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Missouri State Auditor

PUBLIC SAFETY

Missouri Veterans Commission



March 2016
Report No. 2016-017

<http://auditor.mo.gov>



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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri Veterans Commission

VA Claim Filing Assistance	In November 2014, the State Auditor's Office issued a letter after reviewing complaints received by elected federal officials relating to the handling of pension and disability claims by MVC's Veterans Service Officers (VSOs). Auditors found that case decisions about whether to file claims with the U.S. Department of Veterans Affairs (VA) were adequately supported, but MVC policy did not require VSOs to provide written notification of decisions to veterans and/or their guardians. Additionally, the MVC had not maintained a case file for one claim. Auditors reviewed those issues in the current audit and found the MVC had implemented several changes, but more could be done to ensure veterans are aware of the status of their claims. MVC policy requires that a VSO prepare a communication form for a veteran to document outstanding information needed before the MVC can determine whether to file a VA claim; however, the policy does not require that an updated form be provided to the veteran when additional documentation is received. Additionally, the policy does not require the VSO to formally notify the veteran and/or guardian when a determination is made that a claim cannot be filed. Of the 22 cases auditors reviewed, one did not have a communication form as required and two had communication forms not signed by the veteran and/or guardian.
Disbursements	The MVC did not always adequately minimize lodging costs for employee travel, as employees lack sufficient documentation for hotel price comparisons. The commission also did not solicit bids for vendor contracts to purchase gasoline for fuel tanks at its five veterans cemeteries. State law requires obtaining bids for purchases over \$3,000. The MVC spent approximately \$31,000 in fiscal year 2015 fueling these tanks.
Restricted Funds	MVC's Veterans Home Fund is required by state law to be "maintained solely for the use of the Missouri veterans' homes." The commission made payments from the fund for various expenses for central office personnel, but many of those employees provide services for multiple programs, including programs other than veterans homes. The MVC does not document how costs are allocated to the Veterans Home Fund, and auditors identified a number of costs paid by the fund that did not solely benefit veterans homes, including travel costs of commissioners and executive staff and furniture for the central office.
Resident Fee Balance Adjustments	Missouri Veterans Commission (MVC) personnel make periodic adjustments to the fees owed by veterans living in veterans homes. Adjustments are made for various reasons, such as reductions of monthly amounts or the write-off of balances of deceased veterans. The commission lacks adequate oversight of those changes, as no independent review occurs to ensure only authorized changes are made.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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Missouri Veterans Commission

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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor
and
Lane Roberts, Director
Department of Public Safety
and
Larry D. Kay, Executive Director
Missouri Veterans Commission
Jefferson City, Missouri

We have audited certain operations of the Missouri Veterans Commission, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2015. The objectives of our audit were to:

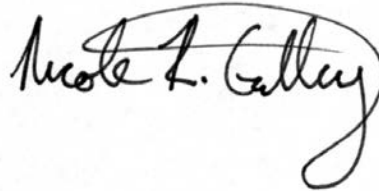
1. Evaluate the commission's internal controls over significant management and financial functions.
2. Evaluate the commission's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain financial transactions.
4. Determine the current status of issues related to Report No. 2014-115, *Missouri Veterans Commission - VA Claim Filing Assistance*, issued in November 2014.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Veterans Commission, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are 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 contract, grant agreement, 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 our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our 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 such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the commission's management and was not subjected to the procedures applied in our audit of the commission.

For the areas audited, we identified (1) a deficiency in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) additional changes could be implemented to address suggestions made in our November 2014 letter. The accompanying Management Advisory Report presents our findings arising from our audit of the Missouri Veterans Commission.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

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Director of Audits:	Douglas J. Porting, CPA, CFE
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Missouri Veterans Commission

Management Advisory Report

State Auditor's Findings

1. Previously Communicated Issues - VA Claim Filing Assistance

In November 2014, the Office of State Auditor issued Report No. 2014-115, *Missouri Veterans Commission - VA Claim Filing Assistance*. The letter communicated the results of our review of complaints received from elected federal officials related to the handling of pension and disability claims by Veterans Service Officers (VSO) employed by the MVC. The letter suggested the MVC provide written notifications to veterans or their guardians of the actions taken by the MVC to assist in filing claims and establish case files for all veterans requesting claim filing assistance.

During our current audit, we determined the MVC has implemented several changes to address the concerns identified in the previous letter, but more could be done to ensure veterans are aware of the status of their requests for claim filing assistance. The MVC policy now requires VSOs formally notify veterans and/or their guardians of any additional documentation required to file a claim with the federal Department of Veterans Affairs (VA). When a claim is filed, the claimant must be present to sign the VA claim application. However, if after receiving any additional required documentation the VSO determines a claim should not be filed, veterans and/or guardians may not receive formal communication of this decision. In addition, the MVC has now adopted a policy requiring case files be maintained for all veterans requesting assistance with filing a claim.

Background

Under Section 42.007.5(2), RSMo, the MVC is required to aid and assist all Missouri veterans, their dependents, and legal representatives in preparing, presenting, and prosecuting claims for compensation, education, pensions, insurance benefits, hospitalization, rehabilitation, and all other matters in which a veteran may have a claim against the United States or any state arising out of or connected with service in the military forces of the United States. The MVC is one of many entities that assist veterans in completing and filing benefit claim forms with the VA. MVC officials indicated their agency employs 43 VSOs to assist veterans with claims.

Our November 2014 letter concluded VSOs' decisions regarding the cases reviewed appeared adequately supported and the VSOs documented these decisions in 6 of the 7 case files reviewed. However, the letter also noted MVC policies did not require VSOs provide written notification of these decisions to veterans and/or guardians. In addition, for one complaint reviewed, the MVC did not maintain a case file. We suggested the MVC automatically generate written notifications to notify veterans or their guardians of the actions taken by the MVC on their behalf and require case files be maintained for all veterans requesting assistance with filing a claim.

Status

During this audit, we reviewed current policies, made inquiries of MVC staff, and reviewed documentation to determine the status of these identified concerns.



Missouri Veterans Commission
Management Advisory Report - State Auditor's Findings

Prior to September 2014, MVC policy required preparation of a communication form for the claimant documenting any information still needed from the claimant before making a determination of filing a VA claim. In September 2014, the policy was revised to also require the VSOs complete the communication form when all needed information was provided at the initial meeting and the claim was filed at that time. The updated policy also required the veteran and/or guardian to sign the form, indicating either acknowledgement of documentation still needed or that a claim would be filed based upon the initial meeting. The policy requires the claimant receive the form and the VSO retain a copy of it.

While the policy requires the VSO update the original communication form when documentation is subsequently received, it does not require the form be provided again to the veteran and/or guardian. If a determination is made to file a claim, claimants are required to sign the VA claim application and are formally notified by the VA that a claim has been submitted. However, the policy does not require the VSO to formally notify the veteran and/or guardian when a determination is made that a claim cannot be filed. While there is no legal requirement for the MVC to provide written notification, notifying the veteran and/or guardian in writing of the final action on all requests for claim assistance would help avoid misunderstandings and aid the MVC in the event the handling of a claim is questioned. Written communication would assist the veteran and/or guardian in understanding decisions MVC makes on their behalf.

To evaluate compliance with the new policy, we reviewed 22 cases of veterans and/or guardians who requested help filing a VA claim with a VSO in four local offices. We determined the VSOs did not always comply with the established policy. For the case files reviewed, 1 did not have a communication form as required and 2 had a communication form not signed by the veteran and/or guardian.

The MVC implemented an electronic claims system in May 2015. This system stores case files electronically and can be accessed by VSOs across the state. The MVC now has a policy to establish a case file for all veterans requesting assistance filing a VA claim. During our review of the 22 cases, we did not identify any situation where a case file had not been established.

Recommendation

We recommend the MVC provide written notification of decisions to veterans and/or their guardians when the MVC determines a claim cannot be filed as requested and ensure VSOs are following established policy for use of communication forms.

Auditee's Response

The Missouri Veterans Commission (MVC) acknowledges that our Veterans Service Officers (VSO) are doing a great job of assisting our Missouri veterans in submitting timely and accurate claims. MVC appreciates that



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Management Advisory Report - State Auditor's Findings

the Missouri State Auditor (Auditor) determined that the MVC has implemented changes to address concerns identified in the November 2014 audit.

The Auditor reviewed 22 cases of veterans and/or guardians who requested assistance in filing a VA claim with a VSO in four separate offices. Of the case files reviewed, 3 issues involving the proper use of a communication form were identified. The MVC completed over 14,000 claims last year. The MVC holds itself to the highest of standards and takes compliance with our policies very seriously. The MVC has a quality assurance system in place that includes semi-annual audits by all veteran service supervisors and an established compliance component that requires a compliance officer to conduct ongoing additional audits.

The MVC agrees to provide written notification to veterans and/or their guardians when the MVC determines that a claim will not be filed after an "Intent to File" form has been submitted to the VA. We will update the "Communications Form" policy to reflect this change and we will ensure that the policy is followed.

2. Disbursements

MVC employees did always not take adequate measures to minimize lodging costs when traveling; and the MVC did not solicit bids for certain bulk gasoline purchases at cemeteries as required by state law, Office of Administration (OA) policy, and MVC policy.

2.1 Travel

Employees sometimes make lodging reservations without performing price comparisons or other procedures to ensure lodging costs are reasonable. During the year ended June 30, 2015, the MVC paid approximately \$152,000 for in-state and \$24,000 for out-of-state lodging costs.

The MVC exceeded Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration) for 3 of 12 overnight trips reviewed. The MVC paid lodging costs of \$139, \$129, and \$104 per night in Jefferson City when the CONUS rate was \$83. For each of these 3 trips, there was no documentation of price comparisons or other procedures performed when selecting the hotels where employees stayed. Instead, MVC personnel only made a notation on their expense report or lodging bill that the state government rate was not available at the hotels.

In cities where multiple hotels are located, lodging can often be procured at rates less than CONUS rates. The MVC's administrative policy regarding travel requires MVC employees to adhere to the state travel policy. The state travel policy (SP-6) requires that "in areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the



Missouri Veterans Commission Management Advisory Report - State Auditor's Findings

reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses that exceed CONUS rates.

2.2 Gasoline purchases

The MVC did not solicit bids for gasoline purchases to fill fuel tanks located at the 5 veterans cemeteries. During the year ended June 30, 2015, the MVC spent \$31,076 to fill these tanks. For a number of years, one fuel vendor has provided a tank to each of 4 cemeteries, and the MVC purchased gasoline from the vendor. The MVC owns the tank located at the other cemetery and purchases gasoline from another single vendor.

Section 34.040, RSMo, the OA's procurement policy, and MVC's purchasing policy require bids be obtained for purchases over \$3,000. The OA and MVC policies further provide repetitive purchases of the same or similar item totaling over \$3,000 during a 12-month period must be bid.

Recommendations

The MVC:

- 2.1 Require employees to perform price comparisons and ensure rates do not exceed CONUS rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the MVC should ensure adequate documentation of the justification and reasoning is prepared and retained.
- 2.2 Competitively procure gasoline purchases for veterans cemeteries in accordance with state law, OA policy, and MVC policy.

Auditee's Response

- 2.1 *MVC follows the State Travel Policy, policy SP-6, authorized by the Office of Administration. The practice of MVC staff is to stay in hotels that honor the CONUS rates. The three hotel bills in question were reserved by the same person, who was counseled to use the CONUS rate prior to the conclusion of the audit. The three bills in question were not representative of the entire population of MVC hotel bills.*
- 2.2 *MVC has begun the process of removing fuel tanks that are not owned by the MVC, so fuel can be bid according to policies. The transition is on schedule to be completed before the end of the current fiscal year. While bidding the fuel is required, buying tanks at approximately \$2,750 for each cemetery is not expected to show a cost savings to the MVC. Fuel prices generally fluctuate very little from vendor to vendor. The gas savings will likely be offset*



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substantially by the outlay to purchase and maintain the tanks and peripheral equipment.

3. Restricted Funds

The MVC disbursed restricted monies from the Veterans Home Fund (VHF) for central office personnel and expenses, but did not prepare documentation supporting all these disbursements were allowable VHF disbursements under state law.

Section 42.121, RSMo, requires the VHF to be "maintained solely for the use of the Missouri veterans' homes." During the year ended June 30, 2015, the MVC expended approximately \$67 million from the VHF. Additional VHF financial activities are included at Appendixes A and B.

The MVC's 25 central office employees provide administrative services for the veterans homes as well as other programs of the MVC. The MVC pays the full costs of various central office personnel and expenses from the VHF, but these services are not used solely for the veterans homes. While it is reasonable to pay the portion of central office costs related to veterans homes from the VHF, the MVC has not prepared or documented a methodology for allocating these costs to the VHF. The MVC does not require central office employees to track their time spent on services for the veterans homes versus non-home programs, and expenses are not allocated between the VHF and other funds based on the benefit to veterans homes versus non-home programs. As a result, there is no assurance a proportionate share of the central office personnel and expenses related to the veterans homes is charged to the VHF.

We reviewed central office salaries and expenditures paid from the VHF during the year ended June 30, 2015. Examples of items fully paid from the VHF that did not solely benefit the veterans homes are noted below:

- Annual salaries totaling \$641,181 for 11 of the 25 central office employees, each of which provided services to both veterans homes and non-home programs.
- All travel costs, totaling \$9,378 for the year, incurred by the Commissioners, Executive Director, and Deputy Director.
- Annual professional organization memberships of two central office employees, totaling \$355.
- Furniture purchased for the central office, costing \$2,088.

MVC officials indicated they did not realize the practice of paying central office salaries and expenses from the VHF (a practice that has existed for numerous years), may not adhere to the VHF restrictions provided by Section 42.121, RSMo. They further indicated they believed the commission's annual appropriation bill authorized MVC administrative expenses to be paid from the fund. However, the statute requires money



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from the VHF to be used on veterans homes and the administration of veterans homes.

To ensure compliance with state law and increase transparency on how funds are spent, the MVC should ensure only expenditures for the veterans homes or administration of the veterans homes are paid from the VHF. If expenditures are allocated between the VHF and various other funds, documentation should be prepared and retained to support the amounts allocated.

Recommendation

The MVC ensure all salaries and expenditures paid from the VHF are solely for the use of the veterans homes as required by state law. Documentation supporting the amounts allocated to the VHF should be prepared and retained. If the MVC does not have sufficient appropriation authority to pay non-home expenses from other funds, the MVC should work with the legislature to obtain authority.

Auditee's Response

The only mechanism the MVC has to pay for its operations is House Bill (HB) 8. HB 8 is the truly agreed to and finally passed annual appropriations bill approved by the Missouri House and Senate and signed by the Governor. The MVC believes it has acted in compliance, since its inception in 1989, with state law and will continue to pay its operations based on the funding authorized in the truly agreed to and finally passed appropriations bills. If any issue exists between the MVC spending authority under HB 8 and any provision of Chapter 42, RSMo, perhaps this can be addressed through the appropriations process.

4. Resident Fee Balance Adjustments

The Missouri Veterans Commission (MVC) lacks adequate controls over adjustments made to veterans' resident fee balances. Approved adjustments totaled approximately \$44,000 for the year ended June 30, 2015.

Veterans living in veterans homes pay monthly resident fees to the MVC. Pursuant to MVC policy, MVC central office personnel periodically approve adjustments to individual veterans' resident fee balances. Adjustments are made for various reasons, such as reductions of monthly resident fee amounts or the write off of balances of deceased veterans.

The approved adjustments are sent to the MVC home accountants for entry in the accounting system. However, there are no system controls or oversight to ensure only approved adjustments are entered in the system; and as a result, unauthorized adjustments could be made to veterans' resident fee balances. These weaknesses were not addressed when the MVC implemented a new accounting system during the year ended June 30, 2015. Requiring an independent review of resident fee balance adjustments would help ensure the appropriateness of all adjustments.



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Recommendation

The MVC should establish controls to ensure all adjustments to resident fee balances agree to adjustments approved by central office personnel.

Auditee's Response

The MVC implemented a new web-based system for accounting for resident funds in June 2015. This system was in the implementation phase during the period of the audit. The accounting staff in the veterans homes are required by MVC policy to segregate duties to create a system of checks and balances.

During discussions with the auditors during their fieldwork, the MVC worked with the programmer of the new system to create a report that included the fiscal year 2015 balances written off in the system. This report was compared to the balances approved by MVC for write off. All of the amounts in the new report matched the amounts approved to be written off. MVC will continue to use this new report to ensure all balances written off match the write offs approved by MVC central office.

Missouri Veterans Commission

Organization and Statistical Information

In 1931, the state legislature created the Office of State Service Officer. The State Omnibus Reorganization Act of 1974 combined the Missouri Veterans Home at St. James and the Office of State Service Officer, and established the Division of Veterans Affairs within the Department of Social Services. Under the provision of Reorganization Plan No. 3 of 1981, submitted by the Governor and approved by the 80th General Assembly, all powers and duties of the Division of Veterans Affairs were transferred from the Department of Social Services to the Department of Public Safety, Office of the Adjutant General. On August 28, 1989, the Division of Veterans Affairs was replaced by the establishment of the Missouri Veterans Commission (MVC).

The MVC is responsible for representing all Missouri veterans, ensuring their needs are met, and defending the entitlements due to them. This work is accomplished through various programs and services funded by the state and federal government, as well as private and corporate contributions. Ongoing programs administered by the MVC include the Veterans Home Program, the Veterans Cemeteries Program, and the Veterans Services Program. In addition, the MVC operates specialized initiatives focusing on the needs of certain veterans, including the State Veterans Ombudsman (current active service members, recently discharged service members, and families of both), Women Veterans, Minority Veterans, and Incarcerated Veterans.

The MVC operates 7 long-term skilled nursing care facilities (veterans homes) with 1,350 beds and 5 veterans cemeteries. In addition, veterans service officers are located in almost every county of the state to provide counseling and assistance to veterans in identifying and applying for state and/or federal benefits.

The MVC is funded by seven separate sources, as follows:

General Revenue: Annual appropriations from the state's General Revenue Fund are spent by the Veterans Home Program.

Facilities Maintenance Reserve Fund: Annual appropriations from the state's Facilities Maintenance Reserve Fund are spent for maintenance, repairs, replacements, and improvements at facilities statewide.

Missouri Veterans Commission-Federal Fund: Federal funds are provided to supplement the construction/renovation of homes and cemeteries.

Veterans Commission Capital Improvement Trust Fund: This fund receives monies transferred from the Gaming Commission Fund and is used for the construction, maintenance, renovation, or equipment needs of homes; construction, maintenance, renovation, equipment needs and operation of



Missouri Veterans Commission Organization and Statistical Information

cemeteries; fund transfers to the Missouri Veterans Homes Fund to maintain solvency of that fund; and for the administration of the MVC. This fund also has been designated as the funding source for various memorial or museum grants and medallion or other recognition programs.

Missouri Veterans Homes Fund: This fund is comprised of resident fees from individuals living in the homes and per diem reimbursements from the federal Department of Veterans Affairs, and is the primary funding source for the operation of the homes.

Veterans Trust Fund: This is a charitable fund that receives donations from businesses and individuals, or through the state income tax form check-off box. These funds can be used for any function of the commission.

World War I Memorial Trust Fund: This fund receives monies from voluntary contributions from applicants who apply for military license plates as well as grants, gifts, bequests, and the federal government. The fund is to be used for the restoration, renovation, and maintenance of a memorial or museum or both dedicated to World War I.

The MVC is composed of nine members. Two members shall be members of the Senate, one appointed by the President Pro Tem of the Senate and one appointed by the Senate Minority Floor Leader, two members shall be members of the House of Representatives, one appointed by the Speaker of the House of Representatives and one appointed by the House Minority Floor Leader, and in appointing such members, preference shall be given to current or former members of the military and their spouses, parents, and children. Members appointed from the House of Representatives and the Senate shall be appointed for a 2-year term or until a successor is appointed and may be reappointed to the commission. Five members, who shall be veterans, are appointed by the Governor, with the advice and consent of the Senate, for a 4-year term; except that initial appointments to the commission shall consist of two veterans to serve 4-year terms, two veterans to serve 3-year terms, and one veteran to serve a 2-year term. In addition, the chair of the Missouri Military Preparedness and Enhancement Commission or the chair's designee shall be an ex officio member of the commission.



Missouri Veterans Commission
Organization and Statistical Information

Commission Members at
June 30, 2015

On June 30, 2015, the MVC had the following members:

Commissioner	Term Expires
J. Michael Mowrer	November 2, 2016
Scott C. Englund (1)	November 2, 2013
Nancy M. Nelson (1)	March 17, 2013
Oliver Boyer	November 2, 2017
Charles R. Wooten	November 2, 2015
Senator Dan Brown	January 13, 2017
Senator Scott Sifton (1)	January 22, 2015
Representative Denny Hoskins (1)	January 23, 2015
Representative Rochelle Walton Gray	January 26, 2017

(1) Commissioners continue to serve until a successor is appointed.

The MVC appoints an executive director who implements policies and is responsible for the statewide management of veterans programs. The executive director reports regularly to the commission concerning all aspects of program operations through quarterly commission meetings. Larry Kay has served as Executive Director since August 2008.

Appendix A

Missouri Veterans Commission
Combined Statement of Receipts
Year Ended June 30, 2015

	General Revenue	Facilities	Missouri Veterans	Veterans	Missouri Veterans	Veterans	Total
	Fund	Maintenance	Commission -	Commission	Homes Fund	Trust Fund	(Memorandum
		Reserve Fund	Federal Fund	Capital Improvement			Only)
				Trust Fund			
Federal receipts	\$ 0	35,597	747,761	959,090	66,056,734	0	67,799,182
Room and care	0	0	0	0	27,249,137	0	27,249,137
Settlements	1,513	0	0	0	3,530	0	5,043
Refunds	0	0	0	145	1,765	150	2,060
Donated assets	0	0	0	0	123,403	5,083	128,486
Rebates	1	0	0	5,297	27,436	0	32,734
Cafeteria and other sales	0	0	0	0	267,943	0	267,943
Miscellaneous	0	0	0	74	2,066	349	2,489
Total	\$ 1,514	35,597	747,761	964,606	93,732,014	5,582	95,487,074

Appendix B
Missouri Veterans Commission
Statement of Appropriations and Expenditures
Year Ended June 30, 2015

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Veterans Homes - Expense and Equipment	\$ 8,000,000	7,760,000	240,000
Total General Revenue Fund	8,000,000	7,760,000	240,000
FACILITIES MAINTENANCE RESERVE FUND			
Maintenance, repairs, replacements, and improvements at facilities statewide (1)	3,832,233	487,490	3,344,743
Total Facilities Maintenance Reserve Fund	3,832,233	487,490	3,344,743
MISSOURI VETERANS COMMISSION-FEDERAL FUND			
Construction, renovations, and improvements at state veterans homes (1)	2,382,463	0	2,382,463
Repairs, replacements, and improvement at the Warrensburg Veterans Home (1)	494,471	494,471	0
Installation of anti-wander systems at veterans homes statewide (1)	494,313	494,312	1
Total Missouri Veterans Commission-Federal Fund	3,371,247	988,783	2,382,464
VETERANS COMMISSION CAPITAL IMPROVEMENT TRUST FUND			
Veterans Homes - Personal Service	28,992	16,105	12,887
Information Technology Services Division - Expense and Equipment (1)	53,780	52,996	784
Veterans Recognition Program - Expense and Equipment (1)	136,732	8,616	128,116
Administration and Service to Veterans - Personal Service	3,540,364	3,281,185	259,179
Administration and Service to Veterans - Expense and Equipment	1,307,855	1,131,892	175,963
Veterans Service Officer Program	1,600,000	1,393,284	206,716
Veterans Recognition Program - Personal Services (1)	92,889	78,385	14,504
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services (1)	5,017	2,184	2,833
Operation of institutional facilities, utilities, systems furniture, and structural modifications (1)	2,786,011	2,786,011	0
Construction, renovations, and improvements at state veterans homes (1)	822,459	20,681	801,778
Payment of real property leases, utilities, systems furniture, and structural modifications (1)	147,448	117,551	29,897
Operation of state-owned facilities, utilities, systems furniture, and structural modifications (1)	111,988	107,586	4,402
Installation of electronic medical records at veterans homes statewide (1)	1,055,709	1,055,708	1
Maintenance, repairs, replacements, and improvements at facilities statewide (1)	488,004	488,003	1
Installation of anti-wander systems at veterans homes statewide (1)	266,207	266,206	1
Total Veterans Commission Capital Improvement Trust Fund	12,443,455	10,806,393	1,637,062
MISSOURI VETERANS HOMES FUND			
Information Technology Services Division - Personal Service (1)	366,265	300,629	65,636
Information Technology Services Division - Expense and Equipment (1)	564,952	428,186	136,766
Veterans Homes - Personal Service	51,939,858	49,459,060	2,480,798
Veterans Homes - Expense and Equipment	22,118,246	14,972,624	7,145,622
Refunds to veterans and/or the U.S. Department of Veterans Affairs	1,274,400	608,618	665,782
Reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services (1)	175,804	118,495	57,309
Overtime to state employees	1,564,438	1,564,435	3
Administration and Service to Veterans - Personal Service	520,632	394,218	126,414
Administration and Service to Veterans - Expense and Equipment	131,588	90,430	41,158
Total Missouri Veterans Homes Fund	78,656,183	67,936,695	10,719,488
VETERANS TRUST FUND			
Administration and Service to Veterans - Expense and Equipment	23,832	18,588	5,244
Veterans Homes - Expense and Equipment	49,980	49,302	678
Total Veterans Trust Fund	73,812	67,890	5,922
WWI MEMORIAL TRUST FUND			
Restoration, renovation, and maintenance of a World War I memorial	150,000	100,000	50,000
Total WWI Memorial Trust Fund	150,000	100,000	50,000
Total All Funds	\$ 106,526,930	88,147,251	18,379,679

(1) The amounts include Office of Administration appropriations expended on behalf of the Missouri Veterans Commission (MVC) for design and construction and leasing of MVC facilities and cemeteries, information technology services, and reimbursements of claims paid to former state employees for unemployment insurance coverage, and for related professional services; and Adjutant General appropriations expended on behalf of the MVC for the Veterans Recognition Program.

The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30, 2015
General Revenue Fund	
Veterans Homes - Expense and Equipment	\$ 240,000

Appendix C

Missouri Veterans Commission Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2015	2014	2013	2012	2011
Salaries and wages	\$ 55,094,016	53,823,333	53,532,475	52,615,274	52,814,986
Travel:					
In-state	329,797	329,593	370,980	386,810	370,871
Out-of-state	35,950	25,827	25,548	33,024	15,627
Fuel and utilities	12,390	10,201	8,165	2,867	44
Supplies	17,693,119	16,847,327	17,527,814	17,673,133	16,972,256
Professional development	122,938	126,928	142,941	148,045	126,837
Communication services and supplies	739,571	607,924	537,648	527,056	518,700
Services:					
Professional	2,347,732	1,152,369	1,082,148	1,245,641	1,358,221
Housekeeping and janitorial	226,247	207,466	236,716	224,685	236,051
Maintenance and repair	712,757	841,311	864,861	948,426	828,045
Equipment:					
Computer	108,483	96,631	250,166	115,218	170,738
Motorized	211,036	132,187	342,843	309,440	471,059
Office	168,223	121,767	233,577	129,735	258,834
Other	1,895,227	545,242	1,264,479	1,568,129	2,003,003
Property and improvements	3,229,867	1,880,433	6,986,445	2,876,350	5,731,849
Building lease payments	2,991,381	2,989,974	2,748,634	80,682	184,109
Equipment rental and leases	74,021	67,624	69,516	69,179	237,167
Miscellaneous expenses	31,915	29,797	35,290	35,123	44,935
Refunds	608,618	561,432	499,987	447,926	333,325
Program distributions	1,513,963	1,617,052	1,600,188	1,905,877	1,395,430
Total Expenditures	\$ 88,147,251	82,014,418	88,360,421	81,342,620	84,072,087

Appendix D

Missouri Veterans Commission
Statement of Changes in General Capital Assets
Year Ended June 30, 2015

All Funds		Land	Land Improvements	Buildings	Furniture and Equipment	Motor Vehicles	Tools	Total
Balance, July 1, 2014	\$	2,129,550	1,661,121	178,343,651	13,018,477	2,067,502	2,676	197,222,977
Additions		0	298,480	16,977,668	1,470,549	158,871	0	18,905,568
Dispositions		0	0	0	(290,376)	(138,304)	0	(428,680)
Balance, June 30, 2015	\$	<u>2,129,550</u>	<u>1,959,601</u>	<u>195,321,319</u>	<u>14,198,650</u>	<u>2,088,069</u>	<u>2,676</u>	<u>215,699,865</u>

	Balance June 30, 2015
<u>Fund of Acquisition</u>	
General Revenue Fund	\$ 17,830,544
Missouri Veterans Commission - Federal Fund	104,689,090
Veterans Commission Capital Improvement Trust Fund	79,729,402
Missouri Veterans Homes Fund	10,031,475
Other Funds	3,419,354
Total All Funds	<u>\$ 215,699,865</u>