

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO**

**COMPLIANCE EXAMINATION**

**FOR THE TWO YEARS ENDED JUNE 30, 2006**

**PERFORMED AS SPECIAL ASSISTANT AUDITORS  
FOR THE AUDITOR GENERAL, STATE OF ILLINOIS**

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2006**

**TABLE OF CONTENTS**

	<u>Page No.</u>
Agency Officials	2
Management Assertion Letter	3
Compliance Report	
Summary	5
Auditors' Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	7
Schedule of Findings	
Current Findings – <i>Government Auditing Standards</i>	9
Current Findings – State	10
Prior Findings Not Repeated – <i>Government Auditing Standards</i> and State Compliance	14
Supplementary Information for State Compliance Purposes	
Summary	15
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	16
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	18
Combined Schedule of Expenditures – All Funds	19
Schedule of Efficiency Initiative Payments	20
Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) - Locally Held Funds	21
Schedule of Changes in State Property	22
Comparative Schedule of Cash Receipts	23
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	23
Analysis of Significant Variations in Expenditures	24
Analysis of Significant Variations in Receipts	25
Analysis of Significant Lapse Period Spending	25
Analysis of Significant Account Balances	26
Analysis of Accounts Receivable	27
Analysis of Operations	
Agency Functions and Planning Program	28
Average Number of Employees	30
Annual Cost Statistics (not examined)	30
Emergency Purchases	31
Illinois First Projects (not examined)	31
Service Efforts and Accomplishments (not examined)	31

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
For the Two Years Ended June 30, 2006**

**AGENCY OFFICIALS**

Administrator

Business Administrator (7/1/04 to 9/29/06)

Accountant Supervisor (7/1/04 to 12/31/04)

Accountant Supervisor (4/16/06 to present)

Adjutant

Mr. Martin J. Downs

Ms. Mary Maguire Martin

Ms. Diane Sherrell

Ms. Rhonda O'Deneal

Mr. Barry Baron

Agency offices are located at:

1 Veterans Drive  
Manteno, IL 60950

# **ILLINOIS VETERANS' HOME AT MANTENO**

**1 Veterans Drive  
Manteno, Illinois 60950**

November 1, 2006

Nykiel, Carlin & Co., Ltd.  
Certified Public Accountants  
P.O. Box 429  
Kankakee, IL 60901

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois Veterans' Home at Manteno. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Illinois Veterans' Home at Manteno's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2006, the Illinois Veterans' Home at Manteno has materially complied with the assertions below.

- A. The Illinois Veterans' Home at Manteno has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Illinois Veterans' Home at Manteno has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Illinois Veterans' Home at Manteno has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Illinois Veterans' Home at Manteno are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

Nykiel, Carlin & Co., Ltd.

November 1, 2006


Page 2

- E. The money or negotiable securities or similar assets handled by the Illinois Veterans' Home at Manteno on behalf of the State or held in trust by the Illinois Veterans' Home at Manteno have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Veterans' Home at Manteno

  
\_\_\_\_\_  
Martin Downs, Administrator

  
\_\_\_\_\_  
Barry Baron, Adjutant

STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
For the Two Years Ended June 30, 2006

COMPLIANCE REPORT

SUMMARY

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

AUDITORS' REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	4	3
Repeated findings	3	0
Prior recommendations implemented or not repeated	0	0

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

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page No.</u>	<u>Description</u>
<u>FINDINGS (GOVERNMENT AUDITING STANDARDS)</u>		
06-1	9	Direct Care Hours
<u>FINDINGS (STATE COMPLIANCE)</u>		
06-2	10	Internal Controls Over Timely Approval of Vouchers are Inadequate
06-3	11	Inaccurate Property Control Records and Reports
06-4	13	Failure to Complete Ethics Training Within Six Weeks of Employment

PRIOR FINDINGS NOT REPEATED (GOVERNMENT AUDITING  
STANDARDS AND STATE COMPLIANCE)

There are no prior findings not repeated.

STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
For the Two Years Ended June 30, 2006

COMPLIANCE REPORT

SUMMARY

EXIT CONFERENCE

The Illinois Veterans' Home at Manteno's management waived holding an exit conference. Responses to the recommendations were provided by Martin Downs in a letter dated January 11, 2007.

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined the Illinois Veterans' Home at Manteno's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2006. The management of the Illinois Veterans' Home at Manteno is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Veterans' Home at Manteno's compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois Veterans' Home at Manteno's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois Veterans' Home at Manteno's compliance with specified requirements.



In our opinion, the Illinois Veterans' Home at Manteno complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-1 and 06-3. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

#### **Internal Control**

The management of the Illinois Veterans' Home at Manteno is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Illinois Veterans' Home at Manteno's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as findings 06-2 and 06-4. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

#### **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2006, 2005, and the 2004 Supplementary Information for State Compliance Purposes, except for information on the Illinois First Projects, Annual Cost Statistics, and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

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

*Nykiel, Carlin & Co., Ltd.*

NYKIEL, CARLIN & CO., LTD.  
Kankakee, Illinois  
November 1, 2006

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS  
For the Two Years Ended June 30, 2006**

06-1

**FINDING: DIRECT CARE HOURS**

The Illinois Veterans' Home at Manteno failed to provide the minimum level of direct care nursing hours to its residents as required by Federal regulations in order for a Veterans Home to receive Federal per diem reimbursements.

For Fiscal years 2005 and 2006, the Home received \$6,234,672 and \$6,295,508 of Federal per diem, respectively. During our examination, we noted that the average level of direct care nursing hours provided by the Home fell below the required minimum level for the following months (as well as occasional days during other months):

- In Fiscal Year 2005 - July (2.40), August (2.43).
- In Fiscal Year 2006 - August (2.45).

The Code of Federal Regulations, 38 CFR Part 51.130(d) requires Veterans Homes that receive Federal per diem for nursing home care of Veterans to provide nursing services to ensure that there is direct care nurse staffing of no less than 2.5 hours per patient per 24 hours, 7 days per week in the portion of any building providing nursing home care.

The Home's management indicated that turnover and attrition rates have superceded hiring practices. Additionally, there is a shortage of licensed nursing personnel in Kankakee County which has compounded the problem.

Failure to provide the required number of direct care nursing hours can result in the loss of Federal funds and possibly a deficiency in the care of residents. (Finding Code Nos. 06-1, 04-1)

**RECOMMENDATION**

We recommend the Home maintain adequate nursing staff to ensure the minimum level of direct care nursing hours is provided to residents as required by Federal regulations.

**AGENCY RESPONSE**

The Manteno Home is experiencing recruiting and retention issues with direct care staff. The national shortage of nurses compounds the challenge to fill direct care staff vacancies. The agency is currently researching new incentives to attract and retain skilled nursing staff as well as negotiating shortening posting time requirements with AFSME and INA for bargaining unit positions.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
CURRENT FINDINGS – STATE  
For the Two Years Ended June 30, 2006**

06-2

**FINDING: INTERNAL CONTROLS OVER TIMELY APPROVAL OF VOUCHERS ARE INADEQUATE**

The Illinois Veterans' Home at Manteno's (Home) internal controls related to the timely approval of vouchers for payment are inadequate.

During our examination, we noted 174 (54%) vouchers out of 321 tested that were not approved in a timely manner (approvals were from 1 to 222 days late). We also noted that 111 (35%) of 321 vouchers tested were not paid in a timely manner (payments were issued from 2 to 199 days late). Several of these late payments required the Home to make an additional interest payment to the vendor. In FY 06, the Home made a total of 66 interest payments totaling \$8,741. In FY 05, the Home made no interest payments.

The Joint Rules of the Comptroller and the Department of Central Management Services: Prompt Payment (74 Ill. Admin. Code 900.70) states "an agency shall approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt." In addition, the State Prompt Payment Act (Act) (30 ILCS 540/3-2) states that any bill approved for payment must be paid or the payment issued to the payee within 60 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 60 day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month or fraction thereof after the end of the 60 day period, until final payment is made.

The Home's management stated that staff shortages, early retirement and delayed filling of vacancies contributed to this situation. The Home is currently recruiting an Executive II, a Public Service Administrator, and an Accountant.

Failure to approve vouchers in a timely manner may result in vendors not being paid in a timely manner in accordance with the Act, and may also result in interest penalties to the Home. (Finding Code Nos. 06-2, 04-2)

**RECOMMENDATION**

We recommend the Agency develop procedures to ensure that all vouchers are approved within 30 days of receipt of a proper bill. We further recommend that all vouchers be approved and paid in accordance with the Act.

**AGENCY RESPONSE**

The Executive II, Business Manager, and PSA, Business Administrator, positions have been filled. The Home is experiencing recruiting challenges for the Accountant position. With temporary help, the Home has been able to process vouchers in a timely manner and has not incurred any Prompt Payment Act interest penalties through 12/31/06. Additional improvements to voucher processing are anticipated with the hiring of a new Business Administrator for the business office.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
CURRENT FINDINGS – STATE  
For the Two Years Ended June 30, 2006**

06-3

**FINDING: INACCURATE PROPERTY CONTROL RECORDS AND REPORTS**

The Illinois Veterans' Home at Manteno's (Home) Property Control Records and reports were inaccurate.

During our examination we noted the following errors in the Home's Property Control Records:

- Three (4%) of 80 items were found in a different location than what was listed in the Property Control Records.
- Five (6%) of 80 items did not have a tag number physically attached.
- Three (5%) of 60 items could not be located by the Home. These items were a portable aspirator (\$628), a Hotpoint refrigerator (\$500), and a utensil sanitizer washer (\$3,711).

We also found the following errors on the Agency Reports of State Property (C-15) reported to the DVA Central Office:

- The fourth quarter FY 06 C-15 report included "Non-Capitalized CDB Transfers". The Home added these amounts into their totals.
- We also noted that the Home reported a deletion of \$73,277 of capital lease equipment (12 copiers) that had been paid off. The lease had a bargain purchase option which the Home exercised. This should have been reported as a transfer from capital lease equipment to equipment for the entire capitalized cost of the copiers. The Home did not re-enter the copiers as equipment because the \$1 bargain purchase was below the \$100 threshold.

Department of Central Management Services Property Control Rules (44 Ill. Admin. Code 5010) provides State Agencies with rules for maintaining property control records for State owned personal property. These rules include marking equipment to indicate that it is property of the State of Illinois, maintaining records that include an accurate location code and description, providing the Department of Central Management Services Property Control Division a list of transferable equipment, and disposition of unusable equipment. SAMS Procedure 29.20.10 states that transfers between categories are to be reported as transfers, not as additions and deletions. This procedure also states that amounts reported as "Non-Capitalized CDB Transfers" are to be subtracted, not added to the totals.

The Home acknowledged that 3 items were found in a different location than what was listed. Several State tags have also fallen off property. The aspirator, refrigerator, and utensil sanitizer washer are believed to be obsolete. The sanitizer washer was last utilized in 1995.

Failure to maintain accurate property control records results in inaccurate reporting to the State of Illinois Comptroller's Office and the inclusion of inaccurate information in the State's Comprehensive Annual Financial Report. Additionally, this increases the risk that theft of property would not be detected in a timely manner. (Finding Code Nos. 06-3, 04-3)

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
CURRENT FINDINGS – STATE  
For the Two Years Ended June 30, 2006**

06-3

**FINDING: INACCURATE PROPERTY CONTROL RECORDS AND REPORTS (Continued)**

**RECOMMENDATION**

We recommend the Home improve procedures to ensure the Property Control Records are accurately maintained and reported.

**AGENCY RESPONSE**

The newly hired Business Manager will review property control procedures and implement improvements as needed to address property control errors as noted.

The agency followed instructions received from the State Comptroller for proper recording of the capital lease equipment purchase.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
CURRENT FINDINGS – STATE  
For the Two Years Ended June 30, 2006**

06-4

**FINDING: FAILURE TO COMPLETE ETHICS TRAINING WITHIN SIX WEEKS OF EMPLOYMENT**

The Illinois Veterans' Home at Manteno (Home) failed to provide ethics training within six months of initial employment for some individuals hired during the examination period.

The Home conducted annual training for continuing employees as required by the State Officials and Employees Ethics Act (Act). However, the Home did not provide the initial six month training as required by the Act for 2 of the 5 new hires that were in our sample of employees. One employee received the required training approximately 10 months after hire and there was no record of the other employee ever receiving such training.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10) states that a person who fills a vacancy in an elective or appointed position that requires training and a person employed in a position that requires training must complete his or her initial ethics training within six months after commencement of his or her office or employment.

Home management stated that it received the paper training portion for newly hired employees several months after the mandatory ethics training period.

Failure to provide ethics training within the required time frame may cause employees to be unaware of specific ethical requirements of State employees. (Finding Code No. 06-4)

**RECOMMENDATION**

We recommend the Home improve procedures to ensure that newly hired employees receive the appropriate ethics training within six months of their initial date of employment.

**AGENCY RESPONSE**

Home management will work with the agency Ethics Officer to improve ethics training procedures as necessary.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF FINDINGS  
PRIOR FINDINGS NOT REPEATED –  
GOVERNMENT AUDITING STANDARDS AND STATE COMPLIANCE  
For the Two Years Ended June 30, 2006**

There were no prior findings not repeated.

STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
For the Two Years Ended June 30, 2006

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

- Fiscal Schedules and Analysis
  - Schedule of Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Combined Schedule of Expenditures – All Funds
  - Schedule of Efficiency Initiative Payments
  - Comparative Schedule of Receipts, Disbursements and Fund Balance  
(Cash Basis) - Locally Held Funds
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts
  - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State  
Comptroller
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  - Analysis of Significant Account Balances
  - Analysis of Accounts Receivable
  
- Analysis of Operations
  - Agency Functions and Planning Program
  - Average Number of Employees
  - Annual Cost Statistics (not examined)
  - Emergency Purchases
  - Illinois First Projects (not examined)
  - Service Efforts and Accomplishments (not examined)

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



**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2006**

**FOURTEEN MONTHS ENDED AUGUST 31, 2006**

	Appropriations (Net after Transfers)	Expenditures Through 6/30/06	Lapse period Expenditures 7/1 - 8/31/06	Total Expenditures	Balances Lapsed
<b><u>APPROPRIATED FUNDS:</u></b>					
<u>Public Act 94-0015</u>					
<u>General Revenue Fund - 001</u>					
Personal services	\$ 11,282,500	\$ 11,027,448	\$ -	\$ 11,027,448	\$ 255,052
Retirement paid by employer	112,400	108,857	-	108,857	3,543
State employee retirement	879,000	859,881	-	859,881	19,119
Social security	863,200	803,417	-	803,417	59,783
Contractual services	5,000	-	4,999	4,999	1
Commodities	100	-	97	97	3
Electronic data processing	100	-	97	97	3
Subtotal Fund - 001	<u>13,142,300</u>	<u>12,799,603</u>	<u>5,193</u>	<u>12,804,796</u>	<u>337,504</u>
<u>Public Act 94-0015</u>					
<u>Manteno Veterans' Home Fund - 980</u>					
Personal services	3,022,300	1,848,829	584,304	2,433,133	589,167
Retirement paid by employer	14,800	10,114	-	10,114	4,686
Member compensation	5,000	3,530	198	3,728	1,272
State employee retirement	235,500	143,722	45,542	189,264	46,236
Social security	224,900	137,502	42,671	180,173	44,727
Contractual services	4,368,000	3,560,095	415,861	3,975,956	392,044
Travel	6,000	3,614	2,204	5,818	182
Commodities	1,371,200	700,493	348,903	1,049,396	321,804
Printing	24,500	11,585	2,656	14,241	10,259
Equipment	123,200	119,331	3,738	123,069	131
Electronic data processing	63,000	34,888	18,385	53,273	9,727
Telecommunications	63,800	52,744	10,801	63,545	255
Operation of automotive equipment	68,400	38,403	17,167	55,570	12,830
Refunds	28,900	22,121	1,941	24,062	4,838
Subtotal Fund - 980	<u>9,619,500</u>	<u>6,686,971</u>	<u>1,494,371</u>	<u>8,181,342</u>	<u>1,438,158</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u><b>\$ 22,761,800</b></u>	<u><b>\$ 19,486,574</b></u>	<u><b>\$ 1,499,564</b></u>	<u><b>\$ 20,986,138</b></u>	<u><b>\$ 1,775,662</b></u>
<b><u>NON-APPROPRIATED FUNDS</u></b>					
<u>Library Grant Fund - 775</u>					
Expenditures:					
Library expenses - SOS Grant		\$ 2,256	\$ 12,744	\$ 15,000	
Subtotal Fund - 775		<u>\$ 2,256</u>	<u>\$ 12,744</u>	<u>\$ 15,000</u>	
<b>TOTAL - ALL FUNDS</b>	<u><b>\$ 22,761,800</b></u>	<u><b>\$ 19,488,830</b></u>	<u><b>\$ 1,512,308</b></u>	<u><b>\$ 21,001,138</b></u>	<u><b>\$ 1,775,662</b></u>

Note: Appropriations, fourteen month expenditures and lapsed balances are taken from Agency records and have been reconciled to the records of the State Comptroller.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2005**

**FOURTEEN MONTHS ENDED AUGUST 31, 2005**

	Appropriations (Net after Transfers)	Expenditures Through 6/30/05	Lapse period Expenditures 7/1 - 8/31/05	Total Expenditures	Balances Lapsed
<b>APPROPRIATED FUNDS:</b>					
<u>Public Act 93-0842</u>					
<u>General Revenue Fund - 001</u>					
Personal services	\$ 5,570,900	\$ 5,570,731	\$ -	\$ 5,570,731	\$ 169
Retirement paid by employer	16,923	16,922	-	16,922	1
State employee retirement	908,200	886,353	-	886,353	21,847
Social security	409,500	399,631	-	399,631	9,869
Contractual services	40,370	1,074	39,279	40,353	17
For addition of 38 beds	1,894,100	1,284,332	150,552	1,434,884	459,216
Subtotal Fund - 001	<u>8,839,993</u>	<u>8,159,043</u>	<u>189,831</u>	<u>8,348,874</u>	<u>491,119</u>
<u>Public Act 93-0842</u>					
<u>Manteno Veterans' Home Fund - 980</u>					
Personal services	7,005,600	6,109,578	508,806	6,618,384	387,216
Retirement paid by employer	225,200	214,943	9,353	224,296	904
Member compensation	5,000	4,436	151	4,587	413
State employee retirement	1,129,100	972,966	82,030	1,054,996	74,104
Social security	521,000	453,739	37,420	491,159	29,841
Contractual services	3,833,400	2,925,511	571,636	3,497,147	336,253
Travel	5,600	3,048	865	3,913	1,687
Commodities	1,343,400	793,384	317,990	1,111,374	232,026
Printing	19,500	13,338	4,028	17,366	2,134
Equipment	99,000	63,051	33,354	96,405	2,595
Electronic data processing	63,000	33,387	12,058	45,445	17,555
Telecommunications	88,800	48,243	18,398	66,641	22,159
Operation of automotive equipment	58,400	40,487	14,942	55,429	2,971
Refunds	61,900	18,748	27,382	46,130	15,770
Subtotal Fund - 980	<u>14,458,900</u>	<u>11,694,859</u>	<u>1,638,413</u>	<u>13,333,272</u>	<u>1,125,628</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 23,298,893</u>	<u>\$ 19,853,902</u>	<u>\$ 1,828,244</u>	<u>\$ 21,682,146</u>	<u>\$ 1,616,747</u>
<b>NON-APPROPRIATED FUNDS</b>					
<u>Library Grant Fund - 775</u>					
Expenditures:					
Library expenses - SOS Grant		\$ 7,274	\$ 4,726	\$ 12,000	
Subtotal Fund - 775		<u>\$ 7,274</u>	<u>\$ 4,726</u>	<u>\$ 12,000</u>	
TOTAL - ALL FUNDS	<u>\$ 23,298,893</u>	<u>\$ 19,861,176</u>	<u>\$ 1,832,970</u>	<u>\$ 21,694,146</u>	<u>\$ 1,616,747</u>

Note: Appropriations, fourteen month expenditures and lapsed balances are taken from Agency records and have been reconciled to the records of the State Comptroller.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES  
AND LAPSED BALANCES**

	Fiscal Year		
	2006	2005	2004
<b>APPROPRIATED FUNDS:</b>			
General Revenue Fund - 001	P.A. 94-0015	P.A. 93-0842	P.A. 93-0092
Appropriations (net after transfers)	\$ 13,142,300	\$ 8,839,993	\$ 9,974,200
Expenditures:			
Personal services	11,027,448	5,570,731	6,813,366
Retirement paid by employer	108,857	16,922	229,807
State employee retirement	859,881	886,353	678,328
Social security	803,417	399,631	499,622
Contractual services	4,999	40,353	5,000
Commodities	97	-	-
Electronic data processing	97	-	-
For addition of 38 beds	-	1,434,884	1,300,000
Total Expenditures	12,804,796	8,348,874	9,526,123
Lapsed Balances	\$ 337,504	\$ 491,119	\$ 448,077
Manteno Home Fund - 980	P.A. 94-0015	P.A. 93-0842	P.A. 93-0092
Appropriations (net after transfers)	\$ 9,619,500	\$ 14,458,900	\$ 12,136,000
Expenditures:			
Personal services	2,433,133	6,618,384	5,139,598
Retirement paid by employer	10,114	224,296	179,562
Member compensation	3,728	4,587	3,985
State employee retirement	189,264	1,054,996	690,959
Social security	180,173	491,159	387,567
Contractual services	3,975,956	3,497,147	3,322,069
Travel	5,818	3,913	6,569
Commodities	1,049,396	1,111,374	1,096,500
Printing	14,241	17,366	18,924
Equipment	123,069	96,405	96,269
Electronic data processing	53,273	45,445	59,814
Telecommunications	63,545	66,641	68,323
Operation of automotive equipment	55,570	55,429	63,907
Refunds	24,062	46,130	37,823
Total Expenditures	8,181,342	13,333,272	11,171,869
Lapsed Balances	\$ 1,438,158	\$ 1,125,628	\$ 964,131
<b>NON-APPROPRIATED FUNDS:</b>			
Library Grant Fund - 775			
Expenditures:			
Library expenses - SOS Grant	\$ 15,000	\$ 12,000	\$ -
Total Expenditures	\$ 15,000	\$ 12,000	\$ -
<b>GRAND TOTAL, ALL FUNDS</b>			
Appropriations (net after transfers)	\$ 22,761,800	\$ 23,298,893	\$ 22,110,200
Total Expenditures	\$ 21,001,138	\$ 21,694,146	\$ 20,697,992
Lapsed Balances	\$ 1,775,662	\$ 1,616,747	\$ 1,412,208

The data above was taken from Agency records and has been reconciled to records of the State Comptroller.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
FISCAL SCHEDULES AND ANALYSIS  
For the Years Ended June 30,**

**COMBINED SCHEDULE OF EXPENDITURES - ALL FUNDS**

	Fiscal Year		
	2006	2005	2004
Expenditures - All Funds:			
Personal services	\$ 13,460,581	\$ 12,189,115	\$ 11,952,964
Retirement paid by employer	118,971	241,218	409,369
Member compensation	3,728	4,587	3,985
State employee retirement	1,049,145	1,941,349	1,369,287
Social security	983,590	890,790	887,189
Contractual services	3,980,955	3,537,500	3,327,069
Travel	5,818	3,913	6,569
Commodities	1,049,493	1,111,374	1,096,500
Printing	14,241	17,366	18,924
Equipment	123,069	96,405	96,269
Electronic data processing	53,370	45,445	59,814
Telecommunications	63,545	66,641	68,323
Operation of automotive equipment	55,570	55,429	63,907
Refunds	24,062	46,130	37,823
For addition of 38 beds	-	1,434,884	1,300,000
Library expenses - SOS Grant	15,000	12,000	-
Total Expenditures - All Funds	<u>\$ 21,001,138</u>	<u>\$ 21,694,146</u>	<u>\$ 20,697,992</u>

The data above was taken from Agency records and has been reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
 ILLINOIS VETERANS' HOME AT MANTENO  
 FISCAL SCHEDULES AND ANALYSIS  
 For the Year Ended June 30,

SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS

	2006	2005
<b><u>PROCUREMENT EFFICIENCY INITIATIVE</u></b>		
Manteno Veterans' Home Fund-980		
Commodities	\$ -	\$ 5,902
Total	\$ -	\$ 5,902

This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the State Comptroller.

**STATE OF ILLINOIS**  
**ILLINOIS VETERANS' HOME AT MANTENO**  
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND**  
**FUND BALANCE (CASH BASIS) - LOCALLY HELD FUNDS**  
**For the Two Years Ended June 30, 2006**

	Members' Trust Fund (1220)	Members' Benefit Fund (1219)
Cash Balance July 1, 2004	\$ 1,277,438	\$ 771,883
Receipts FY05	4,952,759	251,750
Disbursements FY05	4,995,673	252,592
Cash Balance June 30, 2005	1,234,524	771,041
Receipts FY06	4,702,089	226,758
Disbursements FY06	4,455,244	234,138
Cash Balance June 30, 2006	\$ 1,481,369	\$ 763,661

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For the Two Years Ended June 30, 2006**

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Capital Leases</u>	<u>Total</u>
Balance July 1, 2004	\$ 3,763,927	\$ 36,254,767	\$ 3,953,293	\$ 73,277	\$ 44,045,264
Additions	162,417	428,532	413,079	-	1,004,028
Deletions	(248,842)	(782,428)	(180,812)	(73,277)	(1,285,359)
Transfers in (out), net	-	1,939,063	(115,847)	-	1,823,216
Adjustments	-	-	-	-	-
Balance June 30, 2005	<u>\$ 3,677,502</u>	<u>\$ 37,839,934</u>	<u>\$ 4,069,713</u>	<u>\$ -</u>	<u>\$ 45,587,149</u>

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Capital Leases</u>	<u>Total</u>
Balance July 1, 2005	\$ 3,677,502	\$ 37,839,934	\$ 4,069,713	\$ -	\$ 45,587,149
Additions	75,418	32,338	244,820	-	352,576
Deletions	-	-	(237,300)	-	(237,300)
Transfers in (out), net	1,660	127,715	5,743	-	135,118
Adjustments	-	-	-	-	-
Balance June 30, 2006	<u>\$ 3,754,580</u>	<u>\$ 37,999,987</u>	<u>\$ 4,082,976</u>	<u>\$ -</u>	<u>\$ 45,837,543</u>

This schedule was prepared from Agency records and has been reconciled to reports submitted to the State Comptroller.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION  
TO DEPOSITS REMITTED TO THE STATE COMPTROLLER  
For the Years Ended June 30,**

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>General Revenue Fund - 001</u>			
Miscellaneous receipts	\$ 1,060	\$ 190	\$ 590
Total Receipts - General Revenue Fund	<u>1,060</u>	<u>190</u>	<u>590</u>
<u>Manteno Veterans' Home Fund - 980</u>			
Maintenance collections from members	3,072,575	3,177,984	3,259,636
Aid and attendance collections from members	925,508	966,665	892,514
Hospice Reimbursement	63,214	22,645	48,664
Reimbursements from U.S. Department of Veterans' Affairs	6,295,508	6,234,672	6,110,196
Reimbursements from Federal Health and Human Services	336,362	336,026	250,523
Miscellaneous receipts	41,201	45,567	35,570
Third party insurance reimbursements	59,449	41,441	26,103
Reimburse costs incurred by Federal Government	11,372	14,070	7,102
Total Receipts - Manteno Veterans' Home Fund	<u>10,805,189</u>	<u>10,839,070</u>	<u>10,630,308</u>
Total Receipts - All Funds	<u>\$ 10,806,249</u>	<u>\$ 10,839,260</u>	<u>\$ 10,630,898</u>
<u>Deposits in Transit</u>			
Add - beginning of year	36,956	63,663	523,700
Subtract - end of year	(4,677)	(36,956)	(63,663)
Total Receipts Per State Comptroller	<u>\$ 10,838,528</u>	<u>\$ 10,865,967</u>	<u>\$ 11,090,935</u>



**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
FISCAL SCHEDULES AND ANALYSIS  
For the Two Years Ended June 30, 2006**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**

Significant variations in expenditures were deemed to be those exceeding 20 percent and \$20,000.

**FY04 to FY05**

Retirement Paid by Employer

\$168,151 (41%) Decrease – The decrease was due to the AFSCME union contract terms. The agreed rate for FY 04 was 4% and declined to 2% in FY 05.

State Employee Retirement

\$572,062 (42%) Increase – The increase was due to State paid retirement for General Revenue payrolls not being processed on vouchers for payrolls processed from March 15, 2004 through June 30, 2004 in accordance with Public Act 93-0665. This Act changed the funding methodology for the employer contribution to the State Employee Retirement System.

**FY05 to FY06**

Retirement Paid by Employer

\$122,247 (51%) Decrease – The decrease was due to the AFSCME union contract. Retirement was funded at 2% for only 6 months in FY 06 in accordance with the contract.

State Employee Retirement

\$892,204 (46%) Decrease – The actuarially determined rate of funding was decreased from 13.7 % in FY 05 to 7.791% in FY 06.

Equipment

\$26,664 (28%) Increase – The increase is due to the purchase of replacement household equipment and furnishings such as tables, linen carts, vacuums, hampers, and battery backup units that were damaged, broken, or worn out.

Refunds

\$22,068 (48%) Decrease – Refunds represent amounts paid to residents or their estates when they leave the Home during a month for which maintenance charges had already been paid. The variance is a function of increases or decreases in departures from the Home as well as what point in the month the departures occurred.

For Addition of 38 Beds

\$1,434,884 (100%) Decrease – The Home was appropriated a total of \$3,194,100 by the State of Illinois General Assembly for the addition of 38 beds, allowing the Home to reopen a section of the Home that had been closed due to lack of funding.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
FISCAL SCHEDULES AND ANALYSIS  
For the Two Years Ended June 30, 2006**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**

Significant variations in receipts were deemed to be those exceeding 20 percent and \$20,000.

**FY04 to FY05**

Reimbursements from Federal Department of Health and Human Services

\$85,503 (34%) Increase – The Home has made a concerted effort in the last few years to recapture additional revenue sources. An increase in the number of residents has increased the amount of Medicare received by the Home.

Hospice Reimbursement

\$26,019 (53%) Decrease – Hospice reimbursements fluctuate based on the health and illnesses of members and those who receive hospice services.

**FY05 to FY06**

Hospice Reimbursement

\$40,569 (179%) Increase – Hospice reimbursements fluctuate based on the health and illnesses of members and those who receive hospice services.

**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**

Significant lapse period expenditures (those in which lapse period spending exceeded 20 percent of total spending and \$20,000) are as follows:

<u>Fiscal Year</u>	<u>Lapse Period Expenditures</u>	<u>Percentage Spent in Lapse Period</u>	<u>Explanation</u>
<u>Manteno Veterans' Home Fund 980</u>			
<u>Equipment</u>			
FY05	\$ 33,354	35%	A copy machine and shredder (\$5,726), maintenance equipment (\$18,572), and medical equipment (\$5,728) were ordered near the end of the fiscal year and paid during the lapse period.
<u>Refunds</u>			
FY05	\$ 27,382	59%	An approximately \$23,000 refund was made to a resident for Aid & Attendance charges dating back to 2001 after the DVA determined that such fees should not be charged.
<u>Commodities</u>			
FY05	\$317,990	29%	Approximately \$238,000 of medical supplies and pharmaceuticals and \$47,000 of household supplies were ordered near the end of the fiscal year and paid for during the lapse period.
FY06	\$348,903	33%	Approximately \$331,000 of medical supplies and pharmaceuticals were ordered near the end of the fiscal year and paid for during the lapse period.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
FISCAL SCHEDULES AND ANALYSIS  
For the Two Years Ended June 30, 2006**

**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (continued)**

*Personal Services / State Employee Retirement / Social Security*

FY06	\$672,517	24%	The majority of FY 06 personal services expenditures were paid from the General Revenue Fund. Once that funding was exhausted, the last 4 payrolls were paid from the Home Fund with the June 30 payroll paid on July 14, 2006.
------	-----------	-----	---

*Contractual Services*

FY05	\$ 39,279	97%	A \$35,471 damage claim and \$3,808 of equipment and facility repairs were paid during the lapse period.
------	-----------	-----	--

**ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES**

Cash in Banks

The Manteno Veterans' Home Fund (980) is a non-shared fund held in the State Treasury. It is classified as a special revenue fund and is restricted to expenditures for specified purposes. It is appropriated by the General Assembly. Balances were \$5,033,191 and \$2,550,667 at June 30, 2006 and 2005, respectively.

The Members' Benefit Fund (1219) is a non-shared, non-appropriated Special Revenue Fund. This fund is restricted to expenditures for the benefit, entertainment, and recreation of the residents. The cash in bank of the Members' Benefit Fund is held in a bank account at Municipal Trust and Savings Bank, Manteno, Illinois. The short-term CD's are held at other banks and credit unions. Cash balances at June 30 were as follows:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Cash on hand	\$ 500	\$ 500	\$ 1,055
Cash in bank	263,161	270,541	270,828
Short-term CD's	500,000	500,000	500,000
Total cash balance	<u>\$ 763,661</u>	<u>\$ 771,041</u>	<u>\$ 771,883</u>

The Members' Trust Fund (1220) is a non-shared, non-appropriated Agency Fund. The Trust Fund is a depository for the residents' funds and is used to account for the receipts and disbursements of the residents. The cash in bank of the Members' Trust Fund is held in a bank account at Municipal Trust and Savings Bank, Manteno, Illinois. The short-term CD's are held at other banks and credit unions. Cash balances at June 30 were as follows:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Cash on hand	\$ 3,177	\$ 8,169	\$ 4,758
Cash in bank	578,192	326,355	472,680
Certificates of deposit	900,000	900,000	800,000
Total cash balance	<u>\$ 1,481,369</u>	<u>\$ 1,234,524</u>	<u>\$ 1,277,438</u>

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
FISCAL SCHEDULES AND ANALYSIS  
For the Two Years Ended June 30, 2006**

**ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES (continued)**

Inventory

The Home maintains its inventory on a cost basis. The following is a summary of inventory as of June 30:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Hospital and janitorial supplies	\$ 246,717	\$ 220,147	\$ 220,931
Pharmacy	64,581	88,658	160,853
Total Inventory	<u>\$ 311,298</u>	<u>\$ 308,805</u>	<u>\$ 381,784</u>

**ANALYSIS OF ACCOUNTS RECEIVABLE**

Accounts receivable due to the Manteno Veterans' Home Fund were as follows:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Due from the U.S. Dept of Veterans' Affairs -		
Per diem reimbursements	\$ 519,119	\$ 527,710
Maintenance fees due from Members	14,389	18,018
Total Accounts Receivable	<u>\$ 533,508</u>	<u>\$ 545,728</u>

The Agency believes all accounts receivable are collectible. The following is an aging of accounts receivable:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Not past due	\$ 519,119	\$ 527,710
1-30 days past due	3,410	2,571
31-90 days past due	1,672	1,772
91-180 days past due	-	4,368
181-365 days past due	-	-
Over 1 year past due	9,307	9,307
Total Accounts Receivable	<u>\$ 533,508</u>	<u>\$ 545,728</u>

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006**

**AGENCY FUNCTIONS AND PLANNING PROGRAM**

Functions

The Illinois Veterans' Home at Manteno (the Home) was established August 12, 1985 by Public Act 84-139. It currently operates under the authority of 330 ILCS 15 of the Illinois Compiled Statutes. The Home's campus is located on a 122 acre site which includes four major nursing care units, two ancillary service and support buildings, and several administrative and other support buildings. The Home's real estate also includes 145 acres of farmland and a 15 acre cemetery.

Its first members were admitted on April 15, 1986. The Home is a skilled nursing care facility providing nursing services to 269 residents as of June 30, 2006 and has a capacity of 340 beds. War time veterans who require skilled nursing care and who either have been Illinois residents for at least one year or enlisted in the service while an Illinois resident are eligible for admission. Services provided by the Home include medical, skilled nursing, therapeutic, nutritional, and social services care. The Home also provides religious and recreational activities for the benefit of its residents.

The Home is subject to several regulatory agencies including the U.S. Department of Veterans' Affairs, the Illinois State Fire Marshal, the Illinois Department of Public Health, and is under the direction of the Illinois Department of Veterans' Affairs. Funding of the Home is from member maintenance charges based on ability to pay, U.S. Department of Veterans' Affairs per diem patient care reimbursements, appropriations from the State of Illinois, Medicare reimbursements, and private donations.

Planning Program

The Department has developed a four year plan that stresses key areas that are a priority for the Department and the Home. The plan also lists several initiatives to be implemented and monitored over the next fiscal year. These initiatives are intended to help the Home meet the objectives of its plan. Outcomes will be monitored in each of these areas.

The operational plan set forth by the Home by major functions includes:

- A. Member Care – CDB Project 040-020-058 has been approved with an estimated cost of \$454,000. The scope of work provides for replacing nurse call systems in four residential wings, and replacing the door alarm systems. The project will necessitate closing living areas (38 beds) one at a time until the project is complete. Projected census for FY 08 will be 300 beds plus the Homeless Program (15 beds).
- B. Physical Plant -  
In order to better serve the needs and enjoyment of the members, new construction projects for the short term include the following:
  - a. Install dehumidifiers and humidifiers in the residential units
  - b. Construction of a recreational lake and pavilion
  - c. Upgrade emergency generators at S1 & S2
  - d. Renovation of existing building to a permanent supportive housing project for homeless veterans
  - e. Construct additions to S1 building to expand storage space
  - f. Repave all roads and existing parking lots
  - g. Construct new parking lot

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006**

**AGENCY FUNCTIONS AND PLANNING PROGRAM (continued)**  
**Planning Program (continued)**

Long range plans to modernize and utilize existing resources include the following:

- a. Installation of new nurse call stations on four of the residential units
- b. Upgrade storm sewer throughout the entire campus
- c. Upgrade water mains throughout the entire campus
- d. Demolish buildings on the grounds that are no longer suitable for use
- e. Installation of new/updated X-ray equipment
- f. Installation of heating/ventilation/air conditioning in the north and south interconnects and vestibules

**Auditor's Assessment**

The Agency has established goals and objectives that are consistent with the Agency's statutory mandate and authority.

**Agency Head and Location**

Mr. Martin Downs, Administrator  
Illinois Veterans' Home Manteno  
1 Veterans Drive  
Manteno, IL 60650

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006**

**AVERAGE NUMBER OF EMPLOYEES**

The following table, prepared from Agency records, presents the average number of full-time equivalent employees for the fiscal years ended June 30,

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Accounting	5	5	6
Barber	1	1	1
Business Staff	2	2	3
Administration	17	18	18
Personnel	3	3	3
Member Care	187	196	177
Property Control	3	3	3
Medical Records	1	1	1
Office Help	11	12	13
Maintenance	11	11	11
Security	8	8	8
Social Services	3	3	4
Housekeeping	27	27	29
Telephone	2	3	3
Pharmacy	<u>3</u>	<u>4</u>	<u>4</u>
Total Full-Time Equivalent Employees	<u>284</u>	<u>297</u>	<u>284</u>

**ANNUAL COST STATISTICS (not examined)**

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

<u>Ratio of Employees to Residents</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Certified capacity of Home	340	340	340
Average number of residents:			
Skilled Care	277	295	296
Average number of employees	293	303	284
Ratio of employees to residents:			
Skilled Care	1.06 to 1	1.03 to 1	0.96 to 1
 <u>Costs Per Resident</u>			
Average healthcare spending per resident per year	\$ 4,044	\$ 3,931	\$ 3,589
Average cost per resident per meal (2004 excludes labor cost)	\$ 6.78*	\$ 5.64*	\$ 1.88
Annual cost of meals per resident (2004 excludes labor costs)	\$ 7,426*	\$ 6,174*	\$ 2,055
Average cost of nursing care per resident per day	\$ 204.22	\$ 183.46	\$ 181.57
Annual cost of nursing care per resident:	\$ 74,540	\$ 66,963	\$ 66,273

Healthcare spending costs include costs for contractual medical services, pharmaceutical services, and medical supplies.

\* The 2005 and 2006 meal costs include labor and are not directly comparable to 2004 amounts or amounts reported for other veterans' homes.

**STATE OF ILLINOIS  
ILLINOIS VETERANS' HOME AT MANTENO  
ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2006**

**ANNUAL COST STATISTICS (not examined) (Continued)**

Injury Statistics

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of resident injuries	102	93	228

**EMERGENCY PURCHASES**

The Agency indicated that they had no emergency purchases during the two years ended June 30, 2006.

**ILLINOIS FIRST PROJECTS (not examined)**

The Agency received no funding from Illinois First during the two years ended June 30, 2006.

**SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)**

Veterans Served

The purpose of the Home is to provide "nursing home" care to Illinois veterans. Below is a table which indicates the number of veterans served by the Home.

	<u>Fiscal Year</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Number of Residents, July 1	299	319	264
New Admissions	76	106	180
Leave of Absence (Net)	(31)	(22)	(37)
Discharges	(1)	0	(2)
Deaths	(74)	(104)	(86)
Number of Residents, June 30	<u>269</u>	<u>299</u>	<u>319</u>
Number of Veterans' Days of Care Furnished	<u>100,897</u>	<u>105,218</u>	<u>108,509</u>

Home Accreditation

The Home is surveyed annually by the Federal Department of Veteran's Affairs and the Illinois Department of Public Health to assure that the Home is maintaining high levels of care for its residents.