

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

For the Two Years Ended June 30, 2010

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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AGENCY OFFICIALS – CENTRAL OFFICE

Acting Executive Director (8/8/11 to current)	Ms. Erica Borggren
Executive Director (2/9/09 to 8/5/11)	Mr. Dan Grant
Executive Director (12/15/06 to 2/6/09)	Ms. Tammy Duckworth
Assistant Director	Mr. Sergio Estrada
Acting Chief of Staff (8/2/11 to current)	Mr. Simon Wlodarski
Chief of Staff (6/1/07 to 8/1/11)	Mr. Stewart Reeve
Deputy Chief of Staff (3/16/09 to current)	Mr. Simon Wlodarski
Deputy Chief of Staff (4/18/07 to 2/17/09)	Ms. Christine Glunz
Chief Legal Counsel (12/17/07 to 9/21/08) (1/1/10 to current)	Mr. Jim Robideau
Chief Legal Counsel (9/22/08 to 12/31/09)	Mr. Jack Price
Fiscal Officer	Ms. Deborah Miller
Chief Internal Auditor (4/18/11 to current)	Mr. H. Jay Wagner

Department offices are located at:

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

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

STATE OF ILLINOIS
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AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT ANNA

Acting Home Administrator (3/18/11 to current)	Ms. Jennifer Hall
Home Administrator (6/1/07 to 3/17/11)	Ms. Linda Hadley
Business Administrator	Ms. Christine Butler
Acting Adjutant (4/18/11 to current)	Mr. Don Houghland
Adjutant (1/16/10 to 4/17/11)	Vacant
Adjutant (4/1/04 to 1/15/10)	Ms. Patricia Simms

The Home is located at:

792 North Main Street
Anna, Illinois 62906

AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT LASALLE

Home Administrator (12/14/09 to current)	Mr. John Koehler
Acting Home Administrator (6/2/09 to 12/13/09)	Mr. Sergio Estrada
Home Administrator (6/2/08 to 6/1/09)	Mr. Norman Gross
Business Administrator (8/16/07 to current)	Mr. Raymond Schneider
Adjutant (9/17/07 to current)	Ms. Luann Pierard

The Home is located at:

1015 O'Connor Avenue
LaSalle, Illinois 61301

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AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT MANTENO

Home Administrator (6/17/09 to current)	Mr. Reginald Booker
Acting Home Administrator (4/18/09 to 6/16/09)	Mr. Bruce Vaca
Home Administrator (8/18/03 to 4/17/09)	Mr. Martin J. Downs
Business Administrator (6/16/09 to current)	Mr. Stanley Stam
Business Administrator (5/2/08 to 6/15/09)	Vacant
Business Administrator (1/5/04 to 5/1/08)	Mr. Steve Obradovich
Adjutant (11/11/10 to current)	Mr. Lenard Winnicki
Adjutant (9/16/91 to 6/1/09)	Mr. Barry Barron

The Home is located at:

1 Veterans Drive
Manteno, Illinois 60950

AGENCY OFFICIALS – ILLINOIS VETERANS' HOME AT QUINCY

Home Administrator	Mr. Bruce Vaca
Business Administrator	Mr. John McPherson
Acting Adjutant (7/1/11 to current)	Ms. Dawn Whitcomb
Adjutant (7/1/08 to 6/30/11)	Mr. John Wingerter

The Home is located at:

1707 North 12th Street
Quincy, Illinois 62301



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

P.O. BOX 19432, 833 S. SPRING STREET, SPRINGFIELD, ILLINOIS 62794-9432
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PAT QUINN
GOVERNOR

ERICA J. BORGGREN
ACTING DIRECTOR

MANAGEMENT ASSERTION LETTER

September 9, 2011

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

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Department. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Department's compliance with the following assertions during the two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2010 and June 30, 2009, the Department has materially complied with the assertions below.

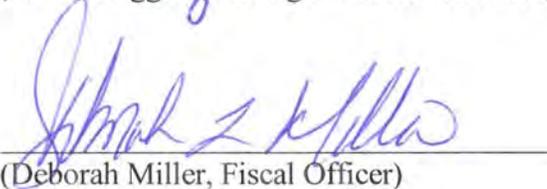
- A. The Department has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Department has obligated, expended, received and used public funds of the State in accordance with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

Yours very truly,

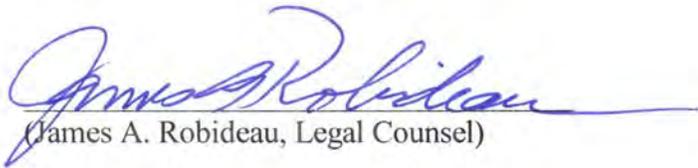
Illinois Department of Veterans' Affairs

A handwritten signature in blue ink, appearing to read "Erica Borggren", with a long horizontal flourish extending to the right.

(Erica Borggren, Acting Executive Director)

A handwritten signature in blue ink, appearing to read "Deborah Miller", with a long horizontal flourish extending to the right.

(Deborah Miller, Fiscal Officer)

A handwritten signature in blue ink, appearing to read "James A. Robideau", with a long horizontal flourish extending to the right.

(James A. Robideau, Legal Counsel)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Central</u>
<u>Findings</u>	<u>(Department Wide)</u>	<u>Office Report*</u>
Findings	25**	16
Repeated findings	16	5
Prior recommendations implemented or not repeated	9	3

* The examination period for the two years ended June 30, 2010 represents the first examination of the Illinois Department of Veterans' Affairs (Department) and the Illinois Veterans' Homes combined into one report. In prior years each Veterans' Home was a separate report. The numbers appearing in the "Prior Report" column represent a summation of the activity reported in the Department Central Office report only for the two years ended June 30, 2008.

** In addition, findings concerning similar topics written for the examination period for the two years ended June 30, 2008, were combined during the current examination. Please refer to the finding code numbers appearing in each finding in this report for details as to whether or not the finding was repeated and, if so, from which previous examination(s).

Details of findings are presented in a separate section of this report.

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
10-1	15	Improper management of waiting lists, admissions, and applications	Material Weakness and Material Noncompliance
10-2	18	Inadequate corrective action taken	Significant Deficiency and Noncompliance
10-3	20	Inadequate documentation maintained	Significant Deficiency and Noncompliance
10-4	21	Failure to fully establish the Veterans' Memorial Commission	Significant Deficiency and Noncompliance
10-5	22	Failure to establish Division of Women Veterans' Affairs	Significant Deficiency and Noncompliance
10-6	24	Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program	Significant Deficiency and Noncompliance
10-7	25	Failure to conduct annual review of benefits received by Illinois veterans	Significant Deficiency and Noncompliance
10-8	27	Inadequate reporting by Illinois Discharged Servicemember Task Force	Significant Deficiency and Noncompliance
10-9	28	Inadequate controls over the purchase, recording and reporting of State property	Significant Deficiency and Noncompliance
10-10	33	Inadequate control over commodities inventories	Significant Deficiency and Noncompliance
10-11	35	Inadequate control over contractual agreements	Significant Deficiency and Noncompliance
10-12	37	Inadequate control over receipts and refunds	Significant Deficiency and Noncompliance
10-13	39	Excessive quantity of refunds processed	Significant Deficiency and Noncompliance

FINDINGS (STATE COMPLIANCE), CONTINUED

10-14	41	Inaccurate recording and reporting of accounts receivable	Significant Deficiency and Noncompliance
10-15	43	Inadequate controls over locally held funds and related reporting	Significant Deficiency and Noncompliance
10-16	46	Inaccurate Agency Workforce Reports	Significant Deficiency and Noncompliance
10-17	48	Inadequate control over year end financial reporting	Significant Deficiency and Noncompliance
10-18	50	Inadequate control over travel expenditures	Significant Deficiency and Noncompliance
10-19	52	Department inaccurately compiled and reported the activities of its Veterans' Service Officers	Material Weakness and Material Noncompliance
10-20	55	Inadequate control over voucher processing	Significant Deficiency and Noncompliance
10-21	57	Lack of monthly expenditure reconciliations	Significant Deficiency and Noncompliance
10-22	59	Employee performance evaluations not performed timely	Significant Deficiency and Noncompliance
10-23	60	Inadequate control over employee attendance records and personnel functions	Significant Deficiency and Noncompliance
10-24	63	Inadequate control over employee overtime	Significant Deficiency and Noncompliance
10-25	65	Inadequate controls over grant agreements and related reporting	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED – Central Office

- A 67 Annual report not timely completed
- B 67 Failure to establish the Veterans' Conservation Corps
- C 67 Noncompliance with the National Guard Veterans Exposure to Hazardous Materials Act
- D 68 Inadequate controls over State vehicles
- E 68 Lack of current Disaster Contingency Planning or Testing to Ensure Recovery of Computer Systems

PRIOR FINDINGS NOT REPEATED – Illinois Veterans' Home at Anna

- F 68 Bank balances not adequately collateralized

PRIOR FINDINGS NOT REPEATED – Illinois Veterans' Home at LaSalle

All material findings from the examination of the Illinois Veterans' Home at LaSalle for the two years ended June 30, 2008 are repeated in this report.

PRIOR FINDINGS NOT REPEATED – Illinois Veterans' Home at Manteno

- G 69 Lack of supporting documentation

PRIOR FINDINGS NOT REPEATED – Illinois Veterans' Home at Quincy

- H 69 Inadequate controls over cash receipts
- I 70 Noncompliance with the State Officials and Employees Ethics Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department personnel at an exit conference on August 18, 2011. Attending were:

Office of the Auditor General

Courtney Dzierwa, Audit Manager
Meredith Dean, Audit Supervisor
Tara Osterhoff, State Auditor
Nicole Link, State Auditor

Department of Veterans' Affairs

Deborah Miller, Chief Fiscal Officer
H. Jay Wagner, Chief Internal Auditor

Responses to the recommendations were provided by Mr. H. Jay Wagner in correspondence dated August 29, 2011.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Department of Veterans' Affairs' compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the years ended June 30, 2010. The management of the State of Illinois, Department of Veterans' Affairs is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Veterans' Affairs' compliance based on our examination.

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

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 State of Illinois, Department of Veterans' Affairs' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Department of Veterans' Affairs' compliance with specified requirements.

As described in findings 10-1 and 10-19 in the accompanying schedule of findings, the State of Illinois, Department of Veterans' Affairs did not comply with requirements regarding the application and admission requirements of the Illinois Veterans' Homes and operation requirements of the Department's Veterans' Services Officers, respectively. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Department of Veterans' Affairs to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Department of Veterans' Affairs complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the years ended June 30, 2010. However, the results of our procedures disclosed other instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 10-2, 10-3, 10-4, 10-5, 10-6, 10-7, 10-8, 10-9, 10-10, 10-11, 10-12, 10-13, 10-14, 10-15, 10-16, 10-17, 10-18, 10-20, 10-21, 10-22, 10-23, 10-24, and 10-25.

Internal Control

The management of the State of Illinois, Department of Veterans' Affairs is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Veterans' Affairs' internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Veterans' Affairs' internal control over compliance.

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

certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control over compliance as described in the accompanying schedule of findings as items 10-1 and 10-19 to be material weaknesses.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 10-2, 10-3, 10-4, 10-5, 10-6, 10-7, 10-8, 10-9, 10-10, 10-11, 10-12, 10-13, 10-14, 10-15, 10-16, 10-17, 10-18, 10-20, 10-21, 10-22, 10-23, 10-24, and 10-25 to be significant deficiencies.

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

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

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 2010 and 2009 Supplementary Information for State Compliance Purposes, except for the Annual 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 2008 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.


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

September 9, 2011

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-1. **FINDING** (Improper management of waiting lists, admissions, and applications)

The Department of Veterans' Affairs (Department) did not properly manage or maintain historical records of its waiting lists for its Illinois Veterans' Homes (Home). In addition, the Department did not comply with all application and admission requirements of the Department of Veterans' Affairs Act (Act) with regard to its operations of the Homes. The Department operates 4 Homes throughout Illinois, located in Anna, LaSalle, Manteno, and Quincy.

We noted the waiting list of the Illinois Veterans' Home at Anna (Anna) was not properly and accurately managed during the examination period. We noted the following:

- Persons appearing on the Anna waiting list were not admitted in the proper order. In the most egregious instance noted during our testing, an applicant who was #9 on the Anna short-term skilled nursing care waiting list as of July 8, 2008 was bypassed by 19 persons who were listed below the veteran on that same waiting list – or who did not appear on that waiting list at all – before finally being admitted on October 6, 2009.
- Persons were removed from the Anna waiting list without notes or other contemporaneous documentation as to why. We noted 37 persons appearing on the Anna short-term skilled care nursing waiting list as of July 8, 2008 were not subsequently admitted to the Home, nor did their names appear on waiting lists subsequent to July 8, 2008.
- Persons shifted positions between waiting lists at different points during the examination period without notes or contemporaneous documentation as to why. See details as follows:

Person	Position as of July 8, 2008	Position as of December 1, 2009
A	#28 on the Short-Term Waiting List	#5 on the Short-Term Waiting List
B	#31 on the Short-Term Waiting List	#3 on the Short-Term Waiting List
C	#37 on the Short-Term Waiting List	#4 on the Short-Term Waiting List
D	#22 on the Long-Term Waiting List	#1 on the Long-Term Waiting List
E	#5 on the Long-Term Waiting List	#14 on the Long-Term Waiting List

Good internal controls require the proper and accurate administration of the waiting list to ensure veterans gain timely and equitable admission into the Home.

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For the Two Years Ended June 30, 2010

We also noted the following with regard to operations at Anna:

- One of 9 (11%) tested veterans admitted to Anna during the examination period did not meet admission requirements. The individual served in the military during a time of peace, and therefore should not have been admitted to Anna ahead of combat veterans. At the time this individual was admitted, there were several combat veterans on Anna's short-term skilled nursing care waiting list. The Act (20 ILCS 2805/2.01(f)) states an individual who served during a time of conflict as set forth in the Act has preference over all other qualifying candidates for purposes of eligibility for nursing home care at any Illinois Veterans Home.
- One of 15 (7%) tested veterans who applied for admission to Anna during the examination period was denied placement on Anna's waiting list because he was a peace time veteran. Anna's application review team denied this application solely on the basis of his peace time service. However, the Act (20 ILCS 2805/2.01) permits the admission of peace time veterans into Illinois Veterans Homes, as long as veterans with combat service are admitted ahead of peace time veterans. At a minimum, this applicant should have been placed on the waiting list beneath all other combat veterans, instead of being denied altogether.
- One of 15 (7%) tested veterans who applied for admission to Anna was not promptly placed on Anna's waiting list. The individual applied for admission on April 1, 2010, but did not appear on Anna's waiting list until September 1, 2010. Good internal controls require the Home to promptly place individuals on their waiting lists to ensure accuracy of records and to prevent names from being unintentionally omitted from lists.

Department and Anna personnel stated the errors noted were due to poor recordkeeping and mismanagement of the waiting list by the responsible employee.

We also noted the Illinois Veterans' Home at LaSalle (LaSalle) did not maintain historical waiting lists to reflect activity that occurred during the examination period. Therefore, the auditors could not ensure applicants were properly placed on the waiting list based on the type of care desired or if the applicants moved up as appropriate on subsequent waiting lists. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency to establish and maintain a records management program, which shall ensure effective controls over the maintenance of records.

LaSalle personnel stated the historical waiting lists were not maintained due to limited staff available for the maintenance of this type of record.

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Failure to comply with and adhere to application and admission requirements increases the risk qualified veterans will not gain timely and equitable admission into the Home and may reduce veterans' access to the residential and nursing care to which they are entitled. Failure to properly administer waiting lists increases the risk applicants will not be admitted in the proper order and limits the Department's and Homes' ability to demonstrate compliance with good business practices. (Finding Code No. 10-1, Anna – 08-1)

During the prior examination, the auditors noted Anna did not maintain documentation that veterans had been notified of the rules of the Home upon admission for a sample of veterans tested. During the current examination, we noted documentation that the sample of veterans tested had been notified of the rules of the Home upon admission.

RECOMMENDATION

We recommend the Department and Homes ensure each waiting list is promptly and properly maintained and that contemporaneous documentation is prepared each time a change occurs within each waiting list. We also recommend the Homes ensure historical waiting lists are maintained to document and justify the order of admissions that occurred at each Home. Lastly, we recommend the Homes implement procedures to ensure all admission and eligibility requirements are met and documented in the application file before granting admission into the Home.

DEPARTMENT RESPONSE

The Department concurs with the finding. The Department will review its admissions practices and identify solutions to ensure waiting lists are properly managed, appropriate supporting documentation is maintained, and all admissions and eligibility requirements are adhered to.

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10-2. **FINDING** (Inadequate corrective action taken)

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

We noted the following:

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

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

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

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

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

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

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

Department personnel stated they pursued disciplinary action against the employee noted in the Anna Veterans' Home – Finding 08-3 and that they have verbally reminded their employees of the need to avoid inappropriate involvement in residents' personal finances.

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

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department respectfully disagrees with the materiality of the finding, as it was an isolated incident which resulted in corrective action. The incident occurred prior to the audit period and did not recur during the audit period. However, the Department accepts that further corrective action can be taken, and will evaluate additional procedural prohibitions and internal controls.

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10-3. **FINDING** (Inadequate documentation maintained)

The Department of Veterans' Affairs (Department) did not maintain adequate documentation of the outcome of its application process to document compliance with the operating policies of the Prince Home Program. The Department's Prince Home at Manteno is a program for homeless and disabled veterans located at the Illinois Veterans' Home at Manteno.

For six (60%) of 10 applications tested, we were unable to determine if prospective residents were properly notified of the Department's decision to accept or deny the applicant within 5 days of the Department's receipt of all required materials. For one of these six applicants, we were unable to determine if a date of admission was provided to the applicant when the Department notified the applicant of his or her acceptance in the program.

The Operations Manual for the Prince Homeless Program requires the Department to notify prospective residents of the outcome of their applications within five business days of the Department's receipt of all required materials. In addition, approved applicants are to be given a date of admission in the Department's communication notifying them of their acceptance, or a number on the waiting list if no beds are immediately available.

Department personnel stated that because the Prince Homeless Program was still relatively new, procedures had not been implemented to ensure all documentation was maintained.

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

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department respectfully disagrees with the materiality of the finding. However, we accept that improvements can be made and will take measures to ensure proper documentation is prepared and maintained to demonstrate compliance with requirements.

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10-4. **FINDING** (Failure to fully establish the Veterans' Memorial Commission)

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

The Act (20 ILCS 2805/7) states the Commission shall conduct studies and make reports regarding the various laws and rules affecting veterans' memorials to determine whether consolidation or other changes in laws or rules are needed to facilitate memorial preservation and to raise awareness of issues affecting veterans' memorials.

Department personnel stated the information and laws the Commission is required to report on are undefined, rendering reporting on the undefined requirement unrealistic. Department personnel also stated they have pursued legislative change to the Act. Under House Bill 1445 of the 97th General Assembly, the Commission's duties are more clearly defined. House Bill 1445 was signed by the Governor on August 11, 2011.

Failure to conduct studies and make reports regarding laws and rules affecting veterans' memorials in Illinois is noncompliance with State statute. (Finding Code No. 10-4, Central Office – 08-6, Central Office – 06-6)

During the prior examination, the Director of the Department had not appointed three representatives of different veterans' service organizations to the Commission. During the current examination, we noted that the Director of the Department appointed three representatives of different veterans' service organizations to the Commission as required by the Act.

RECOMMENDATION

We recommend the Department conduct studies and make reports regarding laws and rules affecting veterans' memorials in Illinois, or seek a legislative remedy to the statutory requirement.

DEPARTMENT RESPONSE

The Department accepts and has addressed the finding. A legislative remedy was attained when House Bill 1445 was signed on August 11, 2011, which amends the Department of Veterans' Affairs Act (20 ILCS 2805/7) to clarify the Veterans' Memorial Commission's reporting requirements, effective January 1, 2012.

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10-5. **FINDING** (Failure to establish Division of Women Veterans' Affairs)

The Department of Veterans' Affairs (Department) failed to establish a Division of Women Veterans Affairs as required by the Department of Veterans' Affairs Act (Act) (20 ILCS 2805/1.2).

The Act requires the establishment of a Division of Women Veterans Affairs within the Department to perform the following duties:

- To serve as an advocate for women veterans, in recognition of the unique issues facing women veterans;
- To assess the needs of women veterans with respect to issues including, but not limited to, compensation, rehabilitation, outreach, health care, and issues facing women veterans in the community;
- To review the Department's programs, activities, research projects, and other initiatives designed to meet the needs of women veterans; and
- To make recommendations to the Director of the Department concerning ways to improve, modify, and effect change in programs and services for women veterans.

However, we noted the Department has not established a Division of Women Veterans Affairs as required. The Act became effective on July 27, 2009.

Department personnel stated neither the Department nor the Office of the Comptroller's Executive Payroll have received an appropriation for the hiring of an Assistant Director to establish and lead a Division of Women Veterans Affairs. Department personnel also stated they have pursued legislative change to the Act. Under House Bill 1445 of the 97th General Assembly, the requirement to establish a Division of Women Veterans Affairs is limited subject to appropriation. House Bill 1445 was signed by the Governor on August 11, 2011.

Failure to establish the Division of Women Veterans Affairs is noncompliance with State statute and inhibits the development of programs and services available to female veterans. (Finding Code No. 10-5)

RECOMMENDATION

We recommend the Department establish the Division of Women Veterans Affairs as required, or seek legislative remedy to the statutory requirement.

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DEPARTMENT RESPONSE

The Department accepts and has addressed the finding. A legislative remedy was attained when House Bill 1445 was signed on August 11, 2011, which amends the Department of Veterans' Affairs Act (20 ILCS 2805/1.2) to subject the Division of Women Veterans' Affairs to appropriation, effective January 1, 2012.

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- 10-6. **FINDING** (Failure to implement Post-Traumatic Stress Disorder Outpatient Counseling Program)

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

The Act requires the Department to provide informational and counseling services for the purpose of establishing and fostering peer-support networks throughout the State for families of deployed members of the reserves and the Illinois National Guard. However, the Department has not yet begun providing these services as required.

Department personnel stated the Department has initiated discussions with a United States Department of Veterans' Affairs (USDVA) approved vendor to establish a peer-support network for families of deployed service members; however, the Department is awaiting the completion of an administrative review to complete contract negotiations. In addition, Department personnel stated the Department did not receive adequate appropriations during Fiscal Years 2009 and 2010 to fully implement the program.

Failure to provide informational and counseling services for the purpose of establishing and fostering peer-support networks is noncompliance with State statute and reduces the level of services and information available to the families of deployed reservists and Illinois National Guard members. (Finding Code No. 10-6)

RECOMMENDATION

We recommend that the Department establish a peer-support network for families of deployed service members as required by the Act, or seek a legislative remedy to the statutory requirement.

DEPARTMENT RESPONSE

The Department concurs with the finding, and will continue discussions with a United States Department of Veterans' Affairs (USDVA) approved vendor to pursue a peer-support network for families of deployed service members. In addition, the Department underestimated the cost of the program and did not request, and consequently did not receive, adequate appropriations to fully implement the program. The Department will consider a possible legislative remedy.

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10-7. **FINDING** (Failure to conduct annual review of benefits received by Illinois veterans)

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

The Department of Veterans' Affairs Act (Act) (20 ILCS 2805/2(12)) requires that the Department conduct an annual review of the benefits received by Illinois veterans that compares benefits received by Illinois veterans with the benefits received by veterans in all other states and U.S. territories.

The Act also requires that the Department issue an annual report that includes: the average benefit paid to individual veterans from Illinois compared to the average benefit paid to individual veterans of each of the other states and U.S. territories; the number of veterans receiving benefits in Illinois for the first time during the year compared to the number of claims filed by Illinois veterans during the year; the aggregate number of Illinois veterans receiving benefits compared to the number of veterans from each of the other states and U.S. territories receiving benefits; and a categorical analysis of the types of injuries and disabilities for which benefits are being paid in Illinois and each of the other states and U.S. territories.

We noted the following:

- The Fiscal Year 2008 report, dated May 6, 2009, did not contain information regarding the number of veterans receiving benefits in Illinois for the first time during the fiscal year compared to the number of claims filed by Illinois veterans during the year. The FY08 report also failed to include a categorical analysis of the types of injuries and disabilities for which benefits are being paid in Illinois and each of the other states and U.S. territories.
- The Fiscal Year 2009 report, dated November 22, 2010, did not contain information on the average benefit paid to individual veterans from Illinois, in direct comparison to the average benefit paid to individual veterans of each of the other states and U.S. territories; the number of veterans receiving benefits in Illinois for the first time during the year compared to the number of claims filed by Illinois veterans during the year; the aggregate number of Illinois veterans receiving benefits compared to the number of veterans from each of the other states and U.S. territories receiving benefits; and a categorical analysis of the types of injuries and disabilities for which benefits are being paid in Illinois and each of the other states and U.S. territories.

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Department personnel stated that it was unable to report on claims and benefits from other states and U.S. territories as the United States Department of Veterans' Affairs denied the Department's request for the information due to their concerns over confidentiality and perceived noncompliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) associated with releasing this type of information.

Failure to conduct an annual review of the benefits received by Illinois veterans that compares benefits received by Illinois veterans with the benefits received by veterans in all other states and U.S. territories is noncompliance with the Department of Veterans' Affairs Act. (Finding Code No. 10-7, Central Office – 08-4).

RECOMMENDATION

We recommend the Department conduct an annual review of the benefits received by Illinois veterans that compares benefits received by Illinois veterans with the benefits received by veterans in all other states and U.S. territories or seek legislative remedy.

DEPARTMENT RESPONSE

The Department respectfully disagrees with the materiality of the finding, as the Department did complete the reports based on information that was attainable. The request for claims and benefits information from other states and US territories was denied by the United States Department of Veterans' Affairs (USDVA) due to concerns over the Health Insurance Portability and Accountability Act (HIPAA). Consequently, the Department was unable to complete a claims and benefits comparison. However, the Department will consider a possible legislative remedy.

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10-8. **FINDING** (Inadequate reporting by Illinois Discharged Servicemember Task Force)

The Department of Veterans' Affairs' (Department's) Illinois Discharged Servicemember Task Force (Task Force) did not report on all elements as required by the Department of Veterans' Affairs Act (Act).

The Act (20 ILCS 2805/20) required the Department to establish the Task Force to investigate the effects of post-traumatic stress disorder, homelessness, disabilities, and other issues found by the Task Force to be relevant to service members who are returning to civilian life from active theater. The Act requires the Task Force to issue an annual report, due July 1st of each year, containing the findings of the Task Force on these topics. The Act requires the report be distributed to the Governor, the Lieutenant Governor, the Attorney General, the Director of the Department, and the Secretary of the United States Department of Veterans' Affairs.

We noted the Task Force's report issued July 1, 2009, did not include information regarding the effects of post-traumatic stress disorder and disabilities on discharged service members, as required by the Act.

Department personnel stated some of the required elements were omitted from the report due to oversight.

Failure to fully conduct investigations and make reports regarding effects of post-traumatic stress disorder, homelessness, and disabilities of discharged service members is noncompliance with State statute and limits the amount of information available to necessary parties regarding the issues faced by service members who are returning to civilian life. (Finding Code No. 10-8)

RECOMMENDATION

We recommend the Task Force ensure its reports are complete and include all required elements before submission to the required parties.

DEPARTMENT RESPONSE

The Department concurs with the finding. Beginning with the Fiscal Year 2012 report, the first report after the issuance of this finding, the Department will ensure adequate reporting.

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- 10-9. **FINDING** (Inadequate controls over the purchase, recording and reporting of State property)

The Department of Veterans' Affairs (Department) did not exercise adequate control over the purchase, recording and reporting of State property.

During our review of the Department's Quarterly Report of State Property (C-15 reports), we noted the following:

- Two of 8 (25%) C-15 reports were not submitted timely to the Office of the Comptroller (Comptroller). The reports due for fiscal quarters ended March 31, 2009 and June 30, 2009 were submitted 95 and 6 days late, respectively.

Statewide Accounting Management System (SAMS) (Procedure 29.20.10) requires that the C-15 reports be filed on a quarterly basis and should be submitted to the Comptroller no later than the last day of the month following the last day of the quarter.

- We noted discrepancies between 3 of 8 (37%) C-15 reports and the Department's underlying records. These discrepancies noted resulted in a net \$11,070 understatement of net transfers. We also noted discrepancies in the beginning property balances on the underlying records the Department maintained to support 7 of 8 (87%) C-15 reports. In these instances, the beginning property balances on the underlying support did not agree to the ending property balances from the preceding quarters. These discrepancies noted resulted in a net \$1,160 understatement of property balances.

SAMS (Procedure 29.20.10) requires an agency to report all additions, deletions, and net transfers affecting each asset class that occurred during the quarter being reported. SAMS (Procedure 29.10.10) also states that the objective of fixed asset reporting is to ensure that agencies are updating property records to reflect the current balance of fixed assets and to enhance the accuracy of information reported. Good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. Additionally, good business practices require an agency to review all reported information for accuracy before submission.

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We also noted the following during our review of the Department's equipment records and controls over property:

- Equipment items purchased could not be located on the Department's inventory records. We noted 1 of 50 (2%) vouchers tested was for the purchase of 3 equipment items, totaling \$5,859. However, these items could not be located on the Department's inventory records as of the end of Fiscal Year 2010.

The State Records Act (5 ILCS 160/8) requires the Department preserve records containing adequate and proper documentation to support transactions. Additionally the Illinois Administrative Code (44 Ill. Admin. Code 5010.400) states agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items. Furthermore, good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports.

- The LaSalle Veterans' Home did not maintain an adequate segregation of duties with respect to property control. The same employee was responsible for the periodic receiving of items, input of equipment into the inventory records, entering equipment deletions and transfers, compiling inventory counts, and equipment reconciliations.

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 Home maintain adequate segregation of authorization, record keeping and custody duties.

- The Manteno Veterans' Home did not maintain adequate procedures to properly record donated equipment items. Equipment items that were received by the Home as a donation were not supported by a receipt or assigned a value. The Home also did not have any procedures in place to research and determine an approximate fair market value of donated items. As a result of the Home not assigning any value to donated property, these items were left off of the inventory records, and the additions in property reported to the Department's Central Office were incomplete and unadjusted.

The State Records Act (5 ILCS 160/8) requires the Department preserve records containing adequate and proper documentation to support transactions. Additionally, good internal controls require sufficient and properly designed accounting records be maintained to adequately control fiscal operations and provide reliable data for necessary management reports. In addition, SAMS Procedures 29.10.30 requires all

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land, buildings, equipment and/or other State property received as a gift or donation be recorded in the agency's records at their fair market value at the time of donation.

We also noted the following with regard to equipment locations during our testing of the Central Office and Field Services divisions:

- 3 of 50 (6%) items tested in the Central Office and Field Services locations, totaling \$565, appeared on the Department's records but could not be found at the designated locations.
- 1 of 50 (2%) items tested in the Central Office and Field Services locations, totaling \$113, was found within the Department's Cook County field office location; however, Department property records indicated the item was located within the Department's McLean County field office location.

We noted the following with regard to equipment locations during our testing at the Illinois Veterans' Home at LaSalle (LaSalle):

- For 2 of 15 (13%) items tested at LaSalle, totaling \$3,105, the location noted on the property listing did not match the location where the item was subsequently found.
- Four of 15 (27%) items tested at LaSalle appeared on the Department's records, yet could not be located within the Home. The total value of these items is \$4,192.
- For 1 of 15 (7%) items tested at the LaSalle Veterans' Home, totaling \$479, the auditor could not determine if the item observed was the correct item that was noted on the property listing because the item did not have an equipment tag.
- For 2 of 15 (13%) items tested at the LaSalle Veterans' Home, totaling \$3,094, the location where the items were observed within the Home did not match the respective location noted on the Home's property listing.
- Two of 15 (13%) items observed within the LaSalle Veterans' Home could not be located on the Home's property listing.

We noted the following with regard to equipment locations during our testing at the Illinois Veterans' Home at Manteno (Manteno):

- For 5 of 25 (20%) items tested at Manteno Veterans' Home, totaling \$14,729, the items were either incorrectly tagged or the tags were missing; therefore, the auditor was unable to properly trace the tag numbers to the correct equipment items.

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- For 4 of 25 (16%) items tested at Manteno, totaling \$17,494, the location noted on the property listing did not match the location where the item was subsequently found.
- Two of 25 (8%) items tested at Manteno, totaling \$37,036, were deemed obsolete; however, they had not been sent to surplus or properly disposed of.
- Seven of 25 (28%) items observed within Manteno, totaling \$1,876, were deemed obsolete; however, they had not been sent to surplus or properly disposed of.

The State Property Control Act (30 ILCS 605/4) requires that the agency be accountable for the supervision, control, and inventory of all property under its jurisdiction and control. The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) states agencies shall adjust property records within 30 days of acquisition, change or deletion of equipment items. The Code (44 Ill. Admin. Code 5010.210) also holds agencies responsible for marking each piece of State-owned equipment in their possession with a unique six digit identification number to be assigned by the agency holding the property. SAMS Procedure 29.10.10 requires obsolete assets should be identified and removed from the agency's assets records. Finally, good business practices require unnecessary or obsolete property and equipment to be removed from State custody to prevent against unnecessary stockpiling or waste.

Department personnel attributed discrepancies largely to frequent movement of property at the veterans' homes by caregivers who prioritize the direct care of residents over communicating changes in property location to those responsible for maintaining property records. Department personnel also stated some of the errors noted were due to reliance on manual processes and oversight.

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

RECOMMENDATION

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

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recommend the Department ensure all equipment is accurately and timely recorded on the Department's property records. In addition, we recommend the Department thoroughly review all reports prepared from internal records for accuracy before submission to the Office of the Comptroller.

DEPARTMENT RESPONSE

The Department accepts the finding, and will evaluate measures to promote awareness of the importance of communicating changes to the location of property, and to increase the accuracy of property records.

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10-10. **FINDING** (Inadequate control over commodities inventory)

The Department of Veterans' Affairs (Department) did not exercise adequate control over its commodities inventory at the Illinois Veterans' Home at Manteno (Home). We noted the following:

- The results of 4 of 53 (8%) inventory test counts performed did not agree to the Home's perpetual inventory records. The net cost difference was a \$179 overstatement in inventory records.
- Inventory balances for 7 of 25 (28%) inventory items tested exceeded a 12-month supply as of 6/30/10. The total cost of these overstocks noted in our testing was \$6,064.
- During the examination period, the Home did not maintain an adequate segregation of duties. We noted one employee had the authority to dispose of expired inventory and adjust inventory records without obtaining additional approval.
- During the examination period, a detailed record of all personnel given keys to access the inventory storage areas was not maintained. As a result, we could not determine if access to the inventory storage areas was limited to only those employees whose job duties would require access on an ongoing basis.
- During testing, we noted numerous items present in the inventory storage area that were not included in the Home's inventory records and remained unaccounted for in storage crates. The items were residual inventory of continuous orders placed by the personnel other than the storekeeper and were never used or entered into inventory.

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

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Home personnel stated test counts did not match inventory records due to inputting errors and a lack of communication between employees needing items from inventory storage areas and the storekeeper of the inventory storage areas. Home personnel stated noted overstock items was mostly due to excess purchases in prior periods by a former employee. Home personnel stated they continued to maintain the overstocked items due to long shelf life and a continuous need for items. Home personnel stated adequate internal controls and safeguards were not maintained during the examination period due to turnover in key positions.

Failure to maintain accurate, complete and timely inventory records inventory items could result in shortages, overstocking, theft, or waste of commodities. In addition, failure to maintain proper internal controls could also result in theft or waste of commodities. (Finding Code No. 10-10, Manteno – 08-1)

RECOMMENDATION

We recommend the Department and Home devote adequate resources to ensure that commodity records are accurate. In addition, we recommend the Home review their internal controls over inventory and implement additional safeguards as necessary to properly secure commodity items and the inventory storage area in general. Lastly, we recommend the Home perform an evaluation of all inventory items held to ensure inventory records are complete and to eliminate any items that are overstocked.

DEPARTMENT RESPONSE

The Department concurs with the finding and will evaluate measures to ensure the accuracy of commodities records, promote proper storage and security, properly segregate duties and reduce overstock.

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10-11. **FINDING** (Inadequate control over contractual agreements)

The Department of Veterans' Affairs (Department) did not exercise adequate controls over contractual agreements. During testing, we noted the following:

- 2 of 25 (8%) contractual agreements tested, totaling \$30,220, were not reduced to writing and signed by all parties prior to the beginning of the contract terms. The contracts' final required signatures were dated 8 and 13 days, respectively, after the beginning of the contract terms. Additionally, 1 of 25 (4%) contractual agreements tested, totaling \$100,000, was not dated by all required parties; therefore, we were unable to determine whether the agreement had been approved prior to the beginning of the contract terms.

Good business practices require all contracts entered into be approved by all involved parties prior to the beginning of services.

- 2 of 25 (8%) disclosures of financial interests, related to tested contractual agreements totaling \$26,200, were not obtained by the Department. According to the terms of the contractual agreements, the vendors were required to file disclosures of financial interests with the Department.

The Illinois Procurement Code (30 ILCS 500/50-35) disclosures requires that all offers from responsive bidders or offerors with an annual value of more than \$10,000 shall be accompanied by disclosure of the financial interests of the contractor, bidder, or proposer. The financial disclosure of each successful bidder or offeror shall become part of the publicly available contract.

Department personnel stated the problems noted were due to oversight and competing priorities for the responsible personnel.

Failure to reduce to writing the contract for services and obtain required signatures timely exposes the Department to potential liabilities and unnecessary legal costs in case of dispute over the scope of services and responsibilities. (Finding Code No. 10-11)

RECOMMENDATION

We recommend the Department adhere to contract requirements and obtain signatures and disclosure statements prior to the beginning of contract terms.

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DEPARTMENT RESPONSE

The Department accepts the finding. Though delays were encountered while obtaining the signatures, work did not begin on the contracts until after the signatures were obtained.

In regards to the one contract not dated by all required parties, it is the Department's practice to forward all contracts to the vendor for signature before Department signatures are obtained. Therefore, even if the vendor does not provide a date with their signature, the practice ensures that the contract was signed by all parties prior to the start of work.

The Department concurs that disclosures of financial interest should be on file.

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10-12. **FINDING** (Inadequate control over receipts and refunds)

The Department of Veterans' Affairs (Department) did not exercise adequate controls over receipts and refunds. We noted the following:

- One of 25 (4%) receipts tested, totaling \$40, was deposited 4 days late.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) requires cumulative receipts valued up to \$500 to be deposited by the first and the fifteenth day of the month after receipt.

- Four of 25 (16%) refunds tested, totaling \$112,786, were deposited between 1 and 29 days late. Three of these refunds, totaling \$12,786, were deposited between 1 and 7 days late, and the other refund, totaling \$100,000, was deposited 29 days late.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) requires cumulative receipts valued up to \$500 to be deposited by the first and the fifteenth day of the month after receipt.

- Three of 25 (12%) refunds tested, totaling \$7,027, did not include the receipt date of the refund; therefore, timeliness of the deposit could not be determined. Refunds were deposited between 13 and 138 days after the date of the check.

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

Department personnel stated the problems noted were due to oversight.

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

RECOMMENDATION

We recommend the Department strengthen its controls over cash receipts and refunds by making timely deposits into the State Treasury. Additionally, we recommend the Department record the receipt date of refunds.

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DEPARTMENT RESPONSE

The Department accepts the finding; however, the Department respectfully disagrees with the significance of some of the exceptions.

The employee responsible for the deposit of the late receipt was advised that miscellaneous receipts must comply with statutory deposit rules. However, the Department considers the compliance of 24 of 25 (96%) receipts acceptable, and does not consider the one receipt totaling \$40 deposited four days late to indicate a significant weakness in internal control.

The Department concurs that refunds should be deposited timely, and accepts that three of the four refunds cited (totaling \$12,786.46), which were between 1 and 7 days late, were noncompliant. The employee responsible was advised that refunds must comply with statutory deposit rules. However, the fourth refund cited (totaling \$100,000) was delayed 29 days due to a conscious management decision to determine the source of the refund, rather than processing the refund hastily at a high risk of error and the resulting consequences of such an error.

The Department accepts that the receipt date of refunds should be documented. Checks are occasionally not stamped when received by divisions other than fiscal, and employees will be advised to date stamp all received documents.

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10-13. **FINDING** (Excessive quantity of refunds processed)

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

During Fiscal Years 2009 and 2010, the Department received and processed 124 refunds, totaling \$317,273. We tested 25 of the 124 refunds processed, totaling \$191,050. The remaining refunds tested, totaling \$124,500, were due to the return of unused grant funds to the Department, which was outside of the Department's control. During testing, we noted the following:

- 13 of 25 (52%) refunds tested, totaling \$27,209, were due to overpayments made on vendor invoices.
- 10 of 25 (40%) refunds tested, totaling \$39,342, were due to overpayment of wages to employees.

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

Department personnel stated the need for the refunds originated from transactions that were either not properly reviewed prior to payment or that contained manual calculation and data input errors.

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

RECOMMENDATION

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

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DEPARTMENT RESPONSE

The Department accepts this finding, and will increase efforts to keep the quantity of refunds at an acceptable level. However, the Department respectfully emphasizes that \$124,500 of the \$191,500 of refunds cited were for unused grant funds that were refunded in compliance with the Department's Grant agreement and the Grant Repayment Act, and were outside of the Department's control.

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10-14. **FINDING** (Inaccurate recording and reporting of accounts receivable)

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

The Department collects accounts receivable in ten different funds. During testing of those funds, we noted the following:

- The Department could not provide detailed support for accounts receivable, totaling \$11,392,000, and adjustments, totaling \$50,000, reported on 16 of 80 (20%) reports tested.
- Amounts reported by the Department as collected on 6 of 80 (8%) reports tested did not agree to underlying records. Collections reported by the Department were understated by \$1,904,000, when compared to amounts collected per the underlying records.
- Amounts reported by the Department as receivables on 5 of 80 (6%) reports tested were not supported with adequate documentation. Receivables reported by the Department were overstated by \$41,000, when compared to accounts receivable per the underlying records.
- An amount reported by the Department as a gross receivable on 1 of 80 (1%) reports tested did not agree to underlying records. Gross receivables reported by the Department were overstated by \$2,000, when compared to gross receivables per the underlying records.

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

Department personnel attributed the condition to oversight, data entry errors, and reliance on manual processes.

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

RECOMMENDATION

We recommend the Department keep detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. In addition, we recommend the Department thoroughly review all reports prepared from internal records for accuracy before submission to the Comptroller's Office.

DEPARTMENT RESPONSE

The Department accepts the finding, and will evaluate measures to improve accounts receivable recording and reporting.

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10-15. **FINDING** (Inadequate controls over locally held funds and related reporting)

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

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

- Twelve of 24 (50%) Quarterly Reports of Receipts and Disbursements (C-17) reports contained errors and inconsistencies in the classification of receipts and disbursements.

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

- Six of 24 (25%) C-17 reports contained errors and inconsistencies in the classification of receipts and disbursements.
- Three of 24 (13%) reconciliations were not provided; therefore, we were unable to determine whether they were accurate and performed timely.
- One of 25 (4%) receipts tested, totaling \$100, could not be traced to supporting documentation, as it was not maintained by LaSalle.
- Three of 25 (12%) receipts tested, totaling \$755, did not contain a receipt date; therefore, we were unable to determine if the receipt was deposited timely.
- Three of 25 (12%) disbursements tested, totaling, \$429, could not be traced to supporting documentation, as it was not maintained by LaSalle.

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

- Sixteen of 40 (43%) C-17 reports contained errors and inconsistencies in the classification of receipts and disbursements.
- Six of 25 (24%) disbursements tested, totaling \$6,527, did not contain evidence of proper authorization by the member.
- One of 25 (4%) disbursements tested, totaling \$56, could not be traced to supporting documentation, as it was not maintained by Manteno.

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The Illinois Veterans' Home at Quincy (Quincy) conducts its activities in six locally held funds: the Members' Trust Fund, Members' Benefit Fund, Protestant Chapel Fund, St. Lawrence Chapel Fund, Commissary Fund, and Quincy Clearing Account. During testing of Quincy locally held funds, we noted the following:

- Thirty-seven of 48 (77%) C-17 reports contained errors and inconsistencies in the classification of receipts and disbursements.
- One of 40 (3%) receipts tested could not be traced to supporting documentation. Quincy was able to provide a portion of the support, totaling \$152, but was unable to support the remaining \$133 of this receipt transaction, which totaled \$285.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system of internal fiscal and administrative controls to ensure funds are safeguarded against waste, loss, unauthorized use, and misappropriation. Statewide Accounting Management System (SAMS) (Procedure 25.40.20) and good internal controls require receipt reconciliations to be performed monthly and the appropriate parties notified of any irreconcilable differences to ensure corrective action can be taken to locate the differences and correct the accounting records. The State Comptroller's Act (15 ILCS 405/16) requires each State agency to file with the Office of the Comptroller a report of its receipts and disbursements during the preceding quarter within 30 days of the end of the quarter. Good internal controls require an agency to review all reported information for accuracy before submission.

Department and Home personnel stated the problems noted were attributable to several causes, including turnover and vacancies in the Homes' personnel, manual data input errors, and oversight.

Failure to correctly and consistently report receipts and disbursements limits the usefulness of management reports. Further, failure to perform monthly reconciliations timely impairs the Department's ability to promptly identify and correct errors or irregularities and could result in inaccurate statewide financial reporting. In addition, the lack of supporting documentation and proper approval reduces the overall control over expenditures and receipts and may lead to inappropriate expenditures and inaccurate statewide financial reporting. (Finding Code No. 10-15, Anna – 08-4)

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RECOMMENDATION

We recommend the Department strengthen controls over local fund transactions and reporting. Specifically, the Department should:

- Thoroughly review all C-17 reports and the underlying transaction records for accuracy and completeness before submitting the reports to the Office of the Comptroller;
- Perform monthly bank reconciliations timely; and
- Maintain adequate supporting documentation for all receipts and disbursements, including evidence of proper authorization by members for disbursements originating from Members' Trust Funds.

DEPARTMENT RESPONSE

The Department accepts the finding, noting that misclassifications do not result in the misstatement of fund balances. The Department will evaluate measures to strengthen control over local fund transactions and reporting.

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10-16. **FINDING** (Inaccurate Agency Workforce Reports)

The Department of Veterans' Affairs (Department) did not file accurate Agency Workforce Reports (report) with the Governor's Office and the Secretary of State's Office. We tested two (100%) of the reports required to be filed during the examination period and noted the following:

- Supporting documentation could not be provided to support the number of employees in three different categories across six different salary ranges for the Fiscal Year 2008 and 2009 reports (filed during Fiscal Years 2009 and 2010, respectively); and
- Both reports contained clerical errors. The Fiscal Year 2008 report contained numerous inaccurate percentages of employees calculations under various reportable employee groups. The Fiscal Year 2009 report did not properly compute the total number of female employees, which resulted in an understatement of the total number of Department employees by 42.

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

Department personnel stated inaccurate external and internal reports caused errors in reporting.

Failure to provide complete and accurate reports to both the Office of the Secretary of State and the Office of the Governor prevents fulfillment of the purpose of the State Employees Records Act, which is to provide information to help guide efforts to achieve a more diversified State workforce. (Finding Code No. 10-16)

During the prior examination, the auditors noted clerical errors in one of the reports tested, as well as one report that was not filed as required. During the current examination, we noted the Department filed corrected reports as required.

RECOMMENDATION

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

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DEPARTMENT RESPONSE

The Department concurs with the finding, and will take steps to ensure agency workforce reports are accurate and filed timely.

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10-17. **FINDING** (Inadequate control over year end financial reporting)

The Department of Veterans' Affairs (Department) did not exercise adequate control over year end financial reporting.

The Department did not accurately report activity occurring in the Anna Veterans' Home Fund (Fund 273) during Fiscal Year 2010 on its Grant/Contract Analysis Form (Form SCO-563). We noted the following:

- The Department's records indicated federal receipts totaling \$1,686,428 were received during Fiscal Year 2010. However, the Department reported \$1,819,000 on its Form SCO-563. As a result, receipts were overstated by \$132,572.
- The Department's records indicated expenditures of federal funds during Fiscal Year 2010 totaled \$1,549,000. However, the Department reported expenditures of federal funds totaling \$1,682,000 on its Form SCO-563. As a result, expenditures were overstated by \$133,000.

Additionally, the Department did not appropriately identify American Recovery and Reinvestment Act (ARRA) funds received and expended in the General Revenue Fund (Fund 001) during Fiscal Year 2010 on its Form SCO-563. The Department's records indicated ARRA funds received totaled \$210,252 and expended totaled \$160,076.

Further, the Department incorrectly listed the Catalog of Federal Domestic Awards number (CFDA number) for Veterans' State Nursing Home Service-Connected Disabilities in the Quincy Veterans' Home Fund (Fund 619) during Fiscal Year 2010.

Statewide Accounting Management System (SAMS) (Procedure 27.10.10) requires careful examination of financial data during the preparation of GAAP reporting packages. In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State's resources.

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

GAAP packages submitted by State agencies are used to compile the Illinois Comprehensive Annual Financial Report and the Schedule of Expenditures of Federal Awards. Failure to provide accurate information to the Office of the Comptroller could

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result in inaccuracies in the Statewide information presented. (Finding Code No. 10-17, Central Office – 08-16)

RECOMMENDATION

We recommend the Department implement procedures to ensure complete and accurate information is reported to the Office of the Comptroller as required.

DEPARTMENT RESPONSE

The Department accepts the finding; however, the Department respectfully disagrees with the significance of some of the exceptions. The Department notes that overstatement of federal receipts and expenditures was due to an inadvertent duplication of a single transaction during GAAP reporting; however, the federal receipts and expenditures were accurately documented on Department records. Further, the incorrect CFDA number identifying the grant was a minor typographical error.

The Department accepts that the reported State Homes Construction Grant Program reported was not identified as funded by the American Recovery and Reinvestment Act.

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10-18. **FINDING** (Inadequate control over travel expenditures)

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

- Six of 40 (15%) travel vouchers tested contained reimbursements for expenses between the employees' residence and headquarters, totaling \$553. The Illinois Administrative Code (80 Ill. Adm. Code 2800.235) states expenses incurred between an employee's residence and headquarters are not reimbursable.
- One of 40 (3%) travel vouchers tested was not submitted timely. We noted the travel voucher was submitted 107 days after the travel period ended. Good internal controls require travel vouchers be submitted timely. Further, according to IRS Publication 535, employee travel expense reimbursements will be considered taxable wages if the travel expenses are not submitted within a reasonable period of time.
- One of 40 (3%) travel vouchers tested claimed mileage in amounts greater than the most direct route. Mileage claimed was greater than mileage for the most direct route by 8 miles per trip, resulting in a total overpayment of \$170. The Governor's Travel Control Board (GTCB) rules (80 Ill. Adm. Code 2800.240) requires, when a privately owned vehicle is used, a travel voucher to show commuting mileage, the dates, points of travel and mileage. If the distance traveled between any given points is greater than the usual route between these points shown on a road map, the reason for the greater distance shall be explained and detailed separately. In addition, the Travel Regulation Council rules (80 Ill. Adm. Code 3000.310) states that all travel must be by the most direct route.

Department personnel stated in the instances where employees were reimbursed for travel between their residences and headquarters, the employees were temporarily covering itinerant veterans' service offices. In these cases, the employees were instructed by their supervisors that all mileage incurred while covering itinerant offices would be eligible for reimbursement, without considering their points of origin and destination with respect to headquarters. Department personnel also stated the travel voucher was submitted late due to oversight by the traveler. Lastly, Department personnel stated the reasons for the extra mileage were not documented on the travel voucher due to oversight.

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

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RECOMMENDATION

We recommend the Department strengthen its internal controls over travel to ensure reimbursements are in accordance with the Governors Travel Control Board and Travel Regulation Council rules. Further, the Department should obtain reimbursements from employees for overpayments.

DEPARTMENT RESPONSE

The Department accepts that the one travel voucher submitted 107 days after travel was clearly not timely. However, the Department considers the one substantially late travel voucher submission to be an isolated incident of oversight by a single employee and does not agree that it is the result of a problem in internal control.

The Department concurs that mileage through headquarters to itinerant sites should not have been reimbursed. Veteran Service Officers were directed by their supervisors that mileage to itinerant sites was reimbursable without considering the location of headquarters between points of departure and destination. A new travel policy has been developed and distributed to inform employees of the proper reimbursement policy.

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- 10-19. **FINDING** (Department inaccurately compiled and reported the activities of its Veterans' Service Officers)

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

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

We tested 10 field offices operated by the Department. At each of the 10 field offices, we tested six months' worth of monthly statistical reports for all VSOs at each field office for a total of 66 monthly statistical reports tested. In addition, we judgmentally selected one week from each of the monthly statistical reports for detail testing and comparison to its corresponding daily interview records for a total of 66 weeks tested. We noted the following:

- For three of 66 (5%) months selected for testing, the monthly statistical reports, weekly statistical reports, and the underlying documentation could not be provided by the Department. In addition, for three of 66 (5%) months selected for testing, the weekly statistical reports and the underlying documentation could not be provided by the Department. Further, for three of 66 (5%) months selected for testing, the weekly statistical reports could not be provided by the Department.
- For two of 66 (3%) months selected for testing, the monthly statistical reports and weekly statistical reports were not signed by the VSO. In addition, for three of 66 (5%) months selected for testing, the weekly statistical reports were not signed by the VSO.
- Two of 66 (3%) monthly statistical reports did not trace to information on the weekly statistical reports.
- Thirteen of 66 (20%) weekly statistical reports information did not trace to underlying documentation.
- Seven of 66 (11%) monthly statistical reports were not mathematically correct.
- Three of 66 (5%) weekly statistical reports were not mathematically correct.

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- For three of 27 (11%) hunting/fishing and camping licenses tested, we were unable to determine if the veteran met all of the criteria to be issued licenses due to missing documentation.

In addition, for the 10 field offices tested and 12 of 48 (25%) itinerant offices with telephones, we inquired anonymously about hours of operation with the VSOs. We then compared the hours stated by the VSO with the hours listed on the Department's website. For three of 10 (30%) field offices tested, the telephone was not answered on days called. One of 10 (10%) field offices tested stated hours of operation which varied from the hours listed on the Department's website. For five of 12 (42%) itinerant offices tested, the telephone was not answered on days called. For four of 12 (33%) itinerant offices tested, persons who answered the telephone calls indicated the VSOs were not in their Offices. Two of 12 (17%) itinerant offices tested stated hours of operation which varied from the hours listed on the Department's website.

Furthermore, we reviewed four consecutive weekly itineraries as submitted by the regional division field office supervisors. We noted the itineraries did not match the supervisor sign-in records for 31 of 54 (57%) visits tested.

Good business practices require sufficient documentation and maintenance of records in order to report accurate information. The Department of Veterans Affairs Act (20 ILCS 2805/3), requires the Department to maintain case files containing records of services rendered to each applicant, progress cards, and a follow-up system to facilitate the completion of each request.

The Department stated discrepancies related to statistical reporting of field offices are due to oversight that should have been caught by subsequent supervisory reviews. In addition, missing documentation could not be provided due to information either being misfiled or purged by the Department. Further, missing documentation for licenses issued was due to information being purged by the Department. Department personnel stated the discrepancies noted in hours of operations and itineraries were largely due to manual errors.

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

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RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department concurs with the finding and will evaluate measures to ensure accurate and complete records are maintained. Additionally, the Department will provide accurate hours of operation of its locations to the public.

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10-20. **FINDING** (Inadequate control over voucher processing)

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

- Ninety of 515 (17%) vouchers tested, totaling \$556,604, were approved for payment from 1 to 202 days late. The Illinois Administrative Code (74 Ill Adm. Code 900.70) requires an agency to review a bill and either approve or deny the bill in whole or in part within 30 days after physical receipt of the bill.
- Thirty-eight of 432 (9%) vouchers tested did not include required payments for interest, totaling \$3,891. The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill as follows:
 - For vouchers approved after August 19, 2009 – all interest is required to be paid.
 - For vouchers approved by August 19, 2009 – all interest amounting to \$50 or more is required to be paid, and interest between \$5 to \$49.99 is required to be paid if requested by the vendor.
- Four of 432 (1%) vouchers tested did not pay proper amounts of interest to vendors. Interest owed to vendors in these instances totaled \$1,320, yet the Department only paid interest totaling \$1,215. As a result, the vendors were underpaid by a total of \$105.

Department personnel stated the errors noted were attributable to several different causes, including turnover and vacancies in voucher processing positions and general oversight.

Failure to approve vouchers timely could subject the State to unnecessary interest charges. Failure to accurately pay the required interest on vouchers is noncompliance with the State Prompt Payment Act. (Finding Code No. 10-20, Central Office – 08-14, Manteno – 08-4, 06-2, 04-2)

RECOMMENDATION

We recommend the Department implement controls to ensure vouchers are approved within the required time frame. The Department should develop and implement procedures to identify all vouchers not paid within 60 days to ensure the proper amount of interest is paid.

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DEPARTMENT RESPONSE

The Department accepts the finding; however, we respectfully disagree with the materiality of some of the exceptions, as many of the delays in voucher processing were due to reasons outside the control of the Department:

In regards to the 90 vouchers totaling \$556,604:

- one voucher for \$114,424 was due to a transfer to the Capital Development Board (CDB) for which the Comptroller's Office required the Department to sign an agreement;
- 14 vouchers for \$88,689 involved lapse period vouchers; and,
- 13 vouchers for \$1,300 were for Global War on Terror (GWOT) bonuses for which the Department did not have appropriations.

In regards to the 38 interest vouchers totaling \$3,891, 16 vouchers were paid by the Comptroller after the fiscal year 2009 lapse period ended due to cash flows. In fiscal year 2009, the Accounting Information System (AIS) did not have a mechanism for generating interest transactions totaling \$2,677 after the fiscal year was closed.

The Department will increase efforts to ensure vouchers are approved in a timely manner and interest is paid on late vouchers if necessary, as required by the Statewide Accounting Management System (SAMS) Manual.

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10-21. **FINDING** (Lack of monthly expenditure reconciliations)

The Department of Veterans' Affairs (Department) did not perform and document required monthly expenditure reconciliations. We noted the following:

- The Department was unable to provide 37 of 195 (19%) monthly expenditure reconciliations that should have been performed for 4 of its 13 (31%) funds during Fiscal Year 2009.

- The Department was unable to provide 24 of 195 (12%) monthly expenditure reconciliations that should have been performed for 5 of its 13 (38%) funds during Fiscal Year 2010.

The Department expended \$93,991,755 and \$96,750,800 during Fiscal Years 2010 and 2009, respectively, from its 12 appropriated funds and 1 non-appropriated fund.

Statewide Accounting Management System (SAMS) (Procedure 11.40.20) requires State agencies to perform a monthly reconciliation of the unexpended budget authority agency balance to the Comptroller's Monthly Appropriation Status Report (SB01) and to notify the Comptroller's Office of any irreconcilable differences.

Department personnel stated some of the reconciliations were not performed and documented due to staff vacancies and turnover, as well as competing priorities for the remaining staff, largely during lapse period. The Department further noted that 15 of the monthly reconciliations cited for each fiscal year were for the non-appropriated Library Grant Fund (Fund 775), totaling \$50,000, and the reconciliations were not performed due to the decentralization of the grant funds.

The timely reconciliation of agency financial records allows for the detection and correction of errors and the identification of any irreconcilable differences. The failure to complete reconciliations could lead to inaccurate financial reporting. (Finding Code No. 10-21, LaSalle – 08-1)

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In addition, during the prior examination, we noted the Illinois Veterans' Home at LaSalle (LaSalle) did not perform monthly reconciliations of its expenditures or receipt records to the Comptroller's records, as required by the Statewide Accounting Management System (SAMS). During the current examination, LaSalle performed monthly receipt reconciliations to the Comptroller's Monthly Revenue Status Report, as required. However, certain expenditure reconciliations were not performed, and those are reflected in the finding appearing above.

RECOMMENDATION

We recommend the Department timely perform and document monthly expenditure reconciliations for all funds as required by SAMS.

DEPARTMENT RESPONSE

The Department accepts the finding, and notes that 15 of the reconciliations cited in each fiscal year were reconciliations of the non-appropriated Library Grant fund totaling \$50,000, and the reconciliations were not performed due to decentralization of library grant. The Department will increase oversight to ensure expenditure reconciliations are performed timely for all required funds.

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10-22. **FINDING** (Employee performance evaluations not performed timely)

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

During the examination period, the Department did not timely complete annual evaluations for 23 of 56 (41%) employees tested. Employee evaluations were completed from 2 to 455 days late. In addition, one employee tested did not have a performance evaluation completed for Fiscal Year 2009 or Fiscal Year 2010, three employees did not receive a Fiscal Year 2009 evaluation and two employees had not received a Fiscal Year 2010 evaluation.

The Department's Employee Manual Chapter 2, Section 11 states that evaluations take place every 12 months, unless otherwise specified under the Personnel Rules.

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

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

RECOMMENDATION

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

DEPARTMENT RESPONSE

The Department concurs with the finding. A process has been implemented where employee evaluations are monitored in a spreadsheet, and supervisors are notified one month prior the date an evaluation is due, with periodic subsequent reminders thereafter.

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- 10-23. **FINDING** (Inadequate control over employee attendance records and personnel functions)

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

We tested 30 employees' attendance records for 4 months during the examination period, and we noted the following:

- Six (20%) employees' time balances for compensatory time, sick time, personal time, vacation, and holiday time were not accurately recorded in the Central Time and Attendance System (CTAS). We noted 13 instances in which there were discrepancies between the auditor calculated time balance and CTAS reports, for a net difference of 21 hours.
- Instances where leave time was used for 5 (17%) employees tested were not supported by an underlying leave request form. We noted 5 instances, totaling 27 hours, where leave time was used by employees, yet underlying leave request forms could not be located to document approval for these instances where leave time was used.
- Timesheets tested for 9 of 30 (30%) employees tested contained discrepancies. Problems noted included the following:
 - We could not determine if employees were present on regularly scheduled work days. In these instances, the employees did not report time worked on official State business, nor did they use leave time. We noted 12 days during which 5 employees did not sign in, and no leave time was taken.
 - Employees did not sign in, sign out, or sign in or out on regularly scheduled work days.
 - Employees did not work full days in all instances tested. We noted 2 instances during our review of timecards where employees worked 6.25 and 7 hours, respectively, during their regularly scheduled 7.5 hour work day, yet did not use leave time to make up the difference.
 - Amounts of sick time reported as used on timesheets did not agree with leave request slips submitted for the same time period. We noted 1 instance where an employee reported the use of 1 hour of sick time, yet requested the use of 2 hours of sick time on his/her leave request slip.

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

- Employment applications were either incomplete or not on file for 2 of 30 (7%) employees tested. An employment application could not be located for 1 of the employees tested, and an employment application was not signed and dated for 1 employee tested. The Department provided us with a signed and dated application to address one of these instances noted on July 12, 2011.
- Work schedules could not be located for 4 of 30 (13%) employees tested. The Department was unable to provide work schedules for these employees for 10 instances, and as a result, we could not determine if the employees worked or used leave time for all scheduled hours.

The Illinois Administrative Code (Code) (80 Ill. Adm. Code 303.340) implemented and authorized by the Personnel Code (20 ILCS 415/1 et seq.) states each operating agency shall maintain accurate, daily attendance records. The Code (80 Ill. Adm. Code 303.300) further requires agencies to establish and maintain regular work schedules for the employees affected by it. The Department of Veterans' Affairs Employee Handbook allows for flexible or compressed work hours but all requests must be submitted and approved in writing by the Department's Division of Human Resources. The State Records Act (5 ILCS 160/8) requires the head of each agency ensure records are prepared and maintained which contain documentation of the agency's essential transactions.

Department personnel attributed the exceptions to reliance on a manual process.

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

RECOMMENDATION

We recommend the Department implement controls to ensure employees complete leave requests for time off, accurately complete the time sheets and agree those records to CTAS to ensure accrued absence balances are accurate. We further recommend the Department strengthen controls to ensure employee personnel files are complete and employee schedules are adequately maintained.

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DEPARTMENT RESPONSE

The Department concurs with the finding. An electronic timekeeping system was implemented in November 2010, and promotes accuracy through the daily monitoring of attendance. Employees scan identification cards which timestamps their arrival and departure from work, and time reports are signed by the employee to certify accuracy.

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For the Two Years Ended June 30, 2010

10-24. **FINDING** (Inadequate control over employee overtime)

The Department of Veterans' Affairs (Department) did not exercise adequate control over employees' accrual and use of overtime. Department employees were eligible to earn either compensatory time or equivalent earned time (EET) for overtime worked during the examination period. During testing we noted the following:

- Twenty-three of 55 (42%) employees tested did not receive approval prior to working an approximate cumulative 230 hours of overtime. These instances noted include 9 instances where the overtime requests were submitted for supervisory approval between 1 and 19 days after the overtime was worked, and 38 instances where the overtime requests were never filled out and submitted for supervisory approval. In addition, of these instances, we noted 1 employee worked 71 hours of overtime in a single pay period, which appears to be excessive.
- Five of 25 (20%) tested employees' overtime requests were not properly approved. We noted 9 instances for these 5 employees where overtime requests did not contain the approval signature of both upper management and the employee's manager or supervisor, as required.
- The Department did not record the proper amount of overtime for 1 of 25 (4%) employees tested. For this employee, we noted 2 instances where the employee's timecard reflected 2 hours of overtime in each instance, yet the Department recorded 6 hours of overtime worked in the Central Time and Attendance System (CTAS) for each instance. As a result, this employee was credited for 8 hours of overtime he did not earn for these instances.
- One of 25 (4%) employees tested worked 1 additional hour beyond her normally scheduled work hours, yet the Department did not record this overtime worked in CTAS.

The Department's Employee Manual states overtime must be authorized and approved by the immediate supervisor and, except in emergency situations, an overtime request form must be completed prior to an employee working additional hours. Good internal controls require employees to keep accurate records of overtime hours worked as support for reported EET and compensatory hours. The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall prevent fraud, waste, and abuse and to maintain accountability over the State's resources. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency to establish and maintain an active,

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For the Two Years Ended June 30, 2010

continuing program for the economical and efficient management of the records of the agency. The Illinois Administrative Code (80 Ill. Adm. Code 303.320) implemented and authorized by the Personnel Code (20 ILCS 415/1 et seq.) states that overtime work shall be distributed between qualified employees as equitably as possible.

Department personnel attributed the exceptions to reliance on a manual process.

Failure to follow the Department's personnel policies regarding overtime increases the risk the Department will pay for services not rendered by employees. (Finding Code No. 10-24, Central Office – 08-10)

RECOMMENDATION

We recommend the Department ensure overtime is approved in advance and that overtime requests are filled out and properly approved by management. We also recommend the Department ensure all overtime transactions are recorded in CTAS properly.

DEPARTMENT RESPONSE

The Department concurs with the finding. An electronic timekeeping system was implemented in November 2010, which documents overtime worked. The earning of overtime is generally preapproved either verbally or through email and the signing of the overtime request form usually takes place afterward, as the supervisor may have been out of the office or work at a different location than the employee. The Department is evaluating a measure to make the approval of overtime an electronic process.

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For the Two Years Ended June 30, 2010

10-25. **FINDING** (Inadequate controls over grant agreements and related reporting)

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

The Department did not enforce compliance with its grant agreements' requirements regarding timely submission of required reports. As a result, the Department's ability to monitor State grants was negatively impacted. The Department awarded Veterans' Assistance grants totaling \$1,782,704 and \$1,730,224 in Fiscal Years 2009 and 2010, respectively.

We noted 9 of 50 (18%) grants tested totaling \$390,316, where the grantees did not submit or timely submit a semi-annual progress reports timely as required by the grant agreement.

- 5 of these 9 grantees did not submit their required 6-month progress report at all.
- 4 of these 9 grantees submitted the required 6-month progress reports between 9 and 85 days late.

We also noted 2 of 50 (4%) grantees tested submitted their required 1-year progress report 23 and 36 days late, respectively.

Lastly, for 2 of 50 (4%) vouchers tested for Veterans' Assistance grant payments, the auditors could not determine from information provided the received dates of the related grant agreements. As a result, we could not determine when any semi-annual progress reports would have been due for these grants.

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

Department personnel stated it has limited authority to require grantees to comply with reporting requirements, with realistic options including reminders of requirements and warnings that failure to comply may result in the rejection of subsequent grant applications. The Department is reluctant to threaten or pursue legal action against noncompliant grantees.

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

RECOMMENDATION

We recommend the Department adequately monitor its grants to ensure all required reports are received from grantees. We further recommend that the Department improve its controls over the documentation of the grant monitoring process.

DEPARTMENT RESPONSE

The Department concurs with the finding, and will continue to remind grantees of their requirements and warn grantees that failure to comply may result in a rejection of future grant applications. Subsequent grant applications submitted by grantees with a history of noncompliance will encounter an increased likelihood of rejection, where possible.

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

Prior Findings Not Repeated – Central Office

A. **FINDING** (Annual report not timely completed)

During the prior examination, the Department of Veterans' Affairs (Department) did not comply with the Department of Veterans' Affairs Act regarding the completion and submission of its annual report.

During the current examination, the Department complied with the Department of Veterans' Affairs Act regarding the completion and submission of its annual report by completing and publishing the report within a reasonable timeframe after the end of the fiscal year. (Finding Code No. 08-3)

B. **FINDING** (Failure to establish the Veterans' Conservation Corps)

During the prior examination, the Department did not establish the Veterans' Conservation Corps as required by the Department of Veterans' Affairs Act.

During the current examination, the Department fully established the Veterans' Conservation Corp as required by the Department of Veterans' Affairs Act. (Finding Code No. 08-5)

C. **FINDING** (Noncompliance with the National Guard Veterans Exposure to Hazardous Materials Act)

During the prior examination, the Department did not establish a task force under the National Guard Veterans Exposure to Hazardous Materials Act (Act) (330 ILCS 130/20). The Department also failed to establish a method to assist eligible members or veterans in obtaining information on available federal treatment services for exposure to depleted uranium.

During the current examination, the Department was under no obligation of the Act because the Act was terminated on January 31, 2008. The Department established a method to assist eligible members or veterans in obtaining information on available federal treatment services for exposure to depleted uranium. (Finding Code No. 08-7)

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For the Two Years Ended June 30, 2010

Prior Findings Not Repeated – Central Office (continued)

D. **FINDING** (Inadequate controls over State vehicles)

During the prior examination, the Department did not maintain adequate control over State vehicles.

During the current examination, we noted that the Department took steps to ensure that adequate control was maintained over its use of State vehicles. (Finding Code No. 08-11)

E. **FINDING** (Lack of current Disaster Contingency Planning or Testing to Ensure Recovery of Computer Systems)

During the prior examination, the Department had not established appropriate controls to recover its applications and data in a secure and timely manner.

During the current examination, the Department had begun efforts to improve its disaster recovery/business resumption plans and performed two recovery tests. Although improvements had been made, disaster recovery plans detailing the recovery needs specific to its applications and data had not been finalized. As such, this finding is reported during the current examination in the letter of immaterial findings. (Finding Code No. 08-1, 06-8)

Prior Findings Not Repeated – Illinois Veterans' Home at Anna

F. **FINDING** (Bank balances not adequately collateralized)

During the prior examination, the Illinois Veterans' Home at Anna (Anna) did not obtain additional collateral for uninsured account balances. The daily bank balance for one of Anna's funds exceeded the amount of federal deposit insurance coverage for 9 of 24 months during the prior examination period.

During the current examination, we noted no instances where the daily bank balances of Anna's locally held funds exceeded the amount of federal deposit insurance coverage. (Finding Code No. 08-5)

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For the Two Years Ended June 30, 2010

Prior Findings Not Repeated – Illinois Veterans' Home at LaSalle

All material findings from the examination of the Illinois Veterans' Home at LaSalle for the two years ended June 30, 2008 are repeated in this report.

Prior Findings Not Repeated – Illinois Veterans' Home at Manteno

G. **FINDING** (Lack of supporting documentation)

During the prior examination, the Illinois Veterans' Home at Manteno (Manteno) did not retain supporting documentation for cash receipts.

During the current examination, we noted no instances where the Department or Homes failed to retain supporting documentation for sample of cash receipts tested. (Finding Code No. 08-6)

Prior Findings Not Repeated – Illinois Veterans' Home at Quincy

H. **FINDING** (Inadequate controls over cash receipts)

During the prior examination, the Illinois Veterans' Home at Quincy (Quincy) did not maintain adequate internal controls over cash receipts in its Commissary Fund.

During the current examination, Quincy maintained adequate internal controls over cash receipts in its Commissary Fund, which was only operated by Quincy through December 1, 2008. As of December 1, 2008, the Business Enterprise Program for the Blind has taken over operations at the Commissary, and Quincy is no longer involved with Commissary operations. (Finding Code No. 08-1)

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For the Two Years Ended June 30, 2010

Prior Findings Not Repeated – Illinois Veterans' Home at Quincy (continued)

I. **FINDING** (Noncompliance with the State Officials and Employees Ethics Act)

During the prior examination, the Illinois Veterans' Home at Quincy (Quincy) did not maintain time sheets in compliance with the State Officials and Employees Ethics Act (Act). The time sheets examined did not document the total hours spent each day on official State business.

During the current examination, Quincy appears to have complied with the Act. Time sheets were submitted periodically and time spent on official State business was documented to the nearest quarter hour for a sample of employees tested. (Finding Code No. 08-2)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of 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
- Comparative Schedule of Receipts, Disbursements, and Fund Balance (Cash Basis) – Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Accounts Receivable

- Analysis of Operations:

- Agency Functions and Planning Program
- Average Number of Employees
- Emergency Purchases
- Annual Statistics (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Annual 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 OF VETERANS' AFFAIRS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30,
(in thousands)

Federal Grantor/Division/Program Title	Federal CFDA No.	2010	2009
U.S. Department of Veterans' Affairs			
ARRA - Grants to States for Construction of State Home Facilities	64.005	\$ 160	\$ 1,358
Total Grants to States for Construction of State Home Facilities		<u>\$ 160</u>	<u>\$ 1,358</u>
Anna Veteran's Home - Veterans State Domiciliary Care	64.014	\$ 145	\$ 124
Quincy Veterans' Home - Veterans State Domiciliary Care	64.014	327	290
Total State Domiciliary Care		<u>\$ 472</u>	<u>\$ 414</u>
Anna Veterans' Home - Veterans State Nursing Home Care	64.015	\$ 1,403	\$ 1,401
LaSalle Veterans' Home - Veterans State Nursing Home Care	64.015	4,221	2,594
Manteno Veterans' Home - Veterans State Nursing Home Care	64.015	9,193	7,270
Quincy Veterans' Home - Veterans State Nursing Home Care	64.015	10,403	9,288
Total State Nursing Home Care		<u>\$ 25,220</u>	<u>\$ 20,553</u>
All-Volunteer Force Educational Assistance	64.124	\$ 814	\$ 1,090
Total All-Volunteer Force Educational Assistance		<u>\$ 814</u>	<u>\$ 1,090</u>
U.S. Department of Veterans' Affairs Total		<u>\$ 26,666</u>	<u>\$ 23,415</u>
U.S. Department of Defense			
Troops-to-Teachers/Spouses-to-Teachers	12.XXX	\$ 175	\$ 160
Total Troops-to-Teachers/Spouses-to-Teachers		<u>\$ 175</u>	<u>\$ 160</u>
U.S. Department of Defense Total		<u>\$ 175</u>	<u>\$ 160</u>
U.S. Department of Housing and Urban Development			
Manteno Homeless Veterans Program Supportive Housing	14.235	\$ 116	\$ 108
Total Manteno Homeless Veterans Program Supportive Housing		<u>\$ 116</u>	<u>\$ 108</u>
U.S. Department of Housing and Urban Development Total		<u>\$ 116</u>	<u>\$ 108</u>
Total Expenditures of Federal Awards		<u>\$ 26,957</u>	<u>\$ 23,683</u>

Note: The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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DEPARTMENT OF VETERANS' AFFAIRS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Two Fiscal Years Ended June 30, 2010

NOTE 1 – Significant Accounting Policies

A. Basis of Presentation

The Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the State of Illinois, Department of Veterans' Affairs (Department), for the two years ended June 30, 2010.

B. Basis of Accounting

The Schedule of Expenditures of Federal Awards is prepared on the cash basis of accounting.

NOTE 2 – Description of Grant Programs

The following is a brief description of the grant programs included in the Schedule of Expenditures of Federal Awards:

Grants to States for Construction of State Home Facilities – CFDA # 64.005

Objective is to assist States to acquire or construct State home facilities for furnishing domiciliary or nursing home care to veterans, and to expand, remodel, or alter existing buildings for furnishing domiciliary, nursing home, or hospital care to veterans in State homes.

Veterans State Domiciliary Care – CFDA # 64.014

Objective is to provide financial assistance to States furnishing domiciliary care to eligible veterans in State Veterans' Homes, which meet the standards prescribed by the Secretary of Veterans Affairs.

Veterans State Nursing Home Care – CFDA # 64.015

Objective is to provide financial assistance to States furnishing nursing home care to eligible veterans in State Veterans' Homes, which meet the standards prescribed by the Secretary of Veterans Affairs.

All-Volunteer Force Educational Assistance – CFDA # 64.124

Objectives are to help servicepersons readjust to civilian life after their separation from military service and to assist in the recruitment and retention of highly qualified personnel in the active and reserve components in the Armed Forces by providing education benefits.

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For the Two Years Ended June 30, 2010

Troops-to-Teachers/Spouses-to-Teachers – CFDA # 12.XXX

Objectives are to recruit eligible members of the armed forces for participation in the Troops to Teachers and facilitate the certification and employment of such participants as teachers in public schools.

Supportive Housing – CFDA # 14.235

Objectives are to promote the development of supportive housing and supportive services to assist homeless persons in the transition from homelessness and to enable them to live as independently as possible. Program funds may be used to provide: (i) transitional housing within a 24-month period as well as up to six months of follow-up services to former residents to assist their adjustment to independent living; (ii) permanent housing provided in conjunction with appropriate supportive services designed to maximize the ability of persons with disabilities to live as independently as possible; (iii) supportive housing that is, or is part of, a particularly innovative project for, or alternative method of, meeting the immediate and long-term needs of homeless individuals and families; (iv) supportive services for homeless individuals not provided in conjunction with supportive housing; (v) safe havens for homeless individuals with serious mental illness currently residing on the streets who may not yet be ready for supportive services; and (vi) Homeless Management Information Systems (HMIS) for developing management information systems to maintain data on beds, units and homeless individuals.

NOTE 3 – Pass-Through and Subrecipient Awards

The Department received its Federal assistance directly from the U.S. Department of Veterans' Affairs, the U.S. Department of Defense, and the U.S. Department of Housing and Urban Development, and did not provide any awards to subrecipients.

NOTE 4 – Noncash Awards

The Department did not receive any noncash awards.

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>General Revenue Fund (001) - Central Office (01)</u>					
Personal Services - Non-Bargaining Unit	\$ 4,583,400	\$ 3,789,213	\$ 29,652	\$ 3,818,865	\$ 764,535
Personal Services - Bargaining Unit	42,184,500	39,468,431	265,842	39,734,273	2,450,227
State Contributions to Social Security -Non-Bargaining Unit	354,300	277,229	2,221	279,450	74,850
State Contributions to Social Security -Bargaining Unit	3,223,500	2,901,395	20,390	2,921,785	301,715
Operational Expenses, Awards, Grants and Permanent Improvements	1,990,500	1,147,147	90,969	1,238,116	752,384
Operational Expenses	<u>6,692,500</u>	<u>4,772,026</u>	<u>671,052</u>	<u>5,443,078</u>	<u>1,249,422</u>
Total Fiscal Year 2010	<u>\$ 59,028,700</u>	<u>\$ 52,355,441</u>	<u>\$ 1,080,126</u>	<u>\$ 53,435,567</u>	<u>\$ 5,593,133</u>
<u>Illinois Veterans' Home Fund (102) - Central Office (01)</u>					
Operations of Veterans' Homes	<u>\$ 300,000</u>	<u>\$ 123,889</u>	<u>\$ 43,734</u>	<u>\$ 167,623</u>	<u>\$ 132,377</u>
Total Fiscal Year 2010	<u>\$ 300,000</u>	<u>\$ 123,889</u>	<u>\$ 43,734</u>	<u>\$ 167,623</u>	<u>\$ 132,377</u>
<u>Illinois Veterans' Assistance Fund (236) - Central Office (01)</u>					
Grant from Illinois Veterans' Assistance Fund	<u>\$ 10,000,000</u>	<u>\$ 1,730,224</u>	<u>\$ -</u>	<u>\$ 1,730,224</u>	<u>\$ 8,269,776</u>
Total Fiscal Year 2010	<u>\$ 10,000,000</u>	<u>\$ 1,730,224</u>	<u>\$ -</u>	<u>\$ 1,730,224</u>	<u>\$ 8,269,776</u>

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>Specialty Adaptive Fund (286) - Central Office (01)</u>					
Specially Adapted Housing for Veterans	\$ 223,000	\$ 153,150	\$ -	\$ 153,150	\$ 69,850
Total Fiscal Year 2010	<u>\$ 223,000</u>	<u>\$ 153,150</u>	<u>\$ -</u>	<u>\$ 153,150</u>	<u>\$ 69,850</u>
<u>Illinois Military Family Relief Fund (725) - Central Office (01)</u>					
Payment of Benefits	\$ 250,000	\$ 54,000	\$ -	\$ 54,000	\$ 196,000
Total Fiscal Year 2010	<u>\$ 250,000</u>	<u>\$ 54,000</u>	<u>\$ -</u>	<u>\$ 54,000</u>	<u>\$ 196,000</u>
TOTAL CENTRAL OFFICE (01)	<u>\$ 69,801,700</u>	<u>\$ 54,416,704</u>	<u>\$ 1,123,860</u>	<u>\$ 55,540,564</u>	<u>\$ 14,261,136</u>
<u>Anna Veteran's Home Fund (273) - Anna (18)</u>					
Personal Services	\$ 1,100,100	\$ 855,526	\$ 164,942	\$ 1,020,468	\$ 79,632
Employee Retirement Contributions Paid by Employer	-	-	-	-	-
State Contribution to State Employees' Retirement System	312,200	243,395	48,573	291,968	20,232
State Contributions to Social Security	84,200	62,751	12,709	75,460	8,740
Contractual Services	637,700	540,323	77,102	617,425	20,275
Travel	10,400	2,435	331	2,766	7,634
Commodities	327,800	284,410	2,225	286,635	41,165
Printing	2,100	1,951	58	2,009	91
Equipment	6,900	6,897	-	6,897	3
Electronic Data Processing	3,300	2,988	295	3,283	17
Telecommunications	14,400	11,236	2,363	13,599	801
Operation of Automotive Equipment	15,700	10,521	928	11,449	4,251

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DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
Refunds	13,000	3,775	281	4,056	8,944
Permanent Improvements	10,000	9,790	-	9,790	210
Total Fiscal Year 2010	\$ 2,537,800	\$ 2,035,998	\$ 309,807	\$ 2,345,805	\$ 191,995
TOTAL ANNA (18)	\$ 2,537,800	\$ 2,035,998	\$ 309,807	\$ 2,345,805	\$ 191,995
 <u>Quincy Veteran's Fund (619) - Quincy (20)</u>					
Personal Services	\$ 7,525,300	\$ 5,291,908	\$ 1,121,982	\$ 6,413,890	\$ 1,111,410
Member Compensation	25,000	12,502	2,151	14,653	10,347
State Contribution to State Employees' Retirement System	2,135,454	1,504,146	318,901	1,823,047	312,407
State Contributions to Social Security	575,700	389,846	82,774	472,620	103,080
Contractual Services	2,940,700	2,067,824	308,043	2,375,867	564,833
Travel	6,000	3,026	-	3,026	2,974
Commodities	4,733,600	4,061,592	468,001	4,529,593	204,007
Printing	23,700	22,710	808	23,518	182
Equipment	112,400	40,093	6,898	46,991	65,409
Electronic Data Processing	25,000	22,825	513	23,338	1,662
Telecommunications	81,100	58,003	10,219	68,222	12,878
Operation of Automotive Equipment	107,800	59,187	9,888	69,075	38,725
Refunds	44,600	29,134	3,771	32,905	11,695
Permanent Improvements	140,000	8,758	-	8,758	131,242
Total Fiscal Year 2010	\$ 18,476,354	\$ 13,571,554	\$ 2,333,949	\$ 15,905,503	\$ 2,570,851
TOTAL QUINCY (20)	\$ 18,476,354	\$ 13,571,554	\$ 2,333,949	\$ 15,905,503	\$ 2,570,851

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>LaSalle Veteran's Fund (272) - LaSalle (23)</u>					
Personal Services	\$ 2,018,100	\$ 1,200,662	\$ 277,725	\$ 1,478,387	\$ 539,713
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	572,700	341,007	78,781	419,788	152,912
State Contributions to Social Security	154,400	88,835	20,560	109,395	45,005
Contractual Services	1,693,200	918,296	-	918,296	774,904
Travel	8,500	2,574	99	2,673	5,827
Commodities	740,600	596,550	10,207	606,757	133,843
Printing	9,200	2,967	-	2,967	6,233
Equipment	82,000	20,879	-	20,879	61,121
Electronic Data Processing	5,000	4,058	-	4,058	942
Telecommunications	28,000	15,430	-	15,430	12,570
Operation of Automotive Equipment	19,900	13,016	-	13,016	6,884
Refunds	12,800	7,948	1,144	9,092	3,708
Permanent Improvements	25,000	1,192	-	1,192	23,808
Personal Services for the Addition of Beds	3,005,300	786,646	367,294	1,153,940	1,851,360
	<u>\$ 8,374,700</u>	<u>\$ 4,000,060</u>	<u>\$ 755,810</u>	<u>\$ 4,755,870</u>	<u>\$ 3,618,830</u>
TOTAL LASALLE (23)	<u>\$ 8,374,700</u>	<u>\$ 4,000,060</u>	<u>\$ 755,810</u>	<u>\$ 4,755,870</u>	<u>\$ 3,618,830</u>
<u>Veterans' Affairs Federal Projects Fund (897) - Manteno (25)</u>					
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	\$ 120,000	\$ 111,695	\$ 4,856	\$ 116,551	\$ 3,449
	<u>\$ 120,000</u>	<u>\$ 111,695</u>	<u>\$ 4,856</u>	<u>\$ 116,551</u>	<u>\$ 3,449</u>
Total Fiscal Year 2010	<u>\$ 120,000</u>	<u>\$ 111,695</u>	<u>\$ 4,856</u>	<u>\$ 116,551</u>	<u>\$ 3,449</u>

STATE OF ILLINOIS
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For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>Manteno Veteran's Fund (980) - Manteno (25)</u>					
Personal Services	\$ 5,804,200	\$ 4,666,034	\$ 768,054	\$ 5,434,088	\$ 370,112
Member Compensation	11,400	10,061	544	10,605	795
State Contribution to State Employees' Retirement System	1,647,000	1,325,148	218,119	1,543,267	103,733
State Contributions to Social Security	439,600	344,649	56,045	400,694	38,906
Contractual Services	5,452,300	4,386,805	494,028	4,880,833	571,467
Travel	8,500	6,132	399	6,531	1,969
Commodities	1,559,100	883,726	89,239	972,965	586,135
Printing	37,000	10,467	5,798	16,265	20,735
Equipment	143,800	120,391	22,199	142,590	1,210
Electronic Data Processing	28,000	23,352	621	23,973	4,027
Telecommunications	106,200	74,676	14,862	89,538	16,662
Operation of Automotive Equipment	95,700	47,824	13,859	61,683	34,017
Refunds	32,600	15,733	2,803	18,536	14,064
Permanent Improvements	137,000	21,470	83,306	104,776	32,224
Costs of Operation of a Program for Homeless Veterans	50,000	-	-	-	50,000
Total Fiscal Year 2010	<u>\$ 15,552,400</u>	<u>\$ 11,936,468</u>	<u>\$ 1,769,876</u>	<u>\$ 13,706,344</u>	<u>\$ 1,846,056</u>
TOTAL MANTENO (25)	<u>\$ 15,672,400</u>	<u>\$ 12,048,163</u>	<u>\$ 1,774,732</u>	<u>\$ 13,822,895</u>	<u>\$ 1,849,505</u>
<u>GI Education Fund (447) - State Approving Agency (30)</u>					
Personal Services	\$ 624,100	\$ 511,882	\$ 24,523	\$ 536,405	\$ 87,695
Employee Retirement Contributions Paid by Employer	-	-	-	-	-
State Contribution to State Employees' Retirement System	177,100	145,463	6,964	152,427	24,673
State Contributions to Social Security	47,700	38,378	1,841	40,219	7,481
Group Insurance	113,500	73,116	3,269	76,385	37,115

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For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
Contractual Services	87,100	38,832	6,425	45,257	41,843
Travel	91,900	23,176	215	23,391	68,509
Commodities	33,400	1,468	285	1,753	31,647
Printing	25,000	644	85	729	24,271
Equipment	93,900	-	-	-	93,900
Electronic Data Processing	37,000	3,880	-	3,880	33,120
Telecommunications	31,600	11,411	1,573	12,984	18,616
Operation of Automotive Equipment	34,000	13,289	2,585	15,874	18,126
Total Fiscal Year 2010	\$ 1,396,300	\$ 861,539	\$ 47,765	\$ 909,304	\$ 486,996
<u>Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)</u>					
Troops to Teachers Program	\$ 250,000	\$ 140,652	\$ 8,705	\$ 149,357	\$ 100,643
Total Fiscal Year 2010	\$ 250,000	\$ 140,652	\$ 8,705	\$ 149,357	\$ 100,643
TOTAL STATE APPROVING AGENCY (30)	\$ 1,646,300	\$ 1,002,191	\$ 56,470	\$ 1,058,661	\$ 587,639
<u>General Revenue Fund (001) - Governors Discretionary Appropriation (88)</u>					
Lump Sums	\$ 420,200	\$ 181,868	\$ 689	\$ 182,557	\$ 237,643
Lump Sums	1,000,000	360,800	19,100	379,900	620,100
Total Fiscal Year 2010	\$ 1,420,200	\$ 542,668	\$ 19,789	\$ 562,457	\$ 857,743
TOTAL GOVERNORS DISCRETIONARY APPROPRIATION (88)	\$ 1,420,200	\$ 542,668	\$ 19,789	\$ 562,457	\$ 857,743
TOTAL ALL APPROPRIATED FUNDS	\$ 117,929,454	\$ 87,617,338	\$ 6,374,417	\$ 93,991,755	\$ 23,937,699

STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>NON-APPROPRIATED FUNDS</u>					
<u>Veterans Affairs Library Grant (775) - Anna (18)</u>					
Library Expenses		\$ 3,400	\$ 6,852	\$ 10,252	
Total Fund 775 - Anna (18)		<u>\$ 3,400</u>	<u>\$ 6,852</u>	<u>\$ 10,252</u>	
<u>Veterans Affairs Library Grant (775) - Quincy (20)</u>					
Library Expenses		\$ 7,815	\$ 4,433	\$ 12,248	
Total Fund 775 - Quincy (20)		<u>\$ 7,815</u>	<u>\$ 4,433</u>	<u>\$ 12,248</u>	
<u>Veterans Affairs Library Grant (775) - LaSalle (23)</u>					
Library Expenses		\$ -	\$ 17,122	\$ 17,122	
Total Fund 775 - LaSalle (23)		<u>\$ -</u>	<u>\$ 17,122</u>	<u>\$ 17,122</u>	
<u>Veterans' Affairs State Project Fund (501) - Manteno (25)</u>					
Illinois Housing Authority Trust Grant		\$ 114,424	\$ -	\$ 114,424	
Total Fund 501 - Manteno (25)		<u>\$ 114,424</u>	<u>\$ -</u>	<u>\$ 114,424</u>	

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For The Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>Veterans Affairs Library Grant (775) - Manteno (25)</u>					
Library Expenses		\$ 1,991	\$ 7,009	\$ 9,000	
Total Fund 775 - Manteno (25)		<u>\$ 1,991</u>	<u>\$ 7,009</u>	<u>\$ 9,000</u>	
TOTAL NON-APPROPRIATED FUNDS		<u>\$ 127,630</u>	<u>\$ 35,416</u>	<u>\$ 163,046</u>	
GRAND TOTAL ALL FUNDS		<u>\$ 87,744,968</u>	<u>\$ 6,409,833</u>	<u>\$ 94,154,801</u>	

Note: Appropriation amounts were obtained from the records of the State Comptroller. Expenditures and lapsed balances were obtained from the Department's records, which have been reconciled to those of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor. Fiscal year 2010 approximate lapse period expenditures do not include interest payments approved for payment by the Department and submitted to the Comptroller for payment after August 31.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
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For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>General Revenue Fund (001) - Central Office (01)</u>					
Personal Services	\$ 2,890,000	\$ 2,346,178	\$ 120,230	\$ 2,466,408	\$ 423,592
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	530,400	492,179	25,327	517,506	12,894
State Contributions to Social Security	219,600	174,790	8,987	183,777	35,823
Contractual Services	480,500	389,716	80,403	470,119	10,381
Travel	70,000	35,133	2,745	37,878	32,122
Commodities	14,000	8,337	1,296	9,633	4,367
Printing	7,900	5,992	1,341	7,333	567
Equipment	40,000	2,330	-	2,330	37,670
Electronic Data Processing	988,700	645,819	268,383	914,202	74,498
Telecommunications	80,500	42,124	8,148	50,272	30,228
Operation of Automotive Equipment	28,200	14,732	1,342	16,074	12,126
MIA/POW Scholarship	842,500	218,902	623,596	842,498	2
Bonus Payments to War Veterans and Peacetime Crisis Survivors	97,800	41,117	(100)	41,017	56,783
Educational Opportunities for Children of Certain Veterans	163,700	113,500	4,750	118,250	45,450
Cartage and Erection of					
Veterans' Headstones	650,000	490,900	42,900	533,800	116,200
Post Traumatic Stress Disorder					
Outpatient Counseling Program	750,000	-	-	-	750,000
Veterans' Conservation Corps	50,000	2,098	-	2,098	47,902
Total Fiscal Year 2009	<u>\$ 7,903,800</u>	<u>\$ 5,023,847</u>	<u>\$ 1,189,348</u>	<u>\$ 6,213,195</u>	<u>\$ 1,690,605</u>

STATE OF ILLINOIS
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For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Illinois Veterans' Home Fund (102) - Central Office (01)</u>					
Operations of Veterans' Homes	\$ 300,000	\$ 77,488	\$ 51,660	\$ 129,148	\$ 170,852
Total Fiscal Year 2009	<u>\$ 300,000</u>	<u>\$ 77,488</u>	<u>\$ 51,660</u>	<u>\$ 129,148</u>	<u>\$ 170,852</u>
<u>Illinois Veterans' Assistance Fund (236) - Central Office (01)</u>					
Illinois Warrior Assistance Program	\$ 8,000,000	\$ -	\$ -	\$ -	\$ 8,000,000
Grant from Illinois Veterans' Assistance Fund	<u>8,000,000</u>	<u>1,974,168</u>	<u>156,654</u>	<u>2,130,822</u>	<u>5,869,178</u>
Total Fiscal Year 2009	<u>\$ 16,000,000</u>	<u>\$ 1,974,168</u>	<u>\$ 156,654</u>	<u>\$ 2,130,822</u>	<u>\$ 13,869,178</u>
<u>Specially Adapted Housing Fund (286) - Central Office (01)</u>					
Specially Adapted Housing for Veterans	\$ 223,000	\$ 120,000	\$ -	\$ 120,000	\$ 103,000
Total Fiscal Year 2009	<u>\$ 223,000</u>	<u>\$ 120,000</u>	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 103,000</u>
<u>Illinois Military Family Relief Fund (725) - Central Office (01)</u>					
Payment of Benefits under the Survivor's Compensation Act	\$ 250,000	\$ 93,000	\$ -	\$ 93,000	\$ 157,000
Total Fiscal Year 2009	<u>\$ 250,000</u>	<u>\$ 93,000</u>	<u>\$ -</u>	<u>\$ 93,000</u>	<u>\$ 157,000</u>
TOTAL CENTRAL OFFICE (01)	<u>\$ 24,676,800</u>	<u>\$ 7,288,503</u>	<u>\$ 1,397,662</u>	<u>\$ 8,686,165</u>	<u>\$ 15,990,635</u>

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For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>General Revenue Fund (001) - Field Services (15)</u>					
Personal Services	\$ 3,953,600	\$ 3,238,238	\$ 300,431	\$ 3,538,669	\$ 414,931
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	772,400	682,594	63,260	745,854	26,546
State Contributions to Social Security	302,500	240,149	22,290	262,439	40,061
Contractual Services	296,000	224,827	19,277	244,104	51,896
Travel	107,600	96,661	7,682	104,343	3,257
Commodities	16,600	9,707	1,119	10,826	5,774
Printing	22,100	10,041	4,309	14,350	7,750
Equipment	56,000	1,267	14,182	15,449	40,551
Electronic Data Processing	100	-	-	-	100
Telecommunications	136,800	109,032	9,147	118,179	18,621
Operation of Automotive Equipment	43,200	31,413	2,540	33,953	9,247
	<u>\$ 5,706,900</u>	<u>\$ 4,643,929</u>	<u>\$ 444,237</u>	<u>\$ 5,088,166</u>	<u>\$ 618,734</u>
TOTAL FIELD SERVICES (15)	<u>\$ 5,706,900</u>	<u>\$ 4,643,929</u>	<u>\$ 444,237</u>	<u>\$ 5,088,166</u>	<u>\$ 618,734</u>
<u>General Revenue Fund (001) - Anna (18)</u>					
Personal Services	\$ 1,757,400	\$ 1,691,841	\$ 49,946	\$ 1,741,787	\$ 15,613
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	370,900	356,960	10,533	367,493	3,407
State Contributions to Social Security	134,500	123,065	3,721	126,786	7,714
Contractual Services	100	100	-	100	-
Travel	-	-	-	-	-
Commodities	100	-	-	-	100
Printing	-	-	-	-	-

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P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Equipment	-	-	-	-	-
Electronic Data Processing	100	-	-	-	100
Telecommunications	-	-	-	-	-
Operation of Automotive Equipment	-	-	-	-	-
Total Fiscal Year 2009	\$ 2,263,100	\$ 2,171,966	\$ 64,200	\$ 2,236,166	\$ 26,934
<u>Anna Veterans' Home Fund (273) - Anna (18)</u>					
Personal Services	\$ 1,231,500	\$ 1,076,782	\$ 123,010	\$ 1,199,792	\$ 31,708
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	270,800	227,425	25,942	253,367	17,433
State Contributions to Social Security	94,200	79,522	9,177	88,699	5,501
Contractual Services	610,300	564,983	44,354	609,337	963
Travel	4,000	3,111	272	3,383	617
Commodities	314,400	305,553	1,596	307,149	7,251
Printing	2,500	1,979	519	2,498	2
Equipment	10,900	9,910	-	9,910	990
Electronic Data Processing	3,000	2,928	-	2,928	72
Telecommunications	16,900	13,123	1,118	14,241	2,659
Operation of Automotive Equipment	11,000	8,998	211	9,209	1,791
Refunds	4,200	2,780	-	2,780	1,420
Permanent Improvements	10,000	9,903	-	9,903	97
Total Fiscal Year 2009	\$ 2,583,700	\$ 2,306,997	\$ 206,199	\$ 2,513,196	\$ 70,504
TOTAL ANNA (18)	\$ 4,846,800	\$ 4,478,963	\$ 270,399	\$ 4,749,362	\$ 97,438

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P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>General Revenue Fund (001) - Quincy (20)</u>					
Personal Services	\$ 18,941,200	\$ 18,938,356	\$ 2,626	\$ 18,940,982	\$ 218
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	3,993,800	3,993,156	602	3,993,758	2,042
State Contributions to Social Security	1,388,500	1,388,110	216	1,388,326	174
Contractual Services	118,500	102,130	16,174	118,304	196
Travel	-	-	-	-	-
Commodities	15,600	-	-	-	15,600
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Electronic Data Processing	100	-	-	-	100
Telecommunications	-	-	-	-	-
Operation of Automotive Equipment	-	-	-	-	-
 Total Fiscal Year 2009	 <u>\$ 24,459,700</u>	 <u>\$ 24,421,752</u>	 <u>\$ 19,618</u>	 <u>\$ 24,441,370</u>	 <u>\$ 18,330</u>
<u>Quincy Veterans' Fund (619) - Quincy (20)</u>					
Personal Services	\$ 7,404,400	\$ 3,654,955	\$ 2,073,647	\$ 5,728,602	\$ 1,675,798
Member Compensation	25,000	20,660	633	21,293	3,707
State Contribution to State					
Employees' Retirement System	1,308,900	770,998	436,871	1,207,869	101,031
State Contributions to Social Security	466,400	269,603	152,908	422,511	43,889
Contractual Services	2,802,400	2,403,940	315,321	2,719,261	83,139
Travel	9,800	2,148	338	2,486	7,314
Commodities	4,347,100	3,953,272	271,824	4,225,096	122,004
Printing	23,700	17,775	834	18,609	5,091
Equipment	112,400	68,948	-	68,948	43,452
Electronic Data Processing	25,000	15,186	804	15,990	9,010
Telecommunications	84,200	64,252	11,941	76,193	8,007

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P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Operation of Automotive Equipment	77,500	47,202	5,542	52,744	24,756
Refunds	42,200	34,705	851	35,556	6,644
Permanent Improvements	140,000	91,585	-	91,585	48,415
Total Fiscal Year 2009	\$ 16,869,000	\$ 11,415,229	\$ 3,271,514	\$ 14,686,743	\$ 2,182,257
TOTAL QUINCY (20)	\$ 41,328,700	\$ 35,836,981	\$ 3,291,132	\$ 39,128,113	\$ 2,200,587
<u>General Revenue Fund (001) - LaSalle (23)</u>					
Personal Services	\$ 4,645,700	\$ 4,644,644	\$ -	\$ 4,644,644	\$ 1,056
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	1,046,800	978,042	-	978,042	68,758
State Contributions to Social Security	355,500	343,179	-	343,179	12,321
Contractual Services	100	100	-	100	-
Travel	-	-	-	-	-
Commodities	100	100	-	100	-
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Electronic Data Processing	100	100	-	100	-
Personal Services for the Addition of Beds	1,644,100	-	-	-	1,644,100
Addition of Beds	7,655,900	1,233,290	657,648	1,890,938	5,764,962
Total Fiscal Year 2009	\$ 15,348,300	\$ 7,199,455	\$ 657,648	\$ 7,857,103	\$ 7,491,197
<u>LaSalle Veterans' Fund (272) - LaSalle (23)</u>					
Personal Services	\$ 2,096,300	\$ 992,724	\$ 484,971	\$ 1,477,695	\$ 618,605
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-

STATE OF ILLINOIS
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For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
State Contribution to State					
Employees' Retirement System	368,800	209,106	102,151	311,257	57,543
State Contributions to Social Security	160,500	73,314	35,892	109,206	51,294
Contractual Services	1,629,300	804,560	18,730	823,290	806,010
Travel	20,500	11,927	8,161	20,088	412
Commodities	729,500	370,209	3,120	373,329	356,171
Printing	9,200	2,967	-	2,967	6,233
Equipment	97,400	23,253	1,961	25,214	72,186
Electronic Data Processing	5,000	2,083	-	2,083	2,917
Telecommunications	27,300	25,177	2,057	27,234	66
Operation of Automotive Equipment	23,400	9,303	1,364	10,667	12,733
Refunds	15,800	10,129	1,022	11,151	4,649
Permanent Improvements	25,000	530	-	530	24,470
	<u>\$ 5,208,000</u>	<u>\$ 2,535,282</u>	<u>\$ 659,429</u>	<u>\$ 3,194,711</u>	<u>\$ 2,013,289</u>
Total Fiscal Year 2009					
	<u>\$ 20,556,300</u>	<u>\$ 9,734,737</u>	<u>\$ 1,317,077</u>	<u>\$ 11,051,814</u>	<u>\$ 9,504,486</u>
 <u>General Revenue Fund (001) - Manteno (25)</u>					
Personal Services	\$ 13,624,000	\$ 13,426,050	\$ 197,921	\$ 13,623,971	\$ 29
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	2,873,800	2,827,146	41,671	2,868,817	4,983
State Contributions to Social Security	1,032,200	980,459	14,666	995,125	37,075
Contractual Services	5,000	-	-	-	5,000
Travel	-	-	-	-	-
Commodities	100	-	-	-	100
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Electronic Data Processing	100	-	-	-	100
Telecommunications	-	-	-	-	-

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Operation of Automotive Equipment	-	-	-	-	-
Costs of Operation of a Program for Homeless Veterans	376,200	374,139	(6)	374,133	2,067
Total Fiscal Year 2009	<u>\$ 17,911,400</u>	<u>\$ 17,607,794</u>	<u>\$ 254,252</u>	<u>\$ 17,862,046</u>	<u>\$ 49,354</u>
<u>Illinois Veterans Assistance Fund (236) - Manteno (25)</u>					
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	\$ 483,200	\$ 167,230	\$ 33,696	\$ 200,926	\$ 282,274
Total Fiscal Year 2009	<u>\$ 483,200</u>	<u>\$ 167,230</u>	<u>\$ 33,696</u>	<u>\$ 200,926</u>	<u>\$ 282,274</u>
<u>Veterans' Affairs Federal Projects Fund (897) - Manteno (25)</u>					
Homeless Veterans Fund	\$ 120,000	\$ 85,260	\$ 4,637	\$ 89,897	\$ 30,103
Total Fiscal Year 2009	<u>\$ 120,000</u>	<u>\$ 85,260</u>	<u>\$ 4,637</u>	<u>\$ 89,897</u>	<u>\$ 30,103</u>
<u>Manteno Veterans' Fund (980) - Manteno (25)</u>					
Personal Services	\$ 3,043,900	\$ 1,365,033	\$ 689,890	\$ 2,054,923	\$ 988,977
Member Compensation	8,000	7,140	325	7,465	535
State Contribution to State Employees' Retirement System	533,700	287,159	145,261	432,420	101,280
State Contributions to Social Security	229,900	99,382	50,597	149,979	79,921
Contractual Services	5,023,700	4,429,831	319,694	4,749,525	274,175
Travel	10,500	3,353	3,080	6,433	4,067

STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
Commodities	1,629,300	1,035,451	39,673	1,075,124	554,176
Printing	19,500	10,974	4,505	15,479	4,021
Equipment	100,000	67,134	1,460	68,594	31,406
Electronic Data Processing	30,000	22,624	1,502	24,126	5,874
Telecommunications	115,800	96,707	6,361	103,068	12,732
Operation of Automotive Equipment	83,600	47,119	14,191	61,310	22,290
Refunds	32,600	23,207	804	24,011	8,589
Permanent Improvements	137,000	58,083	-	58,083	78,917
	<u>\$ 10,997,500</u>	<u>\$ 7,553,197</u>	<u>\$ 1,277,343</u>	<u>\$ 8,830,540</u>	<u>\$ 2,166,960</u>
Total Fiscal Year 2009					
TOTAL MANTENO (25)	<u>\$ 29,512,100</u>	<u>\$ 25,413,481</u>	<u>\$ 1,569,928</u>	<u>\$ 26,983,409</u>	<u>\$ 2,528,691</u>
 <u>GI Education Fund (447) - State Approving Agency (30)</u>					
Personal Services	\$ 596,700	\$ 498,579	\$ 24,288	\$ 522,867	\$ 73,833
Employee Retirement					
Contributions Paid by Employer	-	-	-	-	-
State Contribution to State					
Employees' Retirement System	113,200	105,085	5,115	110,200	3,000
State Contributions to Social Security	45,700	37,407	1,824	39,231	6,469
Group Insurance	139,100	73,012	3,269	76,281	62,819
Contractual Services	112,300	45,644	6,440	52,084	60,216
Travel	101,200	34,487	1,281	35,768	65,432
Commodities	57,800	1,645	266	1,911	55,889
Printing	27,600	8,327	1,610	9,937	17,663
Equipment	93,900	2,747	295	3,042	90,858
Electronic Data Processing	59,200	1,378	144	1,522	57,678
Telecommunications	31,600	11,659	2,449	14,108	17,492
Operation of Automotive Equipment	34,000	14,313	3,961	18,274	15,726
	<u>\$ 1,412,300</u>	<u>\$ 834,283</u>	<u>\$ 50,942</u>	<u>\$ 885,225</u>	<u>\$ 527,075</u>
Total Fiscal Year 2009					

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For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)</u>					
Troops to Teachers Program	\$ 250,000	\$ 144,673	\$ 33,873	\$ 178,546	\$ 71,454
Total Fiscal Year 2009	<u>\$ 250,000</u>	<u>\$ 144,673</u>	<u>\$ 33,873</u>	<u>\$ 178,546</u>	<u>\$ 71,454</u>
TOTAL STATE APPROVING AGENCY (30)	<u>\$ 1,662,300</u>	<u>\$ 978,956</u>	<u>\$ 84,815</u>	<u>\$ 1,063,771</u>	<u>\$ 598,529</u>
TOTAL ALL APPROPRIATED FUNDS	<u>\$ 128,289,900</u>	<u>\$ 88,375,550</u>	<u>\$ 8,375,250</u>	<u>\$ 96,750,800</u>	<u>\$ 31,539,100</u>
NON-APPROPRIATED FUNDS					
<u>Veterans Affairs Library Grant (775) - Anna (18)</u>					
Library Expenses		\$ 2,910	\$ 190	\$ 3,100	
Total Fund 775 - Anna (18)		<u>\$ 2,910</u>	<u>\$ 190</u>	<u>\$ 3,100</u>	
<u>Veterans Affairs Library Grant (775) - Quincy (20)</u>					
Library Expenses		\$ 10,295	\$ 3,205	\$ 13,500	
Total Fund 775 - Quincy (20)		<u>\$ 10,295</u>	<u>\$ 3,205</u>	<u>\$ 13,500</u>	
<u>Veterans Affairs Library Grant (775) - LaSalle (23)</u>					
Library Expenses		\$ 3,491	\$ 13,609	\$ 17,100	
Total Fund 775 - LaSalle (23)		<u>\$ 3,491</u>	<u>\$ 13,609</u>	<u>\$ 17,100</u>	

STATE OF ILLINOIS
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SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>Veterans' Affairs State Project Fund (501) - Manteno (25)</u>					
Illinois Housing Authority Trust Grant		\$ -	\$ -	\$ -	
Total Fund 501 - Manteno (25)		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
<u>Veterans Affairs Library Grant (775) - Manteno (25)</u>					
Library Expenses		\$ 9,049	\$ 7,251	\$ 16,300	
Total Fund 775 - Manteno (25)		<u>\$ 9,049</u>	<u>\$ 7,251</u>	<u>\$ 16,300</u>	
TOTAL ALL NON-APPROPRIATED FUNDS		<u>\$ 25,745</u>	<u>\$ 24,255</u>	<u>\$ 50,000</u>	
GRAND TOTAL ALL FUNDS		<u>\$ 88,401,295</u>	<u>\$ 8,399,505</u>	<u>\$ 96,800,800</u>	

Note: Appropriations, expenditures, and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Central Office (01)</u>	P.A. 96-0042	P.A. 95-0731	P.A. 95-0348
General Revenue Fund (001) - Central Office (01)	<hr/>	<hr/>	<hr/>
Appropriations (Net of Transfers)	\$ 59,028,700	\$ 7,903,800	\$ 6,705,300
<u>Expenditures</u>			
Personal Services	\$ -	\$ 2,466,408	\$ 1,674,738
Personal Services - Non-Bargaining Unit	3,818,865	-	-
Personal Services - Bargaining Unit	39,734,273	-	-
State Contribution to State			
Employees' Retirement System	-	517,506	277,474
State Contributions to Social Security	-	183,777	124,174
State Contributions to Social Security -Non-Bargaining Unit	279,450	-	-
State Contributions to Social Security -Bargaining Unit	2,921,785	-	-
Contractual Services	-	470,119	436,984
Travel	-	37,878	46,212
Commodities	-	9,633	15,215
Printing	-	7,333	5,542
Equipment	-	2,330	41,950
Electronic Data Processing	-	914,202	943,623
Telecommunications	-	50,272	58,948
Operation of Automotive Equipment	-	16,074	15,529
MIA/POW Scholarship	-	842,498	839,792
Bonus Payments to War Veterans and Peacetime Crisis Survivors	-	41,017	49,739
Educational Opportunities for Children of Certain Veterans	-	118,250	136,750
Cartage and Erection of Veterans' Headstones	-	533,800	310,300
Cartage and Erection of Veterans' Headstones - PY	-	-	34,200
Veterans' Conservation Corp.	-	2,098	-
Post Traumatic Stress Disorder Outpatient Counseling Program	-	-	-
Additional Frontline Staff	-	-	95,814
Operational Expenses, Awards, Grants and Permanent Improvements	1,238,116	-	-
Operational Expenses	5,443,078	-	-
Total Expenditures	\$ 53,435,567	\$ 6,213,195	\$ 5,106,984
Lapsed Balances	\$ 5,593,133	\$ 1,690,605	\$ 1,598,316
Illinois Veterans' Home Fund (102) - Central Office (01)			
Appropriations (Net of Transfers)	\$ 300,000	\$ 300,000	\$ 300,000

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For the Fiscal Years Ended June 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures			
Operations of Veterans' Homes	\$ 167,623	\$ 129,148	\$ 121,069
Total Expenditures	<u>\$ 167,623</u>	<u>\$ 129,148</u>	<u>\$ 121,069</u>
Lapsed Balances	<u>\$ 132,377</u>	<u>\$ 170,852</u>	<u>\$ 178,931</u>
Illinois Veterans' Assistance Fund (236) - Central Office (01)			
Appropriations (Net of Transfers)	<u>\$ 10,000,000</u>	<u>\$ 16,000,000</u>	<u>\$ 8,000,000</u>
Expenditures			
Grant from Illinois Veterans' Assistance Fund	\$ 1,730,224	\$ 2,130,822	\$ 2,485,630
Illinois Warrior Assistance Program	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 1,730,224</u>	<u>\$ 2,130,822</u>	<u>\$ 2,485,630</u>
Lapsed Balances	<u>\$ 8,269,776</u>	<u>\$ 13,869,178</u>	<u>\$ 5,514,370</u>
Specially Adapted Housing Fund (286) - Central Office (01)			
Appropriations (Net of Transfers)	<u>\$ 223,000</u>	<u>\$ 223,000</u>	<u>\$ 223,000</u>
Expenditures			
Specially Adapted Housing for Veterans	<u>\$ 153,150</u>	<u>\$ 120,000</u>	<u>\$ 181,629</u>
Total Expenditures	<u>\$ 153,150</u>	<u>\$ 120,000</u>	<u>\$ 181,629</u>
Lapsed Balances	<u>\$ 69,850</u>	<u>\$ 103,000</u>	<u>\$ 41,371</u>
Illinois Military Family Relief Fund (725) - Central Office (01)			
Appropriations (Net of Transfers)	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Expenditures			
Payment of Benefits	<u>\$ 54,000</u>	<u>\$ 93,000</u>	<u>\$ 60,000</u>
Total Expenditures	<u>\$ 54,000</u>	<u>\$ 93,000</u>	<u>\$ 60,000</u>
Lapsed Balances	<u>\$ 196,000</u>	<u>\$ 157,000</u>	<u>\$ 190,000</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
GRAND TOTAL - CENTRAL OFFICE (01)			
Appropriations (Net of Transfers)	\$ 69,801,700	\$ 24,676,800	\$ 15,478,300
Total Expenditures	\$ 55,540,564	\$ 8,686,165	\$ 7,955,312
Lapsed Balances	<u>\$ 14,261,136</u>	<u>\$ 15,990,635</u>	<u>\$ 7,522,988</u>
 <u>Field Services (15)</u>			
General Revenue Fund (001) - Field Services (15)			
Appropriations (Net of Transfers)	\$ -	\$ 5,706,900	\$ 5,380,800
Expenditures			
Personal Services	\$ -	\$ 3,538,669	\$ 3,402,745
State Contribution to State			
Employees' Retirement System	-	745,854	566,692
State Contributions to Social Security	-	262,439	251,961
Contractual Services	-	244,104	218,547
Travel	-	104,343	93,337
Commodities	-	10,826	15,119
Printing	-	14,350	8,082
Equipment	-	15,449	15,684
Electronic Data Processing	-	-	-
Telecommunications	-	118,179	100,839
Operation of Automotive Equipment	-	33,953	32,486
Total Expenditures	<u>\$ -</u>	<u>\$ 5,088,166</u>	<u>\$ 4,705,492</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 618,734</u>	<u>\$ 675,308</u>
 GRAND TOTAL - FIELD SERVICES (15)			
Appropriations (Net of Transfers)	\$ -	\$ 5,706,900	\$ 5,380,800
Total Expenditures	\$ -	\$ 5,088,166	\$ 4,705,492
Lapsed Balances	<u>\$ -</u>	<u>\$ 618,734</u>	<u>\$ 675,308</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Illinois Veterans' Home at Anna (18)</u>			
General Revenue Fund (001) - Anna (18)			
Appropriations (Net of Transfers)	\$ -	\$ 2,263,100	\$ 2,487,800
Expenditures			
Personal Services	\$ -	\$ 1,741,787	\$ 1,903,944
State Contribution to State Employees' Retirement System	-	367,493	316,477
State Contributions to Social Security	-	126,786	141,143
Contractual Services	-	100	19,161
Travel	-	-	-
Commodities	-	-	11,100
Printing	-	-	-
Equipment	-	-	-
Electronic Data Processing	-	-	-
Telecommunications	-	-	-
Operation of Automotive Equipment	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 2,236,166</u>	<u>\$ 2,391,825</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 26,934</u>	<u>\$ 95,975</u>
Anna Veterans' Home Fund (273) - Anna (18)			
Appropriations (Net of Transfers)	\$ 2,537,800	\$ 2,583,700	\$ 2,043,100
Expenditures			
Personal Services	\$ 1,020,468	\$ 1,199,792	\$ 672,016
State Contribution to State Employees' Retirement System	291,968	253,367	115,439
State Contributions to Social Security	75,460	88,699	51,475
Contractual Services	617,425	609,337	550,344
Travel	2,766	3,383	9,701
Commodities	286,635	307,149	285,932
Printing	2,009	2,498	1,003
Equipment	6,897	9,910	25,271
Electronic Data Processing	3,283	2,928	2,495
Telecommunications	13,599	14,241	16,787
Operations of Automotive Equipment	11,449	9,209	10,127
Refunds	4,056	2,780	5,778
Permanent Improvements	9,790	9,903	9,374

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For the Fiscal Years Ended June 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Healthcare Shared Services Center	<u>-</u>	<u>-</u>	<u>187,870</u>
Total Expenditures	<u>\$ 2,345,805</u>	<u>\$ 2,513,196</u>	<u>\$ 1,943,612</u>
Lapsed Balances	<u>\$ 191,995</u>	<u>\$ 70,504</u>	<u>\$ 99,488</u>
 GRAND TOTAL - ILLINOIS VETERAN'S HOME - ANNA (18)			
Appropriations (Net of Transfers)	<u>\$ 2,537,800</u>	<u>\$ 4,846,800</u>	<u>\$ 4,530,900</u>
Total Expenditures	<u>\$ 2,345,805</u>	<u>\$ 4,749,362</u>	<u>\$ 4,335,437</u>
Lapsed Balances	<u>\$ 191,995</u>	<u>\$ 97,438</u>	<u>\$ 195,463</u>
 <u>Illinois Veterans' Home at Quincy (20)</u>			
General Revenue Fund (001) - Quincy (20)			
Appropriations (Net of Transfers)	<u>\$ -</u>	<u>\$ 24,459,700</u>	<u>\$ 19,470,100</u>
Expenditures			
Personal Services	\$ -	\$ 18,940,982	\$ 15,318,767
State Contribution to State			
Employees' Retirement System	-	3,993,758	2,542,379
State Contributions to Social Security	-	1,388,326	1,114,506
Contractual Services	-	118,304	84,659
Travel	-	-	-
Commodities	-	-	-
Printing	-	-	-
Equipment	-	-	-
Electronic Data Processing	-	-	-
Telecommunications	-	-	-
Operation of Automotive Equipment	-	-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 24,441,370</u>	<u>\$ 19,060,311</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 18,330</u>	<u>\$ 409,789</u>
 Quincy Veterans' Fund (619) - Quincy (20)			
Appropriations (Net of Transfers)	<u>\$ 18,476,354</u>	<u>\$ 16,869,000</u>	<u>\$ 21,359,000</u>

STATE OF ILLINOIS
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For the Fiscal Years Ended June 30,

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures			
Personal Services	\$ 6,413,890	\$ 5,728,602	\$ 8,767,343
Member's Compensation	14,653	21,293	25,758
State Contribution to State Employees' Retirement System	1,823,047	1,207,869	1,455,989
State Contributions to Social Security	472,620	422,511	650,092
Contractual Services	2,375,867	2,719,261	2,504,648
Travel	3,026	2,486	2,876
Commodities	4,529,593	4,225,096	3,768,320
Printing	23,518	18,609	20,568
Equipment	46,991	68,948	109,386
Electronic Data Processing	23,338	15,990	11,607
Telecommunications	68,222	76,193	77,203
Operations of Automotive Equipment	69,075	52,744	74,930
Refunds	32,905	35,556	47,826
Permanent Improvements	8,758	91,585	53,997
Healthcare Shared Services Center	-	-	788,369
	<u>15,905,503</u>	<u>14,686,743</u>	<u>18,358,912</u>
Total Expenditures	\$ 15,905,503	\$ 14,686,743	\$ 18,358,912
Lapsed Balances	<u>2,570,851</u>	<u>2,182,257</u>	<u>3,000,088</u>
	\$ 2,570,851	\$ 2,182,257	\$ 3,000,088
GRAND TOTAL - ILLINOIS VETERAN'S HOME - QUINCY (20)			
Appropriations (Net of Transfers)	<u>18,476,354</u>	<u>41,328,700</u>	<u>40,829,100</u>
Total Expenditures	<u>15,905,503</u>	<u>39,128,113</u>	<u>37,419,223</u>
Lapsed Balances	<u>2,570,851</u>	<u>2,200,587</u>	<u>3,409,877</u>
	\$ 2,570,851	\$ 2,200,587	\$ 3,409,877
<u>Illinois Veterans' Home at LaSalle (23)</u>			
General Revenue Fund (001) - LaSalle (23)			
Appropriations (Net of Transfers)	<u>-</u>	<u>15,348,300</u>	<u>5,955,800</u>
Expenditures			
Personal Services	\$ -	\$ 4,644,644	\$ 4,641,741
State Contribution to State Employees' Retirement System	-	978,042	768,697
State Contributions to Social Security	-	343,179	342,675
Contractual Services	-	100	100
Commodities	-	100	100

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	<u>2010</u>	<u>2009</u>	<u>2008</u>
Electronic Data Processing	-	100	100
Personal Services for the Addition of Beds	-	-	-
Addition of Beds	-	1,890,938	-
		-	-
Total Expenditures	<u>\$ -</u>	<u>\$ 7,857,103</u>	<u>\$ 5,753,413</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 7,491,197</u>	<u>\$ 202,387</u>
LaSalle Veterans' Fund (272) - LaSalle (23)			
Appropriations (Net of Transfers)	<u>\$ 8,374,700</u>	<u>\$ 5,208,000</u>	<u>\$ 4,146,600</u>
Expenditures			
Personal Services	\$ 1,478,387	\$ 1,477,695	\$ 1,200,683
State Contribution to State			
Employees' Retirement System	419,788	311,257	198,934
State Contributions to Social Security	109,395	109,206	88,816
Contractual Services	918,296	823,290	1,247,494
Travel	2,673	20,088	8,773
Commodities	606,757	373,329	550,497
Printing	2,967	2,967	6,872
Equipment	20,879	25,214	92,348
Electronic Data Processing	4,058	2,083	4,394
Telecommunications	15,430	27,234	21,168
Operations of Automotive Equipment	13,016	10,667	13,886
Refunds	9,092	11,151	9,508
Permanent Improvements	1,192	530	23,648
Personal Services for the Addition of Beds	1,153,940	-	-
Total Expenditures	<u>\$ 4,755,870</u>	<u>\$ 3,194,711</u>	<u>\$ 3,467,021</u>
Lapsed Balances	<u>\$ 3,618,830</u>	<u>\$ 2,013,289</u>	<u>\$ 679,579</u>
GRAND TOTAL - ILLINOIS VETERAN'S HOME - LASALLE (23)			
Appropriations (Net of Transfers)	<u>\$ 8,374,700</u>	<u>\$ 20,556,300</u>	<u>\$ 10,102,400</u>
Total Expenditures	<u>\$ 4,755,870</u>	<u>\$ 11,051,814</u>	<u>\$ 9,220,434</u>
Lapsed Balances	<u>\$ 3,618,830</u>	<u>\$ 9,504,486</u>	<u>\$ 881,966</u>

Illinois Veterans' Home at Manteno (25)

General Revenue Fund (001) - Manteno (25)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Appropriations (Net of Transfers)	\$ -	\$ 17,911,400	\$ 13,855,500
Expenditures			
Personal Services	\$ -	\$ 13,623,971	\$ 10,916,853
Member Compensation	-	-	-
State Contribution to State Employees' Retirement System	-	2,868,817	1,807,672
State Contributions to Social Security	-	995,125	795,967
Contractual Services	-	-	4,473
Commodities	-	-	-
Electronic Data Processing	-	-	73
Costs of Operation of a Program for Homeless Veterans	-	374,133	35,424
Total Expenditures	<u>\$ -</u>	<u>\$ 17,862,046</u>	<u>\$ 13,560,462</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 49,354</u>	<u>\$ 295,038</u>
Illinois Veterans' Assistance Fund (236) - Manteno (25)			
Appropriations (Net of Transfers)	\$ -	\$ 483,200	\$ 214,500
Expenditures			
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	\$ -	\$ 200,926	\$ 128,777
Total Expenditures	<u>\$ -</u>	<u>\$ 200,926</u>	<u>\$ 128,777</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ 282,274</u>	<u>\$ 85,723</u>
Veterans' Affairs Federal Projects Fund (897) - Manteno (25)			
Appropriations (Net of Transfers)	\$ 120,000	\$ 120,000	\$ 120,000
Expenditures			
Operation and Support Services for the Manteno Disabled Homeless Veterans' Program	\$ 116,551	\$ 89,897	\$ 96,091
Total Expenditures	<u>\$ 116,551</u>	<u>\$ 89,897</u>	<u>\$ 96,091</u>
Lapsed Balances	<u>\$ 3,449</u>	<u>\$ 30,103</u>	<u>\$ 23,909</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Manteno Veterans' Fund (980) - Manteno (25)			
Appropriations (Net of Transfers)	\$ 15,552,400	\$ 10,997,500	\$ 12,857,200
Expenditures			
Personal Services	\$ 5,434,088	\$ 2,054,923	\$ 3,561,077
Members Compensation	10,605	7,465	5,740
State Contribution to State Employees' Retirement System	1,543,267	432,420	589,667
State Contributions to Social Security	400,694	149,979	262,516
Contractual Services	4,880,833	4,749,525	4,338,987
Travel	6,531	6,433	4,565
Commodities	972,965	1,075,124	1,285,635
Printing	16,265	15,479	14,380
Equipment	142,590	68,594	141,540
Electronic Data Processing	23,973	24,126	19,429
Telecommunications	89,538	103,068	90,509
Operations of Automotive Equipment	61,683	61,310	65,105
Refunds	18,536	24,011	16,175
Permanent Improvements	104,776	58,083	91,074
Healthcare Shared Services Center	-	-	608,553
Costs of Operation of a Program for Homeless Veterans	-	-	-
Total Expenditures	<u>\$ 13,706,344</u>	<u>\$ 8,830,540</u>	<u>\$ 11,094,952</u>
Lapsed Balances	<u>\$ 1,846,056</u>	<u>\$ 2,166,960</u>	<u>\$ 1,762,248</u>
GRAND TOTAL - ILLINOIS VETERANS' HOME - MANTENO (25)			
Appropriations (Net of Transfers)	\$ 15,672,400	\$ 29,512,100	\$ 27,047,200
Total Expenditures	<u>\$ 13,822,895</u>	<u>\$ 26,983,409</u>	<u>\$ 24,880,282</u>
Lapsed Balances	<u>\$ 1,849,505</u>	<u>\$ 2,528,691</u>	<u>\$ 2,166,918</u>
<u>State Approving Agency (30)</u>			
GI Education Fund (447) - State Approving Agency (30)			
Appropriations (Net of Transfers)	\$ 1,396,300	\$ 1,412,300	\$ 1,312,200
Expenditures			

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Personal Services	\$ 536,405	\$ 522,867	\$ 451,236
State Contribution to State			
Employees' Retirement System	152,427	110,200	74,913
State Contributions to Social Security	40,219	39,231	33,695
Group Insurance	76,385	76,281	85,923
Contractual Services	45,257	52,084	48,067
Travel	23,391	35,768	33,971
Commodities	1,753	1,911	3,633
Printing	729	9,937	17,836
Equipment	-	3,042	10,129
Electronic Data Processing	3,880	1,522	4,426
Telecommunications	12,984	14,108	16,117
Operation of Automotive Equipment	15,874	18,274	17,873
	<u>\$ 909,304</u>	<u>\$ 885,225</u>	<u>\$ 797,819</u>
Lapsed Balances	<u>\$ 486,996</u>	<u>\$ 527,075</u>	<u>\$ 514,381</u>
 Veterans' Affairs Federal Projects Fund (897) - State Approving Agency (30)			
Appropriations			
(Net of Transfers)	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Expenditures			
Troops to Teachers Program	<u>\$ 149,357</u>	<u>\$ 178,546</u>	<u>\$ 146,939</u>
Total Expenditures	<u>\$ 149,357</u>	<u>\$ 178,546</u>	<u>\$ 146,939</u>
Lapsed Balances	<u>\$ 100,643</u>	<u>\$ 71,454</u>	<u>\$ 103,061</u>
 GRAND TOTAL - STATE APPROVING AGENCY (30)			
Appropriations			
(Net of Transfers)	<u>\$ 1,646,300</u>	<u>\$ 1,662,300</u>	<u>\$ 1,562,200</u>
Total Expenditures	<u>\$ 1,058,661</u>	<u>\$ 1,063,771</u>	<u>\$ 944,758</u>
Lapsed Balances	<u>\$ 587,639</u>	<u>\$ 598,529</u>	<u>\$ 617,442</u>
 <u>Governor's Discretionary Appropriation (88)</u>			
 General Revenue Fund (001) - Governors Discretionary Appropriation (88)			
Appropriations	<u>\$ 1,420,200</u>	<u>\$ -</u>	<u>\$ -</u>
(Net of Transfers)			

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures			
Lump Sums	\$ 182,557	\$ -	\$ -
Lump Sums	<u>379,900</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 562,457</u>	<u>\$ -</u>	<u>\$ -</u>
Lapsed Balances	<u>\$ 857,743</u>	<u>\$ -</u>	<u>\$ -</u>

Shared Services (89)

General Revenue Fund (001) - Shared Services (89)

Appropriations (Net of Transfers)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 819,100</u>
Expenditures			
Healthcare Shared Services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,499</u>
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 791,499</u>
Lapsed Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,601</u>

GRAND TOTAL -APPROPRIATED FUNDS

Appropriations (Net of Transfers)	<u>\$ 117,929,454</u>	<u>\$ 128,289,900</u>	<u>\$ 105,750,000</u>
Total Expenditures	<u>\$ 93,991,755</u>	<u>\$ 96,750,800</u>	<u>\$ 90,252,437</u>
Lapsed Balances	<u>\$ 23,937,699</u>	<u>\$ 31,539,100</u>	<u>\$ 15,497,563</u>

NON-APPROPRIATED FUNDS

Veterans Affairs Library Grant (775) - Anna (18)

Expenditures			
Library Expenses	\$ 10,252	\$ 3,100	\$ 4,501
Return Unused Cash	<u>-</u>	<u>-</u>	<u>349</u>
Total Expenditures	<u>\$ 10,252</u>	<u>\$ 3,100</u>	<u>\$ 4,850</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Veterans Affairs Library Grant (775) - Quincy (20)			
Expenditures			
Library Expenses	\$ 12,248	\$ 13,500	\$ 14,250
Total Expenditures	<u>\$ 12,248</u>	<u>\$ 13,500</u>	<u>\$ 14,250</u>
Veterans Affairs Library Grant (775) - LaSalle (23)			
Expenditures			
Library Expenses	\$ 17,122	\$ 17,100	\$ 14,650
Total Expenditures	<u>\$ 17,122</u>	<u>\$ 17,100</u>	<u>\$ 14,650</u>
Veterans' Affairs State Project Fund (501) - Manteno (25)			
Expenditures			
Illinois Housing Authority Trust Grant	\$ 114,424	\$ -	\$ 3,579
Total Expenditures	<u>\$ 114,424</u>	<u>\$ -</u>	<u>\$ 3,579</u>
Veterans Affairs Library Grant (775) - Manteno (25)			
Expenditures			
Library Expenses	\$ 9,000	\$ 16,300	\$ 12,250
Total Expenditures	<u>\$ 9,000</u>	<u>\$ 16,300</u>	<u>\$ 12,250</u>
GRAND TOTAL NON-APPROPRIATED FUNDS			
Total Expenditures	<u>\$ 163,046</u>	<u>\$ 50,000</u>	<u>\$ 49,579</u>
GRAND TOTAL -ALL FUNDS			
Total Expenditures	<u>\$ 94,154,801</u>	<u>\$ 96,800,800</u>	<u>\$ 90,302,016</u>

Note: Information was obtained from the Department's records which have been reconciled to those of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Department and submitted to the State Comptroller for payment to the vendor. Fiscal year 2010 expenditures and related lapsed balances do not include interest payments approved for payment by the Department and submitted to the Comptroller for payment after August 31.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2010

	Anna Veterans' Home		
	1311 Clearing Account Fund	1339 Members' Benefit Fund	1348 Members' Trust Fund
Balance at July 1, 2008 *	\$ -	\$ 125,127	\$ 64,871
Receipts:	834,851	66,980	902,343
Disbursements:	(834,851)	(176,579)	(860,394)
Balance at June 30, 2009	\$ -	\$ 15,528	\$ 106,820
Balance at July 1, 2009	\$ -	\$ 15,528	\$ 106,820
Receipts:	755,516	57,691	830,071
Disbursements:	(755,516)	(40,747)	(845,942)
Balance at June 30, 2010	\$ -	\$ 32,472	\$ 90,949

Note: Amounts have been obtained from Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller. See finding 10-15.

* Balance at July 1, 2008 for the Members Trust Fund (1348) does not trace to the prior year report. Prior year report did not include petty cash on-hand amount of \$53

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2010

	LaSalle Veterans' Home	
	1261 Residents' Benefit Fund	1260 Residents' Trust Fund
Balance at July 1, 2008	\$ 226,208	\$ 235,308
Receipts:	143,555	1,265,271
Disbursements:	(133,597)	(1,268,549)
Balance at June 30, 2009	\$ 236,166	\$ 232,030
Balance at July 1, 2009	\$ 236,166	\$ 232,030
Receipts:	112,539	2,002,960
Disbursements:	(80,600)	(1,901,889)
Balance at June 30, 2010	\$ 268,105	\$ 333,101

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2010

	Manteno Veterans' Home	
	1219 Members' Benefit Fund	1220 Members' Trust Fund
Balance at July 1, 2008	\$ 601,774	\$ 1,462,116
Receipts:	297,367	4,269,860
Disbursements:	(449,812)	(4,488,791)
Balance at June 30, 2009	\$ 449,329	\$ 1,243,185
Balance at July 1, 2009	\$ 449,329	\$ 1,243,185
Receipts:	173,903	4,384,768
Disbursements:	(199,096)	(4,309,873)
Balance at June 30, 2010	\$ 424,136	\$ 1,318,080

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2010

	Prince Homeless Program	
	1397 Benefit Fund	1399 Trust Fund
Balance at July 1, 2008	\$ 68,912	\$ 526
Receipts:	8,180	30,189
Disbursements:	(35,535)	(17,617)
Balance at June 30, 2009	\$ 41,557	\$ 13,098
Balance at July 1, 2009	\$ 41,557	\$ 13,098
Receipts:	5,521	22,249
Disbursements:	(18,546)	(32,615)
Balance at June 30, 2010	\$ 28,532	\$ 2,732

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**
For the Two Years Ended June 30, 2010

	Quincy Veterans' Home					
	1152 Members' Benefit Fund	1153 Members' Home Commissary Fund	1158 Protestant Chapel Fund	1159 St. Lawrence Chapel Fund	1246 Members' Trust Fund	1316 Clearing Account Fund
Balance at July 1, 2008	\$ 404,582	\$ 13,296	\$ 44,505	\$ 32,442	\$ 2,189,410	\$ -
Receipts:	179,215	78,512	12,054	8,988	7,488,967	6,479,449
Disbursements:	(287,442)	(91,808)	(11,431)	(14,973)	(7,398,433)	(6,479,449)
Balance at June 30, 2009	<u>\$ 296,355</u>	<u>\$ -</u>	<u>\$ 45,128</u>	<u>\$ 26,457</u>	<u>\$ 2,279,944</u>	<u>\$ -</u>
Balance at July 1, 2009	\$ 296,355	\$ -	\$ 45,128	\$ 26,457	\$ 2,279,944	\$ -
Receipts:	296,881	-	9,950	9,616	7,554,503	6,422,851
Disbursements:	(265,407)	-	(7,329)	(13,665)	(7,679,641)	(6,422,851)
Balance at June 30, 2010	<u><u>\$ 327,829</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 47,749</u></u>	<u><u>\$ 22,408</u></u>	<u><u>\$ 2,154,806</u></u>	<u><u>\$ -</u></u>

Note: Amounts have been obtained from Reports of Receipts and Disbursements for Locally Held Funds prepared by the Department and submitted to the Office of the Comptroller. See finding 10-15.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2010

	Equipment
Balance at July 1, 2008	\$ 128,977,708
Additions	1,684,013
Deletions	(227,407)
Net Transfers	756,010
Balance at June 30, 2009	\$ 131,190,324
Balance at July 1, 2009	\$ 131,190,324
Additions	689,774
Deletions	(213,444)
Net Transfers	975,672
Balance at June 30, 2010	\$ 132,642,326

Note: The above schedule has been derived from property records of the Department and year end property balances have been reconciled in all material respects to reports submitted to the Office of the Comptroller. However, we noted certain errors in Department property records (see Finding Code No. 10-9).

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

<u>GENERAL REVENUE FUND (001)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Central Office Miscellaneous Receipts	\$ 635	\$ 2,447	\$ 456
Field Services	-	17	1,060
Anna Veterans' Home Miscellaneous Receipts	-	500	-
LaSalle Veterans' Home Miscellaneous Receipts	-	10	-
Manteno Veterans' Home Miscellaneous Receipts	505	430	998
Quincy Veterans' Home Miscellaneous Receipts	361	2,582	-
Jury Duty and Personal Phone Calls (LaSalle)	-	-	95
Jury Duty and Personal Phone Calls (Quincy)	-	-	234
Repayment to State	250	-	-
Prior Year Refunds	17,087	3,661	1,653
	<hr/>	<hr/>	<hr/>
TOTAL - GENERAL REVENUE FUND	<u>\$ 18,838</u>	<u>\$ 9,647</u>	<u>\$ 4,496</u>
 <u>VETERANS' ASSISTANCE FUND (236)</u>			
Interest Income	\$ 3,418	\$ -	\$ -
Prior Year Refunds	159,020	14,014	-
	<hr/>	<hr/>	<hr/>
TOTAL - VETERANS' ASSISTANCE FUND	<u>\$ 162,438</u>	<u>\$ 14,014</u>	<u>\$ -</u>
 <u>LASALLE VETERANS' HOME FUND (272)</u>			
Medical Reimbursements	\$ 6,518	\$ 2,093	\$ 3,602
Health and Human Services	36,023	11,349	27,861
Copy Fees	305	-	-
Maintenance Fees	1,748,582	1,187,156	1,200,977
VA Reimbursements	3,555,046	2,290,717	2,364,227
Miscellaneous	-	102	129
Repayment Pursuant to Law	162	115	-
Meal Tickets	1,403	536	555
Prior Year Refunds	2,120	2,890	160
	<hr/>	<hr/>	<hr/>
TOTAL - LASALLE VETERANS' HOME FUND	<u>\$ 5,350,159</u>	<u>\$ 3,494,958</u>	<u>\$ 3,597,511</u>

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

<u>ANNA VETERANS' HOME FUND (273)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Third Party Insurance	\$ 181	\$ -	\$ 756
VA Reimbursements	1,682,477	1,343,126	1,321,315
Patient Medicare	3,951	9,413	4,993
Patient Fees	744,975	816,851	765,323
Meal Tickets	2,293	2,002	1,469
Health and Human Services	-	-	-
Insurance Claims Reimbursement	-	1,111	-
Anna Misc. Charges - Phone/Jury Duty	26	43	162
Copy Fees	-	9	20
Miscellaneous	4,087	5,422	988
Prior Year Refunds	-	-	597
	<hr/>	<hr/>	<hr/>
TOTAL - ANNA VETERANS' HOME FUND	<u>\$ 2,437,990</u>	<u>\$ 2,177,977</u>	<u>\$ 2,095,623</u>
 <u>G.I. EDUCATION FUND (447)</u>			
VA Reimbursements	\$ 877,261	\$ 1,303,977	\$ 836,684
Cash Refunds	-	-	39
Prior Year Refunds	-	-	1,000
	<hr/>	<hr/>	<hr/>
TOTAL - G.I. EDUCATION FUND	<u>\$ 877,261</u>	<u>\$ 1,303,977</u>	<u>\$ 837,723</u>
 <u>QUINCY VETERANS' HOME FUND (619)</u>			
Health and Human Services	\$ 590,098	\$ 534,952	\$ 506,959
VA Reimbursements	10,616,889	9,570,684	9,498,195
Copy Fees	80	315	271
Patient Fees	5,679,555	5,778,011	5,844,469
Miscellaneous	11,615	15,459	10,091
Medical Reimbursements	116,957	111,215	106,950
Rental Income - Miscellaneous	19,557	19,557	19,557
Rental Income - Property	-	3,548	3,552
Jury Duty/Phone	58	136	141
Shipping Charges	83	182	60
Meal Tickets	3,698	4,769	2,091
Outdated Drugs	790	11,207	6,065
Prior Year Refunds	-	194	-
	<hr/>	<hr/>	<hr/>
TOTAL - QUINCY VETERANS' HOME FUND	<u>\$ 17,039,380</u>	<u>\$ 16,050,229</u>	<u>\$ 15,998,401</u>

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

<u>LIBRARY GRANT FUND (775)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Secretary of State Receipts	\$ 50,000	\$ 50,000	\$ 46,000
Cash Refunds	-	-	-
TOTAL - LIBRARY GRANT FUND	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 46,000</u>
 <u>FEDERAL PROJECT FUND (897)</u>			
Department of Defense Receipts	\$ 145,579	\$ 173,087	\$ 112,227
Grants from Housing and Urban Development (Manteno)	101,761	107,831	65,002
TOTAL - FEDERAL PROJECT FUND	<u>\$ 247,340</u>	<u>\$ 280,918</u>	<u>\$ 177,229</u>
 <u>MANTENO VETERANS' HOME FUND (980)</u>			
Health and Human Services	\$ 250,935	\$ 224,705	\$ 186,483
VA Reimbursements	7,917,519	6,430,768	6,058,256
Patient Fees	3,870,340	3,669,228	3,336,852
Private Organization or Individual	44,636	44,983	50,668
Medical Reimbursements	51,174	53,225	37,417
Jury Duty	690	90	170
VA Clinic Reimbursements	-	-	22,522
Prior Year Refund	1,960	-	506
TOTAL - MANTENO VETERANS' HOME FUND	<u>\$ 12,137,254</u>	<u>\$ 10,422,999</u>	<u>\$ 9,692,874</u>
 TOTAL RECEIPTS	 <u>\$ 38,320,660</u>	 <u>\$ 33,804,719</u>	 <u>\$ 32,449,857</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
**RECONCILIATION SCHEDULE OF CASH RECEIPTS
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Two Years Ended June 30, 2010

<u>GENERAL REVENUE FUND (001)</u>	<u>2010</u>	<u>2009</u>
Receipts per Department Records	\$ 18,838	\$ 9,647
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>(23)</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 18,815</u>	<u>\$ 9,647</u>
 <u>VETERANS' ASSISTANCE FUND (236)</u>		
Receipts per Department Records	\$ 162,438	\$ 14,014
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 162,438</u>	<u>\$ 14,014</u>
 <u>LASALLE VETERANS' HOME FUND (272)</u>		
Receipts per Department Records	\$ 5,350,159	\$ 3,494,958
Add: Deposits in Transit, Beginning of Year	20,880	13,470
Less: Deposits in Transit, End of Year	<u>(20,132)</u>	<u>(20,880)</u>
Deposits Recorded by the Comptroller	<u>\$ 5,350,907</u>	<u>\$ 3,487,548</u>

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TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
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<u>ANNA VETERANS' HOME FUND (273)</u>	<u>2010</u>	<u>2009</u>
Receipts per Department Records	\$ 2,437,990	\$ 2,177,977
Add: Deposits in Transit, Beginning of Year	4,182	6,103
Less: Deposits in Transit, End of Year	<u>(5,931)</u>	<u>(4,182)</u>
Deposits Recorded by the Comptroller	<u>\$ 2,436,241</u>	<u>\$ 2,179,898</u>
<u>G.I. EDUCATION FUND (447)</u>		
Receipts per Department Records	\$ 877,261	\$ 1,303,977
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 877,261</u>	<u>\$ 1,303,977</u>
<u>QUINCY VETERANS' HOME FUND (619)</u>		
Receipts per Department Records	\$ 17,039,380	\$ 16,050,229
Add: Deposits in Transit, Beginning of Year	102,143	46,071
Less: Deposits in Transit, End of Year	<u>(82,670)</u>	<u>(102,143)</u>
Deposits Recorded by the Comptroller	<u>\$ 17,058,853</u>	<u>\$ 15,994,157</u>

STATE OF ILLINOIS
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TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
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<u>LIBRARY GRANT FUND (775)</u>	<u>2010</u>	<u>2009</u>
Receipts per Department Records	\$ 50,000	\$ 50,000
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 50,000</u>	<u>\$ 50,000</u>
<u>FEDERAL PROJECT FUND (897)</u>		
Receipts per Department Records	\$ 247,340	\$ 280,918
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 247,340</u>	<u>\$ 280,918</u>
<u>MANTENO VETERANS' HOME FUND (980)</u>		
Receipts per Department Records	\$ 12,137,254	\$ 10,422,999
Add: Deposits in Transit, Beginning of Year	42,431	55,864
Less: Deposits in Transit, End of Year	<u>(26,278)</u>	<u>(42,431)</u>
Deposits Recorded by the Comptroller	<u>\$ 12,153,407</u>	<u>\$ 10,436,432</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

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

Personal Services, Personal Services – Non-Bargaining Unit, and Personal Services – Bargaining Unit

In fiscal year 2010, the appropriation process for personal services was changed. The personal services appropriation is now split between bargaining unit and non-bargaining unit titles. Also in fiscal year 2010, all of the Department's divisional General Revenue Fund personal services lines were combined into these two appropriation lines.

State Contribution to State Employees' Retirement System

The decrease in State contributions to State employees' retirement system expenditures in fiscal year 2010 was due to the Department not receiving a retirement appropriation in fiscal year 2010.

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

In fiscal year 2010, all of the Department's divisional General Revenue Fund Social Security line items were combined and then separated into bargaining unit and non-bargaining unit employees.

Contractual Services, Travel, Commodities, Printing, Equipment, Electronic Data Processing, Telecommunications, Operation of Automotive Equipment, MIA/POW Scholarships, Bonus Payments to War Veterans and Peacetime Crisis Survivors, Educational Opportunities for Children of Certain Veterans, Cartage and Erection of Veterans' Headstones, Operational Expenses, Awards, Grants, and Permanent Improvements, and Operational Expenses

In fiscal year 2010, the appropriation process was changed for all of the Department's divisional operational and grant lines that were paid from the General Revenue Fund. The Department received two lump sum appropriations for operational expenses, awards, grants, and permanent improvements, rather than individual appropriations designated for specific purposes.

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

Operations of Veterans' Homes

The increase in operations of veterans' homes expenditures in fiscal year 2010 was due to increased tax check-off revenues in fiscal year 2010. Because of the increase in funds, this allowed the Department to allocate more money to each of the Veterans' Homes to make appropriate purchases.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

Specially Adapted Housing for Veterans Fund (286) – Central Office (Division 01)

Specially Adaptive Housing for Veterans

The increase in specially adaptive housing for veterans expenditures in fiscal year 2010 was due to the increased number of claims received during the fiscal year.

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

Illinois Military Family Relief

The decrease in Illinois military family relief expenditures in fiscal year 2010 was due to a decrease in the number of payments of benefits authorized under the Survivor's Compensation Act, which is dependent upon the number of deaths of service men and women.

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

Personal Services, State Contributions to State Employees' Retirement System, State Contribution to Social Security, Contractual Services, Travel, Commodities, Printing, Equipment, Telecommunications, and Operation of Automotive Equipment

In fiscal year 2010, the appropriation process was changed. Appropriations for all of the Department's General Revenue Fund divisions were combined into six lump sum appropriations and broken down by personal services-bargaining unit payrolls; personal services-non-bargaining unit payrolls; social security-bargaining unit payrolls; social security-non-bargaining unit payrolls; all operating line expenditures and all grant line expenditures.

General Revenue Fund (001) – Anna (Division 18)

Personal Services, State Contributions to State Employees' Retirement System, State Contributions to Social Security, and Contractual Services

In fiscal year 2010, the appropriation process was changed. Appropriations for all of the Department's General Revenue Fund divisions were combined into six lump sum appropriations and broken down by personal services-bargaining unit payrolls; personal services-non-bargaining unit payrolls; social security-bargaining unit payrolls; social security-non-bargaining unit payrolls; all operating line expenditures and all grant line expenditures.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

General Revenue Fund (001) – Quincy (Division 20)

Personal Services, State Contributions to State Employees' Retirement System, State Contributions to Social Security, and Contractual Services

In fiscal year 2010, the appropriation process was changed. Appropriations for all of the Department's General Revenue Fund divisions were combined into six lump sum appropriations and broken down by personal services-bargaining unit payrolls; personal services-non-bargaining unit payrolls; social security-bargaining unit payrolls; social security-non-bargaining unit payrolls; all operating line expenditures and all grant line expenditures.

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

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2010 was due to the contribution percentage rate increasing from 21.049% in fiscal year 2009 to 28.38% in fiscal year 2010.

Equipment

The decrease in equipment expenditures in fiscal year 2010 was due to budget constraints. In fiscal year 2010, the Department decided to only replace equipment that was broken or worn out so less equipment purchases were made compared to fiscal year 2009.

Operation of Automotive Equipment

The increase in the operation of automotive equipment expenditures in fiscal year 2010 was due to three large vehicle repairs and the purchase of tires. These purchases were not necessary during fiscal year 2009.

Permanent Improvements

The decrease in the permanent improvements expenditures in fiscal year 2010 was due to budget constraints. The Department decided to reduce spending in this line as much as possible. Therefore, the six large projects that were completed in fiscal year 2009 were reduced to one small project completed in fiscal year 2010.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

General Revenue Fund (001) – LaSalle (Division 23)

Personal Services, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Contractual Services, Commodities, Electronic Data Processing, Addition of Beds

In fiscal year 2010, the appropriation process was changed. Appropriations for all of the Department's General Revenue Fund divisions were combined into six lump sum appropriations and broken down by personal services-bargaining unit payrolls; personal services-non-bargaining unit payrolls; social security-bargaining unit payrolls; social security-non-bargaining unit payrolls; all operating line expenditures and all grant line expenditures. In addition, the Department did not receive appropriations for the addition of beds line item in fiscal year 2010.

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

State Contributions to State Employees' Retirement System

The increase in the State contributions to State Employees' Retirement System expenditures in fiscal year 2010 was due to the contribution percentage rate increasing from 21.049% in fiscal year 2009 to 28.38% in fiscal year 2010.

Travel

The decrease in travel expenditures in fiscal year 2010 was due to budget issues and the Department limiting travel during fiscal year 2010. The availability of teleconferences also reduced the need to travel.

Commodities

The increase in commodities expenditures in fiscal year 2010 was due to the elimination of the lump sum appropriation for addition of beds. The addition of beds line was appropriated in the General Revenue Fund for division 23 (LaSalle) in fiscal year 2009.

Telecommunications

The decrease in telecommunication expenditures in fiscal year 2010 was due to larger than normal expenditures in fiscal year 2009 for the new building and was not repeated in fiscal year 2010.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

Personal Services for Addition of Beds

The increase in personal services for addition of beds expenditures in fiscal year 2010 was due to the lump sum line being appropriated in the Home Fund for fiscal year 2010. This line item covered the personal services and related fringe benefits costs for the new employees for the additional beds area. This line item was funded by the General Revenue Fund during the first year but was moved to the Home Fund in fiscal year 2010.

General Revenue Fund (001) – Manteno (Division 25)

Personal Services, State Contributions to State Employees' Retirement System, State Contributions to Social Security, Costs of Operations

In fiscal year 2010, the appropriation process was changed. Appropriations for all of the Department's General Revenue Fund divisions were combined into six lump sum appropriations and broken down by personal services-bargaining unit payrolls; personal services-non-bargaining unit payrolls; social security-bargaining unit payrolls; social security-non-bargaining unit payrolls; all operating line expenditures and all grant line expenditures.

Illinois Veterans' Assistance Fund (236) – Manteno (Division 25)

Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program

The decrease in the operation and support service expenditures for the Manteno Disabled Homeless Veterans' Program in fiscal year 2010 was due to the elimination of the funding source for fiscal year 2010's appropriation.

Veterans' Affairs Federal Projects Fund (897) – Manteno (Division 25)

Operation and Supportive Service Expenditures for the Manteno Disabled Homeless Veterans' Program

The increase in the operation and support service expenditures for the Manteno Disabled Homeless Veterans' Program was due to a change in funding source for the Administrator's salary, related fringe benefits, and all associated increased rates.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

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

Personal Services

The increase in personal services expenditures was due to a budgetary change. In fiscal year 2009, the personal services appropriation was split between the General Revenue Fund and the Manteno Veterans' Fund. In fiscal year 2010, a larger appropriation for personal services expenditures was received and spent from the Manteno Veterans' Fund. As a result, an increased amount of personal services transactions were processed through the Manteno Veterans' Fund.

State Contribution to State Employees' Retirement System

The increase in the State contribution to State Employees' Retirement System expenditures in fiscal year 2010 was due to the 164.44% increase in personal services expenditures resulting in an increased contribution for retirement expenditures.

State Contributions to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2010 was due to a 164.44% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Equipment

The increase in equipment expenditures in fiscal year 2010 was the result of the previous fiscal year's reduction of equipment expenditures due to budget constraints. Purchases were necessary in fiscal year 2010.

Permanent Improvements

The increase in permanent improvement expenditures was due to many projects completed during fiscal year 2010 to take care of neglected deficiencies at the facility.

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

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures in fiscal year 2010 was due to an increase in the retirement rate from 21.049% in fiscal year 2009 to 28.38% in fiscal year 2010.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009, continued

Travel

In fiscal year 2010, travel expenditures decreased due to less demand for information related to Post 9/11 GI Bill. Fiscal year 2009 was the first year of implementation and many outreach events were scheduled and required travel for Department employees.

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

Lump Sums

The increase in the lump sums line items from the Governors Discretionary Appropriation in fiscal year 2010 was due to the allocation of the Governor's Discretionary Appropriation to the agency in fiscal year 2010 which was not available in fiscal year 2009.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008

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

Personal Services

The increase in personal services expenditures during fiscal year 2009 was the result of employees being moved from the Shared Services payrolls to payroll for Division 01 GRF. Another change that increased the personal services expenditures during fiscal year 2009 related to a change in authorized additional headcount between fiscal year 2008 and fiscal year 2009.

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System is partly due to the 47.27% increase in personal services expenditures. Also, the State contribution to State Employees' Retirement System expenditures increased in fiscal year 2009 due to an increase in the contribution percentage from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

State Contributions to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2009 was due to a 47.27% increase in personal services expenditures resulting in increased contributions for Social Security expenditures.

Equipment

The decrease in equipment expenditures in fiscal year 2009 was due to several large equipment purchases made during fiscal year 2008 that were not repeated in fiscal year 2009.

Cartage and Erection of Veterans' Headstones

The increase in the cartage and erection of veterans' headstones expenditures during fiscal year 2009 was partly due to the number of claims received during the fiscal year. Also, an increase in expenditures resulted from the combination of current year and prior year claims. Fiscal year 2009 was the first year that current and prior year claims were combined.

Cartage and Erection of Veterans' Headstones – PY

The decrease in the cartage and erection of veterans' headstones – prior year expenditures in fiscal year 2009 was due to the combination of the current year and prior year claims. Fiscal year 2009 was the first year that current and prior year claims were combined.

Additional Frontline Staff

The decrease in the additional frontline staff expenditure in fiscal year 2009 was due to funds not being appropriated for fiscal year 2009.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

Specially Adapted Housing for Veterans Fund (286) – Central Office (Division 01)

Specially Adapted Housing for Veterans

The decrease in specially adapted housing for veterans expenditures in fiscal year 2009 is due to the reduced number of claims received during fiscal year 2009.

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

Illinois Military Family Relief

The increase in the Illinois Military Family Relief Fund in fiscal year 2009 was due to the increase in the number of claims received by the agency in fiscal year 2009.

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

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures in fiscal year 2009 was due to the retirement rate changing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

General Revenue Fund (001) – Anna (Division 18)

Contractual Services

The decrease in contractual services expenditures in fiscal year 2009 was due to larger than normal expenditures in fiscal year 2008 for several projects to repair the facility.

Commodities

The decrease in commodities expenditures in fiscal year 2009 was due to larger than anticipated expenditures for commodity items in fiscal year 2008.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

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

Personal Services

The increase in personal services expenditures was due to a budgetary change. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections. Also, the fiscal year 2009 personal services expenditures included those employees that were previously on the Shared Services payrolls.

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009. Also, the retirement expenditures result in a variance that is related to the variance in personal services expenditures.

State Contributions to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2009 was due to a 78.54% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Equipment

The decrease in equipment expenditures in fiscal year 2009 was due to several large equipment purchases made in fiscal year 2008, which were not repeated during fiscal year 2009.

Healthcare Shared Services Center

The decrease in the Healthcare Shared Services center expenditures was due to the Shared Services line item not being appropriated in fiscal year 2009. The funds were not appropriated due to the elimination of this planned program. All employees on this payroll were moved back to the appropriate personal services funding source.

General Revenue Fund (001) – Quincy (Division 20)

Personal Services

The increase in personal services expenditures was due to a budgetary change. Appropriations change each year depending on the total budget and the amount the Home's Fund can support based on receipt projections. Also, the fiscal year 2009 personal services expenditures included those employees that were previously on the Shared Services payrolls.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009. Also, the retirement expenditures resulted in a variance in fiscal year 2009 that is related to the 23.65% increase in personal services expenditures.

State Contributions to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2009 was due to a 23.65% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Contractual Services

The increase in contractual services expenditures in fiscal year 2009 was due to the Department's public information officer assigned to the Department alone in fiscal year 2009. In fiscal year 2008, this position was shared with another agency.

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

Personal Services

The decrease in personal services expenditures was due to a budgetary change. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections. Also, the fiscal year 2009 personal services expenditures included those employees that were previously on the Shared Services payrolls.

State Contributions to Social Security

The decrease in State contributions to Social Security expenditures in fiscal year 2009 was due to a 34.66% decrease in personal services expenditures resulting in a decreased contribution for retirement expenditures.

Equipment

The decrease in equipment expenditures in fiscal year 2009 was due to four large purchases in fiscal year 2008 totaling \$50,334. Due to budget constraints, a decision was made to reduce equipment spending in fiscal year 2009 and to only replace equipment that was broken or worn out.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

Operation of Automotive Equipment

The decrease in operation of automotive equipment expenditures in fiscal year 2009 was due to several expensive vehicle repairs in fiscal year 2008 totaling \$18,495. These expenses did not reoccur in fiscal year 2009.

Refunds

The decrease in refund expenditures in fiscal year 2009 resulted from a reduction in census from fiscal year 2008 to fiscal year 2009.

Permanent Improvements

The increase in permanent improvement expenditures in fiscal year 2009 was due to six large expensive projects completed in fiscal year 2009. During fiscal year 2008, five small projects were completed in the permanent improvement line.

Healthcare Shared Services

The decrease in Healthcare Shared Services expenditures in fiscal year 2009 was due to funds not being appropriated to this line item in fiscal year 2009. Funds were not appropriated due to the elimination of this planned program.

General Revenue Fund (001) – LaSalle (Division 23)

State Contributions to State Employee Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

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

Personal Services

The increase in personal services expenditures was due to a budgetary change. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections. Also, the fiscal year 2009 personal services expenditures included those employees that were previously on the Shared Services payrolls.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

State Contributions to State Employee Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

State Contribution to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2009 was due to a 23.07% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Contractual Services

The decrease in contractual services expenditures in fiscal year 2009 was due to the creation of the lump sum appropriation for the addition of beds in the General Revenue Fund. This new line paid for operational expenditures in fiscal year 2009 that were paid from the regular operating line items during fiscal year 2008.

Travel

The increase in travel expenditures in fiscal year 2009 was due to the service of two Manteno Veterans' Home painters assisting with the renovations to the facility. Lodging expenditures were paid for these two employees for 90 days.

Commodities

The decrease in commodities expenditures in fiscal year 2009 was due to the creation of a lump sum appropriation for the addition of beds in the General Revenue Fund. This new line paid for operational expenditures in fiscal year 2009 that were paid from the regular operating line items during fiscal year 2008.

Equipment

The decrease in equipment expenditures in fiscal year 2009 was due to the purchase of equipment during fiscal year 2008 which was not repeated during fiscal year 2009 because of spending restrictions.

Permanent Improvements

The decrease in permanent improvements expenditures in fiscal year 2009 was due to several projects being delayed due to spending restrictions placed on the facilities in fiscal year 2009.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

General Revenue Fund (001) – Manteno (Division 25)

Personal Services

The increase in personal services expenditures was due to a budgetary change. Appropriations change each year depending on the total budget and the amount the Home's Fund can support based on receipt projections. Also, the fiscal year 2009 personal services expenditures included those employees that were previously on the Shared Services payrolls.

State Contributions to State Employees' Retirement System

The increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009. Also, the increase in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to a 24.08% increase in personal services expenditures resulting in an increased contribution for retirement expenditures.

State Contribution to Social Security

The increase in State contributions to Social Security expenditures in fiscal year 2009 was due to a 24.08% increase in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Costs of Operation of a Program for Homeless Veterans

The increase in the operation and supportive service expenditures for the Manteno Disabled Homeless Veterans' Program in fiscal year 2009 was due to fiscal year 2009 being the first full year of the Program's operation. The Program began in February 2008 and only five months of appropriations were made during fiscal year 2008.

Illinois Veterans' Assistance Fund (236) – Manteno (Division 25)

Homeless Veterans' Fund

The increase in the operation and supportive service expenditures for the Manteno Disabled Homeless Veterans' Program in fiscal year 2009 was due to the decreased funding from the General Revenue Fund. Also in fiscal year 2009, the program became more fully operational and had more expenditures than in the previous year.

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

Personal Services

The decrease in personal services expenditures was due to a budgetary change. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections.

State Contributions to State Employees' Retirement System

The decrease in State contributions to State Employees' Retirement System expenditures in fiscal year 2009 was due to a 42.29% decrease in personal services expenditures resulting in an increased contribution for retirement expenditures.

State Contribution to Social Security

The decrease in State contributions to Social Security expenditures in fiscal year 2009 was due to a 42.29% decrease in personal services expenditures resulting in an increased contribution for Social Security expenditures.

Equipment

The decrease in equipment expenditures in fiscal year 2009 were due to several large equipment purchases in fiscal year 2008 which were not repeated in fiscal year 2009.

Permanent Improvements

The decrease in permanent improvement expenditures in fiscal year 2009 was due to several expensive projects being completed in fiscal year 2008 which were not repeated in fiscal year 2009.

Healthcare Shared Services

The decrease in the expenditures associated with Shared Services in fiscal year 2009 was due to the line item not being appropriated in fiscal year 2009 due to the elimination of this planned program. All employees on this payroll were moved back to the appropriate personal services funding source.

GI Education Fund (447)

State Contribution to State Employees' Retirement System

The increase in State contribution to State Employees' Retirement System expenditures in fiscal year 2009 was due the contribution percentage increasing from 16.561% in fiscal year 2008 to 21.049% in fiscal year 2009.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Fiscal Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008, continued

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

Troops to Teachers Grants

The increase in the Troops to Teachers grant expenditures in fiscal year 2009 was due to salary and fringe benefits rate increases as well as other minor operational increases related to the operation of the program.

General Revenue Fund (001) – Shared Services (Division 89)

Healthcare Shared Services

The decrease in the Healthcare Shared Services expenditures in fiscal year 2009 was due to the Shared Services line item not being appropriated in fiscal year 2009 due to the elimination of this planned program. All employees on this payroll were moved back to the appropriate personal services funding source.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

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

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2009

GENERAL REVENUE FUND (001)

Prior Year Refunds

The increase in prior year refunds was due to a salary adjustment of \$7,000 and a refund for MIA/POW scholarships of \$4,000.

VETERANS' ASSISTANCE FUND (236)

Prior Year Refunds

The increase in prior year refunds was due to two refunds of the Veterans' Cash Grant Program in accordance with the Grant Repayment Act.

LASALLE VETERANS' HOME FUND (272)

Patient Medicare

The increase in patient Medicare revenues is due to the nature of Medicare revenues, which are generated based on the number of eligible services rendered by the Home. As a result, each fiscal year's total amount received varies accordingly.

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to the Veterans' Administration beginning a new per diem program for veterans who had greater than 70% service connected disability during fiscal year 2010. These veterans received the lesser of the cost of actual care or a significantly increased per diem payment. These payments were retroactive back to March 2007 and were received in fiscal year 2010 which increased the total amount of per diem payments received by the Home. LaSalle also increased the per diem revenue by filling new beds established at the Home. The census increased 42% over FY09.

Patient Fees

LaSalle opened a new building late in fiscal year 2009 and through fiscal year 2010 the census increased by 42%. The increased census and the ability for the new residents to pay higher maintenance fees increased the total patient fees related revenue received in fiscal year 2010.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2009 (cont.)

ANNA VETERANS' HOME FUND (273)

Patient Medicare

The decrease in patient Medicare revenues is due to the nature of Medicare revenues, which are generated based on the number of eligible services rendered by the Home. As a result, each fiscal year's total amount received varies accordingly.

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to the Veterans' Administration beginning a new per diem program for veterans who had greater than 70% service connected disability during fiscal year 2010. These veterans received the lesser of the cost of actual care or a significantly increased per diem payment. These payments were retroactive back to March 2007 and were received in fiscal year 2010 which increased the total amount of per diem payments received by the Home.

G.I. EDUCATION FUND (447)

Veterans' Administration Reimbursements

The State Approving Agency receives quarterly reimbursements from the federal government. The decrease in Veterans' Administration reimbursements was due to in fiscal year 2009, six quarters of reimbursements were received (October 2007 through March 2009). This was due to the federal government being behind in paying reimbursement claims. In fiscal year 2010, four quarters of reimbursements were received for the period of April 2009 through March 2010.

QUINCY VETERANS' HOME FUND (619)

Patient Medicare

The increase in patient Medicare revenues is due to the nature of Medicare revenues, which are generated based on the number of eligible services rendered by the Home. As a result, each fiscal year's total amount received varies accordingly.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2009 (cont.)

QUINCY VETERANS' HOME FUND (619) (cont.)

Outdated Drugs

The decrease in receipts related to outdated drugs is due to the nature of the pharmacy's inventory. The pharmacy staff at Quincy strives to keep only as much inventory on hand as necessary to meet the needs of our residents. This results in better use of our resources so we can avoid drugs that go out of date. When drugs are ordered, we specify that the expiration dates have to be a minimum of one year in the future. However, in some cases, certain drugs are purchased only for certain individuals. If that individual passes away or leaves the Home, it will result in a much higher outdated drug amount when that particular drug expires, if there are no other residents for which the drug is prescribed. Therefore, the receipt amounts can have wide fluctuations from year to year.

MANTENO VETERANS' HOME FUND (980)

Veterans' Administration Reimbursements

The increase in Veterans' Administration reimbursements is due to the Veterans' Administration beginning a new per diem program for veterans who had greater than 70% service connected disability during fiscal year 2010. These veterans received the lesser of the cost of actual care or a significantly increased per diem payment. These payments were retroactive back to March 2007 and were received in fiscal year 2010 which increased the total amount of per diem payments received by the Home.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2009 AND 2008

LASALLE VETERANS' HOME FUND (272)

Patient Medicare

The decrease in patient Medicare revenues is due to the nature of Medicare revenues, which are generated based on the number of eligible services rendered by the Home. As a result, each fiscal year's total amount received varies accordingly.

G.I. EDUCATION FUND (447)

Veterans' Administration Reimbursements

The State Approving Agency receives quarterly reimbursements from the federal government. The increase in Veterans' Administration reimbursements was due to in fiscal year 2009, six quarters of reimbursements were received (October 2007 through March 2009). This was due to the federal government being behind in paying reimbursement claims. However, during fiscal year 2008, only four quarters of reimbursements were received.

QUINCY VETERANS' HOME FUND (619)

Miscellaneous

The increase in miscellaneous receipts was due to the implementation of the Market Strategies Program during fiscal year 2008. Implementation of this program increased receipts during the last 3 quarters of fiscal year 2008, whereas fiscal year 2009 had program receipts for a full year.

Outdated Drugs

The increase in receipts related to outdated drugs is due to the nature of the pharmacy's inventory. The pharmacy staff at Quincy strives to keep only as much inventory on hand as necessary to meet the needs of our residents. This results in better use of our resources so we can avoid drugs that go out of date. When drugs are ordered, the staff requests that the expiration dates have to be a minimum of one year in the future. However, in some cases, certain drugs are purchased only for certain individuals. If that individual passes away or leaves the Home, it will result in a much higher outdated drug amount when that particular drug expires, if there are no other residents for which the drug is prescribed. Therefore, the receipt amount can have wide fluctuations from year to year.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2009 AND 2008 (Cont.)

FEDERAL PROJECT FUND (897)

Department of Defense

The increase in Department of Defense (DoD) receipts is due to the Troops to Teachers (TTT) program. The TTT program is a contract program, not a reimbursement program with the DoD. DoD does not have a payment schedule for states participating in the TTT program. They determine the amount that is sent by reviewing the number of teachers that are employed and the cost per hire from the previous year's expenditures by the program. Therefore, depending on the performance of the program in a fiscal year the amount received fluctuates accordingly.

Grants from Housing and Urban Development (Manteno)

The increase in grant receipts from the Department of Housing and Urban Development (HUD) was due to fiscal year 2008 being the first year for the Manteno Homeless Program, which operated partially with HUD funds. In fiscal year 2008, final rehab bills of \$31,369 plus only one month of eligible employee salary was expended. During fiscal year 2009, an entire 12 months of salary were expended from HUD.

MANTENO VETERANS' HOME FUND (980)

Patient Medicare

The increase in patient Medicare revenues is due to the nature of Medicare revenues, which are generated based on the number of eligible services rendered by the Home. As a result, each fiscal year's total amount received varies accordingly.

Medical Reimbursements

The increase in medical reimbursements from third party liability carriers was due to these payments being made from third party insurance companies and are paid only after all the medical payments have been received. The timing varies depending on the primary insurance carrier.

Veterans' Administration Clinical Reimbursements

The decrease in Veterans' Affairs clinical reimbursements was due to x-ray services no longer being performed. This income was for rent and services provided to Hines Veterans Homes patients.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2010

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

Operations of Veterans' Homes

Expenditures totaling \$43,734 were paid during the lapse period due to the purchase of several items, including one large purchase, which were not received and paid for until late in the lapse period.

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

Personal Services for addition of beds

Expenditures totaling \$367,294 were paid during the lapse period due to the payroll for the period of June 16th through June 30th.

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

Operations of Automotive Equipment

Expenditures totaling \$13,859 were paid during the lapse period due to the receipt of May and June gasoline and state garage billings late in the lapse period.

Permanent Improvements

Expenditures totaling \$83,306 were paid during the lapse period due to several projects started prior to June 30th but not completed and invoiced until late in the lapse period.

FISCAL YEAR 2009

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

Electronic Data Processing

Expenditures totaling \$268,383 were paid during the lapse period due to the purchase of equipment received and paid for late in the lapse period. Lapse period spending also includes at least one month of statistical services revolving fund payments of approximately \$27,000 in total. Typically, statistical services revolving fund payments invoices are several months behind and as such were not paid until lapse period.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2009 (continued)

MIA/POW Scholarship

Expenditures totaling \$623,596 were paid during the lapse period due to the appropriation being under funded. A delay in scholarship payments allowed the allocation of available funds to be pro-rated based on accurate data that is received from the colleges and universities.

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

Operations of Veterans' Homes

Expenditures totaling \$51,660 were paid during the lapse period due to the purchase of equipment received and paid for late in the lapse period.

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

Equipment

Expenditure totaling \$14,182 were paid during the lapse period due to the purchase of equipment received and paid for late in the lapse period.

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

Personal Services

Expenditures totaling \$2,073,647 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

State Contributions to State Employees' Retirement System

Expenditures totaling \$436,871 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

State Contributions to Social Security

Expenditures totaling \$152,908 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2009 (continued)

General Revenue Fund (001) – LaSalle (Division 23)

Addition of Beds

Expenditures totaling \$657,648 were paid during the lapse period due to the salaries and fringe benefits for the employees hired for the addition at the LaSalle Veterans' Home. The payrolls paid during the lapse period included the periods of June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

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

Personal Services

Expenditures totaling \$484,971 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

State Contributions to State Employees' Retirement System

Expenditures totaling \$102,151 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

State Contributions to Social Security

Expenditures totaling \$35,892 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

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

Personal Services

Expenditures totaling \$689,890 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2010

FISCAL YEAR 2009 (continued)

through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

State Contributions to State Employees' Retirement System

Expenditures totaling \$145,261 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period

State Contributions to Social Security

Expenditures totaling \$50,597 were paid during the lapse period due to the payrolls for periods June 1st through June 15th and June 16th through June 30th. Although the payroll for June 1st through June 15th was paid by the Comptroller's Office in June, it was not posted to the agency's accounting system until the lapse period.

Operations of Automotive Equipment

Expenditures totaling \$14,191 were paid during the lapse period due to the receipt of May and June gasoline and state garage billings late in the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>Anna Home Fund - Fund 272</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 751	\$ 266
1-30 days	364	-
31-90 days	-	-
91-180 days	12	-
181+ days past due	-	-
Total	<u>\$ 1,127</u>	<u>\$ 266</u>

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

<u>LaSalle Home Fund - Fund 273</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 257	\$ 394
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	3	-
Total	<u>\$ 260</u>	<u>\$ 394</u>

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>G.I. Education Fund - Fund 447</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ -	\$ 199
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	132	-
Total	<u>\$ 132</u>	<u>\$ 199</u>

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

<u>Quincy Home Fund - Fund 619</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 887	\$ 842
1-30 days	884	2,099
31-90 days	-	-
91-180 days	-	-
181+ days past due	988	1
Total	<u>\$ 2,759</u>	<u>\$ 2,942</u>

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>Veterans' Affairs Federal Project Fund - Fund 897</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ -	\$ -
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

These amounts represent receivables related to the Troops-to-Teachers program with the Department of Defense.

<u>Manteno Home Fund - Fund 980</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 2,250	\$ 1,198
1-30 days	9	-
31-90 days	4	16
91-180 days	9	6
181+ days past due	27	15
Total	<u>\$ 2,299</u>	<u>\$ 1,235</u>

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>Quincy Benefit Fund - Fund 1152</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ -	\$ -
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ -</u>

These amounts represent receivables related to receivables for interest earned.

<u>Manteno Benefit Fund - Fund 1219</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 1	\$ 1
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
	<hr/>	<hr/>
Total	<u>\$ 1</u>	<u>\$ 1</u>

These amounts represent receivables related to receivables for interest earned.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Fiscal Years Ended June 30,
(amounts expressed in thousands)

<u>Manteno Trust Fund - Fund 1220</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ -	\$ -
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
	<hr/>	<hr/>
Total	<u>\$ -</u>	<u>\$ -</u>

These amounts represent receivables related to receivables for interest earned.

<u>Quincy Trust Fund - Fund 1246</u>	<u>2010</u>	<u>2009</u>
<u>Age</u>		
Current	\$ 2	\$ 2
1-30 days	-	-
31-90 days	-	-
91-180 days	-	-
181+ days past due	-	-
	<hr/>	<hr/>
Total	<u>\$ 2</u>	<u>\$ 2</u>

These amounts represent receivables related to receivables for interest earned.

Note: Amounts have been obtained from the Quarterly Summary of Accounts Receivable as reported to the Illinois Office of the Comptroller by the Department. See finding 10-14.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

AGENCY FUNCTIONS AND PLANNING

AGENCY FUNCTIONS

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

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

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

Ms. L. Tammy Duckworth was named Director of the Department on December 15, 2006. Mr. Daniel W. Grant was named Director of the Department on February 8, 2009. Eight individuals report directly to the Director. These individuals are the Assistant Director, the Director's Assistant, the Deputy Director of Human Resources, the Labor Relations Administrator, the Legislative Liaison, the Chief Fiscal Officer, and the Chief of Staff.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

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

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

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

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

Illinois Veterans' Home at Anna

Home Functions

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

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

Illinois Veterans' Home at LaSalle

Home Functions

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

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2010

Illinois Veterans' Home at Manteno

Home Functions

The Illinois Veterans' Home at Manteno (Home) was established August 12, 1985 by Public Act 84-139. It currently operates under the authority of 330 ILCS 15 of the Illinois Compiled Statutes. The Home's campus is located on a 122 acre site which includes five major nursing care units, two ancillary service and support buildings, and several administrative and other support buildings.

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

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

Illinois Veterans' Home at Quincy

Home Functions

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

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

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AGENCY LOCATION

The headquarters of the Department of Veterans' Affairs is at 833 South Spring Street, Springfield, Illinois. The Central Office, the State Approving Agency and a Veterans' Service Office are located in the Department headquarters. An administrative office and a Veterans' Service Office are located in the James R. Thompson Center, Suite 5-570, 100 West Randolph, Chicago, Illinois.

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

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

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

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

The Department currently has a total of 1,285 beds for providing long-term care to veterans; 1,141 nursing care beds and 144 domiciliary care beds.

The Department operated 49 full-service Veterans' Service Field Offices statewide to provide assistance and informational services to veterans, their dependents and survivors. The Field Offices operate from the following locations:

<u>City</u>	<u>Location</u>
Alton	1623 Washington Ave, Suite 212, 62002
Aurora	900 N. Lake Street, Ste #205, 60506
Belleville	10 S. Jackson St., Suite 102, 62226
Benton	500 W. Main St. PO Box 640, 62812
Bensenville	113 W. Main Street, 60106
Berwyn	6610 W. Cermak, 60402
Bloomington	1616 S. Main, Room 15 and 16, 61701
Blue Island	3301 Wireton Rd., 60406
Carlinville	110 E. Nicholas, 62626
Champaign	2125 S. 1 st St., 61820
Chicago	100 W. Randolph, Suite 5-570, 60601
Chicago	1551 N. Kedzie Ave., 60615
Chicago	5200 S. Cottage Grove Ave., Room 101-103, 60615
Chicago	2122 W. Taylor, Suite 127, 60612
Chicago	1647 W. 59 th St., 2 nd Floor, 60636

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Chicago Hts.	1010 Dixie Highway, Suite 211, 60411
Danville	212 W. Fairchild, 61832
Decatur	3133 N. Woodford, Suite 2B, 62526
E. St. Louis	10 Collinsville Ave., 62201
Effingham	101 N 4 th St., Room 203, 62401
Elgin	254 Raymond St., 60120
Freeport	223 W. Stephenson St., Suite 201, 61032
Galesburg	362 N. Linwood Rd. 61401
Harrisburg	713A E Church St., 62946
Jacksonville	1521 W. Walnut, 62650
Joliet	2900 W. Jefferson St., 60435
Kewanee	111 N. East St., 61443
Lawrenceville	RR #1 Box 418, 62439
Machesney Park	10451 N. 2 nd St., Room 158, 61115
Macomb	135 W. Grant St., 61455
Marion	2309 W. Main St., Suite 122, 62959
Mattoon	112 Broadway Ave. East, 61938
Manteno	#1 Veterans Drive, 60950
Murphysboro	617 Walnut St., 62966
North Chicago	3001 Green Bay Rd, Building 135, 60064
Orland Park	14700 Ravinia Ave., 60462
Ottawa	700 Centennial Dr., 60064
Palatine	721 S Quentin Rd., Ste #102, 60067
Peoria	323 Fulton Plaza, 1 st Fl., 61602
Pontiac	825 W. Reynolds, Suite 110, 61764
Quincy	1707 N. 12 th St., 62301
Rock Falls	716 6 th Ave., 61071
Rock Island	1504 3 rd Ave., 61201
Salem	600 E. Main St., Suite 6, 62881
Springfield	833 S. Spring St., 62704
Taylorville	105 E. Main Cross, 62568
Urbana	600 E. University, Room 111-114, 61802
Wheaton	421 County Farm Rd., Room 1-800, 60187
Woodstock	1301 Sunset Ridge Rd., 60098

In addition to the 49 full-service field offices listed above, the Department also maintained 64 itinerant field offices. An itinerant field office is just office space used to meet with a veteran, closer than a full service office would be.

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AGENCY PLANNING

The Department of Veterans' Affairs has developed a strategic plan covering the period of Fiscal Years 2008 through 2011. Items in the strategic plan include a brief statement of scope of responsibilities and an operational plan that sets out goals, objectives, evaluation of goals, and status of activities. The Director and the Fiscal Officer develop the strategic plan, and it provides long-term direction for the Department. The various program managers, as well as the Director, Deputy Directors, and Fiscal Officer all participate in the goal-setting process. The goals established in the plan are consistent with the Department's statutory mandates and authority.

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

Illinois Veterans' Home at Anna

Home Planning

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

- Expand Home with a new 40-50 bed addition to address the increased need for skilled care for veterans, provide an expanded dining room to alleviate overcrowding and better accommodate residents in wheelchairs, and re-organize the nurses' station.
- Replace roof on existing structure.
- Renovate domiciliary units.
- Add a small aquatic therapy room near the physical therapy area.

Illinois Veterans' Home at LaSalle

Home Planning

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

- Review long-term care facilities' benchmarking strategies and practices that improve the quality of care and operational efficiency of the Home.

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- Work with the Department of Central Management Services and legislature to address changing nursing staff candidate availability for hire into State position titles.
- Continue to advocate for Capital Development Board funding for physical plant projects listed below:
 - Replacement of the cold water chiller in original residential wing;
 - Construction of additional warehouse space and vehicle storage facility;
 - Replacement of nurse call and fire alarm system in original residential wing;
 - Create additional parking for visitors.

Illinois Veterans' Home at Manteno

Home Planning

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

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

Illinois Veterans' Home at Quincy

Home Planning

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

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- Continue to monitor pandemic influenza projections and adjust the pandemic influenza response plan developed by a multidisciplinary committee using information from state, regional and local health departments, emergency management agencies and the U.S. Department of Veterans Affairs.
- Continue implementation of the plan to decrease the rate of injurious falls by residents.
- In conjunction with Central Office, implement modern electronic medical record keeping and communication capabilities at all levels of Quincy Home staff (includes paper systems, electronic health records, pager systems, cell phones, telephones, computers/e-mail, radios and signs).
- Maintain the current Quality Indicator (QI) System, identifying new indicators as necessary, and retain monthly QI review process.
- Coordinate with Central Office to adjust the licensed/authorized bed count to a level necessitated by the veterans' demand for admission and General Revenue Fund funding levels.
- Continue to advocate for Capital Development Board funding for current physical plant projects.
- Develop a plan to improve security of the campus.

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

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

AGENCY MONITORING

The Department attempts to coordinate its goals, objectives, strategies and activities with other agencies that provide similar services. To aid in achieving its goals, the Department maintains relationships with many State and federal agencies, veterans' organizations, and educational facilities. The Department's goals are monitored by administrative personnel at the Central Office and by the administrators at each of the Veterans' Homes. The goals are translated into each central

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office administrator's performance objectives, as well as the performance objectives for Home administrators. The annual evaluations reflect the performance of these objectives, as well as other initiatives. The Department's Director holds monthly staff meetings to review current developments or issues relative to the welfare of veterans and to maintain focus on the Department's goals.

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AVERAGE NUMBER OF EMPLOYEES
For the Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Central Office	39	38	25
Central Office - Shared Services	0	0	11
Veterans Service Offices	72	70	72
Illinois Veterans' Home at Anna	60	61	65
Illinois Veterans' Home at Quincy	495	481	509
Illinois Veterans' Home at LaSalle	178	132	121
Illinois Veterans' Home at Mateno	289	287	293
State Approving Agency	8	8	6
Troop to Teachers	1	1	1
	<hr/>	<hr/>	<hr/>
Total average full-time employees	<u>1142</u>	<u>1078</u>	<u>1103</u>

STATE OF ILLINOIS
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EMERGENCY PURCHASES
For the Two Years Ended June 30, 2010

The Department reported the following emergency purchases to the Office of the Auditor General during Fiscal Year 2009 and Fiscal Year 2010 :

<u>DESCRIPTION OF EMERGENCY PURCHASE</u>	<u>AMOUNT</u>
Repairs to the WanderGuard system at Anna Veterans' Home	\$85,000 (Estimated)
Repairs to the steam boiler at Manteno Veterans' Home	\$100,000 (Estimated)
Repairs to the boilers and chillers at LaSalle Veterans' Home	\$85,000
Repairs to the chiller system at LaSalle Veterans' Home	\$33,955
Replacement of the mechanical locking system for Schapers Building at Quincy Veterans' Home	\$40,000 (Estimated)
Purchase of chiller for Elmore Building at Quincy Veterans' Home	<u>\$110,000 (Estimated)</u>
 TOTAL COST	 <u><u>\$443,955</u></u>

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ANNA VETERANS' HOME ANNUAL STATISTICS (Not Examined)

RATIO OF EMPLOYEES TO RESIDENTS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Certified capacity of Home	62	62	62
Average number of residents:			
Skilled Care	47	46	48
Domiciliary	10	10	10
Average number of employees	60	61	65
Ratio of employees to residents:			
Skilled Care	1.28 to 1	1.32 to 1	1.35 to 1
Domiciliary	6.00 to 1	6.10 to 1	6.50 to 1

COST PER RESIDENT

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Average healthcare spending per resident per year ^{1,2}	\$ 5,589	\$ 5,745	\$ 5,488
Average cost per resident per meal (excludes labor cost)	\$ 2.81	\$ 2.75	\$ 2.32
Average annual cost meals per resident (excludes labor cost)	\$ 3,075	\$ 3,048	\$ 2,541
Average annual cost of care per resident:			
Skilled Care	\$ 76,161	\$ 68,262	\$ 55,746
Domiciliary	\$ 33,916	\$ 30,408	\$ 28,700

¹ Healthcare spending costs include costs for direct care staffing, pharmaceutical services, medical supplies, and services.

² Anna average for fiscal year 2008 differs from the prior year report due to a correction of a calculation error. The error was corrected during the current examination period.

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For the Two Years Ended June 30, 2010

ANNA VETERANS' HOME ANNUAL STATISTICS (Not Examined) – continued

INJURY STATISTICS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Number of resident injuries	27	33	31

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2010 with a comparison to the fiscal year ended June 30, 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Nursing Care			
Number of Admissions	13	18	17
Number of Deaths	17	17	16
Number of Discharges	2	1	4
Veteran Days of Care Furnished	16,984	16,701	17,055
 Domiciliary Care			
Number of Admissions	2	1	6
Number of Deaths	0	0	0
Number of Discharges	0	0	4
Veteran Days of Care Furnished	3,757	3,616	3,444

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

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LASALLE VETERANS' HOME ANNUAL STATISTICS (Not Examined)

RATIO OF EMPLOYEES TO RESIDENTS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Certified capacity of Home	200	200	120
Average number of residents:			
Skilled Care	136	95	93
Domiciliary	*	*	*
Average number of employees	178	132	121
Ratio of employees to residents:			
Skilled Care	1.31 to 1	1.39 to 1	1.30 to 1
Domiciliary	*	*	*

* No domiciliary care

COST PER RESIDENT

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Average healthcare spending per resident per year ¹	\$ 8,725	\$ 9,844	\$ 8,981
Average cost per resident per meal (excludes labor cost)	\$ 2.58	\$ 2.63	\$ 2.32
Average annual cost meals per resident (excludes labor cost)	\$ 2,822	\$ 2,882	\$ 2,542
Average annual cost of care per resident:			
Skilled Care	\$ 94,882	\$ 115,738	\$ 88,531
Domiciliary	*	*	*

¹ Healthcare spending costs include costs for direct care staffing, pharmaceutical services, medical supplies, and services.

* No domiciliary care

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ANALYSIS OF OPERATIONS
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LASALLE VETERANS' HOME ANNUAL STATISTICS (Not Examined) – continued

INJURY STATISTICS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Number of resident injuries	67	34	22

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2010 with a comparison to the fiscal year ended June 30, 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Nursing Care			
Number of Admissions	86	58	42
Number of Deaths	44	31	29
Number of Discharges	3	1	12
Veteran Days of Care Furnished	49,614	35,057	33,753

Domiciliary Care			
Number of Admissions	*	*	*
Number of Deaths	*	*	*
Number of Discharges	*	*	*
Veteran Days of Care Furnished	*	*	*

* No domiciliary care

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

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MANTENO VETERANS' HOME ANNUAL STATISTICS (Not Examined)

RATIO OF EMPLOYEES TO RESIDENTS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Certified capacity of Home	340	340	340
Average number of residents:			
Skilled Care	277	255	238
Domiciliary	*	*	*
Average number of employees	289	287	293
Ratio of employees to residents:			
Skilled Care	1.04 to 1	1.13 to 1	1.22 to 1
Domiciliary	*	*	*

* No domiciliary care

COST PER RESIDENT

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Average healthcare spending per resident per year ^{1,2}	\$ 5,004	\$ 4,762	\$ 5,613
Average cost per resident per meal (excludes labor cost)	\$ 7.09	\$ 8.24	\$ 7.37
Average annual cost meals per resident (excludes labor cost)	\$ 7,768	\$ 9,024	\$ 7,315
Average annual cost of care per resident:			
Skilled Care	\$ 100,850	\$ 102,631	\$ 75,234
Domiciliary	*	*	*

¹ Healthcare spending costs include costs for direct care staffing, pharmaceutical services, medical supplies, and services.

² Manteno average for fiscal year 2008 differs from the prior year report due to a correction of a calculation error. The error was corrected during the current examination period.

* No domiciliary care

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For the Two Years Ended June 30, 2010

MANTENO VETERANS' HOME ANNUAL STATISTICS (Not Examined) – continued

INJURY STATISTICS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Number of resident injuries	<u>65</u>	<u>61</u>	<u>76</u>

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2010 with a comparison to the fiscal year ended June 30, 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Nursing Care			
Number of Admissions	137	97	103
Number of Deaths	99	114	52
Number of Discharges	4	3	2
Veteran Days of Care Furnished	100,585	95,139	86,667

Domiciliary Care			
Number of Admissions	*	*	*
Number of Deaths	*	*	*
Number of Discharges	*	*	*
Veteran Days of Care Furnished	*	*	*

* No domiciliary care

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

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ANALYSIS OF OPERATIONS
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QUINCY VETERANS' HOME ANNUAL STATISTICS (Not Examined)

RATIO OF EMPLOYEES TO RESIDENTS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Certified capacity of Home	683	683	683
Average number of residents:			
Skilled Care	397	402	414
Domiciliary	48	44	38
Average number of employees	495	481	509
Ratio of employees to residents:			
Skilled Care	1.25 to 1	1.20 to 1	1.23 to 1
Domiciliary	10.31 to 1	10.93 to 1	13.39 to 1

COST PER RESIDENT

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Average healthcare spending per resident per year ¹	\$ 4,977	\$ 4,733	\$ 4,364
Average cost per resident per meal (excludes labor cost)	\$ 2.74	\$ 2.56	\$ 2.21
Average annual cost meals per resident (excludes labor cost)	\$ 2,996	\$ 2,799	\$ 2,418
Average annual cost of care per resident:			
Skilled Care	\$ 99,459	\$ 88,943	\$ 80,081
Domiciliary	\$ 52,071	\$ 49,498	\$ 45,859

¹ Healthcare spending costs include costs for direct care staffing, pharmaceutical services, medical supplies, and services.

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QUINCY VETERANS' HOME ANNUAL STATISTICS (Not Examined) – continued

INJURY STATISTICS

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Number of resident injuries	37	66	56

VETERANS SERVED

The purpose of the Home is to provide nursing home care to Illinois veterans. Below is a table, which indicates the number of veterans served by the Home during the two years ended June 30, 2010 with a comparison to the fiscal year ended June 30, 2008:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Nursing Care			
Number of Admissions	125	132	146
Number of Deaths	130	111	127
Number of Discharges	23	19	30
Veteran Days of Care Furnished	121,556	125,421	130,546
Domiciliary Care			
Number of Admissions	9	16	5
Number of Deaths	0	0	0
Number of Discharges	0	0	2
Veteran Days of Care Furnished	9,029	9,077	8,308

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

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SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Fiscal Years Ended June 30,

Comparative annual service efforts and accomplishments are shown below:

	2010	2009	2008
<u>Field Services</u>			
Number of Permanent full-time offices	49	49	50
Number of part-time itinerant offices	64	59	41
<u>Grants</u>			
Number of claims processed	8,494	7,750	4,973