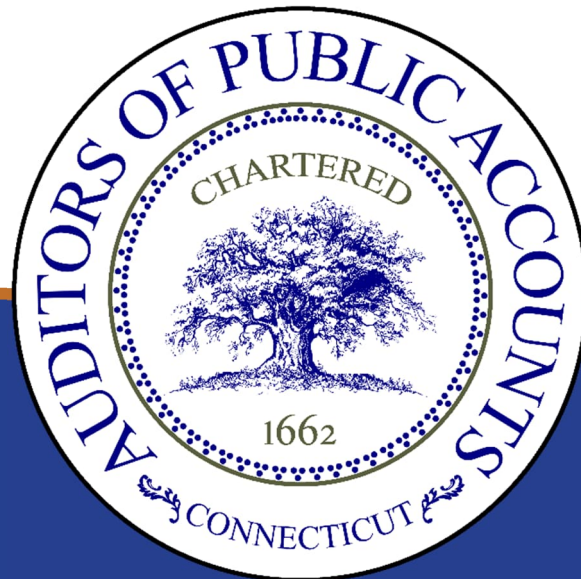


AUDITORS' REPORT

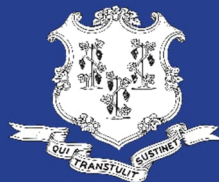
Department of Veterans Affairs

FISCAL YEARS ENDED JUNE 30, 2022 AND 2023



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

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December 16, 2025

INTRODUCTION

We are pleased to submit this audit of the Department of Veterans Affairs for the fiscal years ended June 30, 2022 and 2023 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Department of Veterans Affairs during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Thomas Caruso
Sophia Chen
Anna Karpiej
Jill Schiavo

A handwritten signature in black ink that reads "Jill A. Schiavo".

Jill A. Schiavo
Principal Auditor

Approved:

A handwritten signature in black ink, appearing to be "John C. Geragosian".

John C. Geragosian
State Auditor

A handwritten signature in black ink that reads "Craig A. Miner".

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Department of Veterans Affairs disclosed the following six recommendations, of which five were repeated from the previous audit.

Finding 1

Lack of Compensatory Time Oversight

Criteria	<p>Department policy requires employees to receive supervisory approval prior to earning compensatory time. In the event of an emergency outside of normal business hours, employees must receive approval the next business day.</p> <p>The department's Overtime/Compensatory Time Approval Form requires the commissioner to preapprove managers' compensatory time. Managers can only receive compensatory time in serious extenuating circumstances for urgent projects or matters.</p>
Condition	<p>Our review of 54.75 hours of compensatory time earned by ten employees found that two managers did not have all required approvals. In addition, two employees did not provide a reason for earning the compensatory time on their request form.</p>
Context	<p>During the audited period, 28 employees earned 644.75 hours of compensatory time. We judgmentally selected one compensatory time transaction from each of the ten highest compensatory time earners.</p>
Effect	<p>There is an increased risk for the improper earning and use of compensatory time.</p>
Cause	<p>The lack of approval or justification for compensatory time appears to be the result of a lack of management oversight.</p>
Prior Audit Finding	<p>This finding has previously been reported in the last three audit reports covering the fiscal years 2016 through 2021.</p>
Recommendation	<p>The Department of Veterans Affairs should strengthen internal controls to ensure it properly preauthorizes compensatory time. The</p>

department should ensure that employee compensatory time requests are complete.

Agency Response

"We agree with the finding. The agency has updated its overtime and compensatory time policies as well as the corresponding request forms.

Employees and managers have received the updated policies and forms and have been instructed on the proper usage of each form. Our Payroll Unit monitors the correct usage of the forms on a bi-weekly basis to ensure that policies are being followed, and the proper level of approvals have been received."

Finding 2

Lack of Overtime Approval

Criteria

The Department of Veterans Affairs Employee Manual stipulates that all overtime worked must have prior supervisory approval.

The Department of Veterans Affairs Overtime Usage Policy requires nurse supervisors to obtain approval from the Director of Nursing, or their designee, before working overtime.

Condition

Our review of 209 hours of overtime earned by 11 nursing employees in 15 instances identified the following:

- In all 15 instances, the employees did not use the correct form when requesting overtime. The employees used the DVA Employee Time Request Form used to request paid leave rather than the DVA Overtime/Compensatory Time Approval Form. As a result, the department did not adequately document whether the overtime hours requests were properly approved, accurately calculated, or appropriately recorded.
- Supervisors did not date 15 request forms to support that they preapproved overtime.
- The department could not locate two overtime requests to support 14.75 hours.

Context

Department of Veterans Affairs overtime expenditures totaled \$1,813,090 and \$1,771,503 during fiscal years 2022 and 2023, respectively. We judgmentally selected 15 overtime payments, totaling \$12,532 made to 11 of the highest overtime earning employees, of which ten were from fiscal years 2022 and 2023 and

five were from March and April 2024 to determine if the prior audit condition relating to the incorrect request form being used was resolved. Overtime expenditures in March and April 2024 totaled \$240,930.

Effect	When the department does not utilize proper forms or follow established overtime procedures, there is an increased risk of unauthorized overtime.
Cause	The use of incorrect forms and delays in supervisory approval appears to be the result of a lack of management oversight.
Prior Audit Finding	This finding has been previously reported, in part, in the last audit report covering the fiscal years 2020 through 2021.
Recommendation	The Department of Veterans Affairs should strengthen internal controls over overtime to ensure compliance with its policies and procedures.
Agency Response	<p>"We agree with the finding. The DVA has updated its Overtime and Compensatory time policies and has distributed the policy to all employees and provided training on the proper procedures to all managers.</p> <p>We have revised our Overtime Request form to ensure that all approvals are documented on the form prior to overtime being incurred except in cases of emergent or urgent matters where there is not sufficient time to obtain prior written approval. In these cases, the employees must submit their forms by the end of their shift. Lastly, managers or their designees must submit a copy of the approval to the DVA Payroll Office no later than the last day of the pay period in which the Overtime occurred. The Payroll Department reviews the forms for accuracy and completion to reduce the risk of unauthorized overtime."</p>

Finding 3

Inadequate Monitoring of Telework

Criteria	The Department of Veterans Affairs Kronos Policy requires employees to clock in and out using the Kronos clocks or log into Kronos on their state computers. Employees must designate the time as in office or telework hours in Kronos.
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The department is responsible for enforcing its employees approved telework schedules in accordance with the state's telework agreement.

Condition

Our review of ten telework employees found:

- The department could not provide support that seven employees worked in the office for 110 full or partial days.
- Two employees recorded regular hours for nine days when they teleworked.

The department does not have a formal process to document supervisory approval of employees' occasional changes in telework days.

Context

The department approved 43 employees to telework between July 1, 2024 and December 31, 2024, of which 24 were approved for routine telework and 19 approved for situational telework. We judgmentally selected ten employees who were approved for routine telework. We reviewed the Kronos Punch Origin Report data from July 1, 2024 through September 30, 2024.

Effect

By not complying with the department's policies and the state's telework agreement, there is a risk employees may not be working on site as reported, resulting in potential inefficiencies.

Cause

The department did not prioritize monitoring that employees are onsite when scheduled or granting approval for deviations in scheduled office hours. Timesheet approvers do not identify and correct miscoding of in office versus telework hours.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Department of Veterans Affairs should develop and implement internal controls to ensure employees comply with the Kronos policy and the state's telework agreement. Supervisors should document approval of occasional changes in telework schedules, and timesheet approvers must identify and correct any time reporting code errors.

Agency Response

"We agree with the finding. The Department has updated its Kronos policy to require employees who are teleworking to indicate telework in Kronos whenever the employee is teleworking, including full or partial workdays.

It is the managers responsibility to ensure Kronos accurately reflects in-office versus telework time. Any telework that is outside of

regularly scheduled telework must be approved and recorded by email between the employee and the manager of designee."

Finding 4

Deficiencies in the Procurement and Expenditure Process

Criteria

Section 4-98 of the General Statutes states that no budgeted agency may incur any obligation except by the issuance of a purchase order transmitted to the State Comptroller to commit the agency's appropriations to ensure that funds are available for the purchase.

Adequate internal controls over payments should ensure invoices are adequately supported and traceable to contract pricing.

Section 4a-71(b) of the General Statutes deems state agency invoice payments to be timely if they are made by the specified due date or within 45 days of receipt of a properly completed claim or receipt of goods and services, whichever is later.

Condition

Our review of 25 non-payroll expenditure transactions totaling \$240,128 found:

- For two transactions totaling \$7,762, the department issued purchase orders between 12 and 43 days after it incurred the obligations.
- The department did not provide support for the prices paid for seven transactions totaling \$22,416. The department paid three invoices totaling \$4,767 that did not agree to the price schedule resulting in a net overpayment of \$743.
- The department paid nine transactions, totaling \$71,295, between four and 133 days late. The department paid seven transactions less than a month late and two transactions 97 and 133 days late.

Context

During the audited period, DVA processed 9,006 non-purchasing card transactions, totaling \$16,286,935. We judgmentally selected 25 transactions, totaling \$240,128, of which five were from fiscal year 2022 and 20 were from fiscal year 2023. Additionally, for ten of the 25 transactions, we judgmentally selected five asset purchases from each fiscal year, totaling \$182,425.

Effect	<p>When purchase orders are not properly issued, there is less assurance that funds will be available for payment.</p> <p>The department may not receive the best or current prices for contracted items.</p> <p>When the department does not pay invoices on time, it may incur late fees or lose prompt payment discounts.</p>
Cause	The department did not comply with purchasing policies and procedures due to a lack of management oversight.
Prior Audit Finding	This finding has previously been reported, in part, in the last four audit reports covering the fiscal years 2014 through 2021.
Recommendation	The Department of Veterans Affairs should improve internal controls over expenditures to ensure it adequately supports transactions, pays invoices on time, and issues purchase orders in accordance with Section 4-98 of the General Statutes.
Agency Response	<p>"We agree with the finding and have taken the following steps to improve internal controls over procurement compliance.</p> <p>We have developed and documented internal control procedures related to the procurement and expenditure process to reinforce compliance and accountability. We have launched a pilot program to digitize our internal purchase request form (DVA-1A) process to enhance efficiency and traceability. The routing process for DVA-1As has been improved to ensure timely and accurate submission. Additionally, all invoices are now directed to a designated Accounts Payable mailbox, streamlining processing and reducing the risk of misplaced or delayed invoices.</p> <p>Steps have been taken to ensure funds are properly encumbered in advance so that purchase orders are backed up by sufficient budget authority at the time of issuance. These corrective actions reflect our commitment to compliance, transparency, and operational efficiency. We will continue to monitor these improvements to ensure they are effective and sustainable."</p>

Finding 5

Asset Management Deficiencies

Criteria	Section 4-36 of the General Statutes requires each state agency to establish and maintain inventory records in the form prescribed by
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the State Comptroller. The State Property Control Manual establishes the guidelines and requirements that state agency property controls systems must comply with including completing an annual physical inventory to ensure all property control records accurately reflect the actual inventory on hand, submitting an annual Asset Management/Inventory Report (CO-59 report) of its year end balances to the Office of the State Comptroller. The manual requires agencies to tag and record assets in the Core-CT asset module and maintain a detailed software inventory listing.

Condition

Our review of the asset management system identified the following:

- DVA overstated its equipment ending balance by \$226,758 and \$139,225 on its fiscal year 2022 and 2023 CO-59 reports, respectively.
- DVA overstated the stores and supplies ending balance by \$1,631,233 on its fiscal year 2023 CO-59 report.
- DVA incorrectly reported perpetual software costing \$299,683 as non-capital instead of capitalized on its fiscal year 2023 CO-59 report.
- DVA did not perform a physical inventory in fiscal year 2022 and did not perform a complete physical inventory in fiscal year 2023. The DVA fiscal year 2023 physical inventory only verified 608 of the department's 1,775 controllable and capitalized equipment items.
- Our physical inspection of 25 items, totaling \$237,403, disclosed DVA did not tag seven items, totaling \$121,673. DVA recently purchased two of those items, costing \$3,996, and had not added them to the Core-CT asset module. In addition, we could not locate a \$1,031 computer from the inventory list.
- DVA's software inventory listing did not contain the fields required in the State Property Control Manual.

Context

DVA reported \$53,549,435 and \$55,009,273 for real and personal property as of June 30, 2022 and 2023. The department had 1,867 capitalized and controllable assets with a total cost of \$7,666,162 as of May 15, 2024. For physical inspection, we judgmentally selected 25 items, focusing on a variety of asset types and assets purchased during the audited period. Of these 25 items, 22 items were from the main campus and three assets were from the Office of Advocacy and Assistance in Newington.

Effect	When the department lacks certain asset management controls, it is less able to properly safeguard assets and accurately report its inventory.
Cause	These issues appear to be due to a lack of management oversight and inadequate asset recording and reporting controls.
Prior Audit Finding	This finding has been previously reported, in part, in the last audit report covering the fiscal years 2020 through 2021.
Recommendation	The Department of Veterans Affairs should strengthen internal controls over recordkeeping, reporting, and safeguarding of assets to ensure compliance with the Property Control Manual.
Agency Response	<p>"We agree with the finding. The agency has taken the following corrective actions to ensure we are properly safeguarding assets and accurately recording inventories.</p> <p>The equipment and stores and supplies ending balances have been corrected to accurately reflect the correct values.</p> <p>We have implemented the use of DAS approved barcode scanners to enhance inventory accuracy and efficiency. We have established new roles in CORE-CT to ensure full segregation of duties and improve internal controls. Full and complete inventories were completed and recorded for both 2024 and 2025 with data submitted directly through CORE-CT, eliminating the need for inventory extracts from the CORE-CT team.</p> <p>Additionally, we have implemented the usage of CrowdStrike to improve the agency's ability to track laptops effectively. Heavy-duty labels were purchased to prevent barcodes tags from being removed from equipment. All capital tagged equipment purchase orders are now flagged in-house before dispatch to ensure proper asset tracking.</p> <p>Lastly, all agency directors have completed comprehensive training in properly completing the FMD-100 form for reporting asset location changes, and the asset team regularly conducts random spot checks to ensure compliance with these procedures."</p>

Finding 6

Noncompliance with Reporting Requirements

Criteria	The Department of Veterans Affairs is required to comply with numerous reporting requirements set forth by the General Statutes and the Office of the State Comptroller.
Condition	<p>Our review of the reports required to be filed during fiscal years 2022 and 2023, disclosed that:</p> <ul style="list-style-type: none">• DVA did not complete the Annual Internal Control Questionnaire required by the Office of the State Comptroller for fiscal years 2022 and 2023.• DVA did not promptly submit the Advocacy & Assistance Quarterly Reports on Visits to Nursing Homes and Assistance Living Facilities, required by Section 27-102l(b)(4)(C) of the General Statutes. DVA could not provide support that it submitted the two reports. DVA submitted six reports between 24 days and two months late.• DVA did not prepare or provide support that it submitted the Advocacy & Assistance Quarterly Reports on Concerns of Veterans, required by Section 27-102l(b)(4)(D) of the General Statutes. DVA did not prepare six reports and could not provide support that it submitted two reports.• DVA submitted the fiscal year 2022 Board of Trustees Annual Report, required by Section 27-102n(i) of the General Statutes, 69 days late.• DVA submitted the fiscal year 2022 and 2023 Annual Reports of Veterans Benefits, required by Section 27-102p of the General Statutes, four and 243 days late, respectively.
Context	We identified 17 Department of Veterans Affairs reporting requirements during the audited period. We selected seven reporting requirements, based on those found to be late in the prior audit and selected the remainder haphazardly, with a total of 25 reports for review.
Effect	Intended recipients of the reports may not have current information to make informed decisions regarding the department and its operations.

Cause	The lack of compliance appears to be the result of a lack of management oversight.
Prior Audit Finding	This finding has previously been reported in the last three audit reports covering the fiscal years 2016 through 2021.
Recommendation	The Department of Veterans Affairs should strengthen internal controls to ensure it complies with its statutory reporting requirements.
Agency Response	<p>"We agree with the finding. The agency is working to ensure that all reporting is completed within statutory requirements.</p> <p>The Office of Advocacy and Assistance currently submits the total Nursing Home and Assisted Living Facility visits with the Board of Trustees Quarterly Report.</p> <p>DVA acknowledges it did not submit the Advocacy & Assistance Quarterly Reports on Visits to Nursing Homes and Assisted Living Facilities, required by Section 27-102l(b)(4)(C) of the General Statutes, the Advocacy & Assistance Quarterly Reports on Concerns, required by Section 27-102l(b)(4)(D) of the General Statutes, or the Annual Report of Veterans' Benefits, required by Section 27-102p of the General Statutes.</p> <p>The Internal Controls Questionnaire has been completed for SFY2025 and is being tracked for annual completion going forward.</p> <p>The Board of Trustees Annual Report has been filed and is available on our website."</p>

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Department of Veterans Affairs contained six recommendations. One has been implemented or otherwise resolved and five have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
The Department of Veterans Affairs should strengthen internal controls to ensure it properly preauthorizes compensatory time and enrolls employees in the correct plan.	REPEATED Modified Form Recommendation 1
The Department of Veterans Affairs should strengthen internal controls over overtime to ensure compliance with its policies and procedures.	REPEATED Modified Form Recommendation 2
The Department of Veterans Affairs should strengthen internal controls to ensure that it issues purchase orders in accordance with Section 4-98 of the General Statutes.	REPEATED Modified Form Recommendation 4
The Department of Veterans Affairs should strengthen internal controls over the identification, evaluation, and write-off of uncollectible accounts.	RESOLVED
The Department of Veterans Affairs should strengthen internal controls over the recording, reporting, and safeguarding of assets to ensure compliance with the State Comptroller's Property Control Manual.	REPEATED Modified Form Recommendation 5
The Department of Veterans Affairs should strengthen internal controls to ensure it complies with its statutory reporting requirements.	REPEATED Recommendation 6

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Department of Veterans Affairs in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2022 and 2023. The objectives of our audit were to evaluate the:

1. Department's internal controls over significant management and financial functions;
2. Department's compliance with policies and procedures internal to the department or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, accounts receivable, purchasing and expenditures, asset management, reporting systems, and information technology. We also determined the status of the findings and recommendations in our prior audit report.

The Department of Administrative Services administers human resources and information technology functions for the Department of Veterans Affairs. Our audit reviewed these functions, based on assessments of risk and significance, as they relate to the Department of Veterans Affairs. Our review did not include reviewing other aspects of the Department of Administrative Services' operations.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the department. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the department's management and state information systems. It was not subject to our audit procedures. For the areas audited, we:

1. Identified deficiencies in internal controls;
2. Identified apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. Identified a need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Department of Veterans Affairs.

ABOUT THE AGENCY

Overview

The [Department of Veterans Affairs](#) (DVA) operates under the provisions of Title 27, Chapter 506, Sections 27-102/ through 27-137 of the General Statutes and provides comprehensive health, social, and rehabilitative services to veterans in the State of Connecticut.

The department operates the Veterans Home in Rocky Hill, which includes a skilled nursing facility and residential facility for eligible veterans. The Healthcare Center receives annual inspections by the United States Department of Veterans Affairs and biennial inspections by the state Department of Public Health. The Healthcare Center is licensed by the Department of Public Health.

The residential facility provides room and board programs for veterans. In addition to providing assistance with shelter, food and clothing, the department offers a continuum of rehabilitation services designed to prepare veterans for independent living in the community.

The department also operates the Office of Advocacy and Assistance, which maintains offices throughout the state and assists veterans and their families in accessing federal, state, and local benefits and entitlements.

Organizational Structure

Thomas J. Saadi served as commissioner of DVA from March 2, 2018 through May 2, 2023. Governor Ned Lamont appointed Ronald P. Welch commissioner on June 2, 2023, and he continues to serve in that capacity.

The Office of the Commissioner oversees all aspects of the agency consisting of four core functional areas: Long-Term Skilled Nursing Healthcare, Residential Programs & Services, Office of Advocacy & Assistance, and Cemetery & Memorial Services. These core functions are supported by additional agency divisions: Projects & Operations, Facilities, Food Services, Human Resources, Fiscal & Procurement, Safety & Security, and Intergovernmental & Community Affairs.

Board of Trustees

Section 27-102n of the General Statutes established a board of trustees to advise and assist the commissioner in departmental operations. The board is comprised of 18 voting members, including the presidents of the residential facility's and health care center's councils, and 16 members appointed by the Governor and House and Senate leaders. The commissioner serves as a nonvoting, ex-officio member of the board.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 21-51** (Sections 3, 4, and 5), effective October 1, 2021, extended certain veterans' benefits, including funeral expenses, burial in the veterans' cemetery, and veterans' service ribbons and medals, to members of the Hmong Laotian special guerilla units that served in the U.S. secret war in the Kingdom of Laos during the Vietnam War.

- **Public Act 21-79** (Section 1), effective October 1, 2021, expanded the definition of veteran under state law to include those released with an other than honorable discharge based on specified qualifying conditions and added to the qualifying conditions list. The act also changed the definition of the DVA maintained hospital from a healthcare center to a long-term care facility.

Financial Information

General Fund Receipts

A summary of General Fund receipts during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Federal Aid for Veterans	\$ 8,788,740	\$ 8,028,907	\$ 9,958,440
Federal Aid - Miscellaneous	496,768	1,213,161	352,756
All Other Revenue & Receipts	37,806	21,568	9,045
Total	\$ 9,323,314	\$ 9,263,636	\$ 10,320,241

The timing of pharmacy reimbursements contributed to the increase in miscellaneous federal aid during the 2022 fiscal year. The timing of the collection of receipts contributed to the significant increase in federal aid for veterans during the 2023 fiscal year.

General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2021	2022	2023
Personnel Services & Employee Benefits	\$ 19,074,315	\$ 19,487,705	\$ 22,233,769
Premises & Property Expenses	1,740,679	1,984,611	2,511,273
Purchased Commodities	214,264	720,770	532,768
All Other	1,779,097	1,411,161	1,652,436
Total	\$ 22,808,355	\$ 23,604,247	\$ 26,930,246

Expenditures grew between fiscal years 2022 and 2023 primarily due to personnel hiring, promotions, and wage increases.

Federal and Other Restricted Accounts Fund Receipts

A summary of Federal and Other Restricted Accounts Fund receipts during the audited period as compared to the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2021	2022	2023
Institutional General Welfare Fund	\$ 3,453,653	\$ 1,927,218	\$ 2,651,641
DVA Donations	257,681	101,207	100,000
Federal Aid for State Veterans Cemetery	205,386	951,250	-
Americans with Disabilities Act Improvements	1,583,633	-	-
Federal Coronavirus & Provider Relief Funds	1,337,527	18,372	-
State Grants for COVID-19 & ARPA	3,628,820	64,475	-
Total	\$ 10,466,700	\$ 3,062,522	\$ 2,751,641

Federal and Other Restricted Accounts Fund receipts decreased by \$7.4 million (71%) during the 2022 fiscal year due to the completion of Americans with Disabilities Act (ADA) improvements and end of the COVID-19 funding.

Federal and Other Restricted Accounts Fund Expenditures

A summary of Federal and Other Restricted Accounts Fund expenditures during the audited period as compared to the preceding fiscal year follows:

Fiscal Year Ended June 30,			
	2021	2022	2023
Personnel Services & Employee Benefits	\$ 266,085	\$ -	\$ 2,070
Professional & Other Services	1,050,278	1,055,405	1,095,897
Veteran Services	330,499	284,917	206,888
Payment to Veterans	512,530	501,144	518,395
Purchased Commodities	2,151,629	1,495,611	1,706,905
Grant Transfers - State Agencies	2,680,105	173,796	55,491
All Other	214,987	889,821	258,037
Total	\$ 7,206,113	\$ 4,400,694	\$ 3,843,683

Grant transfers to state agencies decreased by 39% between fiscal year 2021 and 2022 primarily due to the end of ADA projects overseen by the Department of Administrative Services construction services. Furthermore, the decrease in purchased commodities is attributable to reduced use of medical supplies after the pandemic and the purchasing of pharmaceuticals with general funds in the audited period.

Capital Equipment Purchase Fund and Capital Improvements Funds

Capital Equipment Purchase Fund expenditures totaled \$74,941 and \$106,604 during the fiscal years 2022 and 2023, respectively. Capital Improvements Fund expenditures totaled \$469,274 and \$494,979 during the fiscal years 2022 and 2023, respectively. These purchases were primarily for renovations and repairs to DVA buildings.

Institutional General Welfare Fund

The Institutional General Welfare Fund (IGWF) operates under the provisions of Sections 27-106 and 27-108 of the General Statutes. IGWF funds may be expended at the discretion of the commissioner for purposes that directly benefit veterans or the Veterans Home, including funding general operations of the Veterans Home.

A summary of IGWF revenue and receipts for the audited period, as compared to the preceding fiscal year follows.

Fiscal Year Ended June 30,			
	2021	2022	2023
Patient Billings	\$ 1,769,912	\$ 1,745,265	\$ 1,476,509
All Other	364,602	143,013	445,467
Total	\$ 2,134,514	\$ 1,888,278	\$ 1,921,976

Section 27-108 (d) of the General Statutes provides that veterans who are able to pay for their care in whole or in part, shall receive a monthly bill for services rendered by the department. These patient billings comprise the majority of Institutional General Welfare Fund revenues and fluctuate as a result of the number of patients served and the ability of patients to pay for their care. In addition, the IGWF collects funds from estates under the provisions of Section 27-108 (g) of the General Statutes.

Institutional General Welfare Fund expenditures totaled \$2,102,526 and \$2,732,274 for the 2022 and 2023 fiscal years, respectively, and consisted almost entirely of transfers to the special revenue fund for the department's general operations during the audited period. Special revenue fund receipts from the IGWF, as presented above, reflect the total funds transferred to the special revenue fund.

Activity Fund

The Activity Fund operates under the provisions of Sections 4-52 through 4-55 of the General Statutes for the benefit of residents and patients of the Department of Veterans Affairs. Revenues for the Activity Fund totaled \$5,480 and \$12,973 for the 2022 and 2023 fiscal years, respectively.

As previously noted, DVA may transfer monies from the Activity Fund to the special revenue fund and they are recognized as revenue to the special revenue fund. According to the department's financial statements, the fund had a cash balance of \$145,838 as of June 30, 2023.

Fitch Fund

The Fitch Fund, governed by Section 3-38 of the General Statutes, is a longstanding permanent trust fund that has its assets in the custody of the State Treasurer. The balance of the fund was \$37,954 as of June 30, 2023. Interest earned by the fund is for the benefit of the department's residents or patients through transfers to the IGWF. During the audited period, there were no transfers out of the fund, and it earned \$1,537 in interest.

Per Capita Costs

The Office of the State Comptroller annually computes the daily per capita cost of maintaining the residents and patients at the Veterans Home. These computations include Institutional General Welfare Fund expenditures, which are considered proper costs of maintaining the institution. Per capita daily costs during the audited period (excluding federal reimbursement) as compared with the preceding year are as follows:

Fiscal Year Ended June 30,			
	2021	2022	2023
Residential (Outpatient)	\$ 199	\$ 255	\$ 298
Hospital (Inpatient)	\$ 889	\$ 952	\$ 991

Daily Census

The department conducts a daily census of residents at the Veterans Home. The census as of June 30, 2023 is as follows:

	HealthCare Facility	Residential Facility	Total
World War II	2	0	2
Korean War	11	0	11
Vietnam War	61	43	104
Persian Gulf War	2	7	9
Afghanistan War	0	1	1
Iraq War	0	1	1
Desert Storm	0	2	2
Peace Time	8	56	64
Total	84	110	194