 0775		33,302	16,698	50,000	
Total Non-Appropriated Funds		<u>\$ 72,857</u>	<u>\$ 17,998</u>	<u>\$ 90,855</u>	
Grand Total All Funds		<u>\$ 112,650,798</u>	<u>\$ 8,335,994</u>	<u>\$ 120,986,792</u>	

Note: The expenditure amounts are taken directly from the records of the State Comptroller and were reconciled with Department records. The expenditure amounts are vouchers approved for payment by the Department 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 - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered Expenditures		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
<u>General Revenue Fund - 0001</u>			
<u>Central Office (Division 01)</u>			
Appropriations (net of transfers)	\$ 9,431,100	\$ 7,574,250	\$ 68,265,300
Expenditures			
Court ordered operational expenses	7,985,818	-	-
Personal services	-	3,433,406	-
State contribution to Social Security	-	252,074	-
Contractual services	-	524,184	-
Travel	-	22,079	-
Commodities	-	5,480	-
Printing	-	4,639	-
Equipment	-	32,072	-
Electronic data processing	-	649,990	-
Telecommunications services	-	82,306	-
Operation of automotive equipment	-	6,003	-
Operational expenses	-	-	67,153,020
Illinois Warrior Assistance Program	-	150,331	-
Deposit to Illinois Veterans' Assistance Fund	-	1,344,100	-
Grant for bonus payments to War Veterans and Peacetime Crisis Survivors	-	171,200	166,400
Grant For Providing Educational Opportunities for Children of Certain Veterans, as provided by law	-	39,250	40,750
Grant for Cartage and Erection of Veterans' Headstones	-	240,950	240,950
Total expenditures	<u>7,985,818</u>	<u>6,958,064</u>	<u>67,601,120</u>
Lapsed balances	<u>\$ 1,445,282</u>	<u>\$ 616,186</u>	<u>\$ 664,180</u>
<u>Veterans' Field Office (Division 15)</u>			
Appropriations (net of transfers)	\$ -	\$ 5,277,300	\$ -
Expenditures			
Personal services	-	4,386,249	-
State contribution to Social Security	-	321,384	-
Contractual services	-	260,859	-
Travel	-	71,290	-
Commodities	-	7,548	-
Printing	-	10,761	-
Equipment	-	2,450	-
Telecommunications services	-	121,786	-
Operation of automotive equipment	-	9,098	-
Total expenditures	<u>-</u>	<u>5,191,425</u>	<u>-</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 85,875</u>	<u>\$ -</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0409		
	P.A. 099-0491		
	P.A. 099-0524		
	Court-Ordered	P.A. 98-0680	
	Expenditures	P.A. 99-0001	P.A. 98-0027
<i>Anna Veterans' Home (Division 18)</i>			
Appropriations (net of transfers)	\$ -	\$ 3,747,700	\$ -
Expenditures			
Personal services	-	3,065,368	-
State contribution to Social Security	-	225,480	-
Total expenditures	-	3,290,848	-
Lapsed balances	\$ -	\$ 456,852	\$ -
<i>Quincy Veterans' Home (Division 20)</i>			
Appropriations (net of transfers)	\$ -	\$ 24,860,800	\$ -
Expenditures			
Personal services	-	22,364,086	-
State contribution to Social Security	-	1,624,709	-
Contractual services	-	161,460	-
Total expenditures	-	24,150,255	-
Lapsed balances	\$ -	\$ 710,545	\$ -
<i>LaSalle Veterans' Home (Division 23)</i>			
Appropriations (net of transfers)	\$ -	\$ 9,762,600	\$ -
Expenditures			
Personal services	-	8,989,939	-
State contribution to Social Security	-	659,518	-
Total expenditures	-	9,649,457	-
Lapsed balances	\$ -	\$ 113,143	\$ -
<i>Manteno Veterans' Home (Division 25)</i>			
Appropriations (net of transfers)	\$ -	\$ 16,856,300	\$ -
Expenditures			
Personal services	-	14,631,377	-
State contribution to Social Security	-	1,057,341	-
Operation of a program for homeless veterans at the Manteno Veterans' Home	-	596,219	-
Total expenditures	-	16,284,937	-
Lapsed balances	\$ -	\$ 571,363	\$ -

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0409		
	P.A. 099-0491		
	P.A. 099-0524		
	Court-Ordered	P.A. 98-0680	
	Expenditures	P.A. 99-0001	P.A. 98-0027
<i>State Veterans' Homes (Division 40)</i>			
Appropriations (net of transfers)	\$ 50,318,359	\$ -	\$ -
Expenditures			
Court ordered operational expenses	50,180,973	-	-
Total expenditures	50,180,973	-	-
Lapsed balances	\$ 137,386	\$ -	\$ -
<u>Illinois Veterans' Home Fund - 0102</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ -	\$ -	\$ 150,000
Expenditures			
Lump sums and other purposes to enhance the operations of veterans' homes in Illinois	-	-	125,026
Total expenditures	-	-	125,026
Lapsed balances	\$ -	\$ -	\$ 24,974
<u>Illinois Veterans' Assistance Fund - 0236</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ 8,300,000	\$ 8,300,000	\$ 8,300,000
Expenditures			
Grants for funding additional services, or conducting additional research projects relating to veterans' post-traumatic stress disorder; veterans' homelessness; the health insurance cost of veterans; veterans' disability	982,096	2,032,071	1,703,849
Total expenditures	982,096	2,032,071	1,703,849
Lapsed balances	\$ 7,317,904	\$ 6,267,929	\$ 6,596,151

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered Expenditures		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
<u>LaSalle Veterans' Home Fund - 0272</u> <u>LaSalle Veterans' Home (Division 23)</u>			
Appropriations (net of transfers)	\$ 17,068,000	\$ 12,136,500	\$ 12,091,500
Expenditures			
Personal services	5,146,793	4,548,288	3,260,989
State contributions to state employees' Retirement System	2,347,585	1,926,308	1,314,983
State contribution to Social Security	377,270	333,789	239,211
Contractual services	1,936,310	1,830,476	1,744,685
Travel	673	10,713	4,260
Commodities	1,404,758	1,218,810	1,125,409
Printing	12,264	12,017	9,217
Equipment	31,655	107,511	62,362
Electronic data processing	139,758	6,442	12,767
Telecommunications services	58,142	51,752	50,826
Operation of automotive equipment	8,373	11,300	13,154
Permanent improvements	23,003	22,434	9,820
Refunds	19,811	38,692	45,620
Total expenditures	<u>11,506,395</u>	<u>10,118,532</u>	<u>7,893,303</u>
Lapsed balances	<u>\$ 5,561,605</u>	<u>\$ 2,017,968</u>	<u>\$ 4,198,197</u>
<u>Anna Veterans' Home Fund - 0273</u> <u>Anna Veterans' Home (Division 18)</u>			
Appropriations (net of transfers)	\$ 5,928,700	\$ 3,649,700	\$ 2,882,800
Expenditures			
Personal services	1,476,782	1,258,890	-
State contributions to state employees' Retirement System	673,728	534,159	-
State contribution to Social Security	108,495	92,757	-
Contractual services	686,465	686,938	670,392
Travel	1,449	2,478	11,316
Commodities	389,278	384,767	352,730
Printing	2,025	3,596	2,847
Equipment	10,550	13,180	13,577
Electronic data processing	44,107	4,997	11,685
Telecommunications services	17,652	20,611	17,023
Operation of automotive equipment	3,548	9,923	9,235
Permanent improvements	8,746	9,943	9,360
Refunds	2,478	41,286	30,144
Total expenditures	<u>3,425,303</u>	<u>3,063,525</u>	<u>1,128,309</u>
Lapsed balances	<u>\$ 2,503,397</u>	<u>\$ 586,175</u>	<u>\$ 1,754,491</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered Expenditures		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
<u>Illinois Affordable Housing Trust Fund - 0286</u>			
<i>Central Office (Division 01)</i>			
Appropriations (net of transfers)	\$ 223,000	\$ 223,000	\$ 223,000
Expenditures			
Lump sums and other purposes for specially adapted housing for veterans	210,167	165,000	178,625
Total expenditures	<u>210,167</u>	<u>165,000</u>	<u>178,625</u>
Lapsed balances	<u>\$ 12,833</u>	<u>\$ 58,000</u>	<u>\$ 44,375</u>
<u>GI Education Fund - 0447</u>			
<i>State Approving Agency (Division 30)</i>			
Appropriations (net of transfers)	\$ 1,267,300	\$ 1,494,700	\$ 1,567,200
Expenditures			
Personal services	524,880	556,999	626,714
State contributions to state employees' Retirement System	239,449	235,922	252,972
State contribution to Social Security	38,983	41,025	46,211
Employer contribution to group insurance	92,803	87,859	129,696
Contractual services	28,538	36,123	38,442
Travel	11,055	20,004	20,233
Commodities	1,350	1,512	1,062
Printing	404	65	2,589
Equipment	24,600	17,621	3,912
Electronic data processing	3,346	3,504	11,192
Telecommunications services	11,484	10,193	11,012
Operation of automotive equipment	10,475	11,837	15,365
Total expenditures	<u>987,367</u>	<u>1,022,664</u>	<u>1,159,400</u>
Lapsed balances	<u>\$ 279,933</u>	<u>\$ 472,036</u>	<u>\$ 407,800</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered Expenditures		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
<u>Quincy Veterans' Home Fund - 0619</u> <u>Quincy Veterans' Home (Division 20)</u>			
Appropriations (net of transfers)	\$ 29,721,800	\$ 24,657,300	\$ 23,122,500
Expenditures			
Personal services	9,819,484	9,054,661	7,253,757
For member compensation	19,628	26,707	17,284
State contributions to state employees' Retirement System	4,484,863	3,840,686	2,928,959
State contribution to Social Security	719,369	662,301	530,974
Contractual services	3,556,125	2,547,946	2,656,861
Travel	1,570	4,140	2,132
Commodities	4,572,861	4,566,713	4,424,808
Printing	27,594	27,394	21,019
Equipment	38,842	76,653	106,068
Electronic data processing	275,935	16,268	40,774
Telecommunications services	137,997	109,589	99,135
Operation of automotive equipment	42,633	33,267	50,983
Permanent improvements	6,570	19,550	13,957
Refunds	62,632	60,449	126,639
Total expenditures	<u>23,766,103</u>	<u>21,046,324</u>	<u>18,273,350</u>
Lapsed balances	<u>\$ 5,955,697</u>	<u>\$ 3,610,976</u>	<u>\$ 4,849,150</u>
<u>Roadside Memorial Fund - 0697</u> <u>Central Office (Division 01)</u>			
Appropriations (net of transfers)	\$ 425,000	\$ -	\$ -
Expenditures			
Lump sums and other purposes for specially adapted housing for veterans	421,073	-	-
Total expenditures	<u>421,073</u>	<u>-</u>	<u>-</u>
Lapsed balances	<u>\$ 3,927</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Illinois Military Family Relief Fund - 0725</u> <u>Central Office (Division 01)</u>			
Appropriations (net of transfers)	\$ 250,000	\$ 250,000	\$ 250,000
Expenditures			
Lump sums and other purposes for specially adapted housing for veterans	-	9,000	-
Total expenditures	<u>-</u>	<u>9,000</u>	<u>-</u>
Lapsed balances	<u>\$ 250,000</u>	<u>\$ 241,000</u>	<u>\$ 250,000</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered Expenditures		P.A. 98-0680 P.A. 99-0001	P.A. 98-0027
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
<u>Manteno Veterans' Home (Division 25)</u>			
Appropriations (net of transfers)	\$ 125,000	\$ 125,000	\$ 125,000
Expenditures			
Operation of a program for homeless veterans at the Manteno Veterans' Home	29,057	109,925	113,709
Total expenditures	29,057	109,925	113,709
Lapsed balances	\$ 95,943	\$ 15,075	\$ 11,291
<u>State Approving Agency (Division 30)</u>			
Appropriations (net of transfers)	\$ 220,500	\$ 216,100	\$ 223,200
Expenditures			
Troops to Teachers Program	168,030	194,133	161,666
Total expenditures	168,030	194,133	161,666
Lapsed balances	\$ 52,470	\$ 21,967	\$ 61,534
<u>Manteno Veterans' Home Fund - 0980</u>			
<u>Manteno Veterans' Home (Division 25)</u>			
Appropriations (net of transfers)	\$ 23,776,200	\$ 21,109,100	\$ 19,732,100
Expenditures			
Personal services	7,392,346	6,921,432	5,622,031
For member compensation	19,208	23,719	23,925
State contributions to state employees' Retirement System	3,373,135	2,932,271	2,270,778
State contribution to Social Security	540,248	506,312	410,589
Contractual services	5,201,282	5,060,298	5,856,479
Travel	3,749	4,222	6,926
Commodities	1,627,122	1,618,919	1,116,955
Printing	15,037	14,969	17,550
Equipment	224,038	271,994	246,329
Electronic data processing	207,469	19,991	32,340
Telecommunications services	109,776	99,002	92,386
Operation of automotive equipment	40,081	42,589	56,663
Operation of a program for homeless veterans at the Manteno Veterans' Home	26,230	5,300	15,464
Permanent improvements	28,656	37,900	35,246
Refunds	41,605	50,859	83,655
Total expenditures	18,849,982	17,609,777	15,887,316
Lapsed balances	\$ 4,926,218	\$ 3,499,323	\$ 3,844,784

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered		P.A. 98-0680	
Expenditures		P.A. 99-0001	P.A. 98-0027
<u>NON-APPROPRIATED FUNDS</u>			
<u>Veterans' Affairs State Projects Fund - 0501</u>			
<i>Central Office (Division 01)</i>			
Expenditures			
Licensing qualifying veterans	\$ 8,920	\$ 40,855	\$ 6,945
Total expenditures	<u>\$ 8,920</u>	<u>\$ 40,855</u>	<u>\$ 6,945</u>
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
<i>Anna Veterans' Home (Division 18)</i>			
Expenditures			
Library expenses grant	\$ 3,500	\$ 6,513	\$ 2,612
Total expenditures	<u>\$ 3,500</u>	<u>\$ 6,513</u>	<u>\$ 2,612</u>
<i>Quincy Veterans' Home (Division 20)</i>			
Expenditures			
Library expenses grant	\$ 16,500	\$ 20,125	\$ 19,276
Total expenditures	<u>\$ 16,500</u>	<u>\$ 20,125</u>	<u>\$ 19,276</u>
<i>LaSalle Veterans' Home (Division 23)</i>			
Expenditures			
Library expenses grant	\$ 16,269	\$ 13,175	\$ 15,606
Total expenditures	<u>\$ 16,269</u>	<u>\$ 13,175</u>	<u>\$ 15,606</u>
<i>Manteno Veterans' Home (Division 25)</i>			
Expenditures			
Library expenses grant	\$ 9,000	\$ 10,187	\$ 12,506
Total expenditures	<u>\$ 9,000</u>	<u>\$ 10,187</u>	<u>\$ 12,506</u>
TOTAL NON-APPROPRIATED FUNDS EXPENDITURES	<u>\$ 54,189</u>	<u>\$ 90,855</u>	<u>\$ 56,945</u>
GRAND TOTAL ALL FUNDS EXPENDITURES	<u>\$ 118,566,553</u>	<u>\$ 120,986,792</u>	<u>\$ 114,282,618</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY OBJECT**
For the Fiscal Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered		P.A. 98-0680	
Expenditures		P.A. 99-0001	P.A. 98-0027

**SALARY OF DEPARTMENT OFFICIALS AS REPORTED WITHIN THE
COMPTROLLER'S STATE OFFICERS APPROPRIATION:**

Salary of the Director	\$ 115,613	\$ 104,130	\$ 115,613
Salary of the Assistant Director	98,543	29,765	98,543
Total Expenditures-Salary of State Officers	\$ 214,156	\$ 133,895	\$ 214,156

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records, and have been reconciled to Department records. The expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor.

Note 2: The Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Department never received enacted personal services appropriations for Fund 0001, the Department was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during fiscal year 2016.

Note 3: During fiscal year 2016, the Department operated without enacted appropriations until Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524 were signed into law on August 20, 2015, December 9, 2015 and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Department's court-ordered payroll payments were merged into the enacted appropriation for Fund 0272, Fund 0273, Fund 0447, Fund 0619, Fund 0897, and Fund 0980. Further, the Department incurred non-payroll obligations within Fund 0236, Fund 0272, Fund 0273, Fund 0286, Fund 0447, Fund 0619, Fund 0697, Fund 0897, and Fund 0980, which the Department was unable to pay until the passage of Public Act 99-0409, Public Act 99-0491, and Public Act 99-0524.

Note 4: Public Act 99-524 authorizes the Department to pay fiscal year 2016 costs using its fiscal year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report, at page 70, includes information from Department management about the number of invoices and the total dollar amount of invoices held by the Department to be submitted against its fiscal year 2017 appropriation.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES - BY FUND**

For the Fiscal Years Ended June 30, 2016, 2015 and 2014

	Fiscal Year		
	2016	2015	2014
P.A. 099-0409			
P.A. 099-0491			
P.A. 099-0524			
Court-Ordered		P.A. 98-0680	
Expenditures		P.A. 99-0001	P.A. 98-0027
APPROPRIATED FUNDS			
Appropriations (net of transfers)	\$ 147,054,959	\$ 140,240,350	\$ 136,932,600
Expenditures			
General Revenue Fund - 0001	58,166,791	65,524,986	67,601,120
Illinois Veterans' Homes Fund - 0102	-	-	125,026
Illinois Veterans' Assistance Fund - 0236	982,096	2,032,071	1,703,849
LaSalle Veterans' Home Fund - 0272	11,506,395	10,118,532	7,893,303
Anna Veterans' Home Fund - 0273	3,425,303	3,063,525	1,128,309
Illinois Affordable Housing Trust Fund - 0286	210,167	165,000	178,625
GI Education Fund - 0447	987,367	1,022,664	1,159,400
Quincy Veterans' Home Fund - 0619	23,766,103	21,046,324	18,273,350
Roadside Memorial Fund - 0697	421,073	-	-
Illinois Military Family Relief Fund - 0725	-	9,000	-
Veterans' Affairs Federal Projects Fund - 0897	197,087	304,058	275,375
Manteno Veterans' Home Fund - 0980	18,849,982	17,609,777	15,887,316
Total expenditures - appropriated funds	118,512,364	120,895,937	114,225,673
Total lapsed balances	\$ 28,542,595	\$ 19,344,413	\$ 22,706,927
NON-APPROPRIATED FUNDS			
Expenditures			
Veterans' Affairs State Projects Fund - 0501	\$ 8,920	\$ 40,855	\$ 6,945
Veterans' Affairs Library Grant Fund - 0775	45,269	50,000	50,000
Total expenditures - non-appropriated funds	\$ 54,189	\$ 90,855	\$ 56,945
Total expenditures all funds	\$ 118,566,553	\$ 120,986,792	\$ 114,282,618

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

Schedule 5

For the Year Ended June 30, 2016

Fund Number	Fund Name	Cash Balance July 1, 2015	Receipts	Disbursements	Cash Balance June 30, 2016
1311	Anna Clearing Account	\$ -	\$ 746,755	\$ 746,755	\$ -
1339	Benefits Trust Fund - Anna	23,801	30,443	34,973	19,271
1348	Members' Trust Fund - Anna	110,540	727,382	737,248	100,674
1261	Residents' Benefit Fund - LaSalle	297,157	157,327	100,303	354,181
1260	Residents' Trust Fund - LaSalle	491,779	3,735,903	3,705,920	521,762
1317	LaSalle Clearing Account	-	3,422,174	3,422,166	8
1219	Benefits Trust Fund - Manteno	685,937	196,881	195,523	687,295
1220	Members' Trust Fund - Manteno	1,034,927	6,209,580	6,104,579	1,139,928
1318	Manteno Clearing Account	5	6,313,022	6,313,016	11
1397	Benefits Trust Fund - Prince Homeless Program	23,931	16,867	12,392	28,406
1399	Members' Trust Fund - Prince Homeless Program	-	-	-	-
1152	Benefits Trust Fund - Quincy	294,452	212,889	147,651	359,690
1158	Protestant Chapel Fund - Quincy	41,970	4,820	7,685	39,105
1159	St. Lawrence Chapel Fund - Quincy	28,701	8,798	7,107	30,392
1246	Members' Trust Fund - Quincy	2,091,220	7,922,636	8,180,489	1,833,367
1316	Quincy Clearing Account	-	7,215,750	7,215,750	-
Total Locally Held Funds		<u>\$ 5,124,420</u>	<u>\$ 36,921,227</u>	<u>\$ 36,931,557</u>	<u>\$ 5,114,090</u>

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

Schedule 6

For the Year Ended June 30, 2015

Fund Number	Fund Name	Cash Balance July 1, 2014	Receipts	Disbursements	Cash Balance June 30, 2015
1311	Anna Clearing Account	\$ -	\$ 776,624	\$ 776,624	\$ -
1339	Benefits Trust Fund - Anna	26,191	50,262	52,652	23,801
1348	Members' Trust Fund - Anna	40,600	883,548	813,608	110,540
1261	Residents' Benefit Fund - LaSalle	268,414	106,466	77,723	297,157
1260	Residents' Trust Fund - LaSalle	348,904	3,637,226	3,494,351	491,779
1317	LaSalle Clearing Account	-	3,044,434	3,044,434	-
1219	Benefits Trust Fund - Manteno	650,962	199,926	164,951	685,937
1220	Members' Trust Fund - Manteno	994,066 (1)	5,368,621	5,327,760	1,034,927
1318	Manteno Clearing Account	7	5,495,901	5,495,903	5
1397	Benefits Trust Fund - Prince Homeless Program	15,246	16,812	8,127	23,931
1399	Members' Trust Fund - Prince Homeless Program	32,214	5,876	38,090	-
1152	Benefits Trust Fund - Quincy	308,585	152,114	166,247	294,452
1158	Protestant Chapel Fund - Quincy	40,338	9,779	8,147	41,970
1159	St. Lawrence Chapel Fund - Quincy	29,012	10,320	10,631	28,701
1246	Members' Trust Fund - Quincy	2,187,650	7,882,573	7,979,003	2,091,220
1316	Quincy Clearing Account	105	7,350,539	7,350,644	-
Total Locally Held Funds		<u>\$ 4,942,294</u>	<u>\$ 34,991,021</u>	<u>\$ 34,808,895</u>	<u>\$ 5,124,420</u>

(1) Per review of the Department's C-17 for the period ended June 30, 2014, we noted the balance for this account was \$994,076. The fiscal year 2013 and 2014 compliance report showed a balance of \$994,066. The cash balance reported as of July 1, 2014 was revised to match the balance shown on the prior compliance examination report.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2015 and 2016

Schedule 7

	<u>Land</u>	<u>Site Improvements</u>	<u>Building</u>	<u>Equipment</u>	<u>Construction in Progress</u>	<u>Total</u>
*Balance at July 1, 2014	\$ 911,541	\$ 7,857,136	\$ 118,272,206	\$ 16,583,057	\$ -	\$ 143,623,940
Additions	-	36,850	53,090	967,258	-	1,057,198
Deletions	-	-	26,510	106,282	-	132,792
Net Transfers	<u>-</u>	<u>-</u>	<u>879,381</u>	<u>(582,904)</u>	<u>-</u>	<u>296,477</u>
Balance at June 30, 2015	<u>\$ 911,541</u>	<u>\$ 7,893,986</u>	<u>\$ 119,178,167</u>	<u>\$ 16,861,129</u>	<u>\$ -</u>	<u>\$ 144,844,823</u>
Balance at July 1, 2015	\$ 911,541	\$ 7,893,986	\$ 119,178,167	\$ 16,861,129	\$ -	\$ 144,844,823
Additions	-	28,656	17,229	681,035	-	726,920
Deletions	-	-	-	454,239	-	454,239
Net Transfers	<u>-</u>	<u>-</u>	<u>10,652</u>	<u>(820,364)</u>	<u>-</u>	<u>(809,712)</u>
Balance at June 30, 2016	<u>\$ 911,541</u>	<u>\$ 7,922,642</u>	<u>\$ 119,206,048</u>	<u>\$ 16,267,561</u>	<u>\$ -</u>	<u>\$ 144,307,792</u>

*Note: The Schedule of Changes in State Property was prepared from the fiscal year 2015 and 2016 C-15s. The Department did not revise its June 30, 2014 C-15 for Finding No. 2014-001 included in the fiscal year 2013 and 2014 compliance examination report. As a result, the total State Property per the fiscal year 2013 and 2014 compliance examination report exceeded the beginning balance on this report by \$16,112.

**Note: The Department reported \$414,874 and \$348,869 in lost or stolen equipment in fiscal years 2015 and 2016, respectively. This schedule has not been updated for these items.

***Note: The schedule was not updated for issues noted in Finding No. 2016-001.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
<u>General Revenue Fund - 0001</u>			
Central Office miscellaneous receipts	\$ 16	\$ 38	\$ 17
Manteno Veterans' Home miscellaneous receipts	487	509	393
Quincy Veterans' Home miscellaneous receipts	628	221	142
LaSalle Veterans' Home miscellaneous receipts	-	54	166
Anna Veterans' Home miscellaneous receipts	-	149	-
Field services	75	11	2,276
Repayment to State	-	-	500
	<hr/>	<hr/>	<hr/>
Total Fund - 0001	<u>\$ 1,206</u>	<u>\$ 982</u>	<u>\$ 3,494</u>
<u>Illinois Veterans' Assistance Fund - 0236</u>			
Grantee interest income	\$ -	\$ 1,344,100	\$ -
Private organization or individual donation	251	1,137	6,735
	<hr/>	<hr/>	<hr/>
Total Fund - 0236	<u>\$ 251</u>	<u>\$ 1,345,237</u>	<u>\$ 6,735</u>
<u>LaSalle Veterans' Home Fund - 0272</u>			
Third party liability (medical reimbursements)	\$ 9,488	\$ 2,686	\$ 9,521
Health & Human Services (Medicare)	36,611	33,156	55,235
VA reimbursements	7,543,718	7,392,012	7,128,928
Copy fees	114	-	356
Patient fees (members maintenance)	3,356,622	3,271,954	3,090,717
Miscellaneous	57	140	-
Rental income property	18,000	12,000	-
Repayment to State/jury duty	270	104	-
Meal tickets	1,065	975	820
	<hr/>	<hr/>	<hr/>
Total Fund - 0272	<u>\$ 10,965,945</u>	<u>\$ 10,713,027</u>	<u>\$ 10,285,577</u>
<u>Anna Veterans' Home Fund - 0273</u>			
Home Fund - third party insurance	\$ 3,867	\$ 491	\$ 313
Patient Medicare	6,959	3,798	4,302
VA reimbursements	3,072,520	3,031,719	2,283,640
Copy fees	-	327	-
Patient fees (members maintenance)	687,995	764,839	831,778
Miscellaneous	42,840	292	4,675
Private organization or individual donation	3,521	4,028	3,232
Rental income-property	1,529	2,200	-
Jury duty	25	1	110
	<hr/>	<hr/>	<hr/>
Total Fund - 0273	<u>\$ 3,819,256</u>	<u>\$ 3,807,695</u>	<u>\$ 3,128,050</u>
<u>GI Education Fund - 0447</u>			
VA reimbursements	\$ 1,128,532	\$ 993,611	\$ 1,597,354
Jury duty reimbursements	25	-	-
	<hr/>	<hr/>	<hr/>
Total Fund - 0447	<u>\$ 1,128,557</u>	<u>\$ 993,611</u>	<u>\$ 1,597,354</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30, 2016, 2015, and 2014

	Fiscal Year		
	2016	2015	2014
<u>Veterans' Affairs State Projects Fund - 0501</u>			
Private organizations or individuals	\$ 8,920	\$ 29,300	\$ 18,500
Total Fund - 0501	<u>\$ 8,920</u>	<u>\$ 29,300</u>	<u>\$ 18,500</u>
<u>Quincy Veterans' Home Fund - 0619</u>			
Insurance reimbursements	\$ 106,501	\$ 109,710	\$ -
Health and Human Services (Medicare)	388,634	484,219	542,320
VA reimbursements	14,015,126	14,620,689	14,000,091
Copy fees	1,414	1,067	547
Patient fees (members maintenance)	6,677,822	6,717,496	6,881,261
Miscellaneous	5,697	3,488	2,331
Third party liability (medical reimbursements)	-	-	101,205
Rental income - miscellaneous	-	-	19,557
Rental income - property	29,993	30,342	5,515
Repayment to State/jury duty	111	20	-
Jury duty and personal phone calls employees	-	67	23
Shipping charges	62	139	95
Private organization or individual donation	4,888	3,935	3,945
Outdated drugs	-	-	39
Total Fund - 0619	<u>\$ 21,230,248</u>	<u>\$ 21,971,172</u>	<u>\$ 21,556,929</u>
<u>Veterans' Affairs Library Grant Fund - 0775</u>			
Secretary of State receipts	\$ 45,269	\$ 50,000	\$ 50,000
Total Fund - 0775	<u>\$ 45,269</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<u>Veterans' Affairs Federal Projects Fund - 0897</u>			
Department of Defense receipts	\$ 147,659	\$ 170,460	\$ 177,025
Housing and Urban Development receipts	72,341	98,065	122,189
Total Fund - 0897	<u>\$ 220,000</u>	<u>\$ 268,525</u>	<u>\$ 299,214</u>
<u>Manteno Veterans' Home Fund - 0980</u>			
Insurance claims reimbursement	\$ 81,835	\$ 66,873	\$ -
Health & Human Services (Medicare)	281,311	250,683	267,097
VA reimbursements	11,971,717	11,970,036	11,858,170
Copy fees	2,969	-	-
Patient fees (Members maintenance)	5,841,449	5,100,382	4,804,553
Miscellaneous	15,478	198	-
Private organization individual receipts	-	172	95,985
Third party liability (medical reimbursements)	-	-	53,920
Property income	57,371	73,293	-
Jury duty reimbursements	149	114	49
Outdated drugs	31,967	4,066	-
Total Fund - 0980	<u>\$ 18,284,246</u>	<u>\$ 17,465,817</u>	<u>\$ 17,079,774</u>
Total All Funds	<u>\$ 55,703,898</u>	<u>\$ 56,645,366</u>	<u>\$ 54,025,627</u>

STATE OF ILLINOIS
 DEPARTMENT OF VETERANS' AFFAIRS
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 For the Year Ended June 30, 2016

Fund	Receipts per Department Records	Deposits in-transit		Deposits in the Wrong Fund *	Receipts per Comptroller's Records
		Plus Deposits in Transit Beginning of Year	Less Deposits in Transit End of Year		
General Revenue Fund - 0001	\$ 1,206	\$ -	\$ -	\$ -	\$ 1,206
Illinois Veterans' Assistance Fund - 0236	251	-	-	-	251
LaSalle Veterans' Home Fund - 0272	10,965,945	9,784	555,310	(269,172)	10,151,247
Anna Veterans' Home Fund - 0273	3,819,256	4,890	3,828	269,172	4,089,490
GI Education Fund - 0447	1,128,557	-	-	-	1,128,557
Veterans' Affairs State Projects Fund - 0501	8,920	-	-	-	8,920
Quincy Veterans' Home Fund - 0619	21,230,248	120,302	31,584	-	21,318,966
Veterans' Affairs Library Grant Fund - 0775	45,269	-	-	-	45,269
Veterans' Affairs Federal Projects Fund - 0897	220,000	-	-	-	220,000
Manteno Veterans' Home Fund - 0980	18,284,246	57,914	44,150	-	18,298,010
Total All Funds	\$ 55,703,898	\$ 192,890	\$ 634,872	\$ -	\$ 55,261,916

* See Finding No. 2016-005 for discussion about the Department's deposits into the incorrect fund and failure to identify the error for several months because it did not perform timely reconciliations during the engagement period.

STATE OF ILLINOIS
 DEPARTMENT OF VETERANS' AFFAIRS
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER
 For the Year Ended June 30, 2015

Fund	Receipts per Department Records	Deposits in-transit		Receipts per Comptroller Records
		Plus Deposits in Transit Beginning of Year	Less Deposits in Transit End of Year	
General Revenue Fund - 0001	\$ 982	\$ -	\$ -	\$ 982
Illinois Veterans' Assistance Fund - 0236	1,345,237	200	-	1,345,437
LaSalle Veterans' Home Fund - 0272	10,713,027	6,573	9,784	10,709,816
Anna Veterans' Home Fund - 0273	3,807,695	1,375	4,890	3,804,180
GI Education Fund - 0447	993,611	-	-	993,611
Veterans' Affairs State Projects Fund - 0501	29,300	-	-	29,300
Quincy Veterans' Home Fund - 0619	21,971,172	78,213	120,302	21,929,083
Veterans' Affairs Library Grant Fund - 0775	50,000	-	-	50,000
Veterans' Affairs Federal Project Fund - 0897	268,525	-	-	268,525
Manteno Veterans' Home Fund - 0980	17,465,817	25,999	57,914	17,433,902
Total All Funds	\$ 56,645,366	\$ 112,360	\$ 192,890	\$ 56,564,836

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

Schedule 11

The Illinois Department of Veterans' Affairs (Department) explanations for significant fluctuations in expenditures as presented in the Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances - by Object (Schedule 3) are detailed below. For the purpose of this analysis, a significant fluctuation is defined as a variation that equaled or exceeded \$20,000 and 20% as compared to the prior year.

During fiscal year 2014, the General Assembly allocated large General Revenue Fund lump sums to the Department's Central Office rather than allocating to individual line item appropriations. Personal services lines were appropriated Department-wide in fiscal years 2014. Non-personal services lines were appropriated as an operations expenses lump sums in fiscal year 2014. In fiscal years 2015 and 2016 appropriations were allocated to individual line items. Appropriations were not consistently provided among fiscal years.

During fiscal year 2016, the General Assembly approved Public Act 99-0001 (Public Act) that enacted a supplemental appropriation that affected the Department's appropriation lines. Several appropriations from the General Revenue Fund were reduced or transferred to another appropriation by this Public Act. The Central Office held only court ordered operational expenses which would include personnel services if not covered by Home funds. The Veterans' Field Offices held no appropriations due to the Public Act.

The explanations that follow are for the fluctuations that, for the most part, were not due to the change in the way the funds were appropriated.

General Revenue Fund - 0001

State Veterans' Homes

Expenditures increased from fiscal year 2015 to fiscal year 2016 because the court ordered operational expenditures designated by the Circuit Court of St. Clair County were made from this appropriation. There were no such payments made in fiscal year 2015.

Illinois Veterans' Home Fund - 0102

Central Office

Expenditures decreased from fiscal year 2014 to 2015 due to the fund receiving appropriations in 2014, but not in fiscal year 2015.

Illinois Veterans' Assistance Fund - 0236

Central Office

A transfer of funds from the General Revenue Fund was received in fiscal year 2015 allowing for an increase in expenditures for veterans' medical claims. This transfer did not occur in fiscal year 2016.

LaSalle Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. During fiscal year 2015, the Department made more personal services payments out of the LaSalle Veterans' Home Fund than in fiscal year 2014 due to the manner in which the funding was made available for this purpose. The increase in personal services also caused an increase to contributions to State employees' retirement and social security.

During fiscal year 2015, equipment purchases increased from fiscal year 2014 due to a larger appropriation resulting in higher spending. Fiscal year 2016 spending on equipment decreased due to uncertainties of funding caused by the budget impasse.

Anna Veterans' Home Fund - 0273

Anna Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. During fiscal year 2015, the Department made more personal services payments out of the Anna Veterans' Home Fund than in fiscal year 2014 due to the manner in which the funding was made available for this purpose. The increase in personal services also caused an increase to contributions to State employees' retirement and social security.

The Anna Veterans' Home electronic data processing expenditures increased in fiscal year 2016 due to the Department's implementation of the Enterprise Resource Planning (ERP) system. Each home was allocated a portion of these payments.

The fluctuation in refunds during fiscal years 2014, 2015 and 2016 is due to residents paying monthly maintenance fees in advance. Refunds are generated upon the death of a resident for the amount of days remaining in the month.

Illinois Affordable Housing Trust Fund - 0286

Central Office

The lump sums and other purposes for specially adapted housing for veterans from the Illinois Affordable Housing Trust Fund allows the Department to pay for specially adapted housing grants to eligible veterans. The fluctuation each year is dependent upon the number and timing of claims submitted. In fiscal year 2015, the number of grants issued decreased from fiscal year 2014 causing a decrease in expenditures. There was a large increase in grant payments from fiscal year 2015 to fiscal year 2016 as requests for assistance increased causing an increase in expenditures.

State Approving Agency

Group insurance is directly related to personnel assigned to the fund. Fiscal year 2014 had significantly more personnel assigned to the fund than in fiscal year 2015, resulting in a decrease of group insurance expenditures in fiscal year 2015.

Quincy Veterans' Home Fund - 0619

Quincy Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. During fiscal year 2015, the Department made more personal services payments out of the Quincy Veterans' Home Fund than in fiscal year 2014 due to the manner in which the funding was made available for this purpose. The increase in personal services also caused an increase to contributions to State employees' retirement and social security.

During fiscal year 2014, equipment purchased increased due to several large equipment purchases, yet fiscal years 2015 and 2016 had decreases in equipment spending due to the uncertainties of funding.

Contractual service expenditures increased in fiscal year 2016 due to water problems incurred at the home that did not occur in 2015.

Telecommunications expenditures increased in fiscal year 2016 due to rate increases.

The electronic data processing expenditures also fluctuated between years due to a special project in fiscal year 2014 resulting in larger electronic data processing expenses compared to fiscal year 2015. The Quincy Veterans' Home electronic data processing expenditures increased in fiscal year 2016 due to the Department's implementation of the ERP system during fiscal year 2016. Each home was allocated a portion of these payments.

Uncertainties in funding led to a decrease in permanent improvement expenditures in fiscal year 2016 from fiscal year 2015.

The fluctuation in refunds during fiscal years 2014, 2015 and 2016 is due to resident's paying monthly maintenance fees in advance. Refunds are generated upon the death of a resident for the amount of days remaining in the month. It is not possible to estimate this annual expense and fluctuations are expected.

Roadside Memorial Fund - 0697

Central Office

Fiscal year 2016 was the first time the Department received appropriations for this fund.

Manteno Veterans' Home

Fiscal year 2016 expenditures for the operation of a program for homeless veterans decreased at the Prince location due to fewer services being offered.

Manteno Veterans' Home Fund - 0980

Manteno Veterans' Home

Employees working at the Department's Veterans' Homes are paid from the Homes Funds or the General Revenue Fund, depending on how the funding is appropriated. During fiscal year 2015, the Department made more personal services payments out of the Manteno Veterans' Home Fund than in fiscal year 2014 due to the manner in which the funding was made available for this purpose. The increase in personal services also caused an increase to contributions to State employees' retirement and social security.

Commodity expenditures were lower in fiscal year 2014 because the medical supplies needed by the residents were less expensive.

Equipment expenditures decreased in fiscal year 2016 due to uncertainties in funding.

The Manteno Veterans' Home electronic data processing expenditures increased in fiscal year 2016 due to the Department's implementation of the ERP system. Each home was allocated a portion of these payments.

Fiscal year 2015 permanent improvement expenditures were made for tree removal services and new tile installation in the dish room. However, due to uncertainty in funding, permanent improvement expenditures were reduced in fiscal year 2016.

The fluctuation in refunds during fiscal years 2014, 2015 and 2016 was due to residents paying monthly maintenance fees in advance. Refunds are generated upon the death of a resident for the amount of days remaining in the month. It is not possible to estimate this annual expense and fluctuations are expected.

Veterans' Affairs State Projects - 0501

Central Office

During fiscal year 2015, the licensing qualifying veterans' program included two payments of \$15,000 each for award winning programs. There were no such payments in fiscal years 2014 or 2016.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Fiscal Years Ended June 30, 2016

Schedule 12

The Illinois Department of Veterans' Affairs (Department) explanations for significant fluctuations in receipts greater than \$100,000 and 20% of total receipts for that category as presented in the Comparative Schedule of Cash Receipts (Schedule 8) are detailed below. For each of the Homes, the timing of receipt from the United States Department of Veterans' Affairs, administration reimbursements are wholly dependent on the Federal government and will vary greatly from year to year and Home to Home.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2015 AND 2016

Illinois Veterans' Assistance Fund (0236)

Grantee interest income

The decrease in grantee interest income during fiscal year 2016 is due to a transfer in of \$1,344,100 during fiscal year 2015. The \$1,344,100 was a supplemental deposit of Illinois Veterans' Assistance Fund (lump sum) from the General Revenue Fund in order to process veterans care claims. There were not enough funds in the account to process these claims without the transfer. The transfer was not needed in fiscal year 2016.

ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN FISCAL YEARS 2014 AND 2015

Illinois Veterans' Assistance Fund (0236)

Grantee interest income

The increase in grantee interest income during fiscal year 2015 is due to a transfer in of \$1,344,100 during fiscal year 2015. The \$1,344,100 was a supplemental deposit in the Illinois Veterans' Assistance Fund (lump sum) from the General Revenue Fund in order to process veterans care claims. There were not enough funds in the account to process these claims without the transfer. The transfer was not needed in fiscal year 2014.

Anna Veterans' Home Fund (0273)

VA reimbursements

VA reimbursements increased in fiscal year 2015 due to increased nursing charges and maintenance charges. Therefore, the Home was reimbursed more by the United States Department of Veterans' Affairs (USDVA). Additionally, the Department was reimbursed from the USDVA for 70% of services connected with disabled veterans at a higher rate.

GI Education Fund (0447)

VA reimbursements

The decrease from fiscal year 2014 was due to cash receipt timing. At the end of fiscal year 2015, there was a \$239,000 receivable that was not collected until fiscal year 2016.

Quincy Veterans' Home Fund (0619)

Insurance reimbursements and third party liability (medical reimbursements)

In fiscal year 2014, health insurance reimbursements were recorded as third party reimbursements. In fiscal year 2015, the insurance reimbursements were recorded in as insurance reimbursements. This caused an increase to insurance reimbursements in fiscal year 2015 with a corresponding decrease to third party liability (medical reimbursements).

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

Schedule 13

The Illinois Department of Veterans' Affairs (Department) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures and Lapsed Balances for fiscal years 2016 and 2015 (Schedules 1 and 2) are detailed below. For purposes of this analysis, significant lapse period spending is defined as \$20,000 and 20% or more of the total expenditures for the respective fiscal year.

Fiscal Year 2016

<u>Fund, Fund Number, and Explanation</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>Percent</u>
Illinois Affordable Housing Trust Fund – 0286 The decision to spend was made late in the year due to the fiscal year 2016 budget impasse and related funding delays. Therefore, payments were made in lapse period.	\$210,167	\$210,167	100%
Roadside Memorial Fund - 0697 The appropriation was established late in the year. All payments were made in lapse period.	\$421,073	\$421,073	100%
Veterans' Affairs Library Grant Fund - 0775 The Library grant from the Secretary of State became available late in the fiscal year as it has been in many years. This resulted in significant payments made during the lapse period.	\$45,269	\$20,566	45%
Manteno Veterans' Home Fund - 0980 The Manteno Veterans' Home had three large payments to provide food to the residents during lapse period due to the timing of payments. Additionally, there was a large payment for the new Enterprise Resource Planning System. Lastly, there was an increase in personal service payments and the retirement rate, which included several end of year pay outs for comp time and retirement.	\$18,849,982	\$3,537,678	19%

Fiscal Year 2015

Illinois Veterans' Assistance Fund - 0236 A large payment, approximately \$460,000, to the Illinois Department of Healthcare and Family Services (HFS), was made for veterans' healthcare during the lapse period because information was received late in the fiscal year from HFS.	\$2,032,071	\$495,498	24%
---	-------------	-----------	-----

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2016
(Expressed in Thousands)

Schedule 14

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2016 is presented below:

<u>Fund</u>	<u>Current</u>	<u>1-30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>181 to 365 Days</u>	<u>Over 365 Days</u>	<u>Total</u>
LaSalle Veterans' Home Fund - 0272	\$ 626	\$ 4	\$ 1	\$ -	\$ 3	\$ 8	\$ 642
Anna Veterans' Home Fund - 0273	251	2	4	4	-	8	269
GI Education Fund - 0447	269	-	154	-	-	-	423
Quincy Veterans' Home Fund - 0619	1,169	3	-	-	-	5	1,177
Manteno Veterans' Home Fund - 0980	1,002	-	5	3	7	17	1,034
Total	<u>\$ 3,317</u>	<u>\$ 9</u>	<u>\$ 164</u>	<u>\$ 7</u>	<u>\$ 10</u>	<u>\$ 38</u>	<u>3,545</u>
Less: allowance for uncollectible accounts							<u>-</u>
Net Accounts Receivable							<u>\$ 3,545</u>

The amounts reported above include Due From Home Residents and Other Receivables.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2015
(Expressed in Thousands)

Schedule 15

The Department utilizes the Attorney General, a private collection agency, and the Comptroller's Offset System to collect receivables. An aging schedule of the Department's accounts receivable at June 30, 2015 is presented below:

<u>Fund</u>	<u>Current</u>	<u>1-30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>181 to 365 Days</u>	<u>Over 365 Days</u>	<u>Total</u>
LaSalle Veterans' Home Fund - 0272	\$ 581	\$ 9	\$ -	\$ -	\$ -	\$ 6	\$ 596
Anna Veterans' Home Fund - 0273	244	-	-	-	-	-	244
GI Education Fund - 0447	-	239	-	-	-	-	239
Quincy Veterans' Home Fund - 0619	1,156	1	4	-	-	-	1,161
Manteno Veterans' Home Fund - 0980	943	-	56	8	15	9	1,031
Total	<u>\$ 2,924</u>	<u>\$ 249</u>	<u>\$ 60</u>	<u>\$ 8</u>	<u>\$ 15</u>	<u>\$ 15</u>	3,271
Less: allowance for uncollectible accounts							<u>-</u>
Net Accounts Receivable							<u>\$ 3,271</u>

The amounts reported above include Due From Home Residents and Other Receivables.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS (Not Examined)
For the Two Years Ended June 30, 2016

AGENCY FUNCTIONS AND PLANNING

AGENCY FUNCTIONS

The Illinois Department of Veterans' Affairs (Department) was created on January 1, 1976, through the Department of Veterans' Affairs Act (20 ILCS 2805 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 Anna, LaSalle, Manteno, and Quincy; the Prince Home residential program for homeless Veterans; 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 meets or exceeds 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 our veterans.

Erica Jeffries was named Director of the Department on February 17, 2015. Nine 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 Chief Legal Counsel, the Human Resource Manager, the Senior Home Administrator and the Chief Internal Auditor.

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, social media, television, 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' service 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.
11. The Illinois Veterans' Homes Fund is hereby created as a special fund in the State treasury. From appropriations to the Department, the Department shall purchase needed equipment and supplies to enhance the lives of the residents and to enhance the operations of the veterans' homes in Illinois.

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). 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). 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 special needs.

The mission of the Home is to provide skilled nursing services to all eligible veterans that will meet or exceed all standards and requirements. Veterans receive the full spectrum of nursing care services provided at all Veterans' Homes, including social services, and physical, recreational and occupational therapies.

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). 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 306 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.

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 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 88 for eligible veterans, their spouses, widows, or widowers (depending on bed availability), and a 386 bed skilled care component for eligible veterans, to include a secured Special Needs Unit.

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 380 resident Illinois veterans and their spouses, widows and widowers.

Prince Home at Manteno

Home Functions

Located on the grounds of the Manteno Veterans' Home, the Prince Home for homeless and disabled veterans is a separate program with a dedicated staff and program director. The Prince Home opened in 2007 to provide permanent supportive housing for men and women veterans in its 15-bed facility.

The Prince Home staff provides each resident with the skills needed for successful independent living. The Home provides a structured, safe, and caring environment, which instills a sense of dignity, belonging, and achievement enhancing the opportunity to succeed. The Prince Home vision is for residents to leave the program with the confidence to achieve full-time employment, independent housing, and sobriety. To reside in the Prince Home, residents must participate in the entire scope of the curriculum, programs, and activities.

As of June 2016, the Prince Home has served 182 residents, since its opening.

Illinois Veterans' Home at Chicago

Home Functions

The Illinois Veterans' Home at Chicago will be located at 4250 N. Oak Park Avenue in Chicago.

The construction of the Illinois Veterans' Home at Chicago is coordinated by the Illinois Capital Development Board. Contractor bids for construction of the 200-bed Illinois Veterans' Home at Chicago were opened at the James R. Thompson Center on July 22, 2014. The lowest responsive contractors were selected on September 18, 2014, and authorized to proceed. A ceremonial ground breaking was held September 21, 2014, and the contractors mobilized on November 18, 2014, at the construction site.

Construction was scheduled to be completed within 668 consecutive calendar days from the date of the Authorization to Proceed, placing Substantial Completion at June 15, 2016, and Final Acceptance 60 days later.

Construction is precast concrete with brick veneer. The building consists of five floors with common spaces, administration, and back of the house areas on the first floor. On the second floor of the building are four secure units with roof-top garden outdoor spaces. Twelve additional skilled care units are on the third, fourth, and fifth floors. Each resident room is single occupancy with a private lavatory and roll in shower. Each of the units will have a serving kitchen, dining area, living room, and den.

On July 1, 2015, state construction was stopped due to the Budget Impasse Hold on all projects. The Construction was winterized to protect it from the elements over the winter.

Senate Bill 2047 (Public Act 99-0524) was passed on June 30, 2016, and signed by Governor Rauner, allowing the Project to reconvene. Completion dates will be re-established based the contractors' availability to return to the job site from other projects they may have undertaken during the budget impasse and the ability to get the materials, equipment and manpower to restart the job. At this time, completion dates for the Home cannot be estimated.

AGENCY LOCATION

The headquarters of the Department is at 833 South Spring Street, Springfield, Illinois. The Central Office, the State Approving Agency and a Veterans' Service Office are located in the Department headquarters. An administrative office and a Veterans' Service Office are located in the James R. Thompson Center, Suite 5-570, 100 West Randolph, Chicago, Illinois. (Note: This office is anticipated to move to 69 W. Washington Street, 16th floor, Chicago, Illinois 60601 in early calendar year 2017.

The Illinois Veterans' Home at Anna is located at 792 N. Main Street, Anna, Illinois.

The Illinois Veterans' Home at LaSalle is located at 1015 O'Conor Avenue, LaSalle, Illinois.

The Illinois Veterans' Home at Manteno is located at 1 Veterans Drive, Manteno, Illinois.

The Illinois Veterans' Home at Quincy is located at 1707 N. 12th Street, Quincy, Illinois.

The Department is currently licensed for 932 skilled care beds for providing long-term care to veterans, including 88 domiciliary beds; but is only funded for 909 skilled care beds.

The Department operated 48 full-service Veterans' Service Field Offices statewide to provide assistance and informational services to veterans, their dependents, and survivors. In addition, the Department also maintained 32 itinerant field offices. An itinerant field office is office space used to meet with a veteran, closer than a full service office would be. The office locations are included on the Department's website.

AGENCY PLANNING

The Department has developed a strategic plan for the Department. Items in the strategic plan include an operational plan that sets out goals and objectives. The various program managers, as well as the Director and Chief 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.

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 the Home with a new 44 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, as well as the construction of oxygen storage rooms.
- Establish a Special Needs Unit.
- Hire potential additional dedicated transport personnel.
- Renovate domiciliary units.

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; and
 - ❖ Replacement of nurse call and fire alarm system in original residential wing.

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:

- 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; and
 - ❖ Installation of heating ventilation/air conditioning in the north and south interconnects and vestibules.

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 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:

- 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.
- Replacement of current call light system.

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 weekly 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
ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS
BUDGET IMPASSE DISCLOSURES (Not Examined)
For the Year Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Illinois Department of Veterans' Affairs (Department) to pay fiscal year 2016 costs using the Department's fiscal year 2017 appropriations for non-payroll expenditures. The following chart shows the Department's plan to expend its fiscal year 2017 appropriations to cover its fiscal year 2016 costs:

Outstanding Fiscal Year 2016 Invoices			
Fund No.	Fund Name	Number	Dollar Value
0001	General Revenue Fund	1,800	\$ 529,250

In addition, the Department lacked sufficient expenditure authority, from either court-ordered expenditures or enacted appropriations, to cover its fiscal year 2016 costs within the General Revenue Fund (0001). The Department, as of the end of fieldwork, was holding 533 fiscal year 2016 invoices, totaling \$1,313,448.

Finally, the Department's costs accounted for within the Veterans' Affairs State Projects Fund (0501) and Veterans' Affairs Library Grant Fund (0775) were paid pursuant to nonappropriated funds. The Department did not have any outstanding invoices from fiscal year 2016, unpaid after the closure of the fiscal year 2016 lapse period on August 31, 2016, for these funds.

STATE OF ILLINOIS
 ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
 PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO
 VENDORS (Not Examined)**
 For the Year Ended June 30, 2016

The Illinois Department of Veterans' Affairs (Department) engaged the Illinois Finance Authority to provide payment to critical vendors who were threatening to cease services if the vendor was not paid its full amount due in the absence of enacted appropriations or other legal expenditure authority. Under the terms of an agreement between the Illinois Finance Authority and the vendor, the vendor received payment for 100% of the amount due and owing on the Department's past due invoices. The vendor, in turn, assigned its rights to both the Department's payment and interest penalties due under the State Prompt Payment Act (30 ILCS 540) to the Illinois Finance Authority. When the Department ultimately receives/received an appropriation or other legal expenditure authority to pay the past due invoice, the Department would pay/paid the amount due on the invoice and associated interest penalties to the Illinois Finance Authority.

The following chart shows the amount paid by the Illinois Finance Authority to vendors to pay the Department's costs during fiscal year 2016:

Vendor	Goods/Services Provided	Amount
A	Provide food supplies to the Anna Veterans' Home	\$ 32,419
B	Provide food supplies to the LaSalle Veterans' Home	9,226

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Department's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during fiscal year 2015 and fiscal year 2016.

STATE OF ILLINOIS
 ILLINOIS DEPARTMENT OF VETERANS' AFFAIRS
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES (Not Examined)
 For the Year Ended June 30, 2016

Prompt Payment Interest Costs

The Illinois Department of Veterans' Affairs (Department) plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during fiscal year 2016. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Department. The following chart shows the Department's prompt payment interest incurred related to fiscal year 2016 invoices, calculated on the accrual basis of accounting, through June 30, 2016, by fund:

PROMPT PAYMENT INTEREST INCURRED				
Year Ended June 30, 2016				
Fund No.	Fund Name	Invoices	Unique Fund Vendors *	Dollar Value
0272	LaSalle Veterans' Home Fund	302	92	\$ 10,213
0273	Anna Veterans' Home Fund	139	45	4,832
0619	Quincy Veterans' Home Fund	565	129	27,906
0686	Budget Stabilization Fund	169	54	7,212
0897	Veterans' Affairs Federal Projects Fund	1	1	11
0980	Manteno Veterans' Home Fund	155	56	14,518
Total		1,331	377	\$ 64,692

*Total unique vendors regardless of fund = 377

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
AVERAGE NUMBER OF EMPLOYEES (Not Examined)
For the Years Ended June 30, 2016, 2015, and 2014

The following table, prepared from Department records, presents the average number of employees for the fiscal years ended June 30, 2016, 2015, and 2014.

<u>Division</u>	Fiscal Year		
	2016	2015	2014
Central Office	48	46	49
Veterans Service Officers	68	72	70
Veterans' Home at Anna	72	73	67
Veterans' Home at Quincy	514	525	506
Veterans' Home at LaSalle	223	218	205
Veterans' Home at Manteno	322	329	327
Homeless Program at Manteno	8	8	8
State Approving Agency	6	7	7
Troops to Teachers	1	1	1
 Total average full-time employees	 <u>1,262</u>	 <u>1,279</u>	 <u>1,240</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANNUAL STATISTICS (Not Examined)
For the Years Ended June 30, 2016, 2015 and 2014

Anna Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2016	2015	2014
Licensed capacity of Home	62	62	62
Funded capacity of Home	61	61	61
Daily average number of residents:			
Skilled care	49	48	48
Domiciliary	10	10	9
Average number of State employees	78.5	77.5	89
Ratio of employees to residents:			
Skilled care	1.60 to 1	1.61 to 1	1.85 to 1
Domiciliary	7.85 to 1	7.75 to 1	9.88 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2016	2015	2014
Average healthcare spending per resident per year *	\$ 7,321	\$ 7,240	\$ 7,063
Average cost per resident per meal (excludes labor costs)	\$ 3.45	\$ 3.47	\$ 3.09
Average annual cost of meals per resident (excludes labor costs)	\$ 3,778	\$ 3,800	\$ 3,386
Average annual cost of care per resident:			
Skilled care	\$ 107,742	\$ 102,612	\$ 99,671
Domiciliary	\$ 104,712	\$ 99,726	\$ 97,294

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

Anna Veterans' Home - Continued

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2016	2015	2014
Number of resident injuries	3	3	7

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, 2016, with a comparison to the fiscal year ended June 30, 2014:

	2016	2015	2014
Nursing care:			
Number of admissions	29	19	27
Number of deaths	12	14	26
Number of discharges	1	1	4
Veteran days of care furnished	17,767	17,974	17,681
Domiciliary care:			
Number of admissions	6	6	8
Number of deaths	1	-	2
Number of discharges	5	5	7
Veteran days of care furnished	3,905	3,890	3,584

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

LaSalle Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2016	2015	2014
Licensed capacity of Home	200	200	200
Funded capacity of Home	184	184	184
Daily average number of residents:			
Skilled care	178	176	179
Average number of State employees	256	253	241
Ratio of employees to residents:			
Skilled care	1.44 to 1	1.44 to 1	1.34 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2016	2015	2014
Average healthcare spending per resident per year *	\$ 6,141	\$ 5,991	\$ 5,845
Average cost per resident per meal (excludes labor costs)	\$ 3.74	\$ 3.31	\$ 3.22
Average annual cost of meals per resident (excludes labor costs)	\$ 4,084	\$ 3,627	\$ 3,529
Average annual cost of care per skilled care resident	\$ 113,555	\$ 111,684	\$ 98,207

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2016	2015	2014
Number of resident injuries	14	17	15

LaSalle Veterans' Home - Continued

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, 2016, with a comparison to the fiscal year ended June 30, 2014:

	2016	2015	2014
Nursing Care:			
Number of admissions	90	64	61
Number of deaths	79	60	36
Number of discharges	5	10	22
Veteran days of care furnished	66,185	65,383	65,560

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

Manteno Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2016	2015	2014
Licensed capacity of Home	340	340	340
Funded capacity of Home	294	294	293
Daily average number of residents:			
Skilled care	289	283	277
Average number of State employees	359	373	334
Ratio of employees to residents:			
Skilled care	1.24 to 1	1.32 to 1	1.21 to 1

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2016	2015	2014
Average healthcare spending per resident per year *	\$ 6,829	\$ 6,663	\$ 6,500
Average cost per resident per meal (dietary contract includes labor costs)	\$ 8.28	\$ 8.10	\$ 7.71
Average annual cost of meals per resident (dietary contract includes labor costs)	\$ 9,078	\$ 8,870	\$ 8,442
Average annual cost of care per skilled care resident	\$ 123,092	\$ 117,230	\$ 107,599

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

INJURY STATISTICS

Injuries reported to the Department of Public Health for the fiscal years ended June 30:

	2016	2015	2014
Number of resident injuries	28	27	41

Manteno Veterans' Home - Continued

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, 2016, with a comparison to the fiscal year ended June 30, 2014:

	2016	2015	2014
Nursing Care:			
Number of admissions	122	154	104
Number of deaths	109	138	108
Number of discharges	6	2	5
Veteran days of care furnished	105,638	103,266	101,099

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

Quincy Veterans' Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2016	2015	2014
Licensed capacity of Home *	551 (NHC)*	551 (NHC)*	551 (NHC)*
**	132 (DOM)**	132 (DOM)**	132 (DOM)**
Funded capacity of Home *	382 (NHC)*	382 (NHC)*	382 (NHC)*
**	132 (DOM)**	132 (DOM)**	132 (DOM)**
Daily average number of residents:			
Skilled care	357	363	374
Domiciliary	35	49	49
Average number of State employees	520	526	485
Ratio of employees to residents:			
Skilled care	1.46 to 1	1.45 to 1	1.30 to 1
Domiciliary	14.85 to 1	10.73 to 1	9.88 to 1

* NHC = Nursing home care

** DOM = Domiciliary care

COST PER RESIDENT

Costs of resident care fiscal years ended June 30:

	2016	2015	2014
Average healthcare spending per resident per year *	\$ 6,326	\$ 6,172	\$ 6,021
Average cost per resident per meal (excludes labor costs)	\$ 2.41	\$ 2.53	\$ 2.28
Average annual cost of meals per resident (excludes labor costs)	\$ 2,639	\$ 2,770	\$ 2,497
Average annual cost of care per resident:			
Skilled care	\$ 123,541	\$ 119,363	\$ 113,679
Domiciliary	\$ 57,461	\$ 55,518	\$ 52,892

* Healthcare spending costs include costs for hospital and medical services, pharmaceutical services, medical fees, and medical supplies.

Quincy Veterans' Home - Continued

INJURY STATISTICS

Injuries reported to the Illinois Department of Public Health for the fiscal years ended June 30:

	2016	2015	2014
Number of resident injuries	38	29	31

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, 2016, with a comparison to the fiscal year ended June 30, 2014:

	2016	2015	2014
Nursing Care:			
Number of admissions	125	121	131
Number of deaths	110	134	70
Number of discharges	11	17	12
Veteran days of care furnished	111,464	116,524	113,785
Domiciliary care:			
Number of admissions	1	-	2
Number of deaths	-	1	-
Number of discharges	5	1	-
Veteran days of care furnished	4,981	6,461	5,912

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

Prince Home

RATIO OF EMPLOYEES TO RESIDENTS

Data for fiscal years ended June 30:

	2016	2015	2014
Licensed capacity of Home	15	15	15
Daily average number of residents	14	14	14.5
Average number of State employees	10	10	8
Ratio of staff to residents	1 to 1.4	1 to 1.4	1 to 1.8

VETERANS SERVED

The purpose of the Home is to provide assistance to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2016, with a comparison to the fiscal year ended June 30, 2014:

	2016	2015	2014
Number of admissions	9	14	15
Number of releases:	10	12	15
Graduation (successful completion)	6	4	2
Involuntary discharge	-	4	2
Voluntary termination from program	10	8	11

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined)
For the Years Ended June 30, 2015 and 2016

The Department reported the following emergency purchases during fiscal years 2015 and 2016:

Fiscal Year	Vendor	Description	Estimated Amount	Actual Amount
2015	Seneca Medical Inc.	Emergency procurement for incontinent products for the four Veterans' Homes. The contract went out for bidding and, just before bids were due, the State Procurement Officer changed the Department's brand specific Invitation For Bid to include "or equal". The bid was protested and the Chief Procurement Officer allowed the Department a 90 day emergency purchase in order for the contract to go out for rebid. Incontinent products are necessary to preserve the personal dignity and prevention of skin degradation for the residents at the Veterans' Homes.	\$ 154,438	\$ 27,083
*	Seneca Medical Inc.	An extension for the emergency purchase of incontinent briefs and wipes until June 30, 2013. The Emergency Purchase Affidavit was filed to report the actual cost.	229,000	280,039
*	Prairie Farms Dairy, Inc.	An extension of the dairy products emergency purchase until June 30, 2013. The Emergency Purchase Affidavit was filed to report the actual cost.	90,000	74,059
	Smart Wash, Inc.	An emergency purchase for industrial and personal laundry services at the Manteno Veterans' Home. The Home must have laundry services to prevent infection control issues.	61,000	38,146
			<u>\$ 534,438</u>	<u>\$ 419,327</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
EMERGENCY PURCHASES (Not Examined)
For the Years Ended June 30, 2015 and 2016

The Department reported the following emergency purchases during fiscal years 2015 and 2016:

Fiscal Year	Vendor	Description	Estimated Amount	Actual Amount
2016	Garratt Callahan Co. / Klingner & Associates P.C.	The Department had an emergency purchase due to the outbreak of Legionnaires' disease on the Quincy Veterans' Home campus, which required the water system pipes to be flushed out with disinfectant and chemicals by a vendor qualified to perform such services. Due to the age, size, and complexity of the facility coupled with the population of residents and employees made it challenging for companies involved, as they do not have any past history. This required a second vendor, Klingner & Associates, to be added to this emergency purchase at an additional cost.	\$ 517,860	\$ 277,179
	Ecolab, Inc.	The Department had an emergency purchase due to the outbreak of the Legionnaires' disease at the Quincy Veterans' Home campus. The Department is now required to disinfect all bath tubs in all units several times a day to eliminate the automatic disinfectant injector and tub water of the bacteria. This contract will only be for the mandated purchase of the Ecolab Pro Oasis 20 surface disinfectant, to use during the Legionnaires' outbreak.	100,000	N/A
	Ecolab, Inc.	An extension for the emergency purchase for surface disinfectant until June 30, 2016.	200,000	N/A
	Phigenics LLC	The Department had an emergency purchase due to the outbreak of the Legionnaires' disease, the Center for Disease Control advised the Quincy Veterans' Home to contract with this vendor to conduct water testing. It was determined that the implementation of a Water Safety Remediation Plan, and the testing of water samples for Legionnaires' bacteria was required. The vendor will document and validate the findings of the water sample testing. This service is needed until the water sample testing comes back with negative results each time.	100,000	82,916
	Phigenics LLC	An extension for the emergency purchase to conduct water testing until January 5, 2017.	250,000	N/A
		Total	<u>\$ 1,167,860</u>	<u>\$ 360,095</u>

* The actual cost for emergency purchases extended until June 30, 2013, were not reported until fiscal year 2015. The Department did not report the emergency purchases until auditors made the Department aware of the issue while conducting the fiscal years 2013 and 2014 examination. This was noted in the fiscal years 2013 and 2014 compliance report in finding

NA= Not Available

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
MEMORANDUMS OF UNDERSTANDING (Not Examined)
For the Two Years Ended June 30, 2016

Parties Involved Other Than The Illinois Department of Veterans' Affairs	Dates Involved	Memorandum Requirements Description
Department of Veterans' Affairs (VA)	N/A	The Illinois Department of Veterans' Affairs submitted an application for a grant to repair the Heat Plant Building at the Quincy Home. The Veterans' Affairs (VA) grant will not exceed 65% of the actual cost as determined by the final audit. The parties agree that this application meets the requirements of Federal Law for this grant.
Illinois Joining Forces (IJF)	N/A	The purpose of this Memorandum of Understanding ("MOU") is to formalize the relationship between the Parties: Illinois Joining Forces ("IJF") and Illinois Department of Veterans' Affairs (Department), setting forth the guidelines of what IJF can reasonably expect from Department that constitutes "reasonable assistance" as set forth in the Department of Veterans' Affairs Act (20 ILCS 2805/37).
Department of Defense Manpower Data Center (DMDC)	N/A	DMDC requires that an agreement be in place before PII data is provided to another office/agency on a recurring basis. DMDC also uses an agreement to document areas of understanding for services that may be provided to other agencies. This agreement is being executed to support the sharing of military service members' DD Form 214 military service and separation data.
Department of Veterans' Affairs (VA)	N/A	The Department submitted to the VA an application for a grant to renovate/replace the roofing system at the Anna Veterans' Home, Anna, Illinois, in Union County, project FAI 17-044. The parties agree that this application meets the requirements of federal law for this grant. The estimated total cost in which VA will participate is \$853,961. The VA grant will total up to \$555,075, but will not exceed 65% of the actual cost of the replacement of the roofing system as determined by the final audit.
Department of Veterans' Affairs (VA)	N/A	The Department submitted to the VA an application for a grant to install a Fire Suppression System for veterans in the Quincy Veterans' Home in Adams County, Quincy, Illinois (FAI17-048). The parties agree that this application meets the requirements of federal law for this grant. The estimated total cost in which the VA will participate is \$1,974,100. The VA grant will total \$1,283,165, but will not exceed 65% of the actual cost to install a Fire Suppression System as determined by the final audit.
Health and Human Services (HHS)	N/A	The purpose of this MOU is to allow for interoperability of data between the Department and HHS. Interoperability is a national effort of technology and programmatic coordination. Interoperability refers to the ability of two or more systems or components to exchange information and to use the information for the benefit of the State and its clients.
Illinois Joining Forces (IJF)	N/A	This MOU establishes and formalizes the business relationship between IJF and the Department in support of the limited use of Department office space located at 833 South Spring Street, Springfield, IL 62794-9432. This office space is provided free of charge as a form of support as provided in the Department's enabling act.
Illinois Department of Military Affairs	9/28/15-9/30/16	To grant permission to the Department for use of Illinois Military Academy training areas. The Department certifies that all training will be conducted under the supervision of competent instructors, or that all participants themselves are employees of the Department and are themselves experts, and that proper safety precautions will be strictly adhered to at all times. The Department further certifies the above training area(s) will be used solely for the purposes authorized herein, and all participants will be restricted to the authorized training area(s).

Parties Involved Other Than The Illinois Department of Veterans' Affairs	Dates Involved	Memorandum Requirements Description
Illinois Department of Military Affairs	7/12/16-7/13/16	To grant permission to the Department for use of Illinois Military Academy training areas. The Department certifies that all training will be conducted under the supervision of competent instructors, or that all participants themselves are employees of the Department and are themselves experts, and that proper safety precautions will be strictly adhered to at all times. The Department further certifies the above training area(s) will be used solely for the purposes authorized herein, and all participants will be restricted to the authorized training area(s).
Illinois Secretary of State	N/A	To create an understanding between the Department and Secretary of State in regards to the issuance of licenses for qualifying veterans.
Department of Defense Troops to Teachers (DoD)(TTT) Program	8/21/14-8/15/15	The purpose of this amendment is to extend the agreement period and to align program operations with the current fiscal year. The Department is authorized to utilize all Troops to Teachers funds it currently holds towards fiscal year 2015 program operations.
Department of Veterans' Affairs (VA)	7/22/15-7/22/16	This is a "pass through" connection only for the Department to connect their desktop/laptop equipment located on VA property at the VA Medical Center, Marion, Illinois and VA Community Based Outpatient Clinics to the Department main offices. The Department will have no access to protected health information belonging to the VA Systems through this connection. This connection is for pass through only by the Department to allow Department desktop/laptop equipment to connect through the VA to the Department servers.
Department of Healthcare and Family Services (HFS)	12/21/12-9/30/15	The Department and HFS, pursuant to the Intergovernmental Cooperation Act (5 ILCS 220/1), hereby enter into this Interagency Agreement in connection with the Public Assistance Reporting. The purpose of this agreement is to designate the Department as a sub-contractor of HFS and to authorize the Department to accept Public Assistance Reporting Information System (PARIS) cross-match data in order to perform outreach and application assistance for federal benefits.
Department of Defense Troops to Teachers Program (DoD)(TTT) Program	N/A	The TTT Program is authorized to: 1) recruit and assist eligible members of the Armed Forces to meet requirements necessary to become teachers in eligible schools; and to facilitate the employment of such members by certain local educational agencies and public charter schools, in elementary or secondary schools, or as career or technical teachers. The purpose of this MOA is to facilitate a collaborative partnership between the Department and the DoD TTT Program to assist in the recruitment, counseling, and placement of eligible veterans and service members to serve as teachers in our nation's classrooms. In particular, this MOA describes Department responsibilities in a support capacity for DoD relative to the TTT Program, as well as DoD's responsibilities regarding support and collaboration with the Department on these matters.

N/A = Dates not defined in the agreement. The agreement will remain in effect until it is modified and/or terminated by the participants.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)
For the Years Ended June 30, 2015 and 2016

Awards/Grants/Records Section

Mission Statement: Administers numerous awards and state grants to assist veterans with their financial responsibilities, physical disabilities, employment opportunities and other special services. Service includes grants for special adapted housing; awards and scholarships for primary, secondary and post-secondary education at many state schools, colleges and universities for veterans' dependents; bonus payments for wartime service for Illinois veterans and their families; free hunting and fishing licenses for disabled veterans as well as free camping permits for certain disabled veterans and payment for setting a government headstone or marker for a deceased veteran. Also assists veterans in overcoming PTSD, homelessness, disability, long-term care and health insurance by awarding grants to organizations that address these issues.

Program Goals:

Objectives:

- 1 Administration of awards and grants as mandated by state statute.
 - ^aNumber of grant applications received from veterans is subject to dwindling eligibility pools.
 - ^bVeterans' Assistance Fund (VAF) target adjusted to reflect Grant Committee goal of granting for impact rather than granting to large numbers of organizations.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Illinois Affordable Housing Trust Fund, Statutory Authority: 20 ILCS Illinois Military Family Relief Fund 2805/2

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 1,378.7	\$ 1,463.3	\$ 1,750.0	\$ 905.5	\$ 1,120.0
● Total expenditures - state appropriated funds (in thousands)	\$ 1,371.8	\$ 1,422.2	\$ 1,750.0	\$ 902.8	\$ 1,100.0
● Average monthly full-time equivalents	9.3	8.6	9.3	8.8	9.0
<u>Output Indicators</u>					
● Number of claims received and processed	4,798	5,172	5,675	4,402	4,800
● Number of special services provided	285,911	185,787	205,000	125,645	155,000
● Number of grantees for VAF	28.0	37.0	27.0	27.0	29.0
<u>Outcome Indicators</u>					
● Percentage of change in number of claims received and processed	- 7.3%	7.8%	9.7%	- 14.9%	9%
● Percentage change in number of special services	9.7%	- 35%	10.3%	- 32.4%	23.4%
● Percentage change in number of grantees for VAF	27.3%	32.1%	- 27%	- 27%	7.4%

Field Services Division

Mission Statement: To assist veterans in navigating the complex web of federal, state and local resources and benefits available to them. To help them increase monthly income through federal funds, as well as helping them to avert the downward spiral into poverty, substance abuse and homelessness.

Program Goals:

Objectives:

- 1 Assist veterans in obtaining federal and state benefits.
 - a Increase number of federal and state claims filed.
 - b Increase federal funds to Illinois.
- 2 To provide service to veterans, their dependents and survivors.
 - a Increase number of veterans contacted and served.

Funds: General Revenue Fund

Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 5,420.2	\$ 5,641.6	\$ 5,800.0	\$ 4,415.2	\$ 4,600.0
● Total expenditures - state appropriated funds (in thousands)	\$ 5,420.2	\$ 5,641.6	\$ 5,800.0	\$ 4,415.2	\$ 4,600.0
● Average monthly full-time equivalents	72.5	74.0	80.0	74.0	77.0
<u>Output Indicators</u>					
● Number of federal and state applications submitted for benefits	40,111	35,765	40,000	37,119	40,000
● Number of outreach events	211.0	184.0	200.0	279.0	290.0
● Number of veterans served	141,554	121,820	135,000	143,971	160,000
<u>Outcome Indicators</u>					
● Percentage change in number of federal and state applications submitted	- 56.8%	- 10.8%	11.8%	3.8%	7.8%
● Percentage change in number of outreach events	- 29.2%	- 12.8%	8.7%	51.6%	3.9%
● Percentage change in number of veterans served	- 22.1%	- 13.9%	10.8%	18.2%	11.1%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal dollars returned to economy resulting from claims filed with USDVA (in thousands)	\$ 43,900.0	\$ 31,928.5	\$ 32,000.0	\$ 42,255.5	\$ 42,255.5

Illinois Veterans' Home Anna

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans and their spouses residing at the Illinois Veterans' Home at Anna.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease IDPH reportable incidents.
 - ^c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Anna Veterans Home Fund

Statutory Authority: 20 ILCS 2805/2 - 2805/2.06

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 6,106.8	\$ 6,820.3	\$ 7,400.0	\$ 6,496.8	\$ 6,786.5
● Total expenditures - state appropriated funds (in thousands)	\$ 6,104.2	\$ 6,814.3	\$ 7,400.0	\$ 6,496.8	\$ 6,783.0
● Average monthly full-time equivalents	69.7	75.6	80.0	73.4	79.5
<u>Output Indicators</u>					
● Average Daily Census	48.0	47.8	48.0	47.5	48.0
● Number of nursing hours per resident'	3.8	4.1	3.8	4.0	4.0
● Number of IDPH reportable incidents	7.0	5.0	0	9.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	- 0.4%	- 0.4%	0.4%	- 0.4%	1.1%
● Percentage change in IDPH reportable incidents	- 22.2%	- 28%	- 100%	80%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 2,097.4	\$ 2,813.4	\$ 2,800.0	\$ 2,998.8	\$ 3,100.0

Illinois Veterans' Home LaSalle

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term nursing care to Illinois veterans residing at the Illinois Veterans' Home at LaSalle.
 - ^aProvide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^bDecrease IDPH reportable incidents.
 - ^cMaintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, LaSalle Veterans Home Fund Statutory Authority: 20 ILCS 2805/2 - 2805/2.06

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 18,872.5	\$ 21,136.3	\$ 25,000.0	\$ 20,648.5	\$ 21,516.3
● Total expenditures - state appropriated funds (in thousands)	\$ 18,856.9	\$ 21,123.1	\$ 25,000.0	\$ 20,648.5	\$ 21,500.0
● Average monthly full-time equivalents	211.3	222.9	270.0	228.3	257.8
<u>Output Indicators</u>					
● Average daily census	181.4	176.3	180.0	177.7	180.0
● Number of nursing hours per resident	3.3	3.7	3.8	3.6	3.6
● Number of IDPH reportable incidents	12.0	15.0	0	18.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	3.6%	- 2.8%	2.1%	0.7%	1.3%
● Percentage change in IDPH reportable incidents	- 77.8%	25%	- 100%	20%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 7,066.3	\$ 7,256.3	\$ 7,250.0	\$ 7,567.5	\$ 7,700.0

Illinois Veterans' Home Manteno

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans who reside at the Illinois Veterans' Home at Manteno.
 - ^a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - ^b Decrease IDPH reportable incidents.
 - ^c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Veterans' Affairs Federal Projects Fund, Manteno Veterans Home Fund **Statutory Authority: 20 ILCS 2805/2 - 2805/2.06**

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 34,069.1	\$ 35,976.4	\$ 39,000.0	\$ 34,066.8	\$ 36,624.5
● Total expenditures - state appropriated funds (in thousands)	\$ 34,056.6	\$ 35,966.1	\$ 39,000.0	\$ 34,066.8	\$ 36,607.1
● Average monthly full-time equivalents	336.4	341.5	380.0	321.7	335.0
<u>Output Indicators</u>					
● Average daily census	283.5	282.9	293.0	288.7	290.0
● Number of nursing hours per resident	3.5	3.5	3.8	3.5	3.5
● Number of IDPH reportable incidents	33.0	26.0	0	26.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	2%	- 0.2%	3.2%	2.1%	0.4%
● Percentage change in IDPH reportable incidents	- 2.9%	- 21.2%	- 100%	0%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 11,542.4	\$ 11,836.5	\$ 12,100.0	\$ 11,910.3	\$ 12,200.0

Illinois Veterans' Home Quincy

Mission Statement: To provide quality long-term skilled nursing and domiciliary care to eligible residents.

Program Goals:

Objectives:

- 1 To provide skilled long-term care to Illinois veterans and their spouses residing at the Illinois Veterans' Home at Quincy.
 - a Provide the number of hours of skilled care to meet the sufficient medical needs of each resident per day.
 - b Decrease IDPH reportable incidents.
 - c Maintain funded daily census.
- 2 Improve efficiency of providing services.

Funds: General Revenue Fund, Quincy Veterans Home Fund **Statutory Authority: 20 ILCS 2805/2 - 2805/2.06**

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 46,269.0	\$ 48,516.9	\$ 52,000.0	\$ 50,160.2	\$ 52,436.5
● Total expenditures - state appropriated funds (in thousands)	\$ 46,249.7	\$ 48,496.6	\$ 52,000.0	\$ 50,160.2	\$ 52,420.0
● Average monthly full-time equivalents	521.1	542.7	570.0	504.0	520.0
<u>Output Indicators</u>					
● Average daily census	374.0	357.9	380.0	350.5	350.0
● Number of nursing hours per resident	3.1	3.7	3.8	3.8	3.8
● Number of IDPH reportable incidents	20.0	21.0	0	29.0	0
<u>Outcome Indicators</u>					
● Percentage change in average daily census	- 0.8%	- 4.3%	6.2%	- 2.1%	0%
● Percentage change in IDPH reportable incidents	- 31%	5%	- 100%	38.1%	- 100%
<u>Efficiency/Cost-Effectiveness</u>					
● Federal per diem revenues (in thousands)	\$ 13,644.9	\$ 14,221.8	\$ 14,945.3	\$ 13,688.1	\$ 14,000.0

Prince Homeless Program at Manteno

Mission Statement: The Department of Veterans' Affairs houses and equips homeless veterans for successful transition to self-sufficiency.

Program Goals:

Objectives:

- 1 Provide veterans with lifeskills necessary for self-sufficiency.
 - ^a Increase number of graduations from the Homeless Program.
- 2 Assist veterans in obtaining employment.
 - ^a Increase number of veterans earning income.

Funds: General Revenue Fund, Illinois Veterans Assistance Fund, Manteno Veterans Home Fund **Statutory Authority: 20 ILCS 2805/2**

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 801.3	\$ 165.2	\$ 950.0	\$ 652.0	\$ 685.5
● Total expenditures - state appropriated funds (in thousands)	\$ 801.3	\$ 165.2	\$ 950.0	\$ 652.0	\$ 685.5
● Average monthly full-time equivalents	8.4	8.2	10.0	7.0	7.0
<u>Output Indicators</u>					
● Yearly number of admissions to residential program	15.0	17.0	18.0	12.0	15.0
● Yearly number of discharges due to graduation	2.0	2.0	2.0	1.0	2.0
● Average number of veterans impacted with supplemental support services each month	37.0	21.0	22.0	19.3	21.0
<u>Outcome Indicators</u>					
● Percentage change in number of admissions to residential program	- 11.8%	13.3%	5.9%	- 29.4%	25%
● Percentage change in number of discharges due to graduation	- 80%	0%	0%	- 50%	100%
● Percentage change in number of veterans impacted with supplemental support services	71.3%	- 43.2%	4.8%	- 8.1%	8.8%

State Approving Agency

Mission Statement: To equip veterans for successful educational experiences by training, certifying, and auditing higher education, vocational and job training programs for receipt of GI Bill funding.

Program Goals:

Objectives:

- 1 Actively encourage and promote the increased usage of GI Bill benefits through a vigorous and aggressive outreach program, and ensure quality and assist the educational institutions and eligible persons by providing in-depth technical assistance, outreach, and liaison with all related organizations, agencies, individuals and activities.
- 2 Conduct compliance survey visits to schools and educational facilities.
 - ^a Meet compliance audit requirements of the federal contract.
- 3 Provide technical assistance to educational institutions and vocational and job-training programs for receipt of GI Bill funding.
 - ^a Increase technical assistance visits.

Funds: GI Education Fund

Statutory Authority: 38 U.S.C. 3671 (a)

	Fiscal Year 2014 Actual	Fiscal Year 2015 Actual	Fiscal Year 2016 Target /Projected	Fiscal Year 2016 Actual	Fiscal Year 2017 Target /Projected
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 1,198.0	\$ 1,066.5	\$ 1,300.0	\$ 1,000.2	\$ 1,055.5
● Total expenditures - state appropriated funds (in thousands)	\$ 1,198.0	\$ 1,066.5	\$ 1,300.0	\$ 1,000.2	\$ 1,055.5
● Average monthly full-time equivalents	7.5	7.2	8.0	7.8	8.0
<u>Output Indicators</u>					
● Number of compliance visits	147.0	128.0	125.0	83.0	83.0
● Number of schools assisted with GI Bill approval process via email/phone	6,581	9,467	8,000	7,224	8,000
● Number of technical visits	105.0	108.0	110.0	77.0	83.0
<u>Outcome Indicators</u>					
● Percentage change in number of compliance visits	27.8%	- 12.9%	- 2.3%	- 35.2%	0%
● Percentage change in number of schools assisted with GI Bill approval process via email/phone	- 3.5%	43.9%	- 15%	- 23.7%	10.7%
● Percentage change in number of technical visits	6.1%	2.9%	1.9%	- 28.7%	7.8%

Troops to Teachers Program

Mission Recruit eligible members of the armed forces for participation in the Troops to
Statement: Teachers program and facilitate the certification and employment of such
 participants as teachers in public schools.

Program Goals:

Objectives:

- 1 Recruit military personnel for participation.
 - a Participate in outreach events such as military or educational meetings, recruiting or advocacy briefings.
- 2 Facilitate certification and employment of military personnel as teachers in public schools.
 - a Identify teaching vacancies through coordination with Local Education Agency (LEA).

Funds: Veterans' Affairs Federal Projects Fund Statutory Authority: 20 ILCS 2805/2

	<u>Fiscal Year 2014 Actual</u>	<u>Fiscal Year 2015 Actual</u>	<u>Fiscal Year 2016 Target /Projected</u>	<u>Fiscal Year 2016 Actual</u>	<u>Fiscal Year 2017 Target /Projected</u>
<u>Input Indicators</u>					
● Total expenditures - all sources (in thousands)	\$ 167.0	\$ 200.3	\$ 210.0	\$ 169.9	\$ 169.9
● Total expenditures - state appropriated funds (in thousands)	\$ 167.0	\$ 200.3	\$ 210.0	\$ 169.9	\$ 169.9
● Average monthly full-time equivalents	1.0	1.0	1.0	1.0	1.0
<u>Output Indicators</u>					
● Number of outreach events (career briefings & military career fairs)	28.0	48.0	40.0	33.0	35.0
● Number of veterans served at outreach events	235.0	305.0	270.0	263.0	275.0
● Number of military personnel enrolled in the program	263.0	274.0	325.0	123.0	185.0
<u>Outcome Indicators</u>					
● Percentage change in number of outreach events (career briefings & military career fairs)	- 46.2%	71.4%	- 16.7%	- 31.3%	6.1%
● Percentage change in number of veterans served at outreach events	- 59%	29.8%	- 11.5%	- 13.8%	4.7%
● Percentage change in number of military personnel enrolled in the program	49.4%	4.2%	18.6%	- 55.1%	50.4%

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF INDIRECT COST REIMBURSEMENTS (Not Examined)

For the Two Years Ended June 30, 2016

The State of Illinois, Department of Veterans' Affairs (Department) receives Federal indirect cost reimbursements from the State Approving Agency for administrative expenses. The reimbursements are deposited into the GI Education Fund (0447). The indirect cost reimbursements were as follows:

Program	<u>Indirect Cost Reimbursement Fiscal Year 2015</u>	<u>Indirect Cost Reimbursement Fiscal Year 2016</u>
All-Volunteer Force Educational Assistance	\$147,658	\$158,366