

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

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

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
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DEPARTMENT ON AGING

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AGENCY OFFICIALS

Director	Mr. Charles D. Johnson
Deputy Director	Mr. Michael Gelder
Fiscal Officer (Current)	Ms. Patricia Carter
Fiscal Officer Acting (7/1/07 - 11/1/07)	Mr. Elton Arrindell
Legal Counsel	Mr. George Sisk
Bureau Chief of Business Services	Ms. Rachel Washington

Agency offices are located at:

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Springfield, IL 62701

160 N. LaSalle
Suite N-700
Chicago, IL 60601

Illinois Department on Aging



Governor Pat Quinn
Director Charles D. Johnson

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

March 17, 2009

Doehring, Winders & Co. LLP.
Certified Public Accountants
1601 Lafayette Avenue
P.O. Box 628
Mattoon, IL 61938


Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Department on Aging (Agency). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2007 and June 30, 2008, the Agency has materially complied with the assertions below.

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

Yours very truly,

State of Illinois, Department on Aging


Charles D. Johnson, Director


Patricia E. Carter, Chief Fiscal Officer

Respect for yesterday. Support for today. A plan for tomorrow.

The Illinois Department on Aging does not discriminate in admission to programs or treatment of employment in programs or activities in compliance with appropriate State and Federal statutes. If you feel you have been discriminated against, call the Senior HelpLine at 1-800-252-8966; 1-888-206-1327 (TTY).

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

COMPLIANCE REPORT - SUMMARY

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

ACCOUNTANTS' REPORT

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

SUMMARY OF FINDINGS

Number of	This Report	Prior Report
Findings	13	15
Repeated findings	12	5
Prior recommendations implemented or not repeated	3	7

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

SCHEDULE OF FINDINGS

Item No.	Page	Description	Finding Type
FINDINGS (STATE COMPLIANCE)			
08-01	8	Inadequate Disaster Contingency Planning	Significant Deficiency and Noncompliance
08-02	11	Deficiencies in Membership of Various Committees	Significant Deficiency and Noncompliance
08-03	13	Failure to Implement the Community Senior Services and Resources Act	Significant Deficiency and Noncompliance
08-04	15	Failure to Establish Required Committees	Significant Deficiency and Noncompliance
08-05	17	Failure to Adopt Policies, Priorities and Guidelines for Alzheimers Day Care Resource Centers	Significant Deficiency and Noncompliance
08-06	18	Inadequate Segregation of Duties over Payroll	Significant Deficiency and Noncompliance
08-07	19	Failure to Establish a Family Caregiver Training and Support Demonstration Project	Significant Deficiency and Noncompliance
08-08	21	Failure to Submit Copies of Enhanced Transition Grant Awards with Illinois Health Facilities Planning Board	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
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COMPLIANCE REPORT - SUMMARY (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE) - Continued			
08-09	22	Failure to Timely File Reports	Significant Deficiency and Noncompliance
08-10	24	Voucher Processing Weaknesses	Significant Deficiency and Noncompliance
08-11	26	Insufficient Internal Controls over Automobile Records	Significant Deficiency and Noncompliance
08-12	28	Inadequate Internal Controls over Accounts Receivable Reporting Process	Significant Deficiency and Noncompliance
08-13	30	Failure to Hold Required Meetings	Significant Deficiency and Noncompliance
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)			
08-14	31	Inadequate Internal Controls over Payroll Processing	
08-15	31	Failure to Determine Need for Emergency Home Responsive System Program	
08-16	31	Inadequate Internal Controls over Fixed Assets	

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on February 19, 2009. Attending were:

Department on Aging

Charles D. Johnson, Director
Elton Arrindell, Assistant to the Director
Michael Gelder, Deputy Director
Patricia E. Carter, Chief Fiscal Officer
Bernard Clancy, CIO
Rance Carpenter, Bureau Chief
Mary Killough, Division Manager of Home and Community Services
Alan Fowler, Manager of Fiscal Operations

Office of the Auditor General

Candice M. Long, CPA, Audit Manager
Jeremy Mehochko, IS Audit Manger

Doehring, Winders & Co. LLP

Robert E. Arnholt, CPA, Partner
Matthew B. Clarkson, CPA, Senior Accountant

Responses to the recommendations were provided by Patricia E. Carter, Chief Fiscal Officer, in an email dated February 25, 2009.

DOEHRING, WINDERS & CO. LLP
*Certified Public Accountants
& Business Advisers*
1601 LAFAYETTE AVENUE
MATTOON, ILLINOIS 61988

Independent Accountants' Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Department on Aging's (the 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, 2008. 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. The 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.

We conducted our examination 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 aforementioned requirements during the two years ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 08-1 through 08-13.

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

Internal Control

The management of the 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 aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as described below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of state findings as items 08-1 through 08-13 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with requirements will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of state findings to be material weaknesses.

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

The State of Illinois, Department on Aging's response to the findings identified in our examination are described in the accompanying schedule of state findings. We did not examine the Department's response and, accordingly, we express no opinion on it.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2008 and the 2007 Supplementary Information for State Compliance Purposes, except for information on the Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

Doehring, Winders & Co. LLP

March 17, 2009

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE

Two Years Ended June 30, 2008

08-1 INADEQUATE DISASTER CONTINGENCY PLANNING

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

The Department relies on several critical applications, including the Community Care Program Information System (CCPIS), for meeting its business objectives. During fiscal year 2007 and 2008, the Department relied on the CCPIS system to administer approximately \$716 million in State funds.

During our examination, we noted the following deficiencies:

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

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

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

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

Although Department officials were aware of this deficiency, officials stated the Department is awaiting finalization of a contingency plan currently being developed by a newly formed Disaster Recover / Business Continuity Plan Work Team. The Department plans on expanding the contingency plan to include all Department computer systems, including the eCCPIS component. (Finding Code No. 08-1, 06-2, 04-2)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-1 INADEQUATE DISASTER CONTINGENCY PLANNING (CONTINUED)

RECOMMENDATION

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

The Plan should also be updated to:

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

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

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

AGENCY RESPONSE

The Department agrees with this finding. The draft version of the final comprehensive plan has identified eCCPIS as a critical service. The anticipated final sign-off on the plan is July 1, 2009. A detailed eCCPIS recovery plan exists and was last updated January 5, 2007.

A business risk evaluation is part of the revised plans steps, and will aid in the creation of the time frames for the next revision to the final comprehensive plan. The methodology applied is a 7-step process in which, after performing the steps the work team determines to be imperative, the Department will have a comprehensive plan. A brief overview of each step has been explored by the "Disaster Recovery/Business Continuity Plan Work Team", including prioritization of applications. A few techniques for building a recoverable environment were discussed, including the potential costs required to build an environment that is "hot" swappable (standing ready).

Testing is an important aspect of the new disaster recovery plan, and all necessary elements will be included. Quarterly tests are standard operating procedure under the new plan.

The disaster recovery build-out will continue at the Ridgely site, where the Print Shop is currently located; although the final comprehensive plan will include a discussion of an alternate recovery location, as well. Currently, there is a server in place and it is performing nightly back-ups of the Springfield and Chicago servers. The addition of GroupWise is also

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CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-1 INADEQUATE DISASTER CONTINGENCY PLANNING (CONTINUED)

AGENCY RESPONSE (continued)

being researched and tape back-ups are performed nightly; procedures include taking the tapes to an off-site storage location in Springfield.

A committee has been formed and designated as the "Disaster Recovery/Business Continuity Plan Work Team". The plan is for the team to meet quarterly, upon acceptance of the final comprehensive plan, so that tests of elements of the plan can occur quarterly. The PMO will also be included in this process so that any changes to the Department's applications can be acted upon soon after the implementation decision has been made.

Testing procedures will be developed, including documentation for the testing process, and are included in the framework of the final comprehensive plan. The Project Management Office is included to ensure they are aware of any testing involving the Agency applications.

STATE OF ILLINOIS
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CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-2 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES

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

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

As of June 30, 2008, the membership of OASAC was deficient in membership representation of the following categories:

- One nutrition project representative (vacant since March 2008)
- One nursing home representative (vacant since March 2007)
- One representative of municipalities (vacant since September 2005)
- One representative of county officials (vacant since July 2004)

As of June 30, 2008, the membership of the CSSARCAC was deficient in membership representation of the following categories:

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

Additionally, the CSSARCAC has not held a meeting since October 2005. Therefore, they have not added any new members since this statute was tested for compliance in the prior examination and the Committee is still deficient in membership representation.

Regarding the OASAC, Department officials stated that as membership of the various committees ends for various reasons (resignation, death, etc.), it is sometimes difficult to find appropriate replacements for the categories that are left vacant. Accordingly, the department has invited representatives from the vacant categories but none have responded.

In regards to the CSSARCAC, department officials stated that the group has not been able to conduct a meeting in the last three years due to disinterest given the fact that there is no business to conduct without funding to provide grants for this program pursuant to 320 ILCS 60/20. In addition, department officials stated that in the past year they have sought both a general revenue appropriation in the amount of \$250,000 to fund the Community Senior Services and Resources Act and a legislative remedy (House Bill 5703) to repeal the act.

Failure to maintain the required membership of OASAC results in noncompliance with the Older Adult Services Act. Failure to hold the required meetings and to maintain the required

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-2 DEFICIENCIES IN MEMBERSHIP OF VARIOUS COMMITTEES (CONTINUED)

membership of the CSSARCAC results in noncompliance with the Community Senior Services Act. (Finding Code No. 08-2, 06-3)

RECOMMENDATION

We recommend that the Department fill the various vacancies on both OASAC and the CSSARCAC in order to comply with the statute. Further, the Department should ensure that the CSSARCAC holds meetings as required by the statute or seek legislative remedy.

AGENCY RESPONSE

The Department staff will continue to work with the Chair of the CSSARCAC to determine the feasibility of scheduling meetings. It has been about four years since the Department sent the name of a nominee for the vacant Area Agency on Aging position on the Advisory Council Governor's office. On January 9, 2007, Director Johnson and Department staff met with the Chair of the Advisory Committee and several other representatives of the Illinois Association of Senior Centers to discuss vacancies on the committee. At that time, the Advisory Council Chair stated that she would try and identify possible replacements. So far, she has not been able to identify any replacements.

The Department will continue to solicit members from the associations representing townships, municipalities, area agencies on aging, and park districts. Except for area agencies on aging, the other interests identified in the legislation have not found the subject matter of the OASAC particularly relevant to their primary issues and have not identified someone to represent their interests. The department will consider a legislative remedy if efforts to solicit membership from these associations fail again this year.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-3 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT

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

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

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

The Department did establish a Community Senior Services and Resource Center Advisory Committee. The membership was appointed by the Governor in July 2004. However, as reported in Finding No. 08-2, this committee has not met since October 2005. The Department did not promulgate any rules, regulations, guidelines or directives necessary to implement the Act. Efforts by the Department to pursue alternative funding from those sources outlined in the legislation to administer the provisions of the Act have been unsuccessful; therefore, no grants have been made, no government bonds have been issued, and technical assistance has not been provided to centers. The Department did develop a survey to gather information from the centers concerning the lack or inadequacy of senior services and to identify service demand trends and the unique needs of older Illinoisans and their families. However, this survey was last done in 2006. Although there are various listings of the centers available on the Department's website that offer certain services, a comprehensive list of centers and the services they provide has not been compiled for distribution through other promotional opportunities. No report regarding the program has been made to the Governor or the General Assembly.

Department officials stated that they have been unable to obtain funding to implement the Act. Department officials also stated that they have not determined the amount of funding necessary to implement the Act due to the expected large cost of surveying all of the Area Agencies on Aging and the Senior Centers. Department officials further stated that in the past year they sought a general revenue appropriation of \$250,000 for funding as well as a legislative remedy to repeal the Act.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

**08-3 FAILURE TO IMPLEMENT THE COMMUNITY SENIOR SERVICES AND RESOURCES ACT
(CONTINUED)**

Failure to implement all of the provisions of the Act results in non-compliance with the Act.
(Finding Code No. 08-3, 06-4, 04-07)

RECOMMENDATION

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

AGENCY RESPONSE

This past year the Department sought first a legislative remedy and then a general revenue appropriation. Both efforts were unsuccessful. For the FY 2010 legislative and budget process the Department will again seek both remedies. If successful with a legislative remedy, the Department will implement that remedy. If successful in obtaining a general revenue appropriation, the Department will work with the Community Senior Services and Resources Advisory Committee to implement the necessary rules and procedures to make awards under this Act.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-04 FAILURE TO ESTABLISH REQUIRED COMMITTEES

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

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

During the two years ended June 30, 2008, there was neither an Advisory Committee for the Prevention of Unnecessary Institutionalization Program nor a Coordinating Committee of State Agencies Serving Older Persons established by the Department.

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

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

The Advisory Committee is required to have as a part of its membership three individuals age 60 or over representing different disabilities. OASAC is required to have two citizen members over the age of 60. In addition to the fact that the appointment of these two members to OASAC is one member short of the three required to be on the Advisory Committee, the citizen members of OASAC are not required to also be representatives of different disabilities. Based upon testing, it was determined that the OASAC currently has two members fulfilling the category of "citizen member over the age of 60." OASAC is further required to have one member representing individuals with Alzheimer's disease and related dementias, which may fulfill one of the disabilities that are required to be represented on the Advisory Committee; however the Advisory Committee is required to have three of those individuals, not just one as required by OASAC.

The Coordinating Committee is required to have as a part of its membership the State Superintendent of Education, Secretary of Transportation, Director of Labor, Director of Children and Family Services, and the Director of Revenue. These individuals are not members of OASAC.

Failure to establish an Advisory Committee or Coordinating Committee or to maintain the required membership of these two committees on OASAC results in noncompliance with the Prevention of Unnecessary Institutionalization Act and the Act on Aging. (Finding Code No. 08-04, 06-5)

RECOMMENDATION

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

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-04 FAILURE TO ESTABLISH REQUIRED COMMITTEES (CONTINUED)

AGENCY RESPONSE

The department will bring the mandate to the attention of the new governor's office staff and seek direction either to re-establishing these committees or seek a legislative remedy to have them repealed. The general assembly subsequently established the Older Adult Services Advisory Committee, which meets regularly, assumes many of the same functions, and engages many of the same state agencies as the Advisory Committee for the Prevention of Unnecessary Institutionalization and the Coordinating Committee of State Agencies Serving Older Persons.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-5 FAILURE TO ADOPT POLICIES, PRIORITIES AND GUIDELINES FOR ALZHEIMER'S DAY CARE RESOURCE CENTERS

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

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

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

Department officials stated that the department functioned without a division manager with this responsibility for much of the time under consideration.

Failure to adopt policies, priorities and guidelines to carry out this section of the Act results in a lack of an authoritative standard of which the Department is to follow in order to ensure that all of the intentions of this section of the Act are being fulfilled and also results in noncompliance with the Illinois Act on Aging. (Finding Code No. 08-5, 06-6, 04-8)

RECOMMENDATION

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

AGENCY RESPONSE

The Illinois Act on Aging required the Department to establish at least one urban and one rural specialized Alzheimer's Day Care Resource Center, to develop a training module for the specialized day care centers and to adopt policies, priorities and guidelines to carry out the purposes of this section of the Act. The Department had established two Alzheimer's Day Care Resource Centers that aid in the training of specialized Alzheimer's Day Care Centers and have developed a module to aid in training. However no policies, priorities or guidelines have been adopted in order to carry out the purposes of this section of the Act. The Department is in the process of procuring for assistance to establish the policies, priorities and guidelines in order to be in full compliance.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-6 INADEQUATE SEGREGATION OF DUTIES OVER PAYROLL

The Department lacked proper segregation of duties in processing payroll.

The payroll supervisor has the ability to change payroll transactions in the Department's Central Payroll System and is also responsible for reviewing and approving the transactions.

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

Department officials stated that the lack of the appropriate number of staff in the fiscal office made segregating duties difficult and the need to have an employee that acts as a backup for the payroll clerk.

A lack of adequate segregation of duties increases the risk that a loss from errors or irregularities could occur and would not be detected in a timely manner in the normal course of employees carrying out their assigned duties. (Finding Code No. 08-6, 06-7, 04-9)

RECOMMENDATION

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

AGENCY RESPONSE

The fiscal department is currently restructuring operations. The revised protocol is for the payroll supervisor to act as the back-up to the payroll clerk (this position is currently open and should be filled in the next 30-60 days). The supervisor will review the work of the clerk and have the ability to make entries into the payroll system in the clerk's absence. The Bureau Chief will have the sole authority to approve payroll transactions, vouchers, etc.; but will not have access to enter or change data in the payroll system.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-7 FAILURE TO ESTABLISH A FAMILY CAREGIVER TRAINING AND SUPPORT DEMONSTRATION PROJECT

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

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

During the two years ended June 30, 2008, the Department did not establish a Family Caregiver Training and Support Demonstration Project as set forth in this statute. Additionally, no rules were adopted to govern the participation and oversight of the program. However, the department did seek legislative remedy (House Bill 5703) by attempting to have this section of the statute repealed. The House of Representatives passed a measure to repeal this section, but it has not been passed by the Senate.

Department officials stated that there were no federal funds available for this particular type of project due to there already being a project that mirrors the one set forth in this statute at the federal level. The federal funding received for the current Caregiver Support Program is through Title III (e) of the Older Americans Act, also known as the "National Family Caregiver Support Program," under which the Department provides a variety of caregiver support services through the various Area Agencies on Aging throughout the State. The Department received \$6,021,526 and \$6,242,158 of federal funding for this program during fiscal 2008 and 2007, respectively. Department officials also stated that they felt that the Department was fulfilling the essence of this statute through two Aging and Disability Resource Center (ADRC) sites that the Department has established. These ADRC sites (funded under the federal Older Americans Act) do not focus solely on family caregiver training and support; however, they do provide some of these services.

Failure to establish a Family Caregiver Training and Support Demonstration Project as well as failure to establish rules that govern participation and oversight of the program result in noncompliance with the Family Caregiver Act. (Finding Code No. 08-7, 06-9)

RECOMMENDATION

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

AGENCY RESPONSE

This legislation was passed in anticipation of federal funding, which has not been forthcoming. Without federal funds, there is no basis for this legislation. Last year, the Department sought a legislative remedy via Senate Bill #1432. SB 1432 would have amended the Family Caregiver

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

**08-7 FAILURE TO ESTABLISH A FAMILY CAREGIVER TRAINING AND SUPPORT
DEMONSTRATION PROJECT (CONTINUED)**

AGENCY RESPONSE (continued)

Act by repealing the provision concerning a Family Caregiver Training and Support Demonstration Project. The Department will continue to seek a legislative remedy to this finding.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-8 FAILURE TO SUBMIT COPIES OF ENHANCED TRANSITION GRANT AWARDS WITH ILLINOIS HEALTH FACILITIES PLANNING BOARD

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

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

Beginning July 1, 2007, the Department made grants to six area agencies on aging under the Enhanced Transition Demonstration Project. The Department did not send copies of any of these grant awards to the Board.

Department officials stated that the grant awards were not submitted to the Board due to inadvertent oversight by staff members.

Failure to submit copies of the grant awards made under the Enhanced Transition Demonstration Project to the Board results in an incomplete statewide inventory as authorized by the Illinois Health Facilities Planning Act and noncompliance with the Older Adult Services Act. (Finding Code No. 08-8, 06-10)

RECOMMENDATION

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

AGENCY RESPONSE

The department will comply with the statute by submitting copies of the Enhanced Transition grant awards to the Illinois Health Facility Planning Board.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-9 FAILURE TO TIMELY FILE REPORTS

The Department failed to file reports required by various statutes with the Governor and General Assembly.

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

During the year ended June 30, 2007, the Department, in coordination with the other aforementioned State Departments, did develop an annual report on the programs provided under the Minority Senior Citizen Program. However, this report has not been filed with the Governor or the General Assembly.

Department officials stated that the Department is waiting for signatures from the various agencies that provide information for these reports before submitting the FY 2007 report to the General Assembly. In addition, Department officials stated that the draft of the FY 08 report has been completed and is ready to format. Therefore, the Minority Senior Citizen Program Report for 2008 was not filed with the Governor or General Assembly by September 30 either.

Also, the Department failed to file its annual report on the Elder Abuse and Neglect Act (320 ILCS 20/11) within 270 days after the end of FY 2007.

The Act requires the Department to submit a report on its implementation and recommendations with the Governor and General Assembly within 270 days after the end of each fiscal year.

For the year ended June 30, 2007, the Department has developed an annual report on the Elder Abuse and Neglect Act. However, this report has not been filed with the Governor or General Assembly.

Department officials explained that, in order to enhance the system for generating annual reports in the future, the IT department is working on building a program that will automatically transfer data into charts and tables when it is entered. The Department is using the FY 2007 data to create this program, which has caused a delay in filing the report with the General Assembly.

Furthermore, the Department failed to report the pilot project grants to the General Assembly prior to December 1st.

The Act on Aging (20 ILCS 105/8.05(d)) requires the Department to report pilot project grants to the General Assembly annually prior to December 1st. However, Department officials stated that no pilot project grants have been awarded and no reports were submitted to the General Assembly.

Failure to file annual reports on programs and services provided by the Department results in noncompliance with the Illinois Act on Aging and Elder Abuse and Neglect Act, and does not give the Governor or the General Assembly the information they require in order to properly evaluate these programs. (Finding Code No. 08-9, 06-11)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-9 FAILURE TO TIMELY FILE REPORTS (CONTINUED)

RECOMMENDATION

We recommend that the Department comply with the Act on Aging and the Elder Abuse and Neglect Act by filing the annual reports for the Minority Senior Citizen Program, the Elder Abuse and Neglect Act, and the pilot project grants on time each year.

AGENCY RESPONSE

As stated in the findings, the FY 2007 annual report for the Elder Abuse and Neglect Program was not filed with the Governor and General Assembly within 270 days after the end of FY 2007. The compilation of the data for the annual report is completed by using information entered on the Elder Abuse System (EAS). Historically, there has been a delay in reconciling the final numbers because the system is antiquated. After the end of FY 2007, the IT staff created a new system for populating the data. The development of this improved method did delay finalizing the data for FY 2007, but the report is now finished, is being printed and will be available for filing in March 2009. The time spent in this project during the past year, will permit the FY 2008 annual report to be filed within the required time frames.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-10 VOUCHER PROCESSING WEAKNESSES

The Department did not exercise adequate control over voucher processing. We noted the following:

- Eleven of the 265 (4.15%) invoice vouchers we tested for timely approval were not approved or denied within 30 days of receipt of a proper bill. The Department approved the vouchers from 5 to 54 days late.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physical receipt of the bill.

Department officials stated that these exceptions were caused by oversight due to low staffing.

- The Department did not pay Department of Central Management Services (DCMS) telephone billings in a timely manner or in the appropriate fiscal year. During our testing, we noted that 2 of the 100 telephone billings tested had "catch up billing" in the description. Both of these invoices were for telephone charges in fiscal year 2006, but were paid out of fiscal year 2007 appropriations.

Voucher	Date of DCMS invoice	Date vouchered	Number of days	Amount
1	5/12/06	7/20/07	434	\$11,352.49
2	8/22/05	7/26/07	703	171.26
2	3/6/06	7/26/07	507	164.43

According to Department staff, there was a delay in payment due to the billings being lost when they were sent to divisions to approve charges for their division, and that the Department had to contact Central Management Services in order to obtain the necessary documentation to pay the bills.

The Illinois Administrative Code (74 Ill. Adm. Code 1000.50) states that user agencies shall process payments within 30 days after physical receipt of Internal Service Fund bills. User agencies shall immediately notify the Department of any additional information that is necessary to review an Internal Service Fund bill. The Code further states that user agencies shall make reasonable efforts to review, approve, and pay all Internal Service Fund bills in the fiscal year in which the liability was incurred or within the fiscal year that the Department issues a catch-up billing. User agencies shall not leave Internal Service Fund bills unpaid in order to circumvent fiscal year budgetary controls.

Failure to approve or deny vouchers within 30 days of receipt of a proper bill or in the correct fiscal year results in noncompliance with the Illinois Administrative Code. (Finding Code No. 08-10, 06-12, 04-11)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-10 VOUCHER PROCESSING WEAKNESSES (CONTINUED)

RECOMMENDATION

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

AGENCY RESPONSE

Revised procedures have been developed for voucher processing. Each invoice received for payment is date stamped upon receipt and entered onto a tracking log. The Voucher Processing Supervisor monitors the status of invoices sent to the divisions for approval based on the tracking log and takes the necessary follow-up steps for invoices approaching the 30 day approval deadline.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-11 INSUFFICIENT INTERNAL CONTROLS OVER AUTOMOBILE RECORDS

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

During our testing, we noted the following conditions:

- 14 of 20 (70%) of the invoice-vouchers tested revealed the original charge tickets were missing. As a result, these charges could not be traced to the vehicle or the employee who incurred the charge.
- 5 of 143 (3.5%) of the charges for gasoline tested were for purchases made on a weekend and the Department did not have any documentation of approval for weekend use of the vehicle on three of these charges.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. In addition, good internal control requires records be maintained to adequately control and support fiscal operations and to provide reliable data for necessary management reports regarding vehicle usage. Per State Vehicle Use Policy issued April 6, 2004, Agencies must maintain documentation of the cost/benefit for approval to take vehicles home on weekends.

Department officials stated that the reasons for missing charge tickets were due to employees failing to submit tickets and tickets being misfiled by fiscal staff members. Two of the five instances of purchasing gasoline on the weekend were done by the agency Director, who has been assigned a state vehicle which he uses to conduct agency business during the week, and possibly, during weekends. According to department officials, the three occasions where gasoline was purchased during the weekend are attributable to employees returning from a business trip late Friday night.

Without proper automobile records, the automobile expenditure and use policies are more susceptible to abuse and may go undetected by the Department. (Finding Code No. 08-11, 06-13)

RECOMMENDATION

We recommend the Department obtain and maintain adequate support before paying expenditures by requiring the original charge tickets be attached to the invoice. Further, the Department should maintain documentation showing the cost/benefit for approvals of taking home vehicles on weekends.

AGENCY RESPONSE

The Agency's policies regarding vehicle usage have been updated to provide a remedy for missing gasoline charge tickets and to better document authorization for week-end vehicle usage. If the employee fails to provide a charge ticket for any charges incurred on the

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-11 INSUFFICIENT INTERNAL CONTROLS OVER AUTOMOBILE RECORDS (Continued)

gasoline card while it was in their possession, an incident report will be completed by the employee documenting their usage of the gasoline card. The employee's immediate supervisor will need to acknowledge the charge card usage as well. The incident report will then be attached to the gasoline charge card invoice and become a permanent component of the voucher package.

Any vehicles scheduled to be returned to the Agency after close of business on Friday, will require written prior approval from the employee's supervisor. Any emergency situations which may occur and for which reasonable planning could not have anticipated will be fully documented in the vehicles usage records by completing an incident report.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-12 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING PROCESS

The Department did not have adequate controls over the accounts receivable reporting process which led to inaccurate reporting of the estimated uncollectibles and failed to follow procedures regarding the Comptroller's Offset System for past due accounts.

- With respect to the accounts receivable reporting and reconciliations performed during fiscal years 2007 and 2008, we noted that for 7 of the 8 quarterly accounts receivable reports tested the Department did not report a balance of the estimate of uncollectible receivables. For the quarter ended June 30, 2008, the Department reported \$351,000 of the \$363,000 of gross receivables as uncollectible. The receivables reported on the quarterly reports arise from grant overpayments by the Circuit Breaker Program.

The Statewide Accounting Management System (SAMS) (Procedure 26.20.20) states that "Each agency should examine the collection history for each type of receivable that it recognizes in order to establish guidelines for estimating the amount of debt that will be uncollectible."

Department officials stated that although they had calculated the amount of accounts receivable deemed uncollectible, it was inadvertently not included on the quarterly accounts receivable reports to the Comptroller until the quarter ending June 30, 2008.

- At June 30, 2008, the Department had \$363,000 of gross accounts receivable made up of 874 individual accounts. Of that amount, \$321,000 was past-due by 90 days or more.

The Statewide Accounting Management System (SAMS) Manual (Procedure 26.40.20) recommends placement of accounts for offset early in the collection process and requires placement of accounts greater than 90 days past due and over \$1,000 in the Comptroller's Offset System unless an agency can demonstrate to Comptroller's satisfaction that referral of accounts to the system is not cost effective, has entered into a deferred payment plan, or the claim is against another State Agency.

During our testing, we noted that several of the accounts included in the detail of accounts receivable were over \$1,000 and 90 days past due, and that none of these amounts had been placed with Comptroller's Offset System.

According to Department staff, a decision was made many years ago to not pursue collection of these receivables in most cases other than reducing future grant payments since the claims are made up of grant overpayments generated by the Circuit Breaker program, and that collection of the amounts could result in political backlash against the Department since participants of the program are low-income elderly citizens. Also, the Department believes that referral to the offset system would not be cost effective.

Failure to establish and maintain adequate internal controls over the accounts receivable reporting process increases the risk that the Department's receivable balances could be inaccurate and not properly valued. Failure to submit accounts receivable over \$1,000 to the Comptroller's Offset System is a violation of SAMS Procedure 26.40.20 and could result in the State not being able to recover amounts it is owed. (Finding Code No. 08-12, 06-15)

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

**08-12 INADEQUATE INTERNAL CONTROLS OVER ACCOUNTS RECEIVABLE REPORTING
PROCESS (CONTINUED)**

RECOMMENDATION

We recommend the Department implement the necessary internal controls to consistently report the valuation of receivables, and that the Department write-off the accounts that it believes are not collectible as well as attempt to demonstrate to the Comptroller that pursuit of the receivables over \$1,000 individually via the Comptroller's Offset System would not be cost effective to the State.

AGENCY RESPONSE

The Agency has begun to report the estimated value of uncollectible receivables on its quarterly report to the Comptroller.

The accounts reported as uncollectible each quarter are the result of overpayments made by the Circuit Breaker program—many of these accounts were transitioned from the Department of Revenue when the grant program was transferred to the Agency. The average grant award for this program is \$250, with the maximum being \$700. Most of the accounts on the receivables ledger have been carried forward for more than 5 – 10 years; additionally, interest has been applied to the outstanding balance and the result, over time, is an account greater than \$1,000. Many of the applicants eligible for the Circuit Breaker grant program continue to be eligible in future years, so the account balance is off-set each fiscal year by 50% of the new grant award.

Currently, we are evaluating the remaining accounts receivable balances for immediate disposition and will begin to write-off balances for deceased grantees and small balances where there has been no new grant activity in the last three years. We will also work with the Comptroller to explore the off-set system.

STATE OF ILLINOIS
DEPARTMENT ON AGING

CURRENT FINDINGS – STATE (Continued)

Two Years Ended June 30, 2008

08-13 FAILURE TO HOLD REQUIRED MEETINGS

The Department's Senior Pharmaceutical Assistance Review Committee failed to meet at least quarterly.

The Senior Pharmaceutical Assistance Act (320 ILCS 50/15) requires the Department to create a Senior Pharmaceutical Assistance Review Committee that consists of 17 members which serve without compensation or reimbursement for expenses. The committee is also required to meet at least quarterly.

Department officials stated that the last Senior Pharmaceutical Assistance Review Committee meeting was held on November 30, 2006. There were no meetings for the rest of fiscal year 2007 and none were held in fiscal year 2008.

Failure of the Senior Pharmaceutical Assistance Review Committee to hold quarterly meetings results in noncompliance with the Senior Pharmaceutical Assistance Act. (Finding Code No. 08-13)

RECOMMENDATION

We recommend that the Senior Pharmaceutical Assistance Review Committee meet at least quarterly as required by the Senior Pharmaceutical Assistance Act or seek legislative remedy to the statutory requirement.

AGENCY RESPONSE

Since the passage of the Senior Pharmaceutical Assistance Act in 2002, the federal government established Medicare Part D, which transferred to the federal government from the states the responsibility for meeting the pharmaceutical needs of older adults. This has dramatically decreased the number of bills introduced in the Illinois General Assembly related to pharmaceutical assistance, one of the key reasons cited in the legislation for the establishment of the Senior Pharmaceutical Assistance Review Committee. With much less attention and authority at the state level, there has been less of a need for and interest in this committee. The department will consult with the four legislative leaders cited in the legislation who are responsible for 12 of the appointments to determine whether they wish the committee to be reestablished or if they prefer to pass legislation that would modify the requirements based on the current limited state role or repeal it.

STATE OF ILLINOIS
DEPARTMENT ON AGING

PRIOR FINDINGS NOT REPEATED - STATE

Two Years Ended June 30, 2008

- 08-14** In the prior examination, the Department on Aging (Department) paid five former employees for up to three pay periods after they separated from the Department. In addition, the Department did not have procedures in place to balance output reports from the Central Payroll System to the transactions entered.

During the current examination, we noted no instances in our sample testing of employees who separated from service with the Department where the Department paid employees after separation from service, and they have implemented procedures to balance payroll output reports to the transactions entered; therefore, this finding is not repeated. (Finding Code No. 06-1)

- 08-15** In the prior examination, the Department had not determined the need for an emergency home response system for applicants or recipients of services upon initial or determination of eligibility for the community care program.

During the current examination, we noted that the Department now includes questions on their applications in order to determine a need for an emergency home response device; therefore, this finding is not repeated. (Finding Code No. 06-8)

- 08-16** In the prior examination we noted that the Department had inadequate internal controls over fixed assets which led to problems with physical custody of the fixed assets and inaccurate reporting.

During the current examination, the results of our testing indicated that the Department had improved their internal controls, as there were no exceptions noted; therefore, this finding is not repeated. (Finding Code No. 06-14)

STATE OF ILLINOIS
DEPARTMENT ON AGING

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards

- Notes to the Schedule of Expenditures of Federal Awards

- Schedule of Appropriations, Expenditures and Lapsed Balances

- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances

- Schedule of Changes in State Property

- Comparative Schedule of Cash Receipts

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

- Analysis of Significant Variations in Expenditures

- Analysis of Significant Variations in Cash Receipts

- Analysis of Significant Lapse Period Spending

- Analysis of Accounts Receivable

- Schedule of Indirect Cost Reimbursements

- Analysis of Operations:

- Agency Functions and Planning Program

- Average Number of Employees

- Annual Cost Statistics (Not Examined)

- Service Efforts and Accomplishments (Not Examined)

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
Schedule of Expenditures of Federal Awards
For the Years Ended June 30, 2008 and 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	(Amounts in Thousands) Federal Expenditures	
		FY08	FY07
<i>Aging Cluster:</i>			
U.S. Department of Health and Human Services:			
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 15,897	\$ 17,264
Title III, Part C - Nutrition Services	93.045	21,914	21,765
<i>Total Aging Cluster</i>		37,811	39,029
 <i>Other Programs:</i>			
U.S. Department of Health and Human Services:			
Title VII, Part G - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	189	196
Title VII, Part E - Long-Term Care Ombudsman Services for Older Individuals	93.042	576	612
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	742	847
Title IV, Part C - Training Research and Discretionary Projects and Programs	93.048	(125)	121
Title III, Part E - National Family Caregiver Support Program	93.052	5,985	6,231
Title III-D (In-Home Services)	93.046	23	-
Title VII-H (Pension Counseling)	93.049	3	-
Nutrition Services Incentive Program	93.053	6,024	6,130
State Survey and Certification of Health Care Providers and Suppliers	93.777	-	707
Grants under Section 1110 of the Social Security Act	93.779	483	218
State Pharmaceutical Assistance Program payments under Title XVIII, MMA Section 1860D-23 of the Social Security Act	93.786	-	308
Total U.S. Department of Health and Human Services		\$ 13,900	\$ 15,370

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Schedule of Expenditures of Federal Awards (Continued)
For the Years Ended June 30, 2008 and 2007

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	(Amounts in Thousands) Federal Expenditures	
		FY08	FY07
<i>Other Programs (Continued):</i>			
U.S. Department of Labor:			
Title V - Senior Community Service Employment Program	17.235	\$ 3,251	\$ 3,163
Total U.S. Department of Labor		3,251	3,163
U.S. Department of Agriculture:			
Child Nutrition Program Block Grant	10.555	1,288	-
USDA Meal Reimbursement Cash in Lieu of Commodities	10.558	-	1,309
Administrative Costs	10.560	(30)	29
Senior Farmers' Market Nutrition Program	10.576	11	-
Total U.S. Department of Agriculture		1,269	1,338
<i>Total Other Programs</i>		18,420	19,871
Total Expenditures of Federal Awards		\$ 56,231	\$ 58,900

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
DEPARTMENT ON AGING
Notes to the Schedule of Expenditures of Federal Awards
For the Years Ended June 30, 2008 and 2007

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - SIGNIFICANT FEDERAL PROGRAMS

The Department has the following significant federal programs for fiscal years 2008 and 2007:

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

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

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

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

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

NOTE 3 - FEDERAL FINANCIAL ASSISTANCE

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Years Ended June 30, 2008 and 2007

NOTE 4 - SUBRECIPIENTS

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

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	(Amounts in Thousands)	
		<u>Amount Provided to Subrecipients</u>	
		<u>FY08</u>	<u>FY07</u>
Child Nutrition Program Block Grant	10.555	\$ 1,247	\$ -
USDA Meal Reimbursement / Cash in Lieu of Commodities	10.558	-	1,250
Title V - Senior Community Service Employment Program	17.235	3,065	3,004
Title VII, Part G - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	179	185
Title VII - Part E - Long Term Care Ombudsman Services for Older Individuals	93.042	545	576
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	691	792
Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	14,767	16,179
Title III, Part C - Nutrition Services	93.045	20,427	20,695
Title IV, Part C - Training, Research, and Discretionary Projects and Programs	93.048	5	85
Title III, Part E - National Family Caregiver Support Program	93.052	5,653	5,822
Nutrition Services Incentive Program	93.053	6,024	5,094
Grants under Section 1110 of the Social Security Act	93.779	486	434
State Pharmaceutical Assistance Program payments under Title XVIII, MMA Section 1860D-23 of the Social Security Act	93.786	-	129
Total Amounts Provided to Subrecipients		<u>\$ 53,089</u>	<u>\$ 54,245</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008

	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
Public Act 95-0348					
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Distributive Items:					
Operations					
Elder Abuse and Neglect Act	\$ 11,041,400	\$ 7,731,960	\$ 2,609,415	\$ 10,341,375	\$ 700,025
Circuit Breaker and Prescription Drug Assistance	44,196,000	43,940,112	154,669	44,094,781	101,219
Senior Employment Specialist Program	264,300	251,430	7,870	259,300	5,000
Intergenerational Program	60,900	58,097	-	58,097	2,803
Grandparent Raising Grandchildren Program	336,500	317,302	7,291	324,593	11,907
Home Delivered Meals	2,000,000	1,569,063	430,937	2,000,000	-
Alzheimer's Initiative	104,700	6,400	46,166	52,566	52,134
Monitoring and Support Services	296,900	198,020	23,199	221,219	75,681
Illinois Council on Aging	12,200	12,017	-	12,017	183
Senior Meal Program	34,500	34,416	-	34,416	84
Alzheimer's Disease Task Force	12,400	6,397	2,000	8,397	4,003
Senior Helpline	1,468,400	1,163,702	124,798	1,288,500	179,900
Red Tape Cutter Program	9,800	4,985	-	4,985	4,815
Awards and Grants					
Purchase of IL Community Care Program					
Homemaker and Senior Companion Services	330,662,300	323,129,654	7,512,557	330,642,211	20,089
Retired Senior Volunteer Program	782,000	782,000	-	782,000	-
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,074,528	167,172	2,241,700	-
Adult Day Care Services	1,598,323	1,598,322	-	1,598,322	1
Foster Grandparents Program	342,100	342,100	-	342,100	-
Expenses to Area Agencies on Aging for					
Long-Term Care Systems Development	276,000	207,000	69,000	276,000	-
Grants for the Suburban Area on Aging for the Red					
Tape Cutter Program	251,700	251,700	-	251,700	-
Ombudsman Program	391,000	340,224	50,776	391,000	-
Delivered Meals and Mobile Food Equipment	7,969,600	6,626,884	1,342,716	7,969,600	-
Grants for the Chicago Department on Aging for the Red					
Tape Cutter Program	603,600	603,600	-	603,600	-
Community Based Services, Including Information and					
Referral, Transportation, and Delivered Meals	3,062,300	2,483,188	579,112	3,062,300	-
Community Based Service Grants	1,955,000	1,768,949	186,051	1,955,000	-
Case Management	43,428,600	37,469,243	5,915,354	43,384,597	44,003
Alternative Senior Services	292,962	292,962	-	292,962	-
Grants for Local Senior Centers	1,518,500	1,098,500	225,000	1,323,500	195,000
Total Distributive Items	\$ 455,213,685	\$ 434,362,755	\$ 19,454,083	\$ 453,816,838	\$ 1,396,847

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008 (Continued)

Public Act 95-0348	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
GENERAL REVENUE FUND - 001 (Continued)					
Division of Home and Community Services					
Personal Services	\$ 651,400	\$ 641,067	\$ 4,041	\$ 645,108	\$ 6,292
State Contribution to State Employee Retirement	108,150	106,210	670	106,880	1,270
State Contribution to Social Security and Medicare	49,800	47,352	288	47,640	2,160
Travel	20,000	19,994	-	19,994	6
Commodities	500	445	-	445	55
Total Division of Home and Community Services	829,850	815,068	4,999	820,067	9,783
Division of Finance and Administration					
Personal Services	665,400	638,614	11,786	650,400	15,000
State Contribution to State Employee Retirement	110,500	105,827	1,952	107,779	2,721
State Contribution to Social Security and Medicare	50,900	48,182	900	49,082	1,818
Contractual Services	321,900	308,905	3,641	312,546	9,354
Travel	10,000	6,581	1,937	8,518	1,482
Commodities	20,400	20,052	345	20,397	3
Equipment	15,200	7,322	5,300	12,622	2,578
Electronic Data Processing	120,400	68,683	36,650	105,333	15,067
Telecommunications	66,200	65,851	-	65,851	349
Operation of Automotive Equipment	3,400	3,263	-	3,263	137
Total Division of Finance and Administration	1,384,300	1,273,280	62,511	1,335,791	48,509
Division of Planning Research and Development					
Personal Services	203,400	185,559	6,928	192,487	10,913
State Contribution to State Employee Retirement	34,000	30,739	1,147	31,886	2,114
State Contribution to Social Security and Medicare	15,600	13,732	520	14,252	1,348
Travel	20,000	19,953	22	19,975	25
Commodities	500	453	-	453	47
Total Division of Planning Research and Development	273,500	250,436	8,617	259,053	14,447

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008 (Continued)

Public Act 95-0348	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
GENERAL REVENUE FUND - 001 (Continued)					
Division of Communications and Outreach					
Personal Services	\$ 247,300	\$ 220,053	\$ 12,607	\$ 232,660	\$ 14,640
State Contribution to State Employee Retirement	41,050	36,447	2,088	38,535	2,515
State Contribution to Social Security and Medicare	18,900	16,195	933	17,128	1,772
Contractual Services	60,000	7,810	43,922	51,732	8,268
Travel	24,700	3,822	2,129	5,951	18,749
Commodities	500	380	68	448	52
Printing	23,500	16,810	-	16,810	6,690
Total Division of Communications and Outreach	415,950	301,517	61,747	363,264	52,686
Division of the Executive Office					
Personal Services	627,100	424,078	18,957	443,035	184,065
State Contribution to State Employee Retirement	104,100	70,240	3,140	73,380	30,720
State Contribution to Social Security and Medicare	48,000	31,959	1,431	33,390	14,610
Contractual Services	49,500	37,370	3,589	40,959	8,541
Travel	33,600	31,045	2,416	33,461	139
Commodities	200	157	-	157	43
Total Division of the Executive Office	862,500	594,849	29,533	624,382	238,118
Division of Shared Services					
Division of the Executive Office	131,400	113,936	14,359	128,295	3,105
Division of Finance & Administration	630,000	429,327	36,795	466,122	163,878
Total Division of Shared Services	761,400	543,263	51,154	594,417	166,983
TOTAL GENERAL REVENUE FUND - 001	459,741,185	438,141,168	19,672,644	457,813,812	1,927,373
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	6,490,900	3,010,326	3,442,182	6,452,508	38,392
Senior Health Assistance	1,600,000	1,593,960	-	1,593,960	6,040
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	\$ 8,090,900	\$ 4,604,286	\$ 3,442,182	\$ 8,046,468	\$ 44,432

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008 (Continued)

Public Act 95-0348	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Training Services	\$ 148,300	\$ 101,082	\$ 23,104	\$ 124,186	\$ 24,114
Discretionary Government Projects	6,405,000	262,033	-	262,033	6,142,967
Expenses of Senior Meal Program	52,100	18,641	5,539	24,180	27,920
Awards and Grants					
Grants for USDA Adult Day Care	1,500,000	1,023,662	209,097	1,232,759	267,241
Grants for Employment Services	3,397,000	2,789,246	256,258	3,045,504	351,496
Grants for Nutrition Services	24,475,800	16,288,297	4,978,883	21,267,180	3,208,620
Grants for Social Services	27,164,000	17,230,298	6,588,308	23,818,606	3,345,394
USDA Elderly Feeding Program	6,500,000	5,646,648	853,352	6,500,000	-
Total Distributive Items	69,642,200	43,359,907	12,914,541	56,274,448	13,367,752
Division of Home and Community Services					
Personal Services	1,154,000	1,059,077	46,144	1,105,221	48,779
State Contribution to State Employee Retirement	191,600	176,166	7,673	183,839	7,761
State Contribution to Social Security and Medicare	88,300	79,493	3,465	82,958	5,342
State Contribution to Group Insurance	272,000	204,814	8,969	213,783	58,217
Contractual Services	15,000	9,971	-	9,971	5,029
Travel	52,100	51,998	-	51,998	102
Total Division of Home and Community Services	1,773,000	1,581,519	66,251	1,647,770	125,230
Division of Finance and Administration					
Personal Services	281,900	239,383	6,984	246,367	35,533
State Contribution to State Employee Retirement	46,800	39,684	1,156	40,840	5,960
State Contribution to Social Security and Medicare	21,600	17,137	507	17,644	3,956
State Contribution to Group Insurance	70,000	66,666	2,114	68,780	1,220
Contractual Services	76,300	38,259	36,912	75,171	1,129
Travel	10,000	3,441	664	4,105	5,895
Commodities	6,500	4,638	1,831	6,469	31
Printing	12,800	8,597	1,917	10,514	2,286
Equipment	1,100	1,074	-	1,074	26
Telecommunications	14,000	13,533	72	13,605	395
Operation of Automotive Equipment	2,400	2,387	-	2,387	13
Total Division of Finance and Administration	543,400	434,799	52,157	486,956	56,444

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008 (Continued)

Public Act 95-0348	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)					
Division of Planning Research and Development					
Personal Services	\$ 299,100	\$ 261,493	\$ 19,302	\$ 280,795	\$ 18,305
State Contribution to State Employee Retirement	49,650	43,325	3,197	46,522	3,128
State Contribution to Social Security and Medicare	22,900	19,242	1,418	20,660	2,240
State Contribution to Group Insurance	80,000	61,740	4,602	66,342	13,658
Contractual Services	15,000	1,470	-	1,470	13,530
Travel	10,000	7,105	2,846	9,951	49
Total Division of Planning Research and Development	476,650	394,375	31,365	425,740	50,910
Division of Communications and Outreach					
Personal Services	194,500	182,732	8,935	191,667	2,833
State Contribution to State Employee Retirement	32,300	30,275	1,481	31,756	544
State Contribution to Social Security and Medicare	14,900	13,119	650	13,769	1,131
State Contribution to Group Insurance	64,000	48,303	2,175	50,478	13,522
Travel	10,000	281	5,920	6,201	3,799
Total Division of Communications and Outreach	315,700	274,710	19,161	293,871	21,829
Division of Shared Services					
Division of Finance & Administration	389,600	274,927	16,616	291,543	98,057
Total Division of Shared Services	389,600	274,927	16,616	291,543	98,057
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	73,140,550	46,320,237	13,100,091	59,420,328	13,720,222
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
Private Partnership Projects Expense	45,000	11,000	-	11,000	34,000
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	45,000	11,000	-	11,000	34,000
TOTAL - ALL APPROPRIATED FUNDS	\$ 541,017,635	\$ 489,076,691	\$ 36,214,917	\$ 525,291,608	\$ 15,726,027

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2008

Fourteen Months Ended August 31, 2008 (Continued)

Public Act 95-0348	Appropriations (Net After Transfers)	Expenditures Through 6/30/2008	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
NONAPPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items					
Refund Subgrantee Interest	\$ 217,219	\$ -	\$ -	\$ 217,219	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>217,219</u>	<u>-</u>	<u>-</u>	<u>217,219</u>	
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
IHDA/IDOR Interagency Agreement	960,576	-	-	960,576	
Ombudsman Grant	700,293	40,805	-	741,098	
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>1,660,869</u>	<u>40,805</u>	<u>40,805</u>	<u>1,701,674</u>	
TOTAL - ALL NONAPPROPRIATED FUNDS	<u>\$ 1,878,088</u>	<u>\$ 40,805</u>	<u>\$ 40,805</u>	<u>\$ 1,918,893</u>	
GRAND TOTAL - ALL FUNDS	<u>\$ 490,954,779</u>	<u>\$ 36,255,722</u>	<u>\$ 36,255,722</u>	<u>\$ 527,210,501</u>	

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007

	Public Act 94-798	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS						
GENERAL REVENUE FUND - 001						
Distributive Items:						
Operations						
Elder Abuse and Neglect Act		\$ 10,041,400	\$ 7,963,493	\$ 1,520,636	\$ 9,484,129	\$ 557,271
Circuit Breaker and Prescription Drug Assistance		51,928,600	42,757,347	5,450,006	48,207,353	3,721,247
Senior Employment Specialist Program		264,300	231,413	21,544	252,957	11,343
Intergenerational Program		60,900	34,611	9,871	44,482	16,418
Grandparent Raising Grandchildren Program		336,500	336,436	-	336,436	64
Alzheimer's Initiative		104,700	88,961	3,000	91,961	12,739
Monitoring and Support Services		296,900	227,125	28,303	255,428	41,472
Illinois Council on Aging		12,200	10,344	-	10,344	1,856
Senior Meal Program		34,500	34,416	-	34,416	84
Alzheimer's Task Force		12,400	2,561	300	2,861	9,539
Senior Helpline		1,468,400	906,162	177,032	1,083,194	385,206
Senior Transportation Expenses		200,000	198,445	-	198,445	1,555
Red Tape Cutter Program		9,800	2,360	-	2,360	7,440
Awards and Grants						
Purchase of IL Community Care Program		279,035,874	266,888,791	12,137,143	279,025,934	9,940
Homemaker and Senior Companion Services		100,000	100,000	-	100,000	-
Needs Assessment Study		782,000	775,068	6,932	782,000	-
Retired Senior Volunteer Program		2,241,700	2,042,284	199,416	2,241,700	-
Planning and Service Grants to Area Agencies on Aging		33,691,726	28,935,311	4,756,344	33,691,655	71
Case Management		19,776,100	17,915,665	1,828,074	19,743,739	32,361
Adult Day Care Services		342,100	342,100	-	342,100	-
Foster Grandparent Program		276,000	207,000	69,000	276,000	-
Expenses to Area Agencies on Aging for						
Long-Term Care Systems Development		251,700	251,700	-	251,700	-
Grants for the Suburban Area on Aging for the		391,000	334,150	56,850	391,000	-
Ombudsman Program		7,969,600	6,476,070	1,493,530	7,969,600	-
Delivered Meals and Mobile Food Equipment						
Grants for the Chicago Department on Aging for the Red		603,600	603,600	-	603,600	-
Tape Cutter Program						
Community Based Services, Including Information and		3,062,300	2,425,635	636,665	3,062,300	-
Referral, Transportation, and Delivered Meals		1,955,000	1,706,701	248,299	1,955,000	-
Community Based Service Grants		6,800,000	2,165,145	4,582,197	6,747,342	52,658
Alternative Senior Services						
Total Distributive Items		\$ 422,049,300	\$ 383,962,894	\$ 33,225,142	\$ 417,188,036	\$ 4,861,264

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007 (Continued)

Public Act 94-798	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
GENERAL REVENUE FUND - 001 (Continued)					
Division of Finance & Administration					
Personal Services	\$ 1,071,400	\$ 996,880	\$ -	\$ 996,880	\$ 74,520
State Contribution to State Employee Retirement	123,500	114,981	-	114,981	8,519
State Contribution to Social Security and Medicare	81,900	74,766	5	74,771	7,129
Contractual Services	324,200	275,393	45,865	321,258	2,942
Travel	10,000	5,866	77	5,943	4,057
Commodities	21,900	19,441	2,325	21,766	134
Equipment	15,200	4,615	9,017	13,632	1,568
Electronic Data Processing	120,400	53,408	15,855	69,263	51,137
Telecommunications	69,800	57,658	11,688	69,346	454
Operation of Automotive Equipment	3,400	3,381	-	3,381	19
Total Division of Finance & Administration	1,841,700	1,606,389	84,832	1,691,221	150,479
Division of Home & Community Services					
Personal Services	740,000	588,527	207	588,734	151,266
State Contribution to State Employee Retirement	85,100	67,878	24	67,902	17,198
State Contribution to Social Security and Medicare	56,500	43,351	16	43,367	13,133
Travel	20,000	19,858	-	19,858	142
Commodities	500	97	383	480	20
Total Division of Home & Community Services	902,100	719,711	630	720,341	181,759
Division of Planning & Research Development					
Personal Services	265,600	165,402	1,150	166,552	99,048
State Contribution to State Employee Retirement	30,800	19,063	133	19,196	11,604
State Contribution to Social Security and Medicare	20,400	11,661	88	11,749	8,651
Travel	20,000	18,200	1,743	19,943	57
Commodities	500	-	-	-	500
Total Division of Planning & Research Development	\$ 337,300	\$ 214,326	\$ 3,114	\$ 217,440	\$ 119,860

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007 (Continued)

Public Act 94-798	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
Division of Communications & Outreach					
Personal Services	\$ 328,200	\$ 244,439	-	\$ 244,439	\$ 83,761
State Contribution to State Employee Retirement	37,900	28,179	-	28,179	9,721
State Contribution to Social Security and Medicare	25,200	18,131	-	18,131	7,069
Contractual Services	60,000	3,747	14,418	18,165	41,835
Travel	24,700	6,068	3,137	9,205	15,495
Commodities	500	462	-	462	38
Printing	23,500	23,402	-	23,402	98
Total Division of Communications & Outreach	500,000	324,428	17,555	341,983	158,017
Division of Executive Office					
Personal Services	629,800	628,293	-	628,293	1,507
State Contribution to State Employee Retirement	72,700	72,462	-	72,462	238
State Contribution to Social Security and Medicare	48,300	47,085	-	47,085	1,215
Contractual Services	50,000	33,459	5,480	38,939	11,061
Travel	33,600	29,108	4,480	33,588	12
Commodities	500	500	-	500	-
Total Division of Executive Office	834,900	810,907	9,960	820,867	14,033
TOTAL GENERAL REVENUE FUND - 001	426,465,300	387,638,655	33,341,233	420,979,888	5,485,412
TOBACCO SETTLEMENT RECOVERY FUND - 733					
Distributive Items:					
Circuit Breaker and Prescription Drug Assistance	8,890,900	7,649,376	(7,545)	7,641,831	1,249,069
Senior Health Assistance	1,100,000	1,036,530	-	1,036,530	63,470
TOTAL TOBACCO SETTLEMENT RECOVERY FUND - 733	\$ 9,990,900	\$ 8,685,906	\$ (7,545)	\$ 8,678,361	\$ 1,312,539

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007 (Continued)

Public Act 94-798	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items:					
Operations					
Training Services	\$ 148,300	120,991	13,338	134,329	\$ 13,971
Discretionary Government Projects	6,405,000	517,058	230,000	747,058	5,657,942
Expenses of Senior Meal Program	52,100	25,141	2,743	27,884	24,216
Awards and Grants					
Grants for USDA Adult Day Care	1,500,000	1,027,411	223,050	1,250,461	249,539
Grants for Employment Services	3,397,000	2,736,009	267,950	3,003,959	393,041
Grants for Nutrition Services	24,475,800	16,556,059	4,138,706	20,694,765	3,781,035
Grants for Social Services	27,164,000	18,947,739	4,605,753	23,553,492	3,610,508
USDA Elderly Feeding Program	6,500,000	4,716,146	377,697	5,093,843	1,406,157
Total Distributive Items	69,642,200	44,646,554	9,859,237	54,505,791	15,136,409
Division of Finance & Administration					
Personal Services	384,900	314,480	-	314,480	70,420
State Contribution to State Employee Retirement	44,400	36,269	-	36,269	8,131
State Contribution to Social Security and Medicare	29,500	22,547	-	22,547	6,953
State Contribution to Group Insurance	120,000	86,617	-	86,617	33,383
Contractual Services	77,400	45,595	433	46,028	31,372
Travel	10,000	134	413	547	9,453
Commodities	7,200	3,607	-	3,607	3,593
Printing	12,800	12,752	-	12,752	48
Equipment	1,100	-	-	-	1,100
Telecommunications	15,500	15,458	-	15,458	42
Operation of Automotive Equipment	2,400	2,172	-	2,172	228
Total Division of Finance & Administration	\$ 705,200	\$ 539,631	\$ 846	\$ 540,477	\$ 164,723

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007 (Continued)

Public Act 94-798	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)					
Division of Home & Community Services					
Personal Services	1,127,100	1,012,885	734	1,013,619	113,481
State Contribution to State Employee Retirement	129,900	117,238	85	117,323	12,577
State Contribution to Social Security and Medicare	85,900	76,179	56	76,235	9,665
State Contribution to Group Insurance	270,000	185,667	1,750	187,417	82,583
Contractual Services	15,000	2,706	-	2,706	12,294
Travel	52,100	52,005	-	52,005	95
Total Division of Home & Community Services	1,680,000	1,446,680	2,625	1,449,305	230,695
Division of Planning & Research Development					
Personal Services	352,900	208,411	-	208,411	144,489
State Contribution to State Employee Retirement	40,700	24,028	-	24,028	16,672
State Contribution to Social Security and Medicare	27,000	15,417	-	15,417	11,583
State Contribution to Group Insurance	105,000	46,518	-	46,518	58,482
Contractual Services	15,000	2,707	-	2,707	12,293
Travel	10,000	9,483	362	9,845	155
Total Division of Planning & Research Development	550,600	306,564	362	306,926	243,674
Division of Communications & Outreach					
Personal Services	191,300	190,447	416	190,863	437
State Contribution to State Employee Retirement	22,100	21,976	48	22,024	76
State Contribution to Social Security and Medicare	14,800	13,570	32	13,602	1,198
State Contribution to Group Insurance	75,000	47,486	-	47,486	27,514
Travel	10,000	1,501	3,168	4,669	5,331
Total Division of Communication & Outreach	313,200	274,980	3,664	278,644	34,556
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	\$ 72,891,200	\$ 47,214,409	\$ 9,866,734	\$ 57,081,143	\$ 15,810,057

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Appropriations for Fiscal Year 2007

Fourteen Months Ended August 31, 2007 (Continued)

Public Act 94-798 DEPARTMENT ON AGING STATE PROJECTS FUND - 830	Appropriations (Net After Transfers)	Expenditures Through 6/30/2007	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
Distributive Items					
Private Partnership Projects Expense	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>\$ 45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 509,392,400</u>	<u>\$ 443,538,970</u>	<u>\$ 43,200,422</u>	<u>\$ 486,739,392</u>	<u>\$ 22,653,008</u>
NONAPPROPRIATED FUNDS					
SERVICES FOR OLDER AMERICANS FUND - 618					
Distributive Items					
Refund Subgrantee Interest	\$ 204,170	\$ 336	\$ 336	\$ 204,506	
TOTAL SERVICES FOR OLDER AMERICANS FUND - 618	<u>204,170</u>	<u>336</u>	<u>336</u>	<u>204,506</u>	
DEPARTMENT ON AGING STATE PROJECTS FUND - 830					
Distributive Items					
IHDA/IDOR Interagency Agreement	967,571	-	-	967,571	
Ombudsman Grant	707,437	41,961	41,961	749,398	
TOTAL DEPARTMENT ON AGING STATE PROJECTS FUND - 830	<u>1,675,008</u>	<u>41,961</u>	<u>41,961</u>	<u>1,716,969</u>	
TOTAL - ALL NONAPPROPRIATED FUNDS	<u>\$ 1,879,178</u>	<u>\$ 42,297</u>	<u>\$ 42,297</u>	<u>\$ 1,921,475</u>	
GRAND TOTAL - ALL FUNDS	<u>\$ 445,418,148</u>	<u>\$ 43,242,719</u>	<u>\$ 43,242,719</u>	<u>\$ 488,660,867</u>	

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

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

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
GENERAL REVENUE FUND - 001			
Appropriations (Net After Transfers)	\$ 459,741,185	\$ 426,465,300	\$ 365,496,700
Expenditures			
Operating Expenditures			
Personal Services	2,163,690	2,624,898	2,468,363
Employee Retirement Contribution Paid by State	-	-	4,677
State Contribution to State Employees Retirement	358,460	302,720	191,950
State Contribution to Social Security and Medicare	161,492	195,103	184,341
Contractual Services	405,237	378,362	364,432
Travel	87,899	88,537	87,489
Commodities	21,900	23,208	23,269
Printing	16,810	23,402	20,813
Equipment	12,622	13,632	14,998
Electronic Data Processing	105,333	69,263	93,017
Telecommunications Services	65,851	69,346	69,709
Operation of Automotive Equipment	3,263	3,381	3,395
Shared Services Division of the Executive Office	128,295	-	-
Shared Services Division of Finance & Administration	466,122	-	-
Operation Grants:			
Elder Abuse and Neglect Act	10,341,375	9,484,129	9,935,007
Circuit Breaker and Prescription Drug Assistance	44,094,781	48,207,353	41,579,381
Senior Employment Specialist Program	259,300	252,957	252,132
Intergenerational Program Expenses	58,097	44,482	40,491
Grandparent Raising Grandchildren Program	324,593	336,436	129,092
Home Delivered Meals	2,000,000	-	250,000
Alzheimer's Initiative	52,566	91,961	51,697
Monitoring and Support Services	221,219	255,428	295,623
Illinois Council on Aging	12,017	10,344	11,748
Senior Meal Program	34,416	34,416	23,108
Alzheimer's Disease Task Force	8,397	2,861	4,876
Senior Helpline	1,288,500	1,083,194	463,935
Senior Transportation Expense	-	198,445	-
Red Tape Cutter Program	4,985	2,360	9,800
Total Operating Expenditures	62,697,220	63,796,218	56,573,343
Grants-in-Aid			
Purchase of IL Community Care Program			
Homemaker and Senior Companion Services	330,642,211	279,025,934	234,552,794
Needs Assessment Study	-	100,000	-
Grants for Retired Senior Volunteer Program	782,000	782,000	782,000
Planning and Service Grants to Area Agencies on Aging	2,241,700	2,241,700	2,241,700
Grants for Adult Day Care Services	1,598,322	19,743,739	16,249,609
Foster Grandparents Program	342,100	342,100	342,100
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	276,000	276,000	276,000
Grants for the Suburban Area on Aging for the Red Tape Cutter Program	251,700	251,700	251,700
Ombudsman Program	391,000	391,000	391,000
Delivered Meals and Mobile Food Equipment	7,969,600	7,969,600	6,969,600
Grants for the Chicago Department on Aging for the Red Tape Cutter Program	603,600	603,600	603,600
Grants for Local Senior Centers	1,323,500	-	-
Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	3,062,300	3,062,300	3,062,300
Grants for Community Based Services	1,955,000	1,955,000	1,955,000
Case Management	43,384,597	33,691,655	27,869,080
Alternative Senior Services	292,962	6,747,342	-
Pharmaceutical Refunds	-	-	22,984
Total Grants-in-Aid	\$ 395,116,592	\$ 357,183,670	\$ 295,569,467

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

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
GENERAL REVENUE FUND - 001 (Continued)			
Total Expenditures	\$ 457,813,812	\$ 420,979,888	\$ 352,142,810
Lapsed Balances	\$ 1,927,373	\$ 5,485,412	\$ 13,353,890
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Appropriations (Net After Transfers)	\$ 8,090,900	\$ 9,990,900	\$ 9,990,900
Expenditures			
Circuit Breaker and Prescription Drug Assistance	6,452,508	7,641,831	5,015,992
Senior Health Assistance	1,593,960	1,036,530	1,051,671
Total Expenditures	8,046,468	8,678,361	6,067,663
Lapsed Balances	\$ 44,432	\$ 1,312,539	\$ 3,923,237
SERVICES FOR OLDER AMERICANS FUND - 618			
Appropriations (Net After Transfers)	\$ 73,140,550	\$ 72,891,200	\$ 72,449,900
Expenditures			
Operating Expenditures			
Personal Services	1,824,050	1,727,373	1,737,991
Employee Retirement Contribution Paid by State	-	-	8,936
State Contribution to State Employee Retirement	302,957	199,644	135,079
State Contribution to Social Security and Medicare	135,031	127,801	127,791
State Contribution to Group Insurance	399,383	368,038	386,739
Contractual Services	86,612	51,441	38,632
Travel	72,255	67,066	64,639
Commodities	6,469	3,607	6,615
Printing	10,514	12,752	11,698
Equipment	1,074	-	1,100
Telecommunications Services	13,605	15,458	15,480
Operation of Automotive Equipment	2,387	2,172	2,395
Training Services	124,186	134,329	123,709
Discretionary Government Projects	262,033	747,058	3,389,780
Expenses of Senior Meal Program	24,180	27,884	43,944
Shared Services Division of Finance & Administration	291,543	-	-
Total Operating Expenditures	3,556,279	3,484,623	6,094,528
Grants-in-Aid			
Grants for USDA Adult Day Care	1,232,759	1,250,461	1,134,796
Grants for Employment Services	3,045,504	3,003,959	3,174,039
Grants for Nutrition Services	21,267,180	20,694,765	20,507,069
Grants for Social Services	23,818,606	23,553,492	24,195,841
USDA Elderly Feeding Program	6,500,000	5,093,843	6,500,000
Total Grants	55,864,049	53,596,520	55,511,745
Total Expenditures	59,420,328	57,081,143	61,606,273
Lapsed Balances	\$ 13,720,222	\$ 15,810,057	\$ 10,843,627

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

	Fiscal Year		
	2008 PA 95-0348	2007 PA 94-798	2006 PA 94-0015
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Appropriations (Net after Transfers)	\$ 45,000	\$ 45,000	\$ 45,000
Expenditures			
Private Partnership Projects Expense	11,000	-	23,151
Total Expenditures	11,000	-	23,151
Lapsed Balances	\$ 34,000	\$ 45,000	\$ 21,849
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net After Transfers)	\$ 541,017,635	\$ 509,392,400	\$ 447,982,500
Expenditures	525,291,608	486,739,392	419,839,897
Lapsed Balances	\$ 15,726,027	\$ 22,653,008	\$ 28,142,603
NONAPPROPRIATED FUNDS			
SERVICES FOR OLDER AMERICANS FUND - 618			
Distributive Items			
Refund Grantee Interest Income	\$ 217,219	\$ 204,506	\$ 97,078
Total Distributive Items	\$ 217,219	\$ 204,506	\$ 97,078
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
Expenditures			
Seniorcare Administrative Refund to DPA	\$ -	\$ -	\$ 58,723
Ombudsman Grant	741,098	749,398	746,259
IHDA/IDOR Interagency Agreement	960,576	967,571	-
Seniorcare Grants	-	-	297
Total Expenditures	\$ 1,701,674	\$ 1,716,969	\$ 805,279
GENERAL REVENUE FUND - 001 State Comptroller			
Appropriations (Net After Transfers)	\$ 111,400	\$ 105,000	\$ 98,200
Expenditures			
Director's Salary	111,400	105,000	98,200
Total Expenditures	111,381	104,871	98,200
Lapsed Balances	\$ 19	\$ 129	\$ -

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30, 2008 and 2007

	2008	2007
Balance, beginning of period	\$ 2,494,519	\$ 2,363,658
Additions:		
Transferred In	854	250
Equipment Purchased	89,047	292,391
Total Additions	89,901	292,641
Deductions:		
Transferred Out	5,563	151,485
Deletions	673,085	10,295
Total Deductions	678,648	161,780
Balance, end of period	\$ 1,905,772	\$ 2,494,519

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
GENERAL REVENUE FUND - 001			
Freedom of Information Act Copying Fees	\$ 111	\$ 186	\$ 128
Jury Duty	-	89	48
Miscellaneous Reimbursements	944	100	14
Miscellaneous Rebates / Recoveries	-	-	989
Miscellaneous Pharmaceutical	-	-	15,820
Board and Care Registration	12,719	7,024	-
Pharmaceutical Registration	-	-	131,043
Prior Year Refunds Deposited in Current Year	237,822	18,913	30,349
Total Receipts - Fund - 001	<u>251,596</u>	<u>26,312</u>	<u>178,391</u>
SERVICES FOR OLDER AMERICANS FUND - 618			
U.S. Department of Health and Human Services	51,844,803	53,866,215	55,572,055
U.S. Department of Agriculture	1,270,407	1,346,138	1,065,055
U.S. Department of Labor	3,175,694	3,066,069	3,521,072
Grantee Interest Income	217,219	203,052	97,078
Prior Year Refunds Deposited in Current Year	9,667	732	5,544
Prior Year Warrant Voids	-	-	3,934
Total Receipts - Fund - 618	<u>56,517,790</u>	<u>58,482,206</u>	<u>60,264,738</u>
TOBACCO SETTLEMENT RECOVERY FUND - 733			
Prior Year Refunds Deposited in Current Year	271,209	1,241	123
Total Receipts - Fund - 733	<u>271,209</u>	<u>1,241</u>	<u>123</u>
DEPARTMENT ON AGING STATE PROJECTS FUND - 830			
U.S. Public Health Service Fund	750,000	750,000	750,000
Housing Development Authority	-	2,000,000	-
U.S.D.A. Food Nutrition Services	11,000	-	-
Total Receipts - Fund - 830	<u>761,000</u>	<u>2,750,000</u>	<u>750,000</u>
TOTAL RECEIPTS - ALL FUNDS	<u>\$ 57,801,595</u>	<u>\$ 61,259,759</u>	<u>\$ 61,193,252</u>

RECONCILIATION OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash Receipts per Department	\$ 57,282,897	\$ 61,238,873	\$ 61,153,302
Prior Year Refunds Deposited in Current Year	518,698	20,886	36,016
Prior Year Warrant Voids	-	-	3,934
	<u>\$ 57,801,595</u>	<u>\$ 61,259,759</u>	<u>\$ 61,193,252</u>
 Total Deposits Remitted to the State Comptroller	 <u>\$ 57,801,595</u>	 <u>\$ 61,259,759</u>	 <u>\$ 61,193,252</u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Explanations were obtained for expenditures with a variance of at least 15% and \$30,000 between fiscal years 2008 and 2007.

	<u>2008</u>	<u>2007</u>
GENERAL REVENUE FUND - 001		
Personal Services	<u>\$ 2,163,690</u>	<u>\$ 2,624,898</u>
<p>To comply with a statewide initiative some salaries were moved to shared services line items for fiscal year 2008 which caused the decrease in fiscal year 2008.</p>		
State Contribution to State Employees Retirement	<u>\$ 358,460</u>	<u>\$ 302,720</u>
<p>The retirement contribution rate for the Agency increased from 11.525% in fiscal year 2007 to 13.950% in fiscal year 2008 and overall salaries increased in fiscal year 2008.</p>		
State Contribution to Social Security and Medicare	<u>\$ 161,492</u>	<u>\$ 195,103</u>
<p>Some of the fiscal year 2008 social security and Medicare was included in the shared services line items which caused the decrease in fiscal year 2008.</p>		
Electronic Data Processing	<u>\$ 105,333</u>	<u>\$ 69,263</u>
<p>More computer equipment (servers, printers, monitors, PCs, switches) were purchased in fiscal year 2008.</p>		
Shared Services Division of the Executive Office	<u>\$ 128,295</u>	<u>\$ -</u>
<p>This was a new appropriation in fiscal year 2008.</p>		
Shared Services Division of Finance & Administration	<u>\$ 466,122</u>	<u>\$ -</u>
<p>This was a new appropriation in fiscal year 2008.</p>		
Home Delivered Meals	<u>\$ 2,000,000</u>	<u>\$ -</u>
<p>This was a new appropriation in fiscal year 2008.</p>		
Alzheimer's Initiative	<u>\$ 52,566</u>	<u>\$ 91,961</u>

Fiscal year 2008 expenditures were lower due to a one time contract in place for fiscal year 2007.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2008

	2008	2007
GENERAL REVENUE FUND - 001 (Continued)		
Senior Helpline	<u>\$ 1,288,500</u>	<u>\$ 1,083,194</u>
Additional staff were brought on to assist with Helpline telephone operations.		
Senior Transportation Expense	<u>\$ -</u>	<u>\$ 198,445</u>
This was a legislative add-on for one time fiscal year 2007 funding.		
Purchase of IL Community Care Program Homemaker and Senior Companion Services	<u>\$ 330,642,211</u>	<u>\$ 279,025,934</u>
The fiscal year 2008 budget combined all service line items pertaining to the Community Care Program. This included Homemaker Services, Adult Day Care Services and Alternative Senior Services.		
Needs Assessment Study	<u>\$ -</u>	<u>\$ 100,000</u>
This was a legislative add-on for one time fiscal year 2007 funding.		
Grants for Adult Day Care Services	<u>\$ 1,598,322</u>	<u>\$ 19,743,739</u>
This line item was combined into the Purchase of Illinois Community Care Program appropriation in fiscal year 2008. The spending in fiscal year 2008 represents spending during the temporary 30 day budget passed by the General Assembly and signed by the Governor at the beginning of fiscal year 2008 when the overall budget negotiations were at an impasse.		
Grants for Local Senior Centers	<u>\$ 1,323,500</u>	<u>\$ -</u>
This was a legislative add on for one time fiscal year 2008 funding to multiple senior centers throughout the state.		
Case Management	<u>\$ 43,384,597</u>	<u>\$ 33,691,655</u>
This accommodated growth with the Case Management portion of the Community Care Program as well as the introduction of Comprehensive Care Coordination.		
Alternative Senior Services	<u>\$ 292,962</u>	<u>\$ 6,747,342</u>
This line item was combined into the Purchase of Illinois Community Care Program appropriation in fiscal year 2008. The spending in fiscal year 2008 represents spending during the temporary 30 day budget passed by the General Assembly and signed by the Governor at the beginning of fiscal year 2008 when the overall budget negotiations were at an impasse.		

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2008

	<u>2008</u>	<u>2007</u>
SERVICES FOR OLDER AMERICANS FUND - 618		
State Contribution to State Employee Retirement	<u>\$ 302,957</u>	<u>\$ 199,644</u>
<p>The retirement contribution rate for the Agency increased from 11.525% in fiscal year 2007 to 13.950% in fiscal year 2008 as well as an increase in salaries for fiscal year 2008.</p>		
Contractual Services	<u>\$ 86,612</u>	<u>\$ 51,441</u>
<p>During fiscal year 2008, the Agency made consolidations payments to CMS, paid Association dues, and had an intern working for them.</p>		
Discretionary Government Projects	<u>\$ 262,033</u>	<u>\$ 747,058</u>
<p>The grants within this appropriation (3 year grants) ended in March of fiscal year 2008, however the bulk of the payments were paid out in fiscal year 2006 and fiscal year 2007.</p>		
Division of Finance and Administration	<u>\$ 291,543</u>	<u>\$ -</u>
<p>This was a new appropriation in fiscal year 2008.</p>		
USDA Elderly Feeding Program	<u>\$ 6,500,000</u>	<u>\$ 5,093,843</u>
<p>The fourth quarter of the federal NSIP allotment was not received until fiscal year 2008.</p>		
TOBACCO SETTLEMENT RECOVERY FUND - 733		
Circuit Breaker and Prescription Drug Assistance	<u>\$ 6,452,508</u>	<u>\$ 7,641,831</u>
<p>The fiscal year 2008 appropriation level was reduced to \$6.4 million from \$8.9 million in fiscal year 2007.</p>		
Senior Health Assistance	<u>\$ 1,593,960</u>	<u>\$ 1,036,530</u>
<p>The fiscal year 2008 appropriation was increased by \$500,000. Grants were given to assist seniors with linking them to services.</p>		

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Explanations were obtained for expenditures with a variance of at least 15% and \$30,000 between fiscal years 2007 and 2006.

	2007	2006
GENERAL REVENUE FUND - 001		
State Contribution to State Employees Retirement	<u>\$ 302,720</u>	<u>\$ 191,950</u>
There was an increase in the retirement contribution rate from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007 and also an increase in salaries for fiscal year 2007.		
Circuit Breaker and Prescription Drug Assistance	<u>\$ 48,207,353</u>	<u>\$ 41,579,381</u>
The increase in fiscal year 2007 was due to more tax rebate grants to individuals.		
Grandparents Raising Grandchildren Program	<u>\$ 336,436</u>	<u>\$ 129,092</u>
There was an increase in the amount appropriated from fiscal year 2006 to fiscal year 2007.		
Home Delivered Meals	<u>\$ -</u>	<u>\$ 250,000</u>
This was legislative add-on for one time fiscal year 2006 funding.		
Alzheimer's Initiative	<u>\$ 91,961</u>	<u>\$ 51,697</u>
A contract for West Central Illinois Area Agency on Aging was awarded to update Aging's resource library. The contract was for fiscal year 2007 only and for the amount of \$37,000.		
Senior Helpline	<u>\$ 1,083,194</u>	<u>\$ 463,935</u>
There was an increase in the amount appropriated from fiscal year 2006 to fiscal year 2007.		
Senior Transportation Expense	<u>\$ 198,445</u>	<u>\$ -</u>
This was a legislative add-on for one time fiscal year 2007 funding.		
Purchase of Illinois Community Care Program Homemaker and Senior Companion Services	<u>\$ 279,025,934</u>	<u>\$ 234,552,794</u>
The increase in fiscal year 2007 was due to the spending growth within the Community Care Program and the annualization of a June fiscal year 2006 \$1.00/hr Homemaker reimbursement rate increase.		

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2008

	2007	2006
GENERAL REVENUE FUND - 001 (Continued)		
Needs Assessment Study	\$ 100,000	\$ -

This was a legislative add-on for one time fiscal year 2007 funding.

Grants for Adult Day Care Services	\$ 19,743,739	\$ 16,249,609
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There was an increase in the case load for this program for fiscal year 2007.

Case Management	\$ 33,691,655	\$ 27,869,080
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There was an increase in the case load for this program for fiscal year 2007.

Alternative Senior Services	\$ 6,747,342	\$ -
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This program was not started until fiscal year 2007.

TOBACCO SETTLEMENT RECOVERY FUND - 733

Circuit Breaker and Prescription Drug Assistance	\$ 7,641,831	\$ 5,015,992
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The increase in fiscal year 2007 is due to grants given to Area Agencies.

SERVICES FOR OLDER AMERICANS FUND - 618

State Contribution to State Employee Retirement	\$ 199,644	\$ 135,079
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The retirement contribution rate for the Agency increased from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

Discretionary Government Projects	\$ 747,058	\$ 3,389,780
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The Senior Pharmaceutical Assistance Program grant ended early in fiscal year 2007.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (Continued)
For the Two Years Ended June 30, 2008

	<u>2007</u>	<u>2006</u>
SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)		
USDA Elderly Feeding Program	<u>\$ 5,093,843</u>	<u>\$ 6,500,000</u>

The fourth quarter of the federal NSIP allotment for fiscal year 2007 was not received until fiscal year 2008.

NONAPPROPRIATED FUNDS

SERVICES FOR OLDER AMERICANS FUND - 618

Refund Grantee Interest Income	<u>\$ 204,506</u>	<u>\$ 97,078</u>
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In fiscal year 2007, the Area Agencies had more federal cash advanced, causing larger interest amounts to accrue.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Seniorcare Administrative Refund to DPA	<u>\$ -</u>	<u>\$ 58,723</u>
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Unexpended GRF funds were returned as per the interagency agreement.

IHDA/IDOR Interagency Agreement	<u>\$ 967,571</u>	<u>\$ -</u>
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A \$2 million grant was received from the Illinois Housing Development Authority in conjunction with the Department of Revenue for fiscal year 2007 only.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS
For the Two Years Ended June 30, 2008

Explanations were obtained for cash receipts with a variance of at least 15% and \$20,000 between fiscal years 2008 and 2007.

	2008	2007
GENERAL REVENUE FUND - 001		
Prior Year Refunds Deposited in Current Year	\$ 237,822	\$ 18,913

Refunds of \$228,216 were unexpended funds from a Flexible Senior Services Demonstration Project. This was a new appropriation in fiscal year 2007 and the first funds for the program were not sent out until January 2007 and the sub-grantees were not able to use all of their funding by June 30, 2007.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Housing Development Authority	\$ -	\$ 2,000,000
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This was a one time grant that was received from the Illinois Housing Development Authority through the Illinois Department of Revenue.

TOBACCO SETTLEMENT RECOVERY FUND #733

Prior Year Refunds Deposited in Current Year	\$ 271,209	\$ 1,241
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Refunds of \$241,647 unexpended Senior Health Assistance Program funds from the City of Chicago and other area agencies. These refunds were requested based upon the submission of final financial reports. \$29,562 was because the Illinois Department of Human Services returned Aging's share of the "Welcoming Centers Intergovernmental Agreement" since the project did not get started in fiscal year 2007 as anticipated.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT VARIATIONS IN CASH RECEIPTS
For the Two Years Ended June 30, 2008

Explanations were obtained for cash receipts with a variance of at least 15% and \$20,000 between fiscal years 2007 and 2006.

	2007	2006
GENERAL REVENUE FUND - 001		
Pharmaceutical Registration	\$ -	\$ 131,043

Registration fees are no longer charged for the Pharmaceutical Program.

SERVICES FOR OLDER AMERICANS FUND #618

U.S. Department of Agriculture	\$ 1,346,138	\$ 1,065,055
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Normally, May and June reimbursements are done during lapse period, but in fiscal year 2006, April was also paid during lapse period. Cash requests are not done until the payments are ready to be made, so the cash receipt for the April payments showed up in fiscal year 2007 instead of fiscal year 2006.

Grantee Interest Income	\$ 203,052	\$ 97,078
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The Federal Government requires that the Area Agencies refund to them any interest earned on federal funds in excess of \$250. These amounts will vary depending upon interest rates and the amount of federal funds at the Area Agency level.

DEPARTMENT ON AGING STATE PROJECTS FUND - 830

Housing Development Authority	\$ 2,000,000	\$ -
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This was a one time grant that was received from the Illinois Housing Development Authority through the Illinois Department of Revenue.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Explanations were obtained for lapse period expenditures that made up for 15% or greater of the total expenditures for that line item for the two fiscal years and at least \$20,000 was spent during the lapse period.

Fiscal Year 2008	Lapse Period	Total Expenditures
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**GENERAL REVENUE FUND - 001
Operations:**

Elder Abuse and Neglect Act	<u>\$ 2,609,415</u>	<u>\$ 10,341,375</u>
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June services were paid during lapse period.

Home Delivered Meals	<u>\$ 430,937</u>	<u>\$ 2,000,000</u>
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The significant amount paid during the lapse period was due to the quarterly Area Agency payment.

Alzheimer's Initiative	<u>\$ 46,166</u>	<u>\$ 52,566</u>
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Start up costs associated with the National Adult Protective Services Association Conference held in June were paid during the lapse period.

Awards and Grants:

Expenses to Area Agencies on Aging for Long-Term Care Systems Development	<u>\$ 69,000</u>	<u>\$ 276,000</u>
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This significant amount paid during the lapse period was due to the quarterly Area Agency payments.

Delivered Meals and Mobile Food Equipment	<u>\$ 1,342,716</u>	<u>\$ 7,969,600</u>
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This significant amount paid during the lapse period was due to the quarterly Area Agency payments.

Community Based Services, Including Information and Referral, Transportation, and Delivered Meals	<u>\$ 579,112</u>	<u>\$ 3,062,300</u>
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This significant amount paid during the lapse period was due to the quarterly Area Agency payments.

Grants for Local Senior Centers	<u>\$ 225,000</u>	<u>\$ 1,323,500</u>
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The approval from the Governor's Office for payment of some of these grants was late and therefore they were paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)
For the Two Years Ended June 30, 2008

Fiscal Year 2008 (Continued)	Lapse Period	Total Expenditures
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GENERAL REVENUE FUND - 001 (Continued)

Division of Finance and Administration:

Electronic Data Processing	\$ 36,650	\$ 105,333
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CMS bills for Statistical Services, continuing education, and equipment were not paid until the lapse period.

Division of Communications and Outreach:

Contractual Services	\$ 43,922	\$ 51,732
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Legal fee payments, associated with the State Union, and PIO CMS consolidation payments were made during the lapse period.

TOBACCO SETTLEMENT RECOVERY FUND - 733

Distributive Items:

Circuit Breaker and Prescription Drug Assistance	\$ 3,442,182	\$ 6,452,508
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Property tax grant rebate payments were made to individuals out of the Tobacco Settlement Recovery Fund after the appropriation from the General Revenue Fund for these property tax grant rebates was exhausted.

SERVICES FOR OLDER AMERICANS FUND - 618

Distributive Items:

Training Services	\$ 23,104	\$ 124,186
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Expenditures for speaker fees, travel cost, and printing, associated with a conference held in June were paid during the lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)
For the Two Years Ended June 30, 2008

Fiscal Year 2008 (Continued)	Lapse Period	Total Expenditures
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SERVICES FOR OLDER AMERICANS FUND - 618 (Continued)

Awards and Grants:

Grants for USDA Adult Day Care	<u>\$ 209,097</u>	<u>\$ 1,232,759</u>
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Expenditures were for May and June grant payments made during the lapse period.

Grants for Nutrition Services	<u>\$ 4,978,883</u>	<u>\$ 21,267,180</u>
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The final monthly payment to Area Agencies with the exception of the City of Chicago which receives only two payments per year were made during the lapse period.

Grants for Social Services	<u>\$ 6,588,308</u>	<u>\$ 23,818,606</u>
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The final monthly payment to Area Agencies with the exception of the City of Chicago which receives only two payments per year were made during the lapse period.

Division of Finance and Administration:

Contractual Services	<u>\$ 36,912</u>	<u>\$ 75,171</u>
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Expenditures were for consolidation payments and audit costs billed in June of 2008 but not paid until the lapse period.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Explanations were obtained for lapse period expenditures that made up for 15% or greater of the total expenditures for that line item for the two fiscal years and at least \$20,000 was spent during the lapse period.

<u>Fiscal Year 2007</u>	<u>Lapse Period</u>	<u>Total Expenditures</u>
GENERAL REVENUE FUND - 001		
Operations:		
Elder Abuse and Neglect	<u>\$ 1,520,636</u>	<u>\$ 9,484,129</u>
June services were paid during the lapse period.		
Senior Helpline	<u>\$ 177,032</u>	<u>\$ 1,083,194</u>
Expenditures were for rental and telecommunication expenses incurred in May and June which were paid during the lapse period.		
Awards and Grants:		
Expenses to Area Agencies on Aging for Long-Term Care Systems Development	<u>\$ 69,000</u>	<u>\$ 276,000</u>
Expenditures were for the last quarterly payments made to Area Agencies during the lapse period.		
Delivered Meals and Mobile Food Equipment	<u>\$ 1,493,530</u>	<u>\$ 7,969,600</u>
Expenditures were for the last quarterly payments made to Area Agencies during the lapse period.		
Community Based Services, Including Information and Referral, Transportation and Delivered Meals	<u>\$ 636,665</u>	<u>\$ 3,062,300</u>
Expenditures were for the last quarterly payments made to Area Agencies during the lapse period.		
Alternative Senior Services	<u>\$ 4,582,197</u>	<u>\$ 6,747,342</u>
Due to a delay in the routing of award letters and grant agreements, the expenditures for the final installment of the Flexible Senior Services program were made during lapse period.		

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (Continued)
For the Two Years Ended June 30, 2008

Fiscal Year 2007 (Continued)	Lapse Period	Total Expenditures
SERVICES FOR OLDER AMERICANS FUND - 618		
Operations:		
Discretionary Government Projects	<u>\$ 230,000</u>	<u>\$ 747,058</u>

Expenditures were for grant payments made during the lapse period.

Awards and Grants:

Grants for USDA Adult Day Care	<u>\$ 223,050</u>	<u>\$ 1,250,461</u>
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Expenditures were for May and June reimbursements made during the lapse period.

Grants for Nutrition Services	<u>\$ 4,138,706</u>	<u>\$ 20,694,765</u>
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Lapse period expenditures represent the final fiscal year payments made to the Area Agencies made after June 30, 2007.

Grants for Social Services	<u>\$ 4,605,753</u>	<u>\$ 23,553,492</u>
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Lapse period expenditures represent the final fiscal year payments made to the Area Agencies made after June 30, 2007.

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2008 and 2007

The Department had approximately \$13,091,000 and \$10,017,000 due from federal agencies at June 30, 2008 and 2007, respectively. The receivables from federal agencies, which were comprised of the U.S. Department of Labor, the U.S. Department of Agriculture, and the U.S. Department of Health and Human Services, all passed through in the Service for Older Americans Fund 618. The Department considers these receivables to be current and collectible.

The Department had approximately \$363,000 and \$345,000 of gross receivables due from grantees of the Circuit Breaker and Prescription Drug Assistance program at June 30, 2008 and 2007, respectively. At June 30, 2008, the estimated uncollectible balance of these receivables was approximately \$351,000. The estimated uncollectibles were not reported at June 30, 2007 (See Finding 08-12). The Department is in the process of evaluating these receivables for write-off or referral to the Comptroller's offset system.

STATE OF ILLINOIS
DEPARTMENT ON AGING
SCHEDULE OF INDIRECT COST REIMBURSEMENTS
For the Two Years Ended June 30, 2008

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

The rates are approved by DHHS in accordance with OMB Circular A-87, subject to any statutory or administrative limitations. The indirect cost rates are based on direct salaries and wages including retirement and social security. The latest rate agreement, dated February 13, 2008, approved the following rates:

<u>COSTS APPLICABLE TO</u>	<u>RATE TYPE</u>	<u>EFFECTIVE PERIOD</u>	<u>RATE</u>
Circuit Breaker / Pharmaceutical Assistance	Final	07/01/06 - 06/30/07	113.0%
	Provisional	07/01/07 - 06/30/08	51.5%
	Provisional	07/01/08 - 6/30/09	113.0%
	Provisional	07/01/09 - Until Amended	113.0%
Home and Community Care / Planning, Research and Development	Final	07/01/06 - 06/30/07	94.5%
	Provisional	07/01/07 - 06/30/08	79.9%
	Provisional	07/01/08 - 06/30/09	94.5%
	Provisional	07/01/09 - Until Amended	94.5%
Finance and Administration	Final	07/01/06 - 06/30/07	63.6%
	Provisional	07/01/07 - 06/30/08	40.0%
	Provisional	07/01/08 - 06/30/09	63.6%
	Provisional	07/01/09 - Until Amended	63.6%
Communication and Outreach	Final	07/01/06 - 06/30/07	99.4%
	Provisional	07/01/07 - 06/30/08	83.9%
	Provisional	07/01/08 - 06/30/09	99.4%
	Provisional	07/01/09 - Until Amended	99.4%

STATE OF ILLINOIS
DEPARTMENT ON AGING
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2008

AGENCY FUNCTIONS

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

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

The Department's main office is located at 421 East Capitol Avenue, Springfield, Illinois. It also has an office at 160 N. LaSalle, Suite No. 700 in Chicago, Illinois. The Director, Charles D. Johnson, was appointed Director of the Department in February 2003.

The Department is organized into the following divisions:

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)
For the Two Years Ended June 30, 2008

PLANNING PROGRAM

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

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2008

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Executive Office	10.0	11.0	10.0
Division of Home and Community Services	34.5	36.0	34.5
Division of Planning, Research and Development	8.0	7.0	7.5
Division of Finance and Administration	31.0	33.0	33.0
Division of Communications and Outreach	29.5	26.5	17.5
Division of Circuit Breaker and Pharmaceutical Assistance	<u>42.0</u>	<u>39.0</u>	<u>43.0</u>
Total average number of employees	<u><u>155.0</u></u>	<u><u>152.5</u></u>	<u><u>145.5</u></u>

STATE OF ILLINOIS
DEPARTMENT ON AGING
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2008
(Not Examined)

Statistical Information on State Community Care Program

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average Monthly Caseload (1)	<u>50,183</u>	<u>45,782</u>	<u>42,964</u>
Percentage of Males	25%	25%	26%
Percentage of Females	75%	75%	74%
Percentage of Clients over 75 Living Alone	60%	60%	63%
Percentage of Ethnic/Minority	46%	47%	47%
Average Cost per Client per Month	\$ 621	\$ 570	\$ 541
Average Unit Cost			
Homemaker (per hour)	\$ 13.62	\$ 13.62	\$ 13.12
Adult Day Care (per hour)	\$ 7.02	\$ 7.02	\$ 7.02
Adult Day Service Transportation (one-way trip)	\$ 8.30	\$ 8.30	\$ 4.15
Prospective Nursing Home Cases (2)			
Number of Cases Prescreened	92,925	88,090	91,782
Number of Face-to-Face Screens	92,726	87,748	91,186
Number of Non-Face-to-Face Screens	199	342	596

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

STATE OF ILLINOIS
DEPARTMENT ON AGING
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2008
(Not Examined)

The following are key indicators of the Department's performance by fiscal year. The Department provided this information to the Comptroller's Public Accountability Project Office for FY 2008 and FY 2007.

Performance Indicators	Fiscal Year		
	2008	2007	2006
Input Indicators			
Community Care Program (CCP) Budget Appropriation	\$ 377,479,400	\$ 341,284,400	\$ 280,134,000
Number of CCP Personnel	22	22	17
Output Indicators			
Total Assessments Conducted	197,218	187,647	187,118
Number of Deinstitutionalizations Conducted	267	320	293
Units of Service Conducted			
Homemaker Service	22,575,794	20,399,279	20,546,062
Adult Day Service	2,282,142	2,614,429	2,552,292
Outcome Indicators			
Percent of CCP Screens			
Face-to-Face	99.79%	99.84%	99.40%
Non-Face-to-Face	0.21%	0.16%	0.60%
CCP Caseload Cost vs. Nursing Home Caseload Costs	17.6%	18.3%	22.5%
Efficiency/Cost-Effective Indicators			
CCP Average Monthly Caseload	50,183	45,782	42,964
CCP Average Monthly Cost of Care	\$ 621	\$ 570	\$ 541
Average Monthly Cost of Medicaid Nursing Home	\$ 3,369	\$ 3,115	\$ 2,399
Individuals in CCP vs. Nursing Home			
Monthly Savings (Federal/State)	\$ 137,902,884	\$ 116,515,190	\$ 79,827,112
Yearly Savings (Federal/State)	\$ 1,654,834,608	\$ 1,398,182,280	\$ 957,925,344