

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

ILLINOIS VETERANS' HOME AT LASALLE

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2008

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

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AGENCY OFFICIALS

Executive Director (2/9/09 to current)	Mr. Dan Grant
Executive Director (12/15/06 to 2/6/09)	Ms. Tammy Duckworth
Home Administrator (6/2/08 to current)	Mr. Norman Gross
Acting Home Administrator (3/4/08 to 6/1/08)	Mr. Bruce Vaca
Acting Home Administrator (2/4/08 to 03/03/08)	Mr. Michael Dechy
Acting Home Administrator (1/7/08 to 2/3/08)	Ms. Cathy Page
Home Administrator (through 12/31/07)	Mr. James Arrington
Business Administrator (8/16/07 to current)	Mr. Raymond Schneider
Business Administrator (10/14/06 to 8/15/07)	Vacant
Business Administrator (through 10/13/2006)	Ms. Cheryl Damron
Director of Nursing (04/16/09 to current)	Betty J. Pappas
Director of Nursing (3/1/08 to 2/16/09)	Ms. Edith Duckworth
Acting Director of Nursing (1/1/08 to 2/29/08)	Ms. Betty Gunderson
Director of Nursing (8/1/06 to 12/31/07)	Ms. Jacqueline Girard
Adjutant (9/17/07 to current)	Ms. LuAnn Pierard
Adjutant (through 7/31/07)	Mr. Stanley Greicius

Agency office is located at:

1015 O'Conor Avenue
LaSalle, Illinois 61301



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

LASALLE VETERANS' HOME
1015 O'CONOR AVENUE, LASALLE, ILLINOIS 61301
TELEPHONE: 815/223-0303 * FAX: 815/223-5815

PAT QUINN
GOVERNOR

DAN GRANT
DIRECTOR

June 10, 2009

Honorable William G. Holland
Auditor General
State of Illinois
Hes Park Plaza
740 East Ash
Springfield, IL 62703-3154

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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, the Agency has materially complied with the assertions below.

- A. The agency 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 agency 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 agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the agency 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 agency on behalf of the State or held in trust by the agency 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 Veteran' Home at LaSalle


Norman Gross, Home Administrator


Raymond Schneider, Business Administrator

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
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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.

ACCOUNTANTS' 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>Current Report</u>	<u>Prior Report</u>
Findings	3	1
Repeated findings	0	0
Prior recommendations implemented or not repeated	1	0

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

SCHEDULE OF FINDINGS

FINDINGS (STATE COMPLIANCE)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
08-1	9	Failure to perform monthly reconciliations	Significant Deficiency and Noncompliance
08-2	10	Inadequate controls over equipment	Significant Deficiency and Noncompliance
08-3	12	Failure to timely complete employee evaluations	Significant Deficiency and Noncompliance

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PRIOR FINDINGS NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
A	13	Noncompliance with State Officials and Employees Ethics Act

EXIT CONFERENCE

Home management waived an exit conference in correspondence dated May 18, 2009.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

**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

We have examined the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle'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, 2008. The management of the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle's compliance based on our examination.

- A. The State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle 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 LaSalle 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 LaSalle 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 LaSalle 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 State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle on behalf of the State or held in trust by the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at

LaSalle have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination 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 State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle'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 State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle's compliance with specified requirements.

In our opinion, the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. 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 findings as findings 08-1, 08-2, and 08-3.

Internal Control

The management of the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at LaSalle's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the

requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as findings 08-1, 08-2, and 08-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying schedule of findings to be material weaknesses.

The State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at Lasalle's response to the findings identified in our examination are described in the accompanying schedule of findings and questioned costs. We did not examine the State of Illinois, Department of Veterans' Affairs - Illinois Veterans' Home at Lasalle's responses and, accordingly, we express no opinion on it.

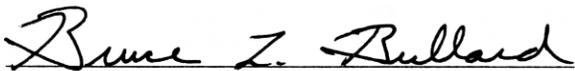
As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

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 2008 and 2007 Supplementary Information for State Compliance Purposes, except for information on the Annual 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 2006 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, the Department of Veterans' Affairs management, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.


Bruce L. Bullard, CPA
Director of Financial and Compliance Audits

June 10, 2009

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

Current Findings

08-1. **FINDING** (Failure to perform monthly reconciliations)

The Illinois Veterans' Home at LaSalle (Home) did not perform monthly reconciliations of its receipt and expenditure records to the Comptroller's records, as required by the Statewide Accounting Management System (SAMS).

During our examination, we noted the following:

- The Home failed to perform monthly receipt reconciliations to the Comptroller's Monthly Revenue Status Report during FY08. The Home reported \$3,819,246 in receipts in FY08. SAMS (Procedure 25.40.20) requires an Agency to perform a timely monthly reconciliation of receipt account balances and notify the Comptroller's Office of any corrections or unreconcilable balances.
- The Home failed to perform monthly reconciliations of its appropriations and expenditure records to the Comptroller's Monthly Appropriation Status Report for 8 of 12 (67%) months during FY08. SAMS (Procedure 11.40.20) requires an Agency to perform a timely monthly reconciliation of appropriations and expenditures and notify the Comptroller's Office of any unreconcilable differences.

Home management stated they were unable to complete monthly reconciliations due to work overload and staff shortages.

Failure to properly reconcile accounting records could lead to inaccurate financial reporting and unresolved differences between the Home and Comptroller records. (Finding Code No. 08-1)

RECOMMENDATION

We recommend the Home ensure monthly reconciliations are performed in accordance with SAMS procedures to ensure accurate financial reporting.

HOME RESPONSE

We agree that we need to comply with the SAMS manual and perform monthly reconciliations of receipts and expenditures to ensure accurate financial reporting. This is all made possible with adequate staffing.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

Current Findings - continued

08-2. **FINDING** (Inadequate controls over equipment)

The Illinois Veterans' Home at LaSalle (Home) did not maintain an adequate control over equipment and related records.

We noted the following:

- Two of 25 (12%) equipment items tested, totaling \$6,454, could not be located. Documentation later located by the Home showed one item, totaling \$4,999 was transferred to surplus in December 2007 but was not removed from the property records. The State Property Control Act (30 ILCS 605/4) states every responsible officer of State government shall be accountable for the supervision, control, and inventory of all property under its jurisdiction. Home management stated the surplus property was not removed due to oversight and they believed the other item was misplaced during their recent move.
- The Home did not maintain an adequate segregation of duties with respect to property control. The same employee was responsible for the periodic receiving of items, input of equipment into the inventory records, entering equipment deletions and transfers, compiling inventory counts, and equipment reconciliations. In addition, during FY08 the employee also performed the annual physical inventory count. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data. In addition, good internal controls require the Home maintain adequate segregation of authorization, record keeping and custody duties. Home management stated the lack of segregation was due to the small staff size.

Failure to exercise adequate control over property increases the likelihood of inaccurate inventory records and increases the potential for fraud and possible loss or theft of State property. In addition, a lack of adequate segregation of duties increases the possibility that a loss from errors or irregularities could occur and not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 08-2)

RECOMMENDATION

We recommend the Home strengthen controls over property and related records and establish a proper segregation of duties for property control functions.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

Current Findings – continued

HOME RESPONSE

We agree that we need to improve our segregation of duties, controls over property, equipment and its reporting. We will work with Central Office in improving adequate controls over equipment. This is all made possible with adequate staffing.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

Current Findings – continued

08-3. **FINDING** (Failure to timely complete employee evaluations)

The Illinois Veterans' Home at LaSalle (Home) did not conduct employee performance evaluations in accordance with the Illinois Administrative Code (Code) and its policies.

We noted the Home did not complete annual employee performance evaluations as required for 7 of 25 (28%) employees tested. One employee did not have a performance evaluation completed for FY07 or FY08, three employees did not have a performance evaluation completed for FY08, one employee did not have a performance evaluation completed for FY07, and two employees had performance evaluations completed 426 to 457 days after the evaluation period in FY07 and 60 to 91 days after the evaluation period in FY08.

The Code (80 Ill. Adm. Code 302.270) requires each agency to perform an employee performance evaluation not less than annually. In addition, the Illinois Department of Veterans' Affairs Employee Manual Chapter 2, Section 11 requires evaluations to take place every 12 months, unless otherwise specified under the Personnel Rules.

Home management stated notifications are sent to supervisors regarding evaluations but they are not always performed or are performed untimely due to oversight.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. (Finding Code No. 08-3)

RECOMMENDATION

We recommend the Home timely conduct employee performance evaluations annually as required.

HOME RESPONSE

We agree that employee evaluations are due annually and are to be prepared on a timely basis. We will work with the facility HR Manager and Central Office in getting in compliance with the Code, 80 Ill. Adm. 302.270.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2008

Prior Findings Not Repeated

A. **FINDING** (Noncompliance with State Officials and Employees Ethics Act)

During the prior period, the Illinois Veterans' Home at LaSalle (Home) did not maintain timesheets in accordance with the State Officials and Employees Ethics Act. Specifically, the Home's timesheets did not document the total hours spent each day on official State business.

During the current period, our sample testing showed the Home amended its procedures and implemented timesheets that certify employees' time spent each day on official State business. (Finding Code No. 06-1)

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

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
- Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) -
Locally Held Funds
- 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 Statistics (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' 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 Annual Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2008

P.A. 95-0348 FISCAL YEAR 2008	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
General Revenue Fund - 001					
Personal Services	\$ 4,793,300	\$ 4,641,741	\$ 0	\$ 4,641,741	\$ 151,559
State Contribution to State					
Employees' Retirement System	795,600	768,697	0	768,697	26,903
State Contributions to Social Security	366,600	342,675	0	342,675	23,925
Contractual Services	100	100	0	100	0
Commodities	100	100	0	100	0
Electronic Data Processing	100	100	0	100	0
Subtotal Fund - 001	\$ 5,953,800	\$ 5,753,413	\$ 0	\$ 5,753,413	\$ 202,387
LaSalle Veterans' Home Fund - 272					
Personal Services	\$ 1,284,400	\$ 923,944	\$ 276,739	\$ 1,200,683	\$ 83,717
State Contribution to State					
Employees' Retirement System	213,200	153,083	45,851	198,934	14,266
State Contributions to Social Security	98,300	68,299	20,517	88,816	9,484
Contractual Services	1,646,900	1,101,786	145,708	1,247,494	399,406
Travel	10,100	8,372	401	8,773	1,327
Commodities	704,200	512,062	38,435	550,497	153,703
Printing	9,200	6,762	110	6,872	2,328
Equipment	97,400	26,052	66,296	92,348	5,052
Electronic Data Processing	5,000	2,757	1,637	4,394	606
Telecommunications	24,900	19,028	2,140	21,168	3,732
Operation of Automotive Equipment	17,200	10,567	3,319	13,886	3,314
Permanent Improvements	25,000	1,611	22,037	23,648	1,352
Refund expenditures	10,800	8,102	1,406	9,508	1,292
Subtotal Fund - 272	\$ 4,146,600	\$ 2,842,425	\$ 624,596	\$ 3,467,021	\$ 679,579
TOTAL APPROPRIATED FUNDS	\$ 10,102,400	\$ 8,595,838	\$ 624,596	\$ 9,220,434	\$ 881,966
NONAPPROPRIATED FUND					
Veterans' Affairs Library Grant Fund - 775	\$ 0	\$ 3,695	\$ 10,955	\$ 14,650	\$ 0
Library Expenses	\$ 0	\$ 3,695	\$ 10,955	\$ 14,650	\$ 0
Total - Fund 775	\$ 0	\$ 3,695	\$ 10,955	\$ 14,650	\$ 0

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2007

P.A. 94-798 FISCAL YEAR 2007	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed August 31
			Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	
General Revenue Fund - 001					
Personal Services	\$ 3,654,800	\$ 3,649,690	\$ 0	\$ 3,649,690	\$ 5,110
State Contribution to State					
Employees' Retirement System	421,200	421,151	0	421,151	49
State Contributions to Social Security	279,600	269,393	0	269,393	10,207
Contractual Services	100	0	100	100	0
Commodities	100	0	100	100	0
Electronic Data Processing	100	0	100	100	0
Subtotal Fund - 001	\$ 4,355,900	\$ 4,340,234	\$ 300	\$ 4,340,534	\$ 15,366
LaSalle Veterans' Home Fund - 272					
Personal Services	\$ 2,254,700	\$ 1,783,356	\$ 257,749	\$ 2,041,105	\$ 213,595
State Contribution to State					
Employees' Retirement System	259,900	206,444	29,712	236,156	23,744
State Contributions to Social Security	172,500	131,718	19,082	150,800	21,700
Contractual Services	1,522,300	1,061,290	162,237	1,223,527	298,773
Travel	2,700	2,108	112	2,220	480
Commodities	639,500	470,208	28,144	498,352	141,148
Printing	9,200	7,130	639	7,769	1,431
Equipment	37,400	22,928	2,165	25,093	12,307
Electronic Data Processing	5,000	3,196	1,734	4,930	70
Telecommunications	23,700	16,253	2,131	18,384	5,316
Operation of Automotive Equipment	11,500	8,396	462	8,858	2,642
Permanent Improvements	15,000	0	0	0	15,000
Refund expenditures	10,800	5,248	0	5,248	5,552
Subtotal Fund - 272	\$ 4,964,200	\$ 3,718,275	\$ 504,167	\$ 4,222,442	\$ 741,758
TOTAL APPROPRIATED FUNDS	\$ 9,320,100	\$ 8,058,509	\$ 504,467	\$ 8,562,976	\$ 757,124
NONAPPROPRIATED FUND					
Veterans' Affairs Library Grant Fund - 775					
Library Expenses	\$ 0	\$ 5,893	\$ 6,936	\$ 12,829	\$ 0
Total - Fund 775	\$ 0	\$ 5,893	\$ 6,936	\$ 12,829	\$ 0

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Two Years Ended June 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	<u>P.A. 95-0348</u>	<u>P.A. 94-798</u>	<u>P.A. 94-0015</u>
<u>General Revenue Fund - 001</u>			
Appropriations (Net of Transfers)	\$ 5,955,800	\$ 4,355,900	\$ 4,948,500
Expenditures:			
Personal Services	\$ 4,641,741	\$ 3,649,690	\$ 4,247,390
Employee Retirement			
Contributions Paid by Employer	0	0	38,762
State Contribution to State			
Employees' Retirement System	768,697	421,151	331,094
State Contributions to Social Security	342,675	269,393	313,528
Contractual Services	100	100	100
Commodities	100	100	100
Electronic Data Processing	100	100	100
Total Expenditures	<u>\$ 5,753,413</u>	<u>\$ 4,340,534</u>	<u>\$ 4,931,074</u>
Lapsed Balances	<u>\$ 202,387</u>	<u>\$ 15,366</u>	<u>\$ 17,426</u>
<u>LaSalle Veterans' Home Fund - 272</u>			
Appropriations (Net of Transfers)	\$ 4,146,600	\$ 4,964,200	\$ 4,174,900
Expenditures:			
Personal Services	\$ 1,200,683	\$ 2,041,105	\$ 1,206,895
Employee Retirement			
Contributions Paid by Employer	0	0	7,968
State Contribution to State			
Employees' Retirement System	198,934	236,156	94,061
State Contributions to Social Security	88,816	150,800	89,591
Contractual Services	1,247,494	1,223,527	1,249,348
Travel	8,773	2,220	2,495
Commodities	550,497	498,352	480,863
Printing	6,872	7,769	7,571
Equipment	92,348	25,093	37,109
Electronic Data Processing	4,394	4,930	32,203
Telecommunications	21,168	18,384	21,935
Operation of Automotive Equipment	13,886	8,858	11,482
Permanent Improvements	23,648	0	0
Refund expenditures	9,508	5,248	7,352
Total Expenditures	<u>\$ 3,467,021</u>	<u>\$ 4,222,442</u>	<u>\$ 3,248,873</u>
Lapsed Balances	<u>\$ 679,579</u>	<u>\$ 741,758</u>	<u>\$ 926,027</u>
NONAPPROPRIATED FUND			
<u>Veterans' Affairs Library Grant Fund - 775</u>			
Library Expenses	<u>\$ 14,650</u>	<u>\$ 12,829</u>	<u>\$ 11,000</u>
GRAND TOTAL, ALL FUNDS			
Total Expenditures	<u>\$ 9,235,084</u>	<u>\$ 8,575,805</u>	<u>\$ 8,190,947</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND
FUND BALANCE (CASH BASIS) - LOCALLY-HELD FUNDS**
For the Two Years Ended June 30, 2008

	Residents' Trust Fund - 1260	
	2008	2007
Cash Balance at July 1,	\$ 226,763	\$ 239,777
Receipts:	1,337,105	1,483,302
Disbursements:	1,328,560	1,496,316
Cash Balance at June 30,	\$ 235,308	\$ 226,763

	Residents' Benefit Fund - 1261	
	2008	2007
Cash Balance at July 1,	\$ 144,055	\$ 82,704
Receipts:	206,290	156,511
Disbursements:	124,137	95,160
Cash Balance at June 30,	\$ 226,208	\$ 144,055

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2008

	Total	Land and Land Improvements	Site Improvement	Building and Building Improvements	Equipment	Capital Leases (Equipment)
Balance, June 30, 2006	\$ 11,395,600	\$ 270,737	\$ 275,317	\$ 9,311,332	\$ 1,538,214	\$ -
Additions	\$ 112,396	-	-	-	101,010	11,386
Deletions and Adjustments	\$ (7,180)	-	-	-	(7,180)	-
Net Transfers	\$ (29,433)	-	-	-	(29,433)	-
Balance, June 30, 2007	\$ 11,471,383	\$ 270,737	\$ 275,317	\$ 9,311,332	\$ 1,602,611	\$ 11,386
Balance, June 30, 2007	\$ 11,471,383	\$ 270,737	\$ 275,317	\$ 9,311,332	\$ 1,602,611	\$ 11,386
Additions	\$ 184,883	-	219	-	184,664	-
Deletions and Adjustments	\$ (4,073)	(2,500)	-	-	(1,573)	-
Net Transfers	\$ 13,605,251	-	-	13,669,601	(64,350)	-
Balance, June 30, 2008	\$ 25,257,444	\$ 268,237	\$ 275,536	\$ 22,980,933	\$ 1,721,352	\$ 11,386

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

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Years Ended June 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Revenue Fund - 001</u>			
Jury Duty and Personal Phone Calls	\$ 95	\$ -	\$ 70
Total Receipts	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 70</u>
 <u>LaSalle Veterans' Home Fund - 272</u>			
Maintenance Fees	\$ 1,200,977	\$ 1,337,702	\$ 1,434,336
Reimbursement from U.S. Department of Veterans Affairs	2,364,227	2,348,379	2,306,664
Miscellaneous	<u>32,148</u>	<u>27,625</u>	<u>78,176</u>
Total Receipts	<u>\$ 3,597,352</u>	<u>\$ 3,713,706</u>	<u>\$ 3,819,176</u>
Total Receipts - All Funds	<u><u>\$ 3,597,447</u></u>	<u><u>\$ 3,713,706</u></u>	<u><u>\$ 3,819,246</u></u>

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Receipts per Home Records	\$ 3,597,447	\$ 3,713,706	\$ 3,819,246
Add: Deposits in Transit, Beginning of Year	3,285	-	10,343
Less: Deposits in Transit, End of Year	(13,470)	(3,285)	0
Receipts per Comptroller Records	<u><u>\$ 3,587,262</u></u>	<u><u>\$ 3,710,421</u></u>	<u><u>\$ 3,829,589</u></u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Fiscal Year 2008

Explanations for significant variations in expenditures exceeding 20% and \$10,000 for the fiscal year ended June 30, 2008 and June 30, 2007 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
<u>General Revenue Fund – 001</u>	<u>2008</u>	<u>2007</u>	<u>AMOUNT</u>	<u>%</u>
Personal services	\$4,641,741	\$3,649,690	\$ 992,051	27%
State contributions to State employees' retirement system	768,697	421,151	347,546	83%
State contributions to social security	342,675	269,393	73,282	27%
 <u>LaSalle Veterans' Home Fund – 272</u>				
Personal services	\$ 1,200,683	\$ 2,041,105	\$ (840,422)	(41%)
State contributions to social security	88,816	150,800	(61,984)	(41%)
Equipment	92,348	25,093	67,255	268%
Permanent Improvements	23,648	0	23,648	100%

General Revenue Fund – 001

Personal services and State contributions to social security

The increase was due to a funding swap between the General Revenue Fund and the LaSalle Veterans' Home Fund in FY08. Appropriations change each year depending on the total budget and the amount the Homes' Fund can support based on receipt projections.

State contributions to State employees' retirement system

The increase was due to the State's contribution rate increasing from 11.525% in FY07 to 16.561% in FY08.

LaSalle Veterans' Home Fund – 272

Personal services and State contributions to social security

The decrease was due to the funding swap between the General Revenue Fund and the LaSalle Veterans' Home Fund in FY08. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

LaSalle Veterans' Home Fund – 272 (continued)

Equipment

The increase was due to the purchase of new office, medical, and household equipment, machinery and tools in preparation for the Home's expansion in January, 2009.

Permanent Improvements

The increase was due to the purchase of an overhead paging system and an emergency notification system for the Dietary department. The improvements were also made as part of the Home's expansion.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

Fiscal Year 2007

Explanations for significant variations in expenditures exceeding 20% and \$10,000 for the fiscal year ended June 30, 2007 and June 30, 2006 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
<u>General Revenue Fund – 001</u>	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$ 0	\$38,762	\$ (38,762)	(100%)
State contributions to State employees' retirement system	421,151	331,094	90,057	27%
<u>LaSalle Veterans' Home Fund – 272</u>				
Personal services	\$ 2,041,105	\$1,206,895	\$ 834,210	69%
State contributions to State employees' retirement system	236,156	94,061	142,095	151%
State contributions to social security	150,800	89,591	61,209	68%
Equipment	25,093	37,109	(12,016)	(32%)
Electronic Data Processing	4,930	32,203	(27,273)	(85%)

General Revenue Fund – 001

Employee retirement contributions paid by employer

The decrease was due to the State no longer paying employee retirement contributions payments during FY07.

State contributions to State employees' retirement system

The increase was due to the State's contribution rate increasing from 7.791% in FY06 to 11.525% in FY07.

LaSalle Veterans' Home Fund – 272

Personal services, State contributions to State employees' retirement system, State contributions to social security

The increases were due to a funding swap between the General Revenue Fund and the LaSalle Veterans' Home Fund in FY07. The Home's appropriations change each year depending on the total budget and the amount the Home Fund can support based on receipt projections.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

LaSalle Veterans' Home Fund – 272 (continued)

Equipment

The decrease was due to additional expenditures for kitchen equipment including an icemaker and meat rack in FY06, compared to no such expenditures during FY07.

Electronic data processing

The decrease in electronic data processing expenditures (EDP) was due to the Home purchasing a new server during FY06 compared to paying only normal operational costs in FY07. In addition, starting in FY07, the Department of Veterans' Affairs Central Office picked up monthly direct EDP line charges, and the Home was obligated to pay only monthly maintenance charges.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2008

Significant variations in receipts are considered to be those varying between years by more than 20% and amounting to \$10,000 or more.

LaSalle Veterans' Home Fund

Miscellaneous Receipts

The Home received Medicare reimbursements totaling \$22,222 in FY07 and \$68,930 in FY06. In FY06, the Home began to receive reimbursements from Medicare for purchases of durable medical equipment for the first time. In addition, the Home also applied for and received reimbursements for the durable medical equipment expenses incurred for the 23 months prior to 7/1/05 in FY06.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Our testing of lapse period expenditures for the fiscal year ended June 30, 2008 disclosed five appropriation line items and one non-appropriated line item with significant (**exceeding 20% and \$5,000**) lapse period expenditures, as scheduled below:

	Fiscal Year Ended June 30, 2008		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
<u>LaSalle Veterans' Home Fund – 272</u>			
Personal services	\$1,200,683	\$276,739	23%
State contribution to State employees' retirement system	\$198,934	\$45,851	23%
State contributions to social security	\$88,816	\$20,517	23%
Equipment	\$92,348	\$66,296	72%
Permanent Improvements	\$23,648	\$22,037	93%
<u>Veterans' Affairs Library Grant Fund – 775</u>			
Library expenses	\$14,650	\$10,955	75%

LaSalle Veterans' Home Fund – 272

Personal services, State contribution to State employees' retirement system, State contributions to social security

The Home paid the last four payrolls out of the Home fund, 23% of which was expended during the lapse period.

Equipment

The Home ordered the following items prior to June 30 that were received and paid during the lapse period: 2 color copiers, 4 Physician scales, 3 wheelchair scales and a lift, 3 linen carts, embossers and imprinters, shelving, and 2 shredders. These expenditures were necessary for the Home's expansion in January 2009.

Permanent improvements

The Home paid for the purchase and installation of a variable frequency drive for an air handler and additional electrical work necessary for its expansion during the lapse period.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Veterans' Affairs Library Grant Fund – 775

Library expenses

The Home paid invoices for storage equipment, a book binding machine and a subscription to the Prairie Area Library System that were ordered prior to June 30 but not received until the lapse period. In addition, funds remaining at year end were required to be refunded to the Secretary of State.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

Our review of lapse period expenditures for the fiscal year ended June 30, 2007 disclosed one non-appropriated line item with significant (**exceeding 20% and \$5,000**) lapse period expenditures, as scheduled below:

	Fiscal Year Ended June 30, 2007		
	TOTAL	LAPSE PERIOD	PERCENTAGE
	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>	<u>PERCENTAGE</u>
<u>Veterans' Affairs Library Grant Fund – 775</u>			
Library expenses	\$12,829	\$6,936	54%

Veterans' Affairs Library Grant Fund – 775

Library expenses

The Home paid invoices for a laptop and flat panel monitor, a subscription to the Prairie Area Library System, and books and DVDs for the library that were ordered prior to June 30 but not received until the lapse period. In addition, funds remaining at year end were required to be refunded to the Secretary of State.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
For the Two Years Ended June 30, 2008

Cash and Cash Equivalents

Cash and cash equivalents of the Illinois Veterans' Home at LaSalle (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 LaSalle Veterans' Home Fund (272) 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 two locally held funds, the Residents' Benefit Fund (1261) (a trust fund) and the Residents' Trust Fund (1260) (an agency fund). Both funds are maintained at the LaSalle State Bank and are insured up to the Federal Deposit Insurance Corporation (FDIC) limit.

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash			
LaSalle Veterans' Home Fund	\$ 1,677,581	\$ 1,768,919	\$ 2,197,768
Residents' Benefit Fund	226,208	144,055	82,704
Residents' Trust Fund	235,308	226,763	239,777
Short-term Investments -			
Residents' Benefit Fund	51,622	49,742	47,206
	<u>\$ 2,190,719</u>	<u>\$ 2,189,479</u>	<u>\$ 2,567,455</u>

Significant variations in cash and cash equivalents are considered to be those varying between years by more than 20% and amounting to \$10,000 or more.

The LaSalle Veterans' Home Fund cash and cash equivalents decreased by 20% in FY07. The decrease was mainly due the Home paying a higher percentage of operating expenses from the LaSalle Veterans' Home Fund. In FY07, the Home's appropriation for the LaSalle Veterans' Home Fund increased and the appropriation for the General Revenue Fund decreased. In addition, receipts into the fund also decreased from FY06 to FY07.

The Residents' Benefit Fund cash and cash equivalents increased by 57% and 75% in FY08 and FY07, respectively. The increases were due to the Home receiving a larger number of donations from private individuals and organizations.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
For the Two Years Ended June 30, 2008

Inventory

The Home maintains an inventory of general stores and food 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>2008</u>	<u>2007</u>	<u>2006</u>
General Stores	\$ 66,411	\$ 78,320	\$ 52,733
Food Supplies	28,529	35,108	25,411
	<u>\$ 94,940</u>	<u>\$ 113,428</u>	<u>\$ 78,144</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Two Years Ended June 30, 2008

Accounts receivable of the Home consists 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 cash investments. The Home considers all balances collectible. No allowance for doubtful accounts is reflected in the Home's accounts.

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

	2008	2007	2006
Per Diem Reimbursement	\$ 202,047	\$ 186,676	\$ 193,370
Maintenance Fees	1,791	0	7,105
	<u>\$ 203,838</u>	<u>\$ 186,676</u>	<u>\$ 200,475</u>

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

	2008	2007	2006
Not Past Due	\$ 202,047	\$ 186,676	\$ 193,370
1-30 Days Past Due	593	0	7,105
31-90 Days Past Due	1,198	0	0
	<u>\$ 203,838</u>	<u>\$ 186,676</u>	<u>\$ 200,475</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

AGENCY FUNCTIONS

The Illinois Veterans' Home at LaSalle (Home) was established by Public Act 85-1188 of the General Assembly effective January 1, 1989. It currently operates under the authority of the Department of Veterans Affairs Act (20 ILCS 2805 et seq.) Construction of the Home was completed in the fall of 1990 with an initial capacity of 120 residents. Pursuant to Public Act 95-331, the Home constructed an addition which increased the Home's capacity by 80 beds on January 21, 2009.

The Home is subject to inspection by several regulatory agencies, including the U.S. Department of Veterans' Affairs, the Illinois Department of Public Health, and the Illinois State Fire Marshall. Funding is provided by resident maintenance fees based on the resident's ability to pay, the U.S. Department of Veterans' Affairs per diem patient care reimbursements, and appropriations from the State of Illinois.

The mission of the Home is to provide direct nursing services to all eligible veterans through the skilled nursing level that will meet or exceed all standards and requirements applicable to similar or like facilities within the State in accordance with the appropriate rules and regulations, policies and directives.

PLANNING PROGRAM

The Home's top long range issues and goals are outlined below:

- Review other long-term care facilities' benchmarking strategies and practices that could assist in improving the quality of care and operating efficiency of the Home.
- Work to obtain legislative approval and support to allow the Home to hire "license pending" License Practical Nurse and Registered Nurse graduates in order for the Home to be competitive with other health care providers in the area in hiring nursing professionals.
- Continue to develop a home-like atmosphere within the facility utilizing the Eden's philosophy and Illinois Pioneering concepts of long-term care.
- Continue to work with the local community college to provide an environment for the health care students to practice clinical studies.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

PLANNING PROGRAM - continued

- Continue to meet or exceed all rules and regulations mandated by the Illinois Department of Public Health, the U.S. Department of Veterans' Affairs, and Illinois Department of Veterans' Affairs.
- Work with the Department of Veterans' Affairs Central Office and the Office of Management and Budget to increase staffing level of the Home to continue to provide quality care to veterans.
- Work with legislators to fund the following projects:
 - Turn the old laundry room into a barber & beauty shop.
 - Install additional electrical service to the therapy department in order to add additional therapy equipment.
 - Purchase lawnmowers and snow blowing equipment to do their own lawn and snow removal.
 - Replacement of the cold water chiller in the old residential wing, which is estimated to cost \$250,000.
 - Building and construction of additional warehouse space and a vehicle storage facility, estimated to cost \$1,000,000.
 - Replacement of the nurse call and fire alarm system in the old residential wing which is 19 years old, estimated to cost \$125,000.
 - Resurfacing of the parking lots, estimated to cost \$30,000.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

INTRODUCTION AND BACKGROUND

The Illinois Veterans' Home at LaSalle (Home) is part of the Department of Veterans' Affairs (Department). The Department's Central Office and the other Veterans' Homes are examined separately and are not included in this report.

The Department receives appropriations to fund the operations of the Home. Funding for the Home is derived from the General Revenue Fund and the LaSalle Veterans' Home Fund, a special State revenue fund, into which the following is deposited: 1) charges to individual residents for maintenance; 2) reimbursements from the U.S. Department of Veterans' Affairs, and 3) reimbursements from Medicare for services provided.

AVERAGE NUMBER OF EMPLOYEES

Function	<u>2008</u>	<u>2007</u>	<u>2006</u>
Administration	5	4	4
Business/Accounting/Stores	9	9	9
Nursing Services	73	73	74
Dietary	13	13	13
Adjutant Services	8	8	8
Housekeeping	9	9	9
Building Maintenance	4	4	4
	<u>121</u>	<u>120</u>	<u>121</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

ANNUAL STATISTICS (Not Examined)

RATIO OF EMPLOYEES TO RESIDENTS

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Certified capacity of Home	120	120	120
Average number of residents:			
Skilled Care	93	97	100
Average number of employees	121	120	121
Ratio of employees to residents:			
Skilled Care	1.30 to 1	1.24 to 1	1.21 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>2008</u>	<u>2007</u>	<u>2006</u>
Average healthcare spending per resident per year	\$8,981	\$8,334	\$7,805
Average cost per resident per meal (excludes labor cost)	\$2.32	\$2.27	\$2.11
Average annual cost meals per resident (excludes labor cost)	\$2,542	\$2,490	\$2,310
Average annual cost of care per resident: Skilled Care	\$88,531	\$80,077	\$77,365

Healthcare spending costs include costs for direct care staffing, pharmaceutical services, medical supplies, and services.

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2008

ANNUAL STATISTICS (Not Examined) – continued

INJURY STATISTICS

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Number of resident injuries	<u>22</u>	<u>33</u>	<u>29</u>

STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS
ILLINOIS VETERANS' HOME AT LASALLE
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2008
(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 during the two years ended June 30, 2008 with a comparison to the fiscal year ended June 30, 2006:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Number of Residents, July 1	94	101	109
New Admissions	42	24	23
Discharges	12	10	2
Deaths	29	21	29
Number of Residents, June 30	<u>95</u>	<u>94</u>	<u>101</u>
Number of Veterans' Days of Care Furnished	<u>33,753</u>	<u>35,174</u>	<u>37,037</u>

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