

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
Agency Officials	1
Management Assertion Letter	2
Compliance Report	
Summary	4
Auditors' Report	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
Schedule of Findings	
Current Findings – State Compliance	10
Prior Findings Not Repeated	18
Supplementary Information for State Compliance Purposes	
Summary	19
Fiscal Schedules and Analysis	
Schedule of Appropriations, Expenditures and Lapsed Balances	20
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	24
Combined Schedule of Expenditures – All Funds	27
Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds	28
Schedule of Changes in State Property	30
Comparative Schedule of Cash Receipts	31
Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller	31
Analysis of Significant Variations in Expenditures	32
Analysis of Significant Variations in Receipts	38
Analysis of Significant Lapse Period Spending	40
Analysis of Significant Account Balances	43
Analysis of Accounts Receivable	44
Analysis of Operations	
Agency Functions and Planning Program	45
Average Number of Employees	47
Annual Cost Statistics (Not examined)	48
Service Efforts and Accomplishments (Not examined)	49

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

AGENCY OFFICIALS

Administrator	Mr. Martin J. Downs
Business Administrator (05/02/08 to Present)	Vacant
Business Administrator (01/02/07 to 05/01/08)	Mr. Stephen Obradovich
Business Administrator (09/30/06 to 01/01/07)	Vacant
Business Administrator (07/01/06 to 09/29/06)	Ms. Mary Maguire Martin
Business Manager (12/17/06 to Present)	Mr. Elbert Henderson
Business Manager (07/01/06 to 12/16/06)	Vacant
Adjutant	Mr. Barry Baron

Manteno Veterans' Home is located at:

1 Veterans Drive
Manteno, Illinois 60950



STATE OF ILLINOIS
DEPARTMENT OF VETERANS' AFFAIRS

MANTENO VETERANS' HOME
ONE VETERANS' DRIVE, MANTENO ILLINOIS 60950
TELEPHONE: 815/468-6581 * FAX: 815/468-7001

PAT QUINN
GOVERNOR

MARTIN J. DOWNS
ADMINISTRATOR

DAN GRANT
DIRECTOR

March 2, 2009

McGreal & Company, PC
Certified Public Accountants
West 95th Street
Oak Lawn, Illinois 60453

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Home. 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 Home'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 Home has materially complied with the assertions below.

- 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. 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.

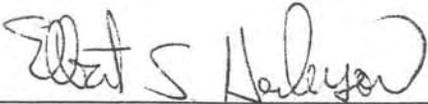
E. Money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Veterans Home at Manteno



Martin J. Downs, Administrator



Elbert S. Henderson, Business Office Executive

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

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' REPORT

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>Compliance</u>	<u>Prior Compliance</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Repeated findings	6	4
Prior recommendations implemented or not repeated	2	3
	2	0

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

SCHEDULE OF FINDINGS

<u>Item</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLAINT)			
08-1	10	Lack of controls over commodities inventory	Material Weakness and Material Noncompliance
08-2	12	Inaccurate reporting of fixed assets	Significant Deficiency and Noncompliance
08-3	14	Employee evaluations not completed timely	Significant Deficiency and Noncompliance
08-4	15	Voucher processing weaknesses	Significant Deficiency and Noncompliance
08-5	16	Noncompliance with grant terms	Significant Deficiency and Noncompliance
08-6	17	Lack of supporting documentation	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPLIANCE REPORT

SUMMARY

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
PRIOR FINDINGS NOT REPEATED			
A	18	Direct Care Hours	
B	18	Failure to Complete Ethics Training Within Six Weeks of Employment	

EXIT CONFERENCE

The Manteno Veterans' Home declined a formal exit conference. Responses to the recommendations were provided by Ms. Debra Miller in a letter dated February 24, 2009.

McGREAL & COMPANY, PC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Illinois Veterans' Home at Manteno's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2008. The management of the Illinois Veterans' Home at Manteno is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois Veterans' Home at Manteno's compliance based on our examination.

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

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 the Illinois Veterans' Home at Manteno's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois Veterans' Home at Manteno's compliance with specified requirements.

As described in finding 08-1 in the accompanying schedule of findings, the Illinois Veterans' Home at Manteno did not comply with requirements regarding:

- C. The Illinois Veterans' Home at Manteno has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Compliance with such requirements is necessary, in our opinion, for the Illinois Veterans' Home at Manteno to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the Illinois Veterans' Home at Manteno 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, 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 08-2, 08-3, 08-4, 08-5 and 08-6.

Internal Control

The management of the Illinois Veterans' Home at Manteno is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Illinois Veterans' Home at Manteno'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 Illinois Veterans' Home at Manteno's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois Veterans' Home at Manteno'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 and other deficiencies that we consider to be material weaknesses.

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 affect 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 as described in the accompanying schedule of findings as findings 08-1, 08-2, 08-3, 08-4, 08-5, and 08-6 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 a 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. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings, we consider item 08-1 to be a material weakness.

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

The Illinois Veterans' Home at Manteno's response to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Illinois Veterans' Home at Manteno's response and, accordingly, we express no opinion on it.

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 the 2007 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 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, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.

McGreal + Company P.C.
McGreal & Company, PC

March 2, 2009

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-1. **FINDING** (Lack of controls over commodities inventory)

The Illinois Veterans' Home at Manteno (Home) did not exercise adequate control over the tracking and recording of its commodities inventory.

Total commodities expenditures were \$1,140,371 and \$1,285,635 for fiscal years 2007 and 2008, respectively. As a result of the Home's inadequate recordkeeping and the weaknesses noted in the Home's internal controls over commodities inventory, the auditors were unable to report on the commodities inventory balances at June 30, 2007 and June 30, 2008 in the Home's compliance examination report.

We noted the following deficiencies:

- Of the 50 items tested during our physical inventory observation, 29 items (58%) did not agree to the Home's perpetual inventory records. Per review of the fiscal year 2007 physical inventory adjustments, overages were \$81,531 and shortages were \$34,519. In fiscal year 2008, overages were \$73,603 and shortages were \$145,841.
- Upon review of the FY07 and FY08 Inventory Variance Reports, differences between the physical count and perpetual count of \$116,050 (16%) and \$219,444 (55%), respectively, were noted. The differences were recorded in inventory and the adjusted inventory balance as of June 30, 2007 and 2008 were \$732,014 and \$330,892, respectively.
- Upon review of the FY08 Usage Report, 90 of the 660 (14%) commodities inventory items reported negative on-hand quantities.
- Staff are not entering the receipt or disbursement of commodity items in the inventory system on a timely basis. At the end of fiscal year 2008, the staff was approximately two to three months behind in entering receipts and requisitions.

The Illinois Administrative Code (44 Ill. Adm. Code 1.6010) requires each state agency to have general supervision and accountability for tangible personal property and other supplies under its control and to conduct a periodic inventory of all warehouses and similar storage areas under its jurisdiction. Additionally, good business practices require that internal controls be in place and operating to maintain effective accounting control over assets and to ensure they are properly reported. Timely recording of commodity transactions is essential to maintaining an accurate perpetual inventory record and to ensure accurate financial reporting.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

Home management stated that deficiencies were caused by staff shortages and input errors.

Failure to maintain accurate and timely inventory records could result in unexpected shortages, overstocking, theft or waste of commodities. (Finding Code No. 08-1)

RECOMMENDATION

We recommend the Home devote adequate resources to ensure that commodity records are accurately maintained and updated timely. In addition, we recommend the Home apply proper year-end inventory procedures to reflect actual quantities on hand at the end of the fiscal year. This would require the Home to perform a count of 100% of items on hand at year end.

DEPARTMENT RESPONSE

The Department agrees with this finding. A new procedure to have inventory receipts and disbursements entered into the system on the day of receipt or disbursement has been implemented. This will increase the accuracy of the perpetual inventory records. The Department will implement purchasing, receiving and disbursement cut-off dates to ensure an accurate year-end physical inventory.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-2. **FINDING** (Inaccurate reporting of fixed assets)

The Illinois Veterans' Home at Manteno (Home) did not maintain accurate property control records and filed inaccurate Agency Reports of State Property (C-15's).

We tested six of 8 (75%) C-15's including related fixed asset transactions and noted the following weaknesses:

- The Home did not report 43 property items totaling \$72,546 on the C-15's during the quarter in which the items were received.
- The Home did not report 17 property additions totaling \$7,271 and 6 property transfers totaling \$4,007 in the correct asset class line on the C-15's.

The Statewide Accounting Management System (SAMS) Procedure 29.20.10 requires an agency to report, on the appropriate line, all additions and transfers to each asset class that occurred during the quarter being reported.

We also tested 60 property items during an inventory observation and the following exceptions were noted:

- Two items (3%), totaling \$55,312, were included on the Home's property control records but were not tagged.
- Four items (7%), totaling \$7,508, were included on the Home's property control records, but could not be located. These items include an air mattress, a TV, a drill and a chair.
- One item (2%), totaling \$3,718, was included on the Home's property control records but could not be viewed because it is located in a condemned building at the Home.
- One item (2%) was not included on the Home's property control records.

The State Property Control Act (30 ILCS 605/4) requires the Home be accountable for the supervision, control and inventory of all property under its jurisdiction and control.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

Finally, during our review of the annual inventory certifications, we noted that 95 items, totaling \$118,701, could not be found at the location specified. However, only one item was removed from the Home's property control records because the Department of Veterans' Affairs – Central Office believes that the items are located at the Home, but in a different location than specified. Per Home personnel, no reports of stolen property have been filed.

SAMS (Procedure 29.10.10) requires an agency to reconcile its records to results of the annual inventory and update its records accordingly.

Home management stated that deficiencies were caused by staff turnover.

Failure to account for property items accurately and in a timely manner increases the potential for fraud and possible loss or theft of State property. In addition, property not recorded in the proper period results in inaccurate capital asset reports submitted to the Comptroller. (Finding Code No. 08-2, 06-3, 04-3)

RECOMMENDATION

We recommend the Home comply with SAMS requirements in the preparation of the Agency Reports of State Property which are submitted to the Comptroller. Further, we recommend the Home devote adequate resources to ensure that property records are maintained and updated timely.

DEPARTMENT RESPONSE

The Department agrees with this finding. Department management held a meeting with Manteno Home management staff stressing the importance of maintaining accurate property records and their responsibility to process transfer paperwork when property is moved. As a result of this meeting, a shortcut with the property transfer form has been placed on division managers computers to facilitate notification to property control of property moves. Continued monitoring and process improvements will be implemented to ensure that property records are maintained and updated timely.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-3. **FINDING** (Employee evaluations not completed timely)

The Illinois Veterans' Home at Manteno (Home) did not complete annual employee performance evaluations timely.

The Home did not timely complete annual evaluations for 19 of 25 (76%) employees tested during the period. Eleven employee evaluations were completed from 47 to 303 days late. In addition, there was no record of an annual evaluation for five employees for the latest fiscal year and three employees have not been evaluated since FY05.

The Home's internal personnel policy requires annual evaluations of employees based on either the anniversary date of hire or fiscal year.

Home management stated due to changes in management positions, evaluations were not done until management was more familiar with employee duties and responsibilities to properly evaluate the employee.

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 that the Home take appropriate measures to ensure performance evaluations are conducted annually as required by policy.

DEPARTMENT RESPONSE

The Department agrees with this finding. Management has made this a priority and has made significant progress to become caught up on past due evaluations. The Human Resources Department is working with the Information Technology Department on a new program to track when evaluations are due to inform management of evaluation due dates in advance.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-4. **FINDING** (Voucher processing weaknesses)

The Illinois Veterans' Home at Manteno (Home) did not exercise adequate control over voucher processing. We noted the following:

- Twenty-nine of 166 (17%) vouchers tested, totaling \$141,733, were approved for payment from 4 to 149 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physical receipt of the bill. Home management stated vouchers were approved late due to staff turnover and voucher processing errors.
- Seven of 166 (4%) vouchers tested, totaling \$127,224, did not contain supporting documentation. The Statewide Accounting Management System (SAMS) Procedure 17.10.20 requires that each State agency maintain all supporting documentation necessary to substantiate their expenditures. Home management stated the lack of voucher documentation was due to staff turnover and temporary employees who may have erroneously shredded documentation.

Failure to approve vouchers timely could subject the State to unnecessary interest charges. In addition, payment of vouchers without proper supporting documentation could result in improper expenditures. (Finding Code No. 08-4, 06-2, 04-2)

RECOMMENDATION

We recommend the Home comply with the Illinois Administrative Code and implement controls to ensure vouchers are approved within the required time frame. In addition, we recommend the Home strengthen controls over voucher processing procedures including maintaining proper documentation.

DEPARTMENT RESPONSE

The Department agrees with this finding. With the recent hiring of a long time vacant Business Office staff position, additional personnel will be available to process invoice vouchers. The new staff member will be responsible to implement and strengthen voucher processing controls and voucher documentation. The Central Office fiscal division is holding regular conference calls with the Manteno Business Office staff to implement process improvements to obtain voucher documentation on a timely basis to facilitate timeliness of voucher processing.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-5. **FINDING** (Noncompliance with grant agreement terms)

The Illinois Veterans' Home at Manteno (Home) did not comply with the terms of a grant agreement.

The Home entered into a grant agreement with the Illinois Department of Veterans' Affairs (the grantor) for the receipt of \$50,000 to be used for the new Homeless Veterans' Program.

According to the grant agreement between the Home and the grantor, the Home was to submit to the grantor a semi-annual evaluation report regarding the status of the program and on the expenditures of the grantor's funds.

The Home did not submit the semi-annual evaluation report.

Home personnel stated the failure to submit the required documents was an oversight.

Failure to comply with the grant agreement may jeopardize the receipt of future funds from the grantor. (Finding Code No. 08-5)

RECOMMENDATION

We recommend the Home carefully review grant agreements to ensure grant agreement terms are being complied with.

DEPARTMENT RESPONSE

The Department agrees with this finding. The IDVA grant manager has contacted the Homeless Program Director regarding the grant reporting requirements. A status report for the grant agreement has been submitted.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

CURRENT FINDINGS (STATE COMPLIANCE)
FOR THE TWO YEARS ENDED JUNE 30, 2008

08-6. **FINDING** (Lack of supporting documentation)

The Illinois Veterans' Home at Manteno (Home) did not retain supporting documentation for cash receipts.

The Home did not retain supporting documentation for 6 of 25 receipts (24%) tested. The 6 receipts totaled \$928,154.

The State Records Act (5 ILCS 160/9) requires agencies to establish and maintain a program for agency records management, which shall include effective controls over maintenance of records. Sound business practices dictate you should keep original detailed records of receipts. Records that, at a minimum, indicate the date of the receipt, the source or payor, the purpose and the amount of the receipt should support each receipt transaction.

Home personnel did not know if the supporting documentation was retained, and were unsure where to locate it. They stated changes in personnel are a factor in locating the documentation because prior personnel may have kept it in different locations.

Retaining supporting documentation provides evidence that cash receipts were approved and recorded timely and accurately. (Finding Code No. 08-6)

RECOMMENDATION

We recommend the Home retain all necessary supporting documentation for cash receipts.

DEPARTMENT RESPONSE

The Department agrees with this finding. With the hiring of a long time vacant Business Office position, controls will be implemented to ensure proper receipt documentation is maintained.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

PRIOR FINDINGS NOT REPEATED
FOR THE TWO YEARS ENDED JUNE 30, 2008

A. Finding: DIRECT CARE HOURS

During the prior period, the Home failed to provide the minimum level of direct care nursing hours to its residents as required by Federal regulations in order for a Veterans Home to receive Federal per diem reimbursements.

During the current period, the Home maintained adequate nursing staff to ensure the minimum level of direct care nursing hours was provided to residents as required by Federal regulations. (Finding Code No. 06-1)

B. Finding: FAILURE TO COMPLETE ETHICS TRAINING WITHIN SIX WEEKS OF EMPLOYMENT

During the prior period, the Home failed to provide ethics training within six months of initial employment for some individuals hired during the examination period.

During the current period, the Home worked with the Ethics Officer and improved ethics training procedures to ensure all individuals hired received training within six months of initial employment. (Finding Code No. 06-4)

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

Fiscal Schedules and Analysis

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Combined Schedule of Expenditures – All Funds
- Comparative Schedule of Receipts, Disbursements and Fund Balance (Cash Basis) – Locally Held Funds
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending
- Analysis of Significant Account Balances
- Analysis of Accounts Receivable

Analysis of Operations

- Agency Functions and Planning Program
- Average Number of Employees
- Annual Cost Statistics (Not examined)
- 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 Cost 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
ILLINOIS VETERANS' HOME AT MANTENO

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2008

FOURTEEN MONTHS ENDED AUGUST 31, 2008

Public Act 95-0348 Fiscal Year 2008	Appropriations (Net after Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>General Revenue Fund - 001</u>					
Personal services	\$11,118,600	\$10,916,853	\$0	\$10,916,853	\$201,747
State contributions to State Employees					
Retirement System	1,845,600	1,807,672	0	1,807,672	37,928
State contributions to Social Security/Medicare	850,600	795,967	0	795,967	54,633
Contractual services	5,000	4,473	0	4,473	527
Commodities	100	0	0	0	100
Electronic data processing	100	73	0	73	27
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	35,500	35,424	0	35,424	76
Total Fiscal Year 2008	\$13,855,500	\$13,560,462	\$0	\$13,560,462	\$295,038
<u>Illinois Veterans' Assistance Fund - 236</u>					
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	\$214,500	\$123,445	\$5,332	\$128,777	\$85,723
Total Fiscal Year 2008	\$214,500	\$123,445	\$5,332	\$128,777	\$85,723
<u>Veterans' Affairs Federal Projects Fund - 897</u>					
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	\$120,000	\$71,581	\$24,510	\$96,091	\$23,909
Total Fiscal Year 2008	\$120,000	\$71,581	\$24,510	\$96,091	\$23,909
<u>Manteno Veterans' Home Fund - 980</u>					
Personal services	\$4,242,300	\$2,908,590	\$652,487	\$3,561,077	\$681,223
Members compensation	6,000	5,414	326	5,740	260
State contributions to State Employees					
Retirement System	704,200	481,566	108,101	589,667	114,533
State contributions to Social Security/Medicare	323,500	215,106	47,410	262,516	60,984
Contractual services	4,860,400	3,445,888	893,099	4,338,987	521,413
Travel	6,000	3,657	908	4,565	1,435
Commodities	1,504,600	864,022	421,613	1,285,635	218,965
Printing	19,500	11,696	2,684	14,380	5,120
Equipment	180,000	122,865	18,675	141,540	38,460
Electronic data processing	20,000	11,137	8,292	19,429	571
Telecommunication	110,800	54,992	35,517	90,509	20,291
Operation of auto equipment	67,500	46,067	19,038	65,105	2,395
Permanent improvements	100,000	42,466	48,608	91,074	8,926
Refunds, N.E.C.	28,900	12,511	3,664	16,175	12,725
Expenditures associated with Shared Services	683,500	582,691	25,862	608,553	74,947
Total Fiscal Year 2008	\$12,857,200	\$8,808,668	\$2,286,284	\$11,094,952	\$1,762,248
TOTAL - ALL APPROPRIATED FUNDS	\$27,047,200	\$22,564,156	\$2,316,126	\$24,880,282	\$2,166,918

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2008

FOURTEEN MONTHS ENDED AUGUST 31, 2008

Public Act 95-0348 Fiscal Year 2008	Appropriations (Net after Transfers)	Expenditures Through 6/30/08	Lapse Period Expenditures 7/01 - 8/31/08	Total Expenditures	Balances Lapsed
<u>NON-APPROPRIATED FUNDS</u>					
<u>Veterans' Affairs State Project Fund - 501</u>					
Illinois Housing Development Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	N/A	\$3,579	\$0	\$3,579	N/A
Total Fiscal Year 2008	N/A	<u>\$3,579</u>	<u>\$0</u>	<u>\$3,579</u>	N/A
<u>Veterans' Affairs Library Grant Fund - 775</u>					
Secretary of State Library Grant to Establish, Operate and Maintain a Library at Manteno	N/A	\$3,870	\$8,380	\$12,250	N/A
Total Fiscal Year 2008	N/A	<u>\$3,870</u>	<u>\$8,380</u>	<u>\$12,250</u>	N/A
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>\$7,449</u>	<u>\$8,380</u>	<u>\$15,829</u>	
GRAND TOTAL - ALL FUNDS		<u>\$22,571,605</u>	<u>\$2,324,506</u>	<u>\$24,896,111</u>	

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007

FOURTEEN MONTHS ENDED AUGUST 31, 2007

Public Act 94-798 Fiscal Year 2007	Appropriations (Net after Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>General Revenue Fund - 001</u>					
Personal services	\$8,238,400	\$8,237,748	(4,346)	\$8,233,402	\$4,998
State contributions to State Employees					
Retirement System	949,500	948,647	0	948,647	853
State contributions to Social Security/Medicare	622,900	597,364	0	597,364	25,536
Contractual services	5,000	0	4,993	4,993	7
Commodities	100	0	0	0	100
Electronic data processing	100	0	0	0	100
 Total Fiscal Year 2007	 <u>\$9,816,000</u>	 <u>\$9,783,759</u>	 <u>\$647</u>	 <u>\$9,784,406</u>	 <u>\$31,594</u>
<u>Manteno Veterans' Home Fund - 980</u>					
Personal services	\$6,060,400	\$5,427,621	\$594,602	\$6,022,223	\$38,177
Members compensation	5,000	3,996	137	4,133	867
State contributions to State Employees					
Retirement System	696,900	623,952	68,435	692,387	4,513
State contributions to Social Security/Medicare	456,000	401,414	43,093	444,507	11,493
Contractual services	4,268,000	3,763,523	304,022	4,067,545	200,455
Travel	6,000	2,319	733	3,052	2,948
Commodities	1,254,400	889,226	251,145	1,140,371	114,029
Printing	19,500	6,548	8,200	14,748	4,752
Equipment	115,000	73,437	34,545	107,982	7,018
Electronic data processing	20,000	13,871	4,535	18,406	1,594
Telecommunication	78,800	61,238	10,535	71,773	7,027
Operation of auto equipment	88,400	63,126	6,140	69,266	19,134
Permanent improvements	66,300	9,114	44,175	53,289	13,011
Refunds, N.E.C.	28,900	18,266	2,478	20,744	8,156
 Total Fiscal Year 2007	 <u>\$13,163,600</u>	 <u>\$11,357,651</u>	 <u>\$1,372,775</u>	 <u>\$12,730,426</u>	 <u>\$433,174</u>
 TOTAL - ALL APPROPRIATED FUNDS	 <u>\$22,979,600</u>	 <u>\$21,141,410</u>	 <u>\$1,373,422</u>	 <u>\$22,514,832</u>	 <u>\$464,768</u>

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
APPROPRIATIONS FOR FISCAL YEAR 2007

FOURTEEN MONTHS ENDED AUGUST 31, 2007

Public Act 94-798 Fiscal Year 2007	Appropriations (Net after Transfers)	Expenditures Through 6/30/07	Lapse Period Expenditures 7/01 - 8/31/07	Total Expenditures	Balances Lapsed
<u>NON-APPROPRIATED FUNDS</u>					
<u>Veterans' Affairs State Project Fund - 501</u>					
Illinois Housing Development Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	N/A	\$0	\$135,776	\$135,776	N/A
Total Fiscal Year 2007	N/A	\$0	\$135,776	\$135,776	N/A
<u>Veterans' Affairs Library Grant Fund - 775</u>					
Secretary of State Library Grant to Establish, Operate and Maintain a Library at Manteno	N/A	\$12,842	\$6,657	\$19,499	N/A
Total Fiscal Year 2007	N/A	\$12,842	\$6,657	\$19,499	N/A
<u>Veterans' Affairs Federal Projects Fund - 897</u>					
Operation and Support Service Expenditures for Manteno Disabled Homeless Veterans' Program	N/A	\$501,482	\$0	\$501,482	N/A
Total Fiscal Year 2007	N/A	\$501,482	\$0	\$501,482	N/A
TOTAL - ALL NON-APPROPRIATED FUNDS		\$514,324	\$142,433	\$656,757	
GRAND TOTAL - ALL FUNDS		\$21,655,734	\$1,515,855	\$23,171,589	

Note: Appropriations, 14 month expenditures, and lapsed balances were taken directly from the records of the State Comptroller and reconciled to the Agency's records.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2008	Fiscal Year 2007	2006
	P.A. 95-0348	P.A. 94-798	P.A. 94-0015
<u>APPROPRIATED FUNDS</u>			
<u>General Revenue Fund - 001</u>			
Appropriations (Net After Transfers)	\$13,855,500	\$9,816,000	\$13,142,300
<u>Expenditures</u>			
Personal services	\$10,916,853	\$8,233,402	\$11,027,448
Retirement paid by employer	0	0	108,857
State contributions to State Employees Retirement System	1,807,672	948,647	859,881
State contributions to Social Security/Medicare	795,967	597,364	803,417
Contractual services	4,473	4,993	4,999
Commodities	0	0	97
Electronic data processing	73	0	97
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	35,424	0	0
Total Expenditures	\$13,560,462	\$9,784,406	\$12,804,796
Lapsed Balances	\$295,038	\$31,594	\$337,504
<u>Illinois Veterans' Assistance Fund - 236</u>			
Appropriations (Net After Transfers)	\$214,500	\$0	\$0
<u>Expenditures</u>			
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	\$128,777	\$0	\$0
Total Expenditures	\$128,777	\$0	\$0
Lapsed Balances	\$85,723	\$0	\$0
<u>Veterans' Affairs Federal Projects Fund - 897</u>			
Appropriations (Net After Transfers)	\$120,000	\$0	\$0
<u>Expenditures</u>			
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	\$96,091	\$0	\$0
Total Expenditures	\$96,091	\$0	\$0
Lapsed Balances	\$23,909	\$0	\$0

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2008	Fiscal Year 2007	2006
	P.A. 95-0348	P.A. 94-798	P.A. 94-0015
<u>APPROPRIATED FUNDS (continued):</u>			
<u>Manteno Veterans' Home Fund - 980</u>			
Appropriations (Net After Transfers)	\$12,857,200	\$13,163,600	\$9,619,500
<u>Expenditures</u>			
Personal services	\$3,561,077	\$6,022,223	\$2,433,133
Retirement paid by employer	0	0	10,114
Members compensation	5,740	4,133	3,728
State contributions to State Employees Retirement System	589,667	692,387	189,264
State contributions to Social Security/Medicare	262,516	444,507	180,173
Contractual services	4,338,987	4,067,545	3,975,956
Travel	4,565	3,052	5,818
Commodities	1,285,635	1,140,371	1,049,396
Printing	14,380	14,748	14,241
Equipment	141,540	107,982	123,069
Electronic data processing	19,429	18,406	53,273
Telecommunication	90,509	71,773	63,545
Operation of auto equipment	65,105	69,266	55,570
Permanent improvements	91,074	53,289	0
Refunds, N.E.C.	16,175	20,744	24,062
Expenditures associated with Shared Services	608,553	0	0
Total Expenditures	\$11,094,952	\$12,730,426	\$8,181,342
Lapsed Balances	\$1,762,248	\$433,174	\$1,438,158
<u>TOTAL - ALL APPROPRIATED FUNDS</u>			
Appropriations (Net of Transfers)	\$27,047,200	\$22,979,600	\$22,761,800
Total Expenditures	24,880,282	22,514,832	20,986,138
Lapsed Balances	\$2,166,918	\$464,768	\$1,775,662

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
FOR THE FISCAL YEARS ENDED JUNE 30,

	2008	Fiscal Year 2007	2006
	P.A. 95-0348	P.A. 94-798	P.A. 94-0015
<u>NON-APPROPRIATED FUNDS</u>			
<u>Veterans' Affairs State Project Fund - 501</u>			
<u>Expenditures</u>			
Illinois Housing Development Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	\$3,579	\$135,776	\$0
Total Expenditures	<u>\$3,579</u>	<u>\$135,776</u>	<u>\$0</u>
<u>Veterans' Affairs Library Grant Fund - 775</u>			
<u>Expenditures</u>			
Secretary of State Library Grant to Establish, Operate and Maintain a Library at Manteno	\$12,250	\$19,499	\$15,000
Total Expenditures	<u>\$12,250</u>	<u>\$19,499</u>	<u>\$15,000</u>
<u>Veterans' Affairs Federal Projects Fund - 897</u>			
<u>Expenditures</u>			
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	\$0	\$501,482	\$0
Total Expenditures	<u>\$0</u>	<u>\$501,482</u>	<u>\$0</u>
<u>GRAND TOTAL - ALL FUNDS</u>			
Total Expenditures	<u>\$24,896,111</u>	<u>\$23,171,589</u>	<u>\$21,001,138</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMBINED SCHEDULE OF EXPENDITURES - ALL FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30,

	Fiscal Year		
	2008	2007	2006
Expenditures - All Funds:			
Personal services	\$14,477,930	\$14,255,625	\$13,460,581
Retirement paid by employer	0	0	118,971
Member compensation	5,740	4,133	3,728
State contributions to State Employees			
Retirement System	2,397,339	1,641,034	1,049,145
State contributions to Social Security/Medicare	1,058,483	1,041,871	983,590
Contractual services	4,343,460	4,072,538	3,980,955
Travel	4,565	3,052	5,818
Commodities	1,285,635	1,140,371	1,049,493
Printing	14,380	14,748	14,241
Equipment	141,540	107,982	123,069
Electronic data processing	19,502	18,406	53,370
Telecommunication	90,509	71,773	63,545
Operation of auto equipment	65,105	69,266	55,570
Permanent improvements	91,074	53,289	0
Refunds, N.E.C.	16,175	20,744	24,062
Operation and Support Service Expenditures for the Manteno Disabled Homeless Veterans' Program	260,292	501,482	0
Expenditures associated with Shared Services	608,553	0	0
Illinois Housing Development Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	3,579	135,776	0
Secretary of State Library Grant to Establish, Operate and Maintain a Library at Manteno	12,250	19,499	15,000
	<u>\$24,896,111</u>	<u>\$23,171,589</u>	<u>\$21,001,138</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	Members' Benefit Fund #1219	Members' Trust Fund #1220	Homeless Benefit Fund #1397	Homeless Trust Fund #1399	Total (Memorandum Only)
Beginning Balance - July 1, 2007	\$701,195	\$1,493,031	\$0	\$0	\$2,194,226
Receipts:					
Investment income	\$24,211	\$58,284	\$0	\$0	\$82,495
Private organizations or individuals	293,470	0	82,277	3,959	379,706
Members' deposits	0	3,709,989	0	0	3,709,989
Total receipts	\$317,681	\$3,768,273	\$82,277	\$3,959	\$4,172,190
Disbursements:					
Contractual services	\$106,846	\$0	\$662	\$0	\$107,508
Commodities	56,233	0	6,272	0	62,505
Printing	5,424	0	0	0	5,424
Equipment	142,018	0	6,431	0	148,449
Electronic data processing	7,827	0	0	0	7,827
Telecommunications	1,200	0	0	0	1,200
Awards and grants	7,975	0	0	0	7,975
Permanent improvements	89,579	0	0	0	89,579
Member withdrawals	0	3,799,188	0	3,433	3,802,621
Total disbursements	\$417,102	\$3,799,188	\$13,365	\$3,433	\$4,233,088
Ending Balance - June 30, 2008	\$601,774	\$1,462,116	\$68,912	\$526	\$2,133,328

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS AND FUND BALANCE
(CASH BASIS) - LOCALLY HELD FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Members' Benefit Fund #1219	Members' Trust Fund #1220	Homeless Benefit Fund #1397	Homeless Trust Fund #1399	Total (Memorandum Only)
Beginning Balance - July 1, 2006	\$763,661	\$1,481,369	\$0	\$0	\$2,245,030
Receipts:					
Investment income	\$30,756	\$56,111	\$0	\$0	\$86,867
Private organizations or individuals	293,476	0	0	0	293,476
Members' deposits	0	4,774,384	0	0	4,774,384
Total receipts	<u>\$324,232</u>	<u>\$4,830,495</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,154,727</u>
Disbursements:					
Contractual services	\$106,854	\$0	\$0	\$0	\$106,854
Commodities	37,331	0	0	0	37,331
Printing	1,898	0	0	0	1,898
Equipment	228,611	0	0	0	228,611
Telecommunications	1,194	0	0	0	1,194
Awards and grants	10,285	0	0	0	10,285
Permanent improvements	525	0	0	0	525
Members' withdrawals	0	4,818,833	0	0	4,818,833
Total disbursements	<u>\$386,698</u>	<u>\$4,818,833</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,205,531</u>
Ending Balance - June 30, 2007	<u>\$701,195</u>	<u>\$1,493,031</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,194,226</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

SCHEDULE OF CHANGES IN STATE PROPERTY
FOR THE TWO YEARS ENDED JUNE 30, 2008

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balance at July 1, 2006	\$3,754,580	\$37,999,987	\$4,082,976	\$45,837,543
Additions	9,114	46,550	357,925	413,589
Deletions	0	(28,688)	(108,004)	(136,692)
Net Transfers	0	915,106	(102,020)	813,086
Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at June 30, 2007	<u>\$3,763,694</u>	<u>\$38,932,955</u>	<u>\$4,230,877</u>	<u>\$46,927,526</u>
Balance at July 1, 2007	\$3,763,694	\$38,932,955	\$4,230,877	\$46,927,526
Additions	9,500	40,238	303,353	353,091
Deletions	(38,814)	0	(36,257)	(75,071)
Net Transfers	52,224	745,732	108,717	906,673
Adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance at June 30, 2008	<u>\$3,786,604</u>	<u>\$39,718,925</u>	<u>\$4,606,690</u>	<u>\$48,112,219</u>

Note: This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the Comptroller.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

COMPARATIVE SCHEDULE OF CASH RECEIPTS
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>General Revenue Fund - 001</u>			
Miscellaneous receipts	\$170	\$391	\$1,060
Total receipts - General Revenue Fund	<u>170</u>	<u>391</u>	<u>1,060</u>
<u>Veterans' Affairs State Projects Fund - 501</u>			
Grants from Housing Development Authority	253,778	0	0
Total receipts - Veterans' Affairs State Projects Fund	<u>253,778</u>	<u>0</u>	<u>0</u>
<u>Veterans' Affairs Federal Project Fund - 897</u>			
Grants from Housing and Urban Development	65,002	510,000	0
Total receipts - Veterans' Affairs Federal Projects Fund	<u>65,002</u>	<u>510,000</u>	<u>0</u>
<u>Manteno Veterans' Home Fund - 980</u>			
Maintenance collection from members	2,614,268	3,067,407	3,072,575
Aid and attendance collections from members	667,064	891,110	925,508
Hospice reimbursement	55,520	76,703	63,214
Reimbursements from U.S. Department of Veterans' Affairs	6,058,256	6,645,330	6,295,508
Reimbursements from Federal Health and Human Services	186,482	299,790	336,362
Miscellaneous receipts	50,668	43,612	41,201
Third party insurance reimbursements	37,417	50,926	59,449
Reimburse costs incurred by Federal Government	<u>22,522</u>	<u>-</u>	<u>11,372</u>
Total Receipts - Manteno Veterans' Home Fund	<u>9,692,197</u>	<u>11,074,878</u>	<u>10,805,189</u>
Total Receipts - All Funds	<u>\$10,011,147</u>	<u>\$11,585,269</u>	<u>\$10,806,249</u>

RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
FOR THE FISCAL YEARS ENDED JUNE 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash Receipts per Home records	\$10,011,147	\$11,585,269	\$10,806,249
Deposits in transit:			
Beginning of year	33,929	4,677	36,956
End of year	<u>(55,864)</u>	<u>(33,929)</u>	<u>(4,677)</u>
Deposits Remitted to Comptroller	<u>\$9,989,212</u>	<u>\$11,556,017</u>	<u>\$10,838,528</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

FISCAL YEAR 2008

A comparative schedule of significant variations in expenditures (20% and \$20,000) for the fiscal years ended June 30, 2008 and June 30, 2007 is shown below:

General Revenue Fund - 001

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$10,916,853	\$8,233,402	\$2,683,451	33%
State contributions to State Employees Retirement System	1,807,672	948,647	859,025	91%
State contributions to Social Security	795,967	597,364	198,603	33%
Manteno Disabled Homeless Veterans' Program	35,424	0	35,424	100%

Personal Services

Personal Services expenditures increased \$2,683,451 (33%). The funding for personal services expenditures was switched from the Home Fund in 2007 to the General Revenue Fund in 2008.

State contributions to State Employees Retirement System

State contributions to State Employees Retirement System increased \$859,025 (91%) due to the overall State retirement contribution rate increasing from 11.525% in fiscal year 2007 to 16.561% in fiscal year 2008.

State contributions to Social Security

State contributions to Social Security increased \$198,603 (33%). Since the funding for personal services was switched from the Home Fund in 2007 to the General Revenue Fund in 2008, the funding for social security expenditures also switched funds.

Manteno Disabled Homeless Veterans' Program

Manteno Disabled Homeless Veterans' Program expenditures increased \$35,424 (100%). Fiscal year 2008 was the first year money was appropriated out of the General Revenue Fund for the Homeless Veterans' Program at Manteno. Expenditures incurred in fiscal year 2008 related to the day-to-day operations of running the Prince Building for homeless veterans.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

Illinois Veterans' Assistance Fund - 236

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Manteno Disabled Homeless Veterans' Program	\$128,777	\$0	\$128,777	100%

Manteno Disabled Homeless Veterans' Program

Manteno Disabled Homeless Veterans' Program expenditures increased \$128,777 (100%). Fiscal year 2008 was the first year money was appropriated out of the Illinois Veterans' Assistance Fund for the Homeless Veterans' Program at Manteno. Expenditures incurred in fiscal year 2008 related to the day-to-day operations of running the Prince Building for homeless veterans.

Veterans' Affairs State Projects Fund - 501

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Illinois Housing Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	\$3,579	\$135,776	(\$132,197)	(97%)

Manteno Disabled Homeless Veterans' Program

The Homeless Program expenditures decreased \$132,197 (97%) due to the majority of the Prince Building rehabilitation occurring during 2007. The necessary expenditures incurred in 2008 were for the day-to-day operation of the Program.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

Veterans' Affairs Federal Projects Fund - 897

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Manteno Disabled Homeless Veterans' Program	\$96,091	\$501,482	(\$405,391)	(81%)

Manteno Disabled Homeless Veterans' Program

The Homeless Program expenditures decreased \$405,391 (81%) since the majority of the Prince Building rehabilitation occurred during 2007. The necessary expenditures incurred in 2008 were for the day-to-day operation of the Program.

Manteno Veterans' Home Fund - 980

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$3,561,077	\$6,022,223	(\$2,461,146)	(41%)
State contributions to Social Security	262,516	444,507	(181,991)	(41%)
Equipment	141,540	107,982	33,558	31%
Permanent Improvements	91,074	53,289	37,785	71%
Expenditures associated with Shared Services	608,553	0	608,553	100%

Personal Services

Personal Services expenditures decreased \$2,461,146 (41%). The funding for personal services expenditures was switched from the Home Fund in 2007 to the General Revenue Fund in 2008.

State contributions to Social Security

State contributions to Social Security decreased \$181,991 (41%). Since the funding for personal services was switched from the Home Fund in 2007 to the General Revenue fund in 2008, the funding for social security expenditures also switched funds.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

Equipment

Equipment expenditures increased \$33,558 (31%). In fiscal year 2008, the Home purchased a passenger automobile for \$10,000, household equipment (i.e. refrigerators and freezers) for \$16,000 and shelving for mechanical stores inventory for \$9,000.

Permanent Improvements

Permanent Improvement expenditures increased \$37,785 (71%). In fiscal year 2008, the Home had remodeling expenses (i.e. walls and handrails) of approximately \$28,000 and new purchases of a sign and a shed for \$10,000.

Expenditures associated with Shared Services

Expenditures associated with Shared Services increased \$608,553 (100%). In fiscal year 2008, the State started an initiative which would allow similar processes among state agencies to be completed by one department. The expenditures charged to this appropriation related to the payment of Human Resources and Fiscal Staff salaries.

FISCAL YEAR 2007

A comparative schedule of significant variations in expenditures (20% and \$20,000) for the fiscal years ended June 30, 2007 and June 30, 2006 is shown below:

General Revenue Fund - 001

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$8,233,402	\$11,027,448	\$(2,794,046)	(25%)
Retirement paid by Employer	0	108,857	(108,857)	(100%)
State contributions to Social Security	597,364	803,417	(206,053)	(26%)

Personal Services

Personal service expenditures decreased \$2,794,046 (25%). The funding for Personal Service expenditures was switched from the General Revenue Fund in 2006 to the Home Fund in 2007.

Retirement paid by Employer

Retirement paid by employer expenditures decreased \$108,857 (100%) because the State ceased funding for employees' retirement in fiscal year 2006.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

State contributions to Social Security

State contributions to Social Security decreased \$206,053 (26%). Since the funding for personal services was switched from the General Revenue Fund in 2006 to the Home Fund in 2007, the funding for Social Security expenditures also switched funds.

Veterans' Affairs State Projects Fund - 501

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Illinois Housing Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	\$135,776	\$0	\$135,776	100%

Manteno Disabled Homeless Veterans' Program

The Homeless Program expenditures increased \$135,776 (100%). This fund was created in 2007 for the rehabilitation of the Prince Building in order to house up to 15 homeless veterans.

Veterans' Affairs Federal Projects Fund - 897

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Manteno Disabled Homeless Veterans' Program	\$501,482	\$0	\$501,482	100%

Manteno Disabled Homeless Veterans' Program

The Homeless Program expenditures increased \$501,482 (100%). This fund was created in 2007 for the rehabilitation of the Prince Building in order to house up to 15 homeless veterans.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
FOR THE TWO YEARS ENDED JUNE 30, 2008

Manteno Veterans' Home Fund - 980

<u>Expenditure Item</u>	<u>Fiscal Year Ended June 30,</u>		<u>Increase (Decrease)</u>	
	<u>2007</u>	<u>2006</u>	<u>Amount</u>	<u>%</u>
Personal Services	\$6,022,223	\$2,433,133	\$3,589,090	148%
State contributions to State Employees Retirement System	692,387	189,264	503,123	266%
State contributions to Social Security	444,507	180,173	264,334	147%
Electronic Data Processing	18,406	53,273	(34,867)	(65%)
Permanent Improvements	53,289	0	53,289	100%

Personal Services

Personal service expenditures increased \$3,589,090 (148%). The funding for personal service expenditures was switched from the General Revenue Fund in 2006 to the Home Fund in 2007.

State contributions to State Employees Retirement System

State contributions to State Employees Retirement System increased \$503,123 (266%) due to the overall State retirement contribution rate increasing from 7.792% in fiscal year 2006 to 11.525% in fiscal year 2007.

State contributions to Social Security

State contributions to Social Security increased \$264,334 or 147%. Since the funding for personal services was switched from the General Revenue Fund in 2006 to the Home Fund in 2007, the funding for social security expenditures also switched funds.

Electronic Data Processing

EDP expenditures decreased \$34,867 (65%). The EDP appropriation budget was consolidated with the Central Office in 2007, the only EDP items purchased in 2007 were supplies needed for day-to-day operations.

Permanent Improvements

Permanent Improvement expenditures increased \$53,289 (100%). This was a new line item in 2007 needed to assist the Home to make necessary improvements to the aging facility buildings.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2008

FISCAL YEAR 2008

A comparative schedule of significant variations in receipts (20% and \$20,000) for the fiscal years ended June 30, 2008 and June 30, 2007 is shown below:

Manteno Veterans' Home Fund - 980

<u>Expenditure Item</u>	<u>Fiscal Year</u> <u>Ended June 30,</u>		<u>Increase</u> <u>(Decrease)</u>	
	<u>2008</u>	<u>2007</u>	<u>Amount</u>	<u>%</u>
Aid and attendance collections from members	\$667,064	\$891,110	(\$224,046)	(25%)
Hospice reimbursement	55,520	76,703	(21,183)	(28%)
Reimbursements from Federal Health and Human Services	186,482	299,790	(113,308)	(38%)
Reimburse costs incurred by Federal Government	22,522	0	22,522	100%

Aid and attendance collections from members

Aid and attendance collections from members decreased \$224,046 (25%) due to a decrease in the average number of residents from fiscal year 2007 (273) to fiscal year 2008 (241). Additionally, not all residents at the Home require acute care, and therefore, may not be eligible for aid and attendance.

Hospice Reimbursement

Hospice reimbursement decreased \$21,183 (28%). Hospice reimbursements fluctuate based on the health and illnesses of members and those who receive hospice services.

Reimbursements from Federal Health and Human Services

Reimbursements from Federal Health and Human Services decreased \$113,308 (38%) due to a decrease in the average number of residents from fiscal year 2007 (273) to fiscal year 2008 (241). Additionally, not all residents may be eligible for Medicare due to their level of income.

Reimburse costs incurred by Federal Government

Reimburse costs incurred by Federal Government increased \$22,522 (100%). The Home provides labor and supplies to Hines VA Clinic and is then reimbursed by Hines VA Hospital. The Home billed Hines VA Hospital for fiscal years 2006 and 2007 during June 2007. The monies received related to the two year period ended June 30, 2007 and were not received until fiscal year 2008.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
FOR THE TWO YEARS ENDED JUNE 30, 2008

FISCAL YEAR 2007

No significant variations in receipts were noted between fiscal years 2007 and 2006.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2008

FISCAL YEAR 2008

Veterans' Affairs Federal Projects Fund – 897

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed one (1) line item with significant (20% and \$20,000) lapse period expenditures in the Veterans' Affairs Federal Projects Fund - 897, as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Manteno Disabled Homeless Veterans' Program	\$96,091	\$24,510	26%

Disabled Homeless Veterans' Program

Expenditure payouts in the lapse period related to payments of June payroll, utilities, a data line and equipment orders which were placed prior to June 30, but invoices were not received until the lapse period.

Manteno Veterans' Home Fund – 980

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed four (4) appropriation line items with significant (20% and \$20,000) lapse period expenditures in the Manteno Veterans Home Fund - 980, as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Contractual Services	\$4,338,987	\$893,099	21%
Commodities	1,285,635	421,613	33%
Telecommunications	90,509	35,517	39%
Permanent Improvements	91,074	48,608	53%

Contractual Services

Expenditure payouts in the lapse period were to due to payments of fourth quarter real property repair and maintenance for \$300,000, in-house repairs totaling \$70,000, meals and laundry for \$210,000, utilities for \$147,000, trash and medical waste totaling \$42,000 and medical services for \$45,000.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2008

Commodities

Expenditure payouts in the lapse period were due to payments of fourth quarter medical supplies and pharmaceuticals totaling \$350,000, household supplies for \$20,000 and seed and fertilizer for \$15,000.

Telecommunications

Expenditure payouts in the lapse period were due to payments of January through May telecommunication services and fourth quarter fax supplies and two-way radio repairs.

Permanent Improvements

Expenditure payouts in the lapse period related to payments of projects completed in the fourth quarter, which included remodeling for \$27,000, the planting of new trees and an entrance sign for \$20,000.

FISCAL YEAR 2007

Veterans' Affairs State Project Fund – 501

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed one (1) line item with significant (20% and \$20,000) lapse period expenditures in the Veterans' Affairs State Project Fund - 501, as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Illinois Housing Development Authority Grant for Operational and Supportive Services for Manteno Disabled Homeless Veterans' Program	\$135,776	\$135,776	100%

Manteno Disabled Homeless Veterans' Program

Expenditure payouts in the lapse period related to work performed on the Prince Building prior to June 30. The Home was notified by Central Office that the Capital Development Board transferred these funds during the lapse period for the construction and renovation at the Home.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
FOR THE TWO YEARS ENDED JUNE 30, 2008

Manteno Veterans' Home Fund - 980

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed three (3) appropriation line items with significant (20% or more) lapse period expenditures in the Manteno Veterans Home Fund - 980, as shown below:

<u>Expenditure Item</u>	<u>Total Expenditures</u>	<u>Lapse Period Expenditures</u>	<u>%</u>
Commodities	1,140,371	251,145	22%
Equipment	107,982	34,545	32%
Permanent Improvements	53,289	44,175	83%

Commodities

Expenditure payouts in the lapse period were due to payments of May and June medical supply and household cleaning supply orders.

Equipment

Expenditure payouts in the lapse period were due to payments of May and June orders for copier supplies, floor pads, mattresses and scientific instruments and tools.

Permanent Improvements

Expenditure payouts in the lapse period were due to payments of projects with June completion dates.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES & ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2008

Cash in Banks

The Manteno Veterans' Home Fund (980) is a non-shared fund held in the State Treasury. It is classified as a special revenue fund and is restricted to expenditures for specified purposes. It is appropriated by the General Assembly. Balances were \$2,689,390 and \$3,196,579 at June 30, 2008 and 2007, respectively.

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Cash on hand	\$ 500	\$ 500	\$ 500
Cash in bank	201,274	200,695	263,161
Short-term CD's	<u>400,000</u>	<u>500,000</u>	<u>500,000</u>
Total cash balance	<u>\$ 601,774</u>	<u>\$ 701,195</u>	<u>\$ 763,661</u>

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Cash on hand	\$ 2,586	\$ 4,682	\$ 3,177
Cash in bank	559,530	588,349	578,192
Short-term CD's	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
Total cash balance	<u>\$ 1,462,116</u>	<u>\$ 1,493,031</u>	<u>\$ 1,481,369</u>

The Manteno Homeless Program Benefit Fund (1397) is a non-shared, non-appropriated Special Revenue Fund. This fund was established in May 2007 to hold, conserve and account for donations and receipts of monies for the benefit of the Manteno Veterans' Home homeless residents. All cash is maintained in a bank account at Homestar Bank, Manteno, Illinois. The cash balance at June 30, 2008 was \$68,912.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES & ACCOUNTS RECEIVABLE
FOR THE TWO YEARS ENDED JUNE 30, 2008

The Manteno Homeless Program Trust Fund (1399) is a non-shared, non-appropriated Agency Fund. The Trust Fund was established in May 2008 and is a depository for the homeless residents' funds and maintenance fees. All cash is held in a bank account at Municipal Trust and Savings Bank, Manteno, Illinois. The cash balance at June 30, 2008 was \$526.

Inventory

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Hospital and janitorial supplies	\$ 264,178	\$ 664,163	\$ 246,717
Pharmacy	66,714	67,851	64,581
Total inventory	<u>\$ 330,892</u>	<u>\$ 732,014</u>	<u>\$ 311,298</u>

We were unable to examine the inventory schedule due to internal control weaknesses and noncompliance with inventory procedures. See Finding 08-1.

Analysis of Accounts Receivable

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Due from the U.S. Dept of Veterans' Affairs –		
Per Diem reimbursements	\$ 566,575	\$ 519,539
Maintenance fees due from Members	14,280	16,935
Total accounts receivable	<u>\$ 580,855</u>	<u>\$ 536,474</u>

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Not past due	\$ 566,575	\$ 519,539
1-30 days past due	3,408	4,550
31-90 days past due	0	1,858
91-180 days past due	192	0
181-365 days past due	53	1,319
Over 1 year past due	10,627	9,308
Total accounts receivable	<u>\$ 580,855</u>	<u>\$ 536,574</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2008

AGENCY FUNCTIONS AND PLANNING PROGRAM

FUNCTIONS

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

Its first members were admitted on April 15, 1986. The Home is a skilled nursing care facility providing nursing services to 275 residents as of June 30, 2008 and has a capacity of 340 beds. War time veterans who require skilled nursing care and who either have been Illinois residents for at least one year or enlisted in the service while an Illinois resident are eligible for admission. Services provided by the Home include medical, skilled nursing, therapeutic, nutritional, and social services care. The Home also provides religious and recreational activities for the benefit of its residents.

In 2006, a new pilot program was started at the Home to give homeless Illinois veterans housing and assistance. The newly renovated Prince Home at Manteno provides permanent housing, advocacy, therapeutic and supportive services for 15 disabled, homeless Illinois veterans, including veterans suffering from Post Traumatic Stress Disorder (PTSD).

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

PLANNING PROGRAM

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

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

1. Member Care - CDB Project 040-020-058 was started during fiscal year 2008 with an estimated cost of \$454,000. The scope of work included replacing nurse call systems in four residential wings, and replacing the door alarms systems. The Department of Veterans Affairs awarded a grant of \$295,100 for these improvements. Home management anticipates the completion of the final unit in December 2008.

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2008

In addition, the Home will explore buffet style dining options. Currently, residents are provided meals on trays which are prepared based upon Doctors orders for each resident. The Home would like to make dining more home-like for the residents which would increase the number of food choices and would allow residents to serve themselves through a buffet style system. The Home hopes to start the buffet style approach in July 2009

2. Physical Plant – In order to better serve the needs and enjoyment of the members, new construction projects for the short term include the following:
 - a. Install dehumidifiers and humidifiers in the residential units
 - b. Construction of a recreational lake and pavilion
 - c. Upgrade emergency generators at S1 & S2
 - d. Construct additions to S1 building to expand storage space
 - e. Repave all roads and existing parking lots
 - f. Construct new parking lot

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

- a. Upgrade storm sewer throughout the entire campus
- b. Upgrade water mains throughout the entire campus
- c. Demolish buildings on the grounds that are no longer suitable for use
- d. Installation of new / updated X-ray equipment
- e. Installation of heating ventilation / air conditioning in the north and south interconnects and vestibules
- f. Install Unit 3 with an anti-elopement system to allow more special needs members to reside at the Home

Agency Head and Location

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

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2008

AVERAGE NUMBER OF EMPLOYEES

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

	Fiscal Year		
	2008	2007	2006
Accounting	6	5	5
Barber	1	1	1
Business Staff	3	3	2
Administration	18	18	17
Personnel	3	3	3
Member Care	192	193	187
Property Control	2	2	3
Medical Records	1	1	1
Office Help	10	10	11
Maintenance	11	11	11
Security	9	9	8
Social Services	3	3	3
Housekeeping	28	27	27
Telephone	2	2	2
Pharmacy	4	4	3
Total	<u>293</u>	<u>292</u>	<u>284</u>

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2008

ANNUAL COST STATISTICS (Not examined)

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

<u>Ratio of Employees to Residents</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Certified capacity of Home	340	340	340
Average number of residents:			
Skilled Care	238	273	277
Average number of employees	293	292	284
Ratio of employees to residents:			
Skilled Care	1.22 to 1	1.07 to 1	1.03 to 1

<u>Costs per Resident</u>	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average healthcare spending per resident per year	\$ 5,543	\$ 4,466	\$ 3,986
Average cost per resident per meal	\$ 7.37	\$ 7.00	\$ 6.78
Annual cost of meals per resident	\$ 7,315	\$ 7,568	\$ 7,427
Average cost of nursing care per resident per day	\$ 206.12	\$ 219.39	\$ 204.22
Annual cost of nursing care per resident	\$ 75,233	\$ 80,077	\$ 74,540

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

Injury Statistics

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

	<u>Fiscal Year</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Number of resident injuries	76	105	102

STATE OF ILLINOIS
ILLINOIS VETERANS' HOME AT MANTENO

ANALYSIS OF OPERATIONS
FOR THE TWO YEARS ENDED JUNE 30, 2008

SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)

Veterans Served

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

	Fiscal Year		
	2008	2007	2006
Number of Residents, July 1	256	269	299
New Admissions	103	88	76
Leave of Absence (net)	(30)	(14)	(31)
Discharges	(2)	0	(1)
Deaths	(52)	(87)	(74)
Number of Residents, June 30	<u>275</u>	<u>256</u>	<u>269</u>
 Number of Veterans' Days of Care Furnished	 <u>86,667</u>	 <u>99,795</u>	 <u>100,897</u>

Home Accreditation

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