

LEGISLATIVE AUDIT COMMISSION



Review of
Department of Veterans' Affairs
Two Years Ended June 30, 2016

622 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW: 4481
DEPARTMENT OF VETERANS' AFFAIRS
TWO YEARS ENDED JUNE 30, 2016

FINDINGS/RECOMMENDATIONS - 12

ACCEPTED and PARTIALLY IMPLEMENTED - 4
IMPLEMENTED - 8

REPEATED RECOMMENDATIONS - 4

PRIOR FINDINGS/RECOMMENDATIONS - 11

This review summarizes an audit of the Department of Veterans' Affairs for the two years ended June 30, 2016 filed with the Legislative Audit Commission on April 27, 2017. The auditors performed a compliance examination in accordance with *Government Auditing Standards* and State law. Since FY09, the Department and the Illinois Veterans' Homes are combined into one report.

The Department of Veterans' Affairs was established in 1976 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 mission of the Veterans' Homes is to provide to eligible veterans skilled nursing services that meet or exceed the standards and requirements applicable to facilities within the State.

Ms. Erica J. Borggren was Director of the Department during the first few days of the audit period. Mr. Rodrigo Garcia was named Acting Director on July 10, 2014 serving until January 11, 2015. Thereafter, Mr. Harry Sawyer served as Interim Director until Ms. Erica Jeffries began as the new Department Director on February 17, 2015. Director Jeffries continues to serve as Director. She was a Captain and a Black Hawk pilot in the U.S. Army.

In addition to its offices in Springfield and Chicago, the Department currently maintains 48 full-service Veterans' Service Field Offices throughout the State to provide assistance and informational services to veterans, their dependents and survivors. In addition to the full-service offices, the Department also maintains 32 itinerant field offices. The Department operates Veterans' Homes at Anna, LaSalle, Manteno and Quincy. According to the audit report, the Department is currently licensed for 1,153 skilled care beds and 132 domiciliary beds at the Homes, but is only funded for 921 skilled care beds and 132 domiciliary beds. There are two 40-bed secure units for residents with Alzheimer's disease and dementia at LaSalle and Manteno, and 144 beds in independent apartment units (domiciliary care) at Anna and Quincy. Average population in FY16 was 918. On the following page is a summary of statistics for each Veterans' Home for FY16.

FY16	Anna	LaSalle	Manteno	Quincy
Certified capacity	62	200	340	683
Average number of residents				
Skilled Care	49	178	289	357
Domiciliary	10	N/A	N/A	35
Average number of employees	78.5	256	359	520
Ratio of employees to residents				
Skilled Care	1.60 to 1	1.44 to 1	1.24 to 1	1.46 to 1
Average annual cost per resident				
Skilled Care	\$ 107,742	\$ 113,555	\$ 123,092	\$ 123,541
Domiciliary	\$ 104,712	N/A	N/A	\$ 57,461
Number of resident injuries	3	14	28	38

The average number of employees by division was:

	FY16	FY15	FY14
Central Office	48	46	49
Veterans Service Offices	68	72	70
Veterans' Home at Anna	72	73	67
Veterans' Home at Quincy	514	525	506
Veterans' Home at LaSalle	223	218	205
Veterans' Home at Manteno	322	329	327
Homeless Program at Manteno	8	8	8
State Approving Agency	6	7	7
Troops to Teachers	1	1	1
TOTAL	1,262	1,279	1,240

During FY16, the Department processed 4,402 claims compared to 5,172 in FY15, and 4,798 in FY14.

Expenditures From Appropriations

During FY16, the Department operated without enacted appropriations until PA99-0409, PA99-0491, and PA99-0524 were signed into law in August 20, 2015, December 7, 2015, and June 30, 2016, respectively. During the budget impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* ordered the Comptroller to draw and issue warrants for wages of State employees at their normal rates of pay. The Department incurred non-payroll obligations which the Department was unable to pay until the passage of the Public Acts listed above. Public Act 99-524 authorized the Department to pay FY16 costs using FY17 appropriations for non-payroll expenditures.

- No Department vendors participated in the Vendor Payment Program in FY15 or FY16. However, the Department engaged the Illinois Finance Authority to provide payment to two critical vendors who were threatening to cease services. The vendor received payment for 100% of the amount due (\$41,645) from the Illinois Finance

REVIEW: 4481

Authority. When the Department received/receives expenditure authority it will repay the Finance Authority plus associated interest penalties.

- The Department incurred \$64,692 in Prompt Payment interest.
- The Department planned to expend \$529,250 in FY17 appropriations for FY16 costs. As of the end of fieldwork, the Department was holding 533 FY16 invoices totaling \$1.3 million.

The General Assembly appropriated a total of \$147,054,959 to the Department for FY16. Total expenditures for the Department were \$118,512,364 in FY16 compared to \$120,895,937 in FY15, a decrease of \$2.3 million, or 2%. Lapse period spending was \$11 million, which is 9.3% of total expenditures. Appendix A summarizes appropriations and expenditures for FY16 and FY15. Some of the significant variations in expenditures are explained below:

- \$7.4 million decrease in GRF primarily due to no appropriations for Field Offices.
- \$1 million decrease in the Illinois Veteran's Assistance Fund due to no transfers from GRF.
- \$421,073 increase in Roadside Memorial Fund due to first time appropriation.
- \$5 million increase in expenditures from the Homes Funds due to appropriation.

Cash Receipts

Appearing in Appendix B is a summary of cash receipts for FY16 and FY15. Total cash receipts decreased from \$56.6 million in FY15 to \$55.7 million in FY16. In FY15 the Illinois Veterans' Assistance Fund received a transfer from GRF of \$1.3 million to process care claims. No transfer was needed in FY16.

Property and Equipment

Appendix C is a summary of property changes at the Department during the audit period. The balance increased from \$143.6 million as of June 30, 2014 to \$144.3 million at June 30 2016. Most additions were attributed to equipment. Certain errors in property records is the subject of Finding No. 1.

Accountants' Findings and Recommendations

Condensed below are the 12 findings and recommendations, four repeated, presented in the audit report. The following recommendations are classified on the basis of updated information provided by Rusti Cummings, Chief Internal Auditor, via electronic mail received December 21, 2017.

Accepted or Implemented

1. Strengthen internal controls over the recording and reporting of State property by reviewing inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. (Repeated-2008)

Finding: The Illinois Department of Veterans' Affairs (Department) did not exercise adequate control over the purchase, recording and reporting of State property. Some of the conditions noted were as follows:

- During equipment voucher testing, auditors noted five vouchers with equipment purchases not entered into the property records. There were nine items, totaling \$5,143, not entered.
- Four of 25 (16%) deletions tested, totaling \$7,456, did not have any documentation to support that the deletion was approved to be scrapped.
- During testing of the Department's preparation of the Agency Report of State Property (C-15), auditors noted errors in all eight quarters tested.
- \$40,808 in equipment expenditures was excluded from the first quarter fiscal year 2015 C-15 and property records. The issue was caused by the Department excluding additions from the Illinois Veterans' Home Fund.
- The Schedule of State Property (Schedule 7 of the compliance examination report) was not corrected by the auditors for the above errors.
- In the Physical Inventory Report submitted to CMS in FY15, the Department reported it was unable to locate 290 items, totaling \$414,874, which represented 3% of the Department's total property value. Three of these items were computers that the Department noted upon their assessment could potentially contain confidential information. In the Physical Inventory Report submitted to CMS in FY16, the Department reported it was unable to locate 242 items, totaling \$348,869. This represented 3% of the Department's total property value. Eight of these items were computers that the Department noted upon their assessment could potentially contain confidential information. The Department noted its policy is to not store confidential information on devices that are not encrypted, but it cannot ensure this practice was followed.

The Department was requested by CMS to conduct an additional inventory on August 2, 2016, for all locations with a discrepancy greater than 1%, on or before October 1, 2016, due to the number of items reported lost or stolen for fiscal year 2016. The Department failed to conduct this inventory.

Department management attributed the continuing issues to staff turnover, oversight, other operational priorities and complications with the new inventory system and scanning devices.

REVIEW: 4481

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

Updated Response: Partially Implemented. The Department completed the physical inventory which was accepted by the Department of Central Management Services. This inventory found fewer discrepancies between the property inventory records and the physical inventory than prior years. However, the Quarterly Fixed Asset reports (C15) continue to be prepared from expenditure information while the Department has been developing new procedures necessary for the implementation of the ACTS accounting system.

2. Take appropriate measures to ensure performance evaluations are conducted timely. (Repeated-2008)

Finding: The Department did not complete annual employee performance evaluations timely.

During the examination period, the Department did not timely complete annual evaluations for six of 40 (15%) employees tested. Employee evaluations were completed from one to 137 business days late.

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

Updated Response: Partially Implemented. HR continues to use the tracking spreadsheet to notify managers/supervisors of upcoming performance evaluations. In addition, performance evaluations are frequently discussed at senior staff meetings to remind managers/supervisors timely evaluations are important. Late evaluations were trending downward during FY17 until July 2017 when files were unavailable during a computer outage. Since the computer systems were recovered, the late evaluations are again trending downward. A Standard Operating Procedure is being drafted currently to provide more instruction to the supervisors/managers responsible for completing the performance evaluations.

3. Prepare accurate and complete reports and file them with the Office of the Secretary of State and the Office of the Governor. Further, file corrected reports within 30 days of audit release as required by the Illinois State Auditing Act. (Repeated-2010)

Accepted or Implemented – continued

Finding: The Department did not file accurate Agency Workforce Reports (reports) with the Office of the Governor and the Office of the Secretary of State.

In addition, as reported in the prior year examination report, it was noted that the Department's reports for FY12 and FY13 contained clerical errors and the Department was required to file corrected reports. The Department did not file the corrected reports with the Office of the Governor and the Secretary of State as required by the Illinois State Auditing Act.

Related to the exceptions noted in the current examination, Department management stated the fiscal year 2015 inaccuracies were due to human input error in the preparation, while the prior year corrected reports were not filed due to staff turnover.

Updated Response: Implemented. The Department submitted revised Agency Workforce Reports to correct the Fiscal Year 2012, 2013, and 2015 errors identified in the finding. The Department also completed the Fiscal Year 2016 and Fiscal Year 2017 reports. Internal Audit's testing confirmed these reports were submitted timely and agreed with supporting documentation. The Department implemented a process for Human Resources to review the FY2017 report and will continue this review in future years as well.

4. Timely publish extensions, estimated costs, and actual costs of emergency purchases in the Illinois Procurement Bulletin as required by the Code. (Repeated-2014)

Finding: The Department did not exercise adequate control over their reporting of emergency purchases.

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

Department management stated the issues in the current examination were caused by higher priority being given to the health and life safety needs of the residents and employees at the veterans' homes before addressing the fiscal and administrative filing requirements.

Updated Response: Implemented. The Department implemented procedures to ensure emergency purchases are posted to the Bulletin and filed with the OAG timely. In FY17 and FY18 (to date), the Department has had only two emergency purchases which were both filed as required by statute.

REVIEW: 4481

- 5. Strengthen internal controls over expenditures, receipts, and cash reconciliations to ensure they are performed timely and accurately. Furthermore, document the dates all monthly report reconciliations are completed.**

Finding: The Department had weaknesses in performing reconciliations of expenditures, receipts, and cash to the Illinois Office of the Comptroller records.

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

- Three of 20 reconciliations tested were not dated, so auditors could not determine if the reconciliations were completed in a timely manner.
- Two of 20 reconciliations tested were not performed accurately.

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

- Two of four reconciliations tested were not dated, so auditors could not determine if the reconciliations were completed in a timely manner.
- On June 10, 2016, \$269,172 was deposited into the Anna Veterans' Home Fund rather than the LaSalle Veterans' Home Fund. The error was caught by Department personnel.

Auditors noted the Department's monthly cash reconciliations to the Comptroller's Monthly Cash Report (SB05) for the Federal Projects Fund was not reconciled accurately, which included a difference of \$2,614 between the Department's records and those of the Comptroller's. The Department was unable to provide an explanation, but performed a new reconciliation, which resolved the difference. Auditors were provided with the updated reconciliation on 76 business days after the reconciliation due date of August 1, 2016.

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

Updated Response: Implemented. While implementing the new ERP accounting system in Fiscal Year 2017, some reconciliations were not performed timely. This has been resolved in Fiscal Year 2018.

- 6. Ensure the accuracy of the Agency Fee Imposition Report Form prior to submission to the Illinois Office of the Comptroller.**

Finding: The Department did not properly report fees collected on the Agency Fee Imposition Report (Report) for FY15.

Accepted or Implemented – continued

The Department underreported the receipts pertaining to two fees for the Manteno Veterans' Home Fund on its FY15 Report because it did not include accurate totals for the maintenance fees and rental income. The error resulted in the Department understating the fees collected by \$381,053.

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

Updated Response: Implemented. Department personnel responsible for preparing this report were made aware of the clerical input errors. The Fiscal Year report was reviewed by an independent person for input errors.

- 7. Seek an update to the Illinois Administrative Code to reflect the methodology used to calculate maintenance fees. Furthermore, strengthen internal controls to ensure maintenance fees are accurately calculated.**

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

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

During testing at the Anna Veterans' Home, auditors noted four of 10 monthly maintenance fees tested were incorrectly calculated. The issues resulted in a \$232 overcharge per month.

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

Response: Accepted. The Department is currently updating the administrative rule for the Assessment of Maintenance Charges to be consistent with the procedures established in

REVIEW: 4481

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

Updated Response: Partially Implemented. The Illinois Veterans' Home in Anna has begun to process the collections and refunds to resolve the billing errors. However, the Department has not yet sought changes to update the administrative rules to reflect the new maintenance fee calculation method established by the previous Director's memo on March 1, 2012. This update has been delayed while the Department is reassessing whether other amendments to this same administrative rule would be beneficial.

8. Strengthen internal controls to ensure the Grant/Contract Analysis form (SCO-563) is accurately submitted to the Comptroller.

Finding: The Department's year-end federal expenditure reporting process to the Illinois Office of the Comptroller contained inaccuracies.

During testing of federal expenditures reported on the Grant/Contract Analysis form (SCO-563), one of the items noted by auditors was as follows:

- The Department did not submit the SCO-563 for the General Revenue Fund for June 30, 2016. This led to the Department underreporting federal expenditures by \$1,643,000.

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

Updated Response: Implemented. The Fiscal Years 2017 GAAP packages and forms were submitted to the Illinois Comptroller. The Catalog of Federal Domestic Assistance number has been reported correctly.

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

Finding: The Department improperly utilized the Members' Trust Fund at the Quincy Veterans' Home (Quincy).

During testing, auditors noted the Department borrowed and repaid \$6,883 and \$7,218 in cash from the Members' Trust Fund to use for the Benefit's Trust Fund in FY15 and FY16, respectively. The Department does not have authority to borrow funds held in the Members' Trust Fund. However, borrowing took place to obtain cash used to purchase activity treats, bingo quarters, fishing worms, and various other activities for the enjoyment of the residents.

Accepted or Implemented – continued

During the two-year examination period, funds were borrowed 40 times with an average value of \$353.

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

Updated Response: Implemented. The Members' Trust Fund is no longer being used to borrow cash for the Benefit Fund activities.

10. Establish and administer a Veterans' and Military Discount Program as required by the Act.

Finding: The Department did not comply with the Veterans' and Military Discount Program Act effective August 2015.

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

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

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

Updated Response: Implemented. The Department announced this program through two statewide business organizations as well as encouraging Department employees to invite businesses to participate in the Discount Program. The participating businesses are posted on the Department's website.

11. Direct the designated member to attend all meetings of the Task Force. If the designee is unable to attend, send someone in their place. In addition, comply with the requirements of the Employment and Economic Opportunity for Persons with Disabilities Task Force Act, the Illinois Employment First Act, and the Executive Order implementing the Illinois Employment First Act.

REVIEW: 4481

Finding: The Department did not participate in the meetings of the Employment and Economic Opportunity for Persons with Disabilities Task Force as required by the Employment and Economic Opportunity for Persons with Disabilities Task Force Act, nor did the Task Force create measurable goals as required by the Illinois Employment First Act.

During the examination period, neither the Director nor a designee attended any of the four meetings that were held and the annual reports of activities and recommendations were not completed for either FY15 or FY16. In addition, the Task Force did not comply with the Illinois Employment First Act in that it did not establish measurable goals and objectives to implement this Act. Lastly, the Task Force did not submit the final five-year strategic report to the Governor, which was due on June 30, 2015.

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

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

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

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

Updated Response: Partially Implemented. In March 2017, the Director appointed the Department's HR manager to serve on this Board and the EEO officer to serve as a back-up to this Board. The Department's HR manager has been attending each Board meeting.

This finding also identified duties which were not completed as required by statute. This included:

- Task Force did not create measurable goals as required by the IL. Employment First Act.
- Task Force did not complete annual reports of activities and recommendations due May 1 each year.
- Task Force did not submit the final five-year strategic report to the Governor due June 30, 2015.

At this time, the Department appointee has only received the Task Force's current strategic plan.

12. Designate a member to attend all meetings of the statutorily formed bodies. If the designee is unable to attend, send a replacement.

Accepted or Implemented – concluded

Finding: The Department did not comply with council, committee, and commission requirements mandated by State law.

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

- During the examination period, the Department's member of the Long-Term Care Council did not attend four of six (67%) meetings. Department management stated the designated member was unable to attend these meetings due to scheduling conflicts and did not know it was necessary for a back-up to attend.
- During the examination period, the Interagency Committee on Employees with Disabilities (ICED) member from the Department did not attend five of 12 (42%) meetings. The Department stated the designated member was unable to attend these meetings due to scheduling conflicts and did not know it was necessary for a back-up to attend.
- The Director was unable to attend one of the three meetings of the Illinois Holocaust and Genocide Commission that were held and no designee attended in place of the Director. Department management stated the Director was unable to attend the one meeting during the current examination due to a scheduling conflict, but did advise the Commission Chair of this situation. In addition, the Department did not know it was necessary for a back-up to attend.

Updated Response: Implemented. The Department has assigned representatives to each of the entities identified in this finding. After being told the external auditors' expected 100% attendance, the Department appointees have attended all meetings or sent a back-up in their absence.

Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, "It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief

REVIEW: 4481

procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY15-16 the Department filed 5 affidavits for emergency purchases which totaled \$1,371,067.52, when applying subsequent filings, as follows:

- \$ 27,083.16 for personal hygiene products;
- \$ 74,059.41 for dairy products;
- \$ 277,179.61 to flush water pipes upon the discovery of Legionnaires' Disease bacteria;
- \$ 110,827.34 for disinfectant used for sterilization related to the discovery of Legionnaires' Disease bacteria;
- \$ 881,918.00 for water testing related to the discovery of Legionnaires' disease bacteria.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time.

The Department of Veterans' Affairs indicated as of July 2016 the Department had no employees assigned to locations other than official headquarters.

REVIEW: 4481
DEPARTMENT OF VETERANS' AFFAIRS
TWO YEARS ENDED JUNE 30, 2016

APPENDIX A

Summary of Appropriations and Expenditures

	<u>FY16</u>	<u>FY15</u>	<u>FY14</u>
APPROPRIATIONS	\$ 147,054,959	\$ 140,240,350	\$ 136,932,600
<u>Expenditures</u>			
General Revenue Fund			
Central office and operations	\$ 58,166,791	\$ 65,524,986	\$ 67,601,120
Illinois Veterans' Homes Fund			
Lump sum for operations	-	-	125,026
Illinois Veterans' Assistance Fund			
Grants for add'l services or research projects	982,096	2,032,071	1,703,849
LaSalle Veterans' Home Fund	11,506,395	10,118,532	7,893,303
Anna Veterans' Home Fund	3,425,303	3,063,525	1,128,309
Illinois Affordable Housing Trust Fund			
Adapted housing for Vets	210,167	165,000	178,625
G.I. Education Fund	987,367	1,022,664	1,159,400
Quincy Veterans' Home Fund	23,766,103	21,046,324	18,273,350
Roadside Memorial Fund	421,073	-	-
Illinois Military Family Relief, adapted housing for Vets	-	9,000	-
Veterans' Affairs Federal Projects Fund	197,087	304,058	275,375
Manteno Veterans' Home Fund	18,849,982	17,609,777	15,887,319
Total expenditures	\$ 118,512,364	\$ 120,895,937	\$ 114,225,676

REVIEW: 4481
DEPARTMENT OF VETERANS' AFFAIRS
TWO YEARS ENDED JUNE 30, 2016

APPENDIX B

	<u>Cash Receipts</u>		
	<u>FY16</u>	<u>FY15</u>	<u>FY14</u>
<u>General Revenue Fund</u>			
Total General Revenue Fund	\$ 1,206	\$ 982	\$ 3,494
<u>Veterans' Assistance Fund</u>			
Total Veterans' Assistance Fund	\$ 251	\$ 1,345,237	\$ 6,735
<u>LaSalle Veterans' Home Fund</u>			
Third Party Liability, Medical Reimbursements	9,488	2,686	9,521
Health and Human Services, Medicare	36,611	33,156	55,235
VA Reimbursements	7,543,718	7,392,012	7,128,928
Patient Fees, Members' Maintenance	3,356,622	3,271,954	3,090,717
Rental Income Property	18,000	12,000	-
Other	1,506	1,219	1,176
Total LaSalle Veterans' Home Fund	<u>\$ 10,965,945</u>	<u>\$ 10,713,027</u>	<u>\$ 10,285,577</u>
<u>Anna Veterans' Home Fund</u>			
VA Reimbursements	3,072,520	3,031,719	2,283,640
Patient Fees, Members' Maintenance	687,995	764,839	831,778
Other	58,741	11,137	12,632
Total Anna Veterans' Home Fund	<u>\$ 3,819,256</u>	<u>\$ 3,807,695</u>	<u>\$ 3,128,050</u>
<u>G.I. Education Fund</u>			
Total - G.I. Education Fund	\$ 1,128,557	\$ 993,611	\$ 1,597,354
<u>Veterans' Affairs State Projects</u>			
Total - State Projects	\$ 8,920	\$ 29,300	\$ 18,500
<u>Quincy Veterans' Home Fund</u>			
Health and Human Services, Medicare	388,634	484,219	542,320
VA Reimbursements	14,015,126	14,620,689	14,000,091
Patient Fees	6,677,822	6,717,496	6,881,261
Third Party Liability, Medical Reimbursements	-	-	101,205
Rental Income	29,993	30,342	25,072
Other	118,673	118,426	6,980
Total Quincy Veterans' Home Fund	<u>\$ 21,230,248</u>	<u>\$ 21,971,172</u>	<u>\$ 21,556,929</u>
<u>Library Grant Fund</u>			
Total - Library Grant Fund	\$ 45,269	\$ 50,000	\$ 50,000
<u>Federal Project Fund</u>			
Total Federal Project Fund	\$ 220,000	\$ 268,525	\$ 299,214
<u>Manteno Veterans' Home Fund</u>			
Health and Human Services, Medicare	281,311	250,683	267,097
VA Reimbursements	11,971,717	11,970,036	11,858,170
Patient Fees	5,841,449	5,100,382	4,804,553
Private Organization Individual Receipts	-	172	95,985
Third Party Liability, Medical Reimbursements	-	-	53,920
Other	189,769	144,544	49
Total Manteno Veterans' Fund	<u>\$ 18,284,246</u>	<u>\$ 17,465,817</u>	<u>\$ 17,079,774</u>
TOTAL RECEIPTS	<u>\$ 55,703,898</u>	<u>\$ 56,645,366</u>	<u>\$ 54,025,627</u>

REVIEW: 4481
DEPARTMENT OF VETERANS' AFFAIRS
TWO YEARS ENDED JUNE 30, 2016

APPENDIX C

Summary of Property and Equipment

	<u>FY16</u>	<u>FY15</u>
Beginning Balance, July 1	\$ 144,844,823	\$ 143,623,940
Additions	726,920	1,057,198
Deductions	(454,239)	(132,792)
Net transfers in (out)	(809,712)	296,477
Ending Balance, June 30	\$ 144,307,792	\$ 144,844,823
