

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

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  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

COMPLIANCE EXAMINATION

For the two years ended June 30, 2006

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STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

AGENCY OFFICIALS

For the two years ended June 30, 2006

Director	Mr. Roy Dolgos
Acting Home Administrator (as of 5/1/06)	Mr. John Wingerter
Home Administrator (7/1/04 to 4/30/06)	Mr. Michael Hutmacher
Business Administrator	Mr. John McPherson
Adjutant	Mr. John Wingerter
Director of Personnel	Ms. Sharon Hendricks
Acting Director of Facilities (as of 5/1/06)	Mr. John McPherson
Director of Facilities (7/1/04 to 4/30/06)	Vacant
Director of Nursing (as of 3/6/06)	Ms. Cathy Page
Director of Nursing (7/1/04 to 3/5/06)	Vacant
Medical Director	Vacant

Agency office is located at:

1707 North 12th Street  
Quincy, Illinois 62301



STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS

QUINCY VETERANS' HOME  
1707 NORTH 12<sup>TH</sup> STREET, QUINCY ILLINOIS 62301  
TELEPHONE: 217/222-8641 \* FAX: 217/222-8578

ROD R. BLAGOJEVICH  
GOVERNOR

ROY L. DOLGOS  
DIRECTOR

October 16, 2006

Doehring, Winders & Co., LLP  
1601 Lafayette Avenue  
Mattoon, IL 61938

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy. 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 State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy'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 State of Illinois, Department of Veterans' Affairs Illinois Veterans' Home at Quincy has materially complied with the assertions below.

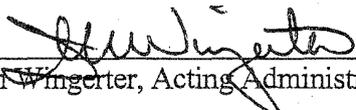
- A. The State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy

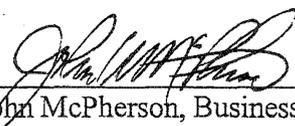
has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

- D. The State revenues and receipts collected by the State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy 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. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Very truly yours,

ILLINOIS VETERANS HOME AT QUINCY

  
\_\_\_\_\_  
John Wingerter, Acting Administrator

  
\_\_\_\_\_  
John McPherson, Business Administrator

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

COMPLIANCE REPORT SUMMARY

For the two years ended June 30, 2006

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

ACCOUNTANT'S REPORT

The Independent Accountant's 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	1	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

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

SUMMARY OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
06-01	8	Noncompliance with the State Officials and Employees Ethics Act

The Illinois Veterans' Home at Quincy did not have any prior year findings.

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Home personnel at an exit conference on December 14, 2006. Attending were:

Illinois Veterans' Home at Quincy

John McPherson, Business Administrator  
Lois Perry, CPA, Accountant Supervisor

Illinois Department of Veterans' Affairs

Debbie Miller, Chief Fiscal Officer  
Trudy Long, Fiscal Supervisor

Auditor General

Teresa L. Davis, CPA, Audit Manager

Doehring, Winders & Co. LLP

Robert Arnholt, CPA, Partner  
Sherrie Wade, CPA, Supervising Senior

Responses to the recommendations were provided by John McPherson in a letter dated December 15, 2006.

DOEHRING, WINDERS & CO. LLP  
*Certified Public Accountants*  
*& Business Advisers*  
1601 LAFAYETTE AVENUE  
MATTOON, ILLINOIS 61938

Independent Accountant's 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 Department of Veterans' Affairs - Illinois Veterans' Home at Quincy's (the Home) 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 Home is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Home's compliance based on our examination.

- A. The Home 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 Home 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 Home 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 Home 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 Home on behalf of the State or held in trust by the Home 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 Home'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 Home's compliance with specified requirements.

In our opinion, the Home 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

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Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings as finding 06-01.

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 Home 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 Home'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.

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 2005 and the 2006 Supplementary Information for State Compliance Purposes, except for information on the 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.

We have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

*Doehring, Winders & Co. LLP*

October 16, 2006

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

CURRENT FINDINGS - STATE

For the two years ended June 30, 2006

06-01 NONCOMPLIANCE WITH THE STATE OFFICIALS AND EMPLOYEES ETHICS ACT

The Illinois Veterans' Home at Quincy (Home) did not comply with the State Officials and Employees Ethics Act.

During the engagement period, we noted that Home employees were required to clock in upon arriving at work and clock out upon leaving work. However, the time sheets did not document the total hours spent each day on official State business.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-5(c)) requires each State agency to develop a written policy that includes work time requirements and documentation of time worked. Additionally, the Act requires State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

Home personnel stated that they failed to understand the requirements of this Act.

By not periodically submitting timesheets that document the time spent each day on official State business is in noncompliance with State law and increases the potential that the State is paying for services that have not been performed. (Finding Code No. 06-01)

RECOMMENDATION

We recommend the Home comply with the State Officials and Employees Ethics Act by amending its policies regarding timekeeping requirements and document the time spent on official State business to the nearest quarter hour.

HOME RESPONSE

We agree with this finding. The Home will work with Illinois Department of Veterans' Affairs Central Office as well as Central Management Services Central Payroll to amend policies regarding timekeeping requirements and document the time spent on official State business to the nearest quarter hour. These steps should enable us to comply with the State Officials and Employees Ethics Act.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
SUMMARY

For the two years ended June 30, 2006

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

Fiscal Schedules and Analysis

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Efficiency Initiative Payments
- Schedule of Locally Held Funds (Cash Basis)
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and 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
- Service Efforts and Accomplishments (not examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Annual Cost Statistics and 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  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2006

Fourteen Months Ended August 31, 2006

<u>Public Act 94-0015</u> Appropriated Funds	Appropriations (Net after Transfers)	Expenditures through June 30, 2006	Lapse Period Expenditures 7/1 - 8/31/06	Total Expenditures	Balance Lapsed
<b>GENERAL REVENUE FUND - 001</b>					
Personal services	\$ 14,394,900	\$ 14,387,104	\$ -	\$ 14,387,104	\$ 7,796
Retirement paid by state	148,900	146,603	-	146,603	2,297
State employee retirement	1,123,100	1,123,068	-	1,123,068	32
Social Security	1,094,700	1,051,990	-	1,051,990	42,710
Contractual services	72,000	33,095	15,058	48,153	23,847
Commodities	100	-	-	-	100
Electronic data processing	100	-	-	-	100
Total General Revenue Fund - 001	<u>16,833,800</u>	<u>16,741,860</u>	<u>15,058</u>	<u>16,756,918</u>	<u>76,882</u>
<b>QUINCY VETERANS' HOME FUND - 619</b>					
Personal services	8,432,200	6,271,199	923,332	7,194,531	1,237,669
Members' compensation	25,000	9,628	379	10,007	14,993
Retirement paid by state	61,000	49,783	-	49,783	11,217
State employee retirement	657,000	488,695	72,239	560,934	96,066
Social Security	632,000	466,271	68,353	534,624	97,376
Contractual services	2,449,900	2,034,951	262,136	2,297,087	152,813
Travel	5,300	3,417	984	4,401	899
Commodities	5,057,100	3,148,918	409,159	3,558,077	1,499,023
Printing	23,700	21,239	423	21,662	2,038
Equipment	412,400	50,172	361,954	412,126	274
Electronic data processing	70,000	42,870	18,995	61,865	8,135
Telecommunications	79,400	53,294	11,881	65,175	14,225
Operation of automotive equipment	60,000	45,416	6,096	51,512	8,488
Refunds	42,200	24,687	2,484	27,171	15,029
Total Quincy Veterans' Home Fund - 619	<u>18,007,200</u>	<u>12,710,540</u>	<u>2,138,415</u>	<u>14,848,955</u>	<u>3,158,245</u>
Totals - All appropriated funds	<u>\$ 34,841,000</u>	<u>\$ 29,452,400</u>	<u>\$ 2,153,473</u>	<u>\$ 31,605,873</u>	<u>\$ 3,235,127</u>
<b>Nonappropriated Funds</b>					
<b>VETERANS' AFFAIRS LIBRARY GRANT FUND - 775</b>					
Library expenses	\$ -	\$ 13,635	\$ 1,365	\$ 15,000	\$ -
Grand total - All funds	<u>\$ 34,841,000</u>	<u>\$ 29,466,035</u>	<u>\$ 2,154,838</u>	<u>\$ 31,620,873</u>	<u>\$ 3,235,127</u>

Note: The data for this report was obtained from Home records and has been reconciled to the records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
Appropriations for Fiscal Year 2005

Fourteen Months Ended August 31, 2005

	Appropriations (Net after Transfers)	Expenditures through June 30, 2005	Lapse Period Expenditures 7/1 - 8/31/05	Total Expenditures	Balance Lapsed
<u>Public Act 93-0842</u>					
Appropriated Funds					
GENERAL REVENUE FUND - 001					
Personal services	\$ 12,416,465	\$ 12,415,760	\$ -	\$ 12,415,760	\$ 705
Retirement paid by state	31,662	31,661	-	31,661	1
State employee retirement	2,000,514	1,962,228	-	1,962,228	38,286
Social Security	881,376	880,382	-	880,382	994
Contractual services	5,000	4,900	-	4,900	100
Commodities	100	-	-	-	100
Electronic data processing	100	-	-	-	100
Maintenance and travel for aided persons	1,300	340	26	366	934
Total General Revenue Fund - 001	<u>15,336,517</u>	<u>15,295,271</u>	<u>26</u>	<u>15,295,297</u>	<u>41,220</u>
QUINCY VETERANS' HOME FUND - 619					
Personal services	9,671,400	8,017,249	873,716	8,890,965	780,435
Members' compensation	25,000	9,892	381	10,273	14,727
Retirement paid by state	290,100	266,625	15,943	282,568	7,532
State employee retirement	1,561,700	1,278,432	141,265	1,419,697	142,003
Social Security	739,900	593,029	64,668	657,697	82,203
Contractual services	2,445,926	2,030,519	251,068	2,281,587	164,339
Travel	3,272	1,753	869	2,622	650
Commodities	5,338,406	3,898,677	243,298	4,141,975	1,196,431
Printing	23,554	17,750	3,747	21,497	2,057
Equipment	129,854	50,425	79,425	129,850	4
Electronic data processing	69,903	41,216	442	41,658	28,245
Telecommunications	78,478	52,547	25,931	78,478	-
Operation of automotive equipment	60,000	39,121	11,720	50,841	9,159
Refunds	44,100	39,129	4,945	44,074	26
Total Quincy Veterans' Home Fund - 619	<u>20,481,593</u>	<u>16,336,364</u>	<u>1,717,418</u>	<u>18,053,782</u>	<u>2,427,811</u>
Totals - All appropriated funds	<u>\$ 35,818,110</u>	<u>\$ 31,631,635</u>	<u>\$ 1,717,444</u>	<u>\$ 33,349,079</u>	<u>\$ 2,469,031</u>
Nonappropriated Funds					
VETERANS' AFFAIRS LIBRARY GRANT FUND - 775					
Library expenses	<u>\$ -</u>	<u>\$ 7,121</u>	<u>\$ 13,754</u>	<u>\$ 20,875</u>	<u>\$ -</u>
Grand total - All funds	<u>\$ 35,818,110</u>	<u>\$ 31,638,756</u>	<u>\$ 1,731,198</u>	<u>\$ 33,369,954</u>	<u>\$ 2,469,031</u>

Note: The data for this report was obtained from Home records and has been reconciled to the records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES AND LAPSED BALANCES

	For the Fiscal Year ended June 30		
	2006 PA 94-0015	2005 PA 93-0842	2004 PA 93-0091
<b>APPROPRIATED FUNDS</b>			
<u>General Revenue Fund - 001</u>			
Appropriations (net after transfers)	\$ 16,833,800	\$ 15,336,517	\$ 13,553,500
General Revenue Fund expenditures			
Personal services	14,387,104	12,415,760	10,364,833
Retirement paid by state	146,603	31,661	364,809
State employee retirement	1,123,068	1,962,228	1,093,424
Social Security	1,051,990	880,382	790,501
Contractual services	48,153	4,900	5,000
Commodities	-	-	147,891
Equipment	-	-	273,988
Maintenance and travel for aided persons	-	366	281
Total expenditures	<u>16,756,918</u>	<u>15,295,297</u>	<u>13,040,727</u>
Lapsed balances	<u>\$ 76,882</u>	<u>\$ 41,220</u>	<u>\$ 512,773</u>
<u>Quincy Veterans' Home Fund - 619</u>			
Appropriations (net after transfers)	\$ 18,007,200	\$ 20,481,593	\$ 22,049,000
Quincy Veterans' Home Fund expenditures			
Personal services	7,194,531	8,890,965	10,979,666
Members' compensation	10,007	10,273	12,419
Retirement paid by state	49,783	282,568	394,240
State employee retirement	560,934	1,419,697	1,477,611
Social Security	534,624	657,697	803,046
Contractual services	2,297,087	2,281,587	2,131,451
Travel	4,401	2,622	2,344
Commodities	3,558,077	4,141,975	4,223,198
Printing	21,662	21,497	16,887
Equipment	412,126	129,850	58,012
Electronic data processing	61,865	41,658	85,661
Telecommunications	65,175	78,478	214,405
Operation of automotive equipment	51,512	50,841	49,091
Refunds	27,171	44,074	41,218
Total expenditures	<u>14,848,955</u>	<u>18,053,782</u>	<u>20,489,249</u>
Lapsed balances	<u>\$ 3,158,245</u>	<u>\$ 2,427,811</u>	<u>\$ 1,559,751</u>
<u>Grand Total - All Appropriated Funds</u>			
Appropriations (net after transfers)	\$ 34,841,000	\$ 35,818,110	\$ 35,602,500
Expenditures	<u>31,605,873</u>	<u>33,349,079</u>	<u>33,529,976</u>
Lapsed balances	<u>\$ 3,235,127</u>	<u>\$ 2,469,031</u>	<u>\$ 2,072,524</u>
<b>NONAPPROPRIATED FUNDS</b>			
<u>Veterans' Affairs Library Grant Fund - 775</u>	<u>\$ 15,000</u>	<u>\$ 20,875</u>	<u>\$ -</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF EFFICIENCY INITIATIVE PAYMENTS

For the two years ended June 30, 2006

	For the Fiscal Year ended June 30,	
	2006	2005
<b>PROCUREMENT EFFICIENCY INITIATIVES</b>		
General Revenue Fund - 001		
Personal services	\$ -	\$ -
Quincy Veterans Home Fund - 619		
Commodities	-	11,805
<b>FACILITIES MANAGEMENT EFFICIENCY INITIATIVES</b>		
General Revenue Fund - 001		
Personal services	-	-
<b>INFORMATION TECHNOLOGY INITIATIVES</b>		
General Revenue Fund - 001		
Personal services	-	-
<b>VEHICLE FLEET INITIATIVES</b>		
General Revenue Fund - 001		
Personal services	-	-
Grand total	\$ -	\$ 11,805

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

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF LOCALLY HELD FUNDS (CASH BASIS)

For the two years ended June 30, 2006

	Fiscal Year ended	
	2006	2005
<b>RESIDENTS' TRUST FUND</b>		
Cash and cash equivalents, July 1	\$ 2,078,448	\$ 2,308,784
Receipts	8,524,801	8,684,160
Disbursements	<u>8,303,597</u>	<u>8,914,496</u>
Cash and cash equivalents, June 30	<u>\$ 2,299,652</u>	<u>\$ 2,078,448</u>
<b>RESIDENTS' BENEFIT FUND</b>		
Cash and cash equivalents, July 1	\$ 358,835	\$ 352,005
Receipts	302,612	248,979
Disbursements	<u>219,617</u>	<u>242,149</u>
Cash and cash equivalents, June 30	<u>\$ 441,830</u>	<u>\$ 358,835</u>
<b>COMMISSARY FUND</b>		
Cash and cash equivalents, July 1	\$ 55,169	\$ 42,974
Receipts	262,687	302,689
Disbursements	<u>270,952</u>	<u>290,494</u>
Cash and cash equivalents, June 30	<u>\$ 46,904</u>	<u>\$ 55,169</u>
<b>ST. LAWRENCE CHAPEL</b>		
Cash and cash equivalents, July 1	\$ 21,622	\$ 20,789
Receipts	9,018	10,703
Disbursements	<u>5,944</u>	<u>9,870</u>
Cash and cash equivalents, June 30	<u>\$ 24,696</u>	<u>\$ 21,622</u>
<b>PROTESTANT CHAPEL</b>		
Cash and cash equivalents, July 1	\$ 28,208	\$ 33,083
Receipts	12,549	14,227
Disbursements	<u>6,584</u>	<u>19,102</u>
Cash and cash equivalents, June 30	<u>\$ 34,173</u>	<u>\$ 28,208</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF CHANGES IN STATE PROPERTY

For the year ended June 30, 2006

	<u>Total</u>	<u>Land and Land Improvements</u>	<u>Building and Building Improvements</u>	<u>Equipment</u>
Balance, June 30, 2005	\$ 46,261,295	\$ 2,724,539	\$ 38,147,294	\$ 5,389,462
Additions	229,530	2,234	6,921	220,375
Deletions and adjustments	161,682	-	58,402	103,280
Net transfers	<u>340,313</u>	<u>99,999</u>	<u>191,891</u>	<u>48,423</u>
Balance, June 30, 2006	<u>\$ 46,669,456</u>	<u>\$ 2,826,772</u>	<u>\$ 38,287,704</u>	<u>\$ 5,554,980</u>

Note: Information was obtained from Home records and reconciled to property records submitted to the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

SCHEDULE OF CHANGES IN STATE PROPERTY

For the year ended June 30, 2005

	<u>Total</u>	<u>Land and Land Improvements</u>	<u>Building and Building Improvements</u>	<u>Equipment</u>
Balance, June 30, 2004	\$ 46,754,598	\$ 2,838,471	\$ 38,618,611	\$ 5,297,516
Additions	391,188	-	42,403	348,785
Deletions and adjustments	911,863	113,932	605,362	192,569
Net transfers	<u>27,372</u>	<u>-</u>	<u>91,642</u>	<u>(64,270)</u>
Balance, June 30, 2005	<u>\$ 46,261,295</u>	<u>\$ 2,724,539</u>	<u>\$ 38,147,294</u>	<u>\$ 5,389,462</u>

Note: Information was obtained from Home records and reconciled to property records submitted to the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

COMPARATIVE SCHEDULE OF CASH RECEIPTS

	For the Fiscal Year ended June 30,		
	2006	2005	2004
GENERAL REVENUE FUND - 001			
Jury duty and personal phone calls	\$ 192	\$ 105	\$ 151
QUINCY VETERANS' HOME FUND - 619			
Maintenance fees (including aid and admission)	6,720,491	6,940,613	6,986,515
Reimbursement from U.S. Department of Veterans Affairs	8,868,699	10,379,243	9,434,505
Medicare reimbursements	505,307	712,240	1,152,662
Miscellaneous	116,623	135,225	160,423
Total Quincy Veterans' Home Fund - 619	<u>16,211,120</u>	<u>18,167,321</u>	<u>17,734,105</u>
Total receipts - All funds	<u>\$ 16,211,312</u>	<u>\$ 18,167,426</u>	<u>\$ 17,734,256</u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS  
REMITTED TO THE STATE COMPTROLLER

	For the Fiscal Year ended June 30,		
	2006	2005	2004
Receipts per Home records	\$ 16,211,312	\$ 18,167,426	\$ 17,734,256
Add: Deposits in transit, beginning of year	57,231	92,484	117,661
Less: Deposits in transit, end of year	<u>28,618</u>	<u>57,231</u>	<u>92,484</u>
Receipts per comptroller records	<u>\$ 16,239,925</u>	<u>\$ 18,202,679</u>	<u>\$ 17,759,433</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES

For the two years ended June 30, 2006

A comparative schedule of significant variations in expenditures (greater than \$6,000 and 15%) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

		Fiscal Year ended June 30		Increase/(Decrease)	
		2006	2005	Amount	%
<b>General Revenue Fund</b>					
Personal services	(1)	14,387,104	12,415,760	1,971,344	16%
Retirement paid by State	(2)	146,603	31,661	114,942	363%
State employee retirement	(3)	1,123,068	1,962,228	(839,160)	-43%
Social Security	(4)	1,051,990	880,382	171,608	19%
Contractual services	(9)	48,153	4,900	43,253	883%
Maintenance and travel for aided persons		-	366	(366)	-100%
<b>Quincy Veterans' Home Fund</b>					
Personal services	(1)	\$ 7,194,531	\$ 8,890,965	\$ (1,696,434)	-19%
Members' compensation		10,007	10,273	(266)	-3%
Retirement paid by State	(2)	49,783	282,568	(232,785)	-82%
State employee retirement	(3)	560,934	1,419,697	(858,763)	-60%
Social Security	(4)	534,624	657,697	(123,073)	-19%
Contractual services		2,297,087	2,281,587	15,500	1%
Travel		4,401	2,622	1,779	68%
Commodities		3,558,077	4,141,975	(583,898)	-14%
Printing		21,662	21,497	165	1%
Equipment	(5)	412,126	129,850	282,276	217%
Electronic data processing	(6)	61,865	41,658	20,207	49%
Telecommunications	(7)	65,175	78,478	(13,303)	-17%
Operation of automotive equipment		51,512	50,841	671	1%
Refunds	(8)	27,171	44,074	(16,903)	-38%
<b>Veterans' Affairs Library Grant Fund</b>					
Library expenses		15,000	20,875	(5,875)	-28%

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
(Continued)

For the two years ended June 30, 2006

All variations greater than \$6,000 and 15% were determined to be significant.

- (1) The reductions in Personal Services in the Home Fund are a result of a change in the split between the Home Fund and General Revenue Fund appropriations. The Personal Services appropriation was reduced in the Home Fund and increased in the General Revenue Fund.
- (2) Due to appropriation problems, Retirement was not paid as it is normally which is half from the Home Fund and half from the General Revenue Fund. In fiscal year 2006, the amount for both funds was paid out of the General Revenue Fund for more than half the year. This account is also directly related to Personal Services. Increases or decreases in Personal Services also increase or decrease Retirement. See explanation number (1) above.
- (3) The decrease in fiscal year 2006 was due to a decrease in the rate paid from 16% to 8%.
- (4) Social Security is directly related to Personal Services. Increases or decreases in Personal Services also increase or decrease Social Security. See explanation number (1) above.
- (5) The Home purchased 300 electric beds in fiscal year 2006. Two smaller items were purchased in fiscal year 2005.
- (6) The Home purchased several monitors, laptops, and a server in fiscal year 2006.
- (7) The Home purchased and installed a new phone system in fiscal year 2004. Some additional digital phones and equipment were purchased in fiscal year 2005. No additional expenses related to the phone system were needed in fiscal year 2006.
- (8) Refunds decreased in fiscal year 2006 due to fewer discharges or deaths occurring during the year.
- (9) Fiscal year 2006 was the first year money was appropriated in the Contractual line for the General Revenue Fund for the Communications Revolving Fund Consolidation payments.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
(Continued)

For the two years ended June 30, 2006

A comparative schedule of significant variations in expenditures (greater than \$6,000 and 15%) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

		Fiscal Year ended June 30		Increase/(Decrease)	
		2005	2004	Amount	%
<b>General Revenue Fund</b>					
Personal services	(1)	12,415,760	10,364,833	2,050,927	20%
Retirement paid by State	(2)	31,661	364,809	(333,148)	-91%
State employee retirement	(7)	1,962,228	1,093,424	868,804	79%
Social Security		880,382	790,501	89,881	11%
Contractual services		4,900	5,000	(100)	-2%
Commodities	(8)	-	147,891	(147,891)	-100%
Equipment	(8)	-	273,988	(273,988)	-100%
Maintenance and travel for aided persons		366	281	85	30%
<b>Quincy Veterans' Home Fund</b>					
Personal services	(1)	\$ 8,890,965	\$ 10,979,666	\$ (2,088,701)	-19%
Members' compensation		10,273	12,419	(2,146)	-17%
Retirement paid by State	(2)	282,568	394,240	(111,672)	-28%
State employee retirement		1,419,697	1,477,611	(57,914)	-4%
Social Security	(3)	657,697	803,046	(145,349)	-18%
Contractual services		2,281,587	2,131,451	150,136	7%
Travel		2,622	2,344	278	12%
Commodities		4,141,975	4,223,198	(81,223)	-2%
Printing		21,497	16,887	4,610	27%
Equipment	(4)	129,850	58,012	71,838	124%
Electronic data processing	(5)	41,658	85,661	(44,003)	-51%
Telecommunications	(6)	78,478	214,405	(135,927)	-63%
Operation of automotive equipment		50,841	49,091	1,750	4%
Refunds		44,074	41,218	2,856	7%
<b>Veterans' Affairs Library Grant Fund</b>					
Library expenses	(9)	20,875	-	20,875	100%

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
(Continued)

For the two years ended June 30, 2006

All variations greater than \$6,000 and 15% were determined to be significant.

- (1) The reductions in Personal Services in the Home Fund are a result of a change in the split between the Home Fund and General Revenue Fund appropriations. The Personal Services appropriation was reduced in the Home Fund and increased in the General Revenue Fund.
- (2) In fiscal year 2005, no budget was established for this line for the General Revenue Fund. However, the budget was not signed until after the first payroll periods in which Retirement had already been paid. This account is also directly related to Personal Services. Increases or decreases in Personal Services also increase or decrease Retirement. See explanation number (1) above.
- (3) Social Security is directly related to Personal Services. Increases or decreases in Personal Services also increase or decrease Social Security. See explanation number (1) above.
- (4) Two items, an oven and a food truck, were purchased during fiscal year 2005. During fiscal year 2004, there were no major equipment purchases.
- (5) In fiscal year 2004, fiber installation was purchased for the Fifer building.
- (6) The Home purchased and installed a new phone system in fiscal year 2004.
- (7) The increase in State Employee Retirement was due to a small rate increase in fiscal year 2005 and also due to retirement not being processed on all payroll vouchers during fiscal year 2004 due to a law change.
- (8) In fiscal year 2004, money for equipment for the new Fifer building was appropriated. Due to donated equipment, there were excess funds in the Equipment line. The remaining appropriation was transferred to Commodities, where commodity items were purchased for use at the facility.
- (9) This grant was new in fiscal year 2005.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS

For the two years ended June 30, 2006

A comparative schedule of significant variations in receipts (\$100,000 and 5%) for the fiscal years ended June 30, 2006, June 30, 2005, and June 30, 2004 are shown below:

	Fiscal Year ended June 30		Increase/(Decrease)	
	2006	2005	Amount	%
<b>General Revenue Fund</b>				
Jury duty and personal phone calls	\$ 192	\$ 105	\$ 87	83%
<b>Quincy Veterans' Home Fund</b>				
Medicare reimbursements	(1) 505,307	712,240	(206,933)	-29%
Reimbursement from U.S. Department of Veterans' Affairs	(2) 8,868,699	10,379,243	(1,510,544)	-15%
Maintenance fees (including aid and admission)	6,720,491	6,940,613	(220,122)	-3%
Miscellaneous	116,623	135,225	(18,602)	-14%
	<u>2005</u>	<u>2004</u>	<u>Amount</u>	<u>%</u>
<b>General Revenue Fund</b>				
Jury duty and personal phone calls	\$ 105	\$ 151	\$ (46)	-30%
<b>Quincy Veterans' Home Fund</b>				
Medicare reimbursements	(1) 712,240	1,152,662	(440,422)	-38%
Reimbursement from U.S. Department of Veterans' Affairs	(2) 10,379,243	9,434,505	944,738	10%
Maintenance fees (including aid and admission)	6,940,613	6,986,515	(45,902)	-1%
Miscellaneous	135,225	160,423	(25,198)	-16%

(1) Decreases in fiscal years 2006 and 2005 were due to a backlog of billings which stems from under staffing and the fact that the staff is still learning the Medicare billing system.

(2) Differences in fiscal years 2006 and 2005 were due to timing of payments and different accounting basis (cash versus accrual). After adjusting cash basis amounts reported by the Home, the revenue from the Veterans' Administration is \$9,752,026 in fiscal year 2006, \$9,559,404 in fiscal year 2005, and \$9,419,231 in fiscal year 2004. This is an increase of \$192,622 or 2% for fiscal year 2006 and an increase in fiscal year 2005 of \$140,173 or 1%.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

For the two years ended June 30, 2006

The Home's lapse period spending of \$2,154,838 for fiscal year 2006 and \$1,731,198 for fiscal year 2005, as shown in the Schedule of Appropriations, Expenditures and Lapsed Balances, represented 6.81% and 5.19% of the total expenditures, respectively. Following are the Home's explanations for lapse period spending which exceeded twenty percent (20%) of the total expenditure line item.

<u>Fiscal Year 2006</u>	<u>Lapse Period</u>	<u>Total Expenditures</u>
Contractual	<u>\$ 15,058</u>	<u>\$ 48,153</u>

March, April, May and June billings from Communications Revolving Fund Consolidation payments were received by the Home in August, and therefore could not be paid until the lapse period.

Travel	<u>\$ 984</u>	<u>\$ 4,401</u>
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Most travel is to Veterans' Organizations conventions which are held primarily at the end of May and the month of June; therefore, the majority of these expenses are paid during the lapse period.

Equipment	<u>\$ 361,954</u>	<u>\$ 412,126</u>
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A purchase of 300 electric beds could not be made until a transfer was approved. The approval for this transfer was delayed for a number of months until late in the fiscal year.

Electronic Data Processing (EDP)	<u>\$ 18,995</u>	<u>\$ 61,865</u>
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All purchases in this line are actually placed by the Central Office. These purchases were delayed until the end of the fiscal year resulting in four significant expenditures actually paid in the lapse period.

Fiscal Year 2005

Travel	<u>\$ 869</u>	<u>\$ 2,622</u>
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Most travel is to Veterans' Organizations conventions which are held primarily at the end of May and the month of June; therefore, the majority of these expenses are paid during the lapse period.

Equipment	<u>\$ 79,425</u>	<u>\$ 129,850</u>
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Two major expenditures for an oven and a new food truck were delayed until the end of the fiscal year to ensure sufficient funds for needed equipment purchases throughout the year.

Telecommunications	<u>\$ 25,931</u>	<u>\$ 78,478</u>
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Additional charges for the new phone system were posted on the telecommunications bill received during the lapse period.

Operation of Auto Equipment	<u>\$ 11,720</u>	<u>\$ 50,841</u>
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The invoices for four large expenditures for repairs were not received until the lapse period and then subsequently paid.

Library Expenses	<u>\$ 13,754</u>	<u>\$ 20,875</u>
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Grant money was not received until late in the fiscal year, so most purchases with this money could not be made until the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

For the two years ended June 30, 2006

Cash and Cash Equivalents

Cash and cash equivalents of the Illinois Veterans' Home at Quincy (Home) consist of cash on hand (petty cash fund), cash in the bank and short-term cash investments. The Home considers short-term cash investments with maturity of three months or less from placement date to be cash equivalents.

The Quincy Veterans' Home Fund (619) is a nonshared 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.

The Home is also the custodian of several locally held funds which includes the following:

- Commissary Fund (a special revenue fund)
- Superintendent's Trust Funds
  - Residents' Trust Fund
  - Residents' Benefit Fund
  - Chapel Funds (St. Lawrence and Protestant Funds)

A summary of the Home's cash and cash equivalents as of June 30 is shown below:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cash			
Quincy Veterans' Home Fund	\$ 7,617,557	\$ 5,741,383	\$ 6,141,813
Residents' Benefit Fund	216,830	33,835	27,005
Residents' Trust Fund	299,652	328,448	318,784
Chapel Funds	45,112	36,319	53,872
Commissary Funds	46,904	55,169	42,974
Short-term Investments			
Residents' Benefit Fund	225,000	325,000	325,000
Residents' Trust Fund	2,000,000	1,750,000	1,990,000
Chapel Funds	13,757	13,511	-
	<u>\$ 10,464,812</u>	<u>\$ 8,283,665</u>	<u>\$ 8,899,448</u>

Cash and cash equivalents in fiscal year 2006 increased 26% due to increased spending in the General Revenue Fund which decreased spending in the Home Fund.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES (Continued)

For the two years ended June 30, 2006

**Inventory**

The Home maintains an inventory of hospital and pharmacy items, general stores, food, and mechanical supplies. The inventories are valued using the moving average method. A summary of the Home's inventory balance as of June 30 is shown below:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Pharmacy	\$ 470,990	\$ 583,920	\$ 862,072
General stores	411,827	364,849	337,397
Mechanical supplies	<u>176,832</u>	<u>172,615</u>	<u>164,072</u>
	<u>\$ 1,059,649</u>	<u>\$ 1,121,384</u>	<u>\$ 1,363,541</u>

In fiscal year 2005, the Home switched to making drug purchases online. In doing this, the Home would receive the drug order within a day or two. A large store of pharmacy inventory was not necessary.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANALYSIS OF ACCOUNTS RECEIVABLE

For the two years ended June 30, 2006

Accounts receivable of the Home consist of per diem reimbursements from the U. S. Department of Veterans' Affairs, maintenance fees from the residents, and miscellaneous receivables including interest income on locally held funds. The Home considers all balances collectible except for the amount due as Maximum Maintenance Fee. The allowance for doubtful accounts was \$9,697 for both fiscal year 2006 and 2005. Accounts receivable written-off totaled \$250 and \$1,044 in fiscal years 2006 and 2005, respectively.

A summary of the Home's accounts receivable as of June 30 is shown below:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Per diem reimbursement	\$ 1,647,193	\$ 763,865	\$ 1,583,705
Maintenance fees - net	15,156	17,414	7,822
Miscellaneous	-	-	452
	<u>\$ 1,662,349</u>	<u>\$ 781,279</u>	<u>\$ 1,591,979</u>

The following is an aging of the Home's accounts receivable balances:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Not past due	\$ 811,116	\$ 763,865	\$ 791,300
1-30 days past due	838,712	7,448	800,679
31-90 days past due	-	269	-
91-180 days past due	526	-	-
181 days - 1 year past due	2,298	-	-
Over 1 year past due	9,697	9,697	-
	<u>\$ 1,662,349</u>	<u>\$ 781,279</u>	<u>\$ 1,591,979</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

AGENCY FUNCTIONS AND PLANNING PROGRAM

For the two years ended June 30, 2006

The Illinois Veterans' Home at Quincy (Home) was established by act of the General Assembly in 1885 and opened in 1887. In July 1976, it became part of the Department of Veterans' Affairs and in August 1998 it became regulated by the Illinois Department of Public Health.

The Home provides three levels of care for veterans and/or their spouses:

1. Domiciliary Care
2. Intermediate Care
3. Skilled Care

It is estimated that the number of veterans requiring medical care will peak in 2010 to 2012. Thereafter, the number of surviving veterans will rapidly decrease. With the potential decrease in demand for services due to a decrease in the number of veterans to service, the Home needs to specifically identify the future needs of veterans in order to maintain the current census. In order to better meet the needs of today's and tomorrow's veterans and those of their spouses, the Home identified the following goals:

#### Planning Program

##### One Year Goals

The Home has developed the following goals and objectives for the fiscal year ending June 30, 2006:

1. Prepare for annual inspections/surveys by the U.S. Veterans' Administration (VA) and Illinois Department of Public Health (IDPH).
2. Review VA and IDPH annual survey Plans of Corrections to ensure compliance.
3. Explore feasibility of converting Elmore West to an Alzheimer's unit in an attempt to reduce congestion in the Markwood infirmary.
4. Continue development and implementation of plan to decrease fall rate of residents.
5. Continue exploration of Pioneer Principles of resident care.
6. Identify all Department and general staff training and orientation requirements.
7. Develop a plan to improve communications at all levels of the Home. Includes paper systems, electronic (pagers, cell phones, telephones, computers/e-mail, radios, signs).
8. Maintain current Quality Improvement (QI) System, identifying new indicators as necessary. Retain monthly QI indicator process.

##### Five and Ten Year Goals

1. Develop a plan for a new Electronic Medical Record System. Work with Illinois Department of Veterans' Affairs Central Office to achieve this goal.
2. Finalize plan to increase the number of beds devoted to serving dementia/Alzheimer's patients in order to satisfy demand for services.

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

AGENCY FUNCTIONS AND PLANNING PROGRAM (Continued)

For the two years ended June 30, 2006

Five and Ten Year Goals (continued)

3. Complete Phase III of capital project that calls for upgrades to Kent infirmary.
4. Perform a 100% review of all physical plant and fixed equipment items for purposes of developing a master plan for capital improvements.
5. Develop a plan to improve security of the campus.
6. Continue to explore feasibility of development of Behavioral Health Unit with targeted completion in fiscal year 2010.
7. Increase expertise via training to better diagnosis and prepare for anticipated needs of future veteran residents (prosthetics, head injuries and PTSD).
8. Assess the need of Illinois Veterans of the Vietnam and Desert Storm eras who will require long-term care and who are projected to begin entering the facility in early 2015.
9. Address all facility upgrade requirements in order to provide for quality care and the level of need for future veterans.
10. Study and develop a funding plan to address and meet staffing requirements in relation to the veteran population at the Home in the year 2013 and beyond.

Auditor's Assessment of Agency Functions and Planning Program

Our review of the planning process indicates that there is an organized planning program in operation with specific goals in written form and a monitoring system to measure and evaluate actual results. The program is responsive to the plans of the Department of Veterans' Affairs, the intent of authorizing legislation and the needs of the citizens of the State of Illinois. The above goals and objectives were prepared by the State of Illinois, Department of Veterans' Affairs – Illinois Veterans' Home at Quincy.

Agency Head and Location

John Wingerter, Acting Administrator  
Illinois Veterans' Home at Quincy  
1707 North 12<sup>th</sup> Street  
Quincy, Illinois 62301

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

AVERAGE NUMBER OF EMPLOYEES

For the two years ended June 30, 2006

<u>Function</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Office administration	11	11	11
Professional	86	87	91
Technician	94	101	105
Protective service	11	9	10
Para professional	181	191	195
Office clerical	22	22	23
Skilled craft	14	14	16
Service maintenance	127	130	135
	<u>546</u>	<u>565</u>	<u>586</u>

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

ANNUAL COST STATISTICS  
(not examined)

For the two years ended June 30, 2006

Ratio of Employees to Residents

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Certified capacity of Home	683	683	683
Average number of residents:			
Skilled Care	451	473	473
Domiciliary Care	50	52	62
Average number of employees	546	565	586
Ratio of employees to residents:			
Skilled Care	1.21 to 1	1.19 to 1	1.24 to 1
Domiciliary Care	10.92 to 1	10.86 to 1	9.45 to 1

Cost per Resident

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average healthcare spending per resident per year	\$ 3,510	\$ 4,994	\$ 5,345
Average cost per resident per meal (excludes labor cost)	\$ 1.96	\$ 1.76	\$ 1.63
Average annual cost meals per resident (excludes labor cost)	\$ 2,142	\$ 1,924	\$ 1,788
Average annual cost of care per resident:			
Skilled	\$ 69,328	\$ 69,018	\$ 60,575
Domiciliary	\$ 38,785	\$ 45,220	\$ 38,920

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

Injury Statistics

The following was taken from 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	99	93	82

STATE OF ILLINOIS  
DEPARTMENT OF VETERANS' AFFAIRS  
ILLINOIS VETERANS' HOME AT QUINCY

EMERGENCY PURCHASES

For the two years ended June 30, 2006

During the two years ended June 30, 2006, Illinois Veterans' Home at Quincy filed the following emergency purchase affidavit with the Auditor General.

January 28, 2005                Repairs to absorption chillers in 3 nursing units

This emergency purchase involved repairs to absorption chillers before the warmer months of the spring and summer since residents in the units require cool, non-humid conditions. Due to health concerns for the residents, this purchase needed to occur on an emergency basis.

The actual cost to the Home was \$36,550.

STATE OF ILLINOIS  
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SERVICE EFFORTS AND ACCOMPLISHMENTS  
(not examined)

For the two years ended June 30, 2006

VETERANS SERVED

The purpose of the Home is to provide "nursing home" care to Illinois veterans. Below is a table which indicates the number of veterans served by the Home during the two years ended June 30, 2006 with a comparison to the year ended June 30, 2004:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
<u>Nursing Care</u>			
Number of residents, July 1	428	461	445
New admissions	154	182	185
Discharges	22	26	29
Deaths	127	189	140
Number of residents, June 30	<u>433</u>	<u>428</u>	<u>461</u>
Number of Veterans' Days of Care Furnished	<u>151,372</u>	<u>156,535</u>	<u>157,551</u>
<u>Domiciliary Care</u>			
Number of residents, July 1	44	50	60
New admissions	9	13	14
Discharges	7	18	24
Deaths	-	1	-
Number of residents, June 30	<u>46</u>	<u>44</u>	<u>50</u>
Number of Veterans' Days of Care Furnished	<u>10,711</u>	<u>12,102</u>	<u>14,945</u>

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