FOCUS FORWARD
SUMMARY OF PERFORMANCE & FINANCIAL INFORMATION PY09
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**VISION:**
To actively nurture the Health and Wellness Philosophy of Aging while providing our nation’s heroes with a continuum of Life Care Services in a community setting.

**MISSION:**
To fulfill our nation’s commitment to its veterans by providing a premier retirement community with exceptional residential care and extensive support services.

**GUIDING PRINCIPLES:**
- Establish Accountability
- Honor Heritage
- Inspire Excellence
- Maintain Integrity
- Maximize Workforce
- Serve Customers

For AFRH strategy details, see: afrh.gov/afrh/about/strategic.pdf

**ON THE COVER**
AFRH is striving to meet the needs of today’s residents and tomorrow’s heroes. Soon we’ll see a rapid increase in military retirees. So we’re modernizing for the future with Aging in Place, new amenities and advanced business practices. All of which will truly promote better health and help us all Focus Forward.

**FOCUS FORWARD**

Welcome to the AFRH Summary of Performance & Financial Information (SPFI) for 2009. This report is a simpler, more concise version of the annual Performance and Accountability Report (PAR). This friendlier format truly helps the public, Congress, and key constituencies understand our progress.

Here, we present our recent achievements to the community. We summarize the latest advances in senior care. Plus we outline the relationship between our performance goals and the costs to achieve them. As always, our actions are supporting the AFRH mission to provide exceptional care in a superb environment – all with great efficiency.

AFRH is dedicated to provide the best housing for those who defended our nation. We cherish our historic Washington home, which is about to be renovated – and our modern Gulfport haven, which is under construction. With these endeavors, AFRH renews the original Promise made by our 19th century leaders to care for those who served.

In recent years, AFRH has rebounded from the impact of Hurricane Katrina and the economic instability of America. Gathering strength from adversity, we envisioned an even better environment for our heroes by “forging new foundations” in 2007. Then we sought to help residents age with dignity and vigor by “building vitality” in 2008. Now, AFRH is ready to “focus forward” and fulfill years of smart planning.

In FY09, we crystallized our grand vision and began to execute plans to build the new AFRH. We now have all the vital components in place: improved environments and facilities, enlightened management and staff, and viable programs and services. Plus, our sights are set to implement the new movement in senior care: Aging in Place.
This has been an exciting year at AFRH. Our transformation from an historic “Soldiers’ Home” to a modern CCRC3 advanced in 2009. We conceived plans to promote Aging in Place and made advances in staffing, programming, and construction. We are also striving to ensure all actions meet the new administration’s goals in healthcare, veteran care, and agency performance.

We also revitalized our military heritage in 2009. Our highly successful Freedom Day event on September 22 united old and new generations of military – linking the Soldiers’ Home founder General Scott with President Lincoln on the 147th anniversary of the signing of the Emancipation Proclamation.

Witness Achievement

Another aim has been to improve services and the cost of performance. So we are upgrading our infrastructure, telephone service, wireless access, resident homing devices, and computer availability. Also, our partnership with Walter Reed to integrate veterans’ medical records with existing electronic records is promising.

In its 2010 budget, Congress funded the AFRH Scott Project under “Strengthening Infrastructure for the 21st Century” to improve housing for retired veterans. AFRH is making great strides here, plus we’re seeing rapid progress on our Gulfport rebuild. As such, our priorities have evolved as follows:

Goal 1: Healthcare
(Resident Wellbeing)

Goal 2: Housing
(Gulfport & Washington)

Goal 3: Stewardship
(Corporate Effectiveness)

Financially, AFRH received its fifth annual “unqualified” audit opinion and the Trust Fund balance has reached an all-time high. Yet, we halted progress on our highly promising revenue generator, the Washington Master Plan, due in part to the economic downturn.

Focus Forward

2009 was another remarkable year. Now, we have our sights set on total operational transformation to showcase Aging in Place. A truly modern AFRH will reflect the needs of today’s residents, and those of current active duty who will need us tomorrow.

Sincerely,

Timothy C. Cox
Chief Operating Officer
February 15, 2010

For Ann, military service is a tradition dating back to our country’s formation. “My ancestry goes back to John Hart, who signed the Declaration of Independence. I’m a direct descendant of his daughter. Hart’s son was a captain in the Revolutionary Army. Plus I had uncles who fought in WWI. Another uncle served the Navy in the 30s. And my brother served the Seabees in WWII.

I don’t think it ever occurred to them NOT to serve. The educational benefits they received for their service were wonderful!” Ann served the Navy two years herself, from 1944-46, and married a sailor. Plus she has a long line of offspring following in her footsteps. “I had two sons in Vietnam and two in Germany. And I have seven grandchildren who all served simultaneously. Three were in Iraq at one time.” All of whom received educational benefits. Undoubtedly, there will be many more patriots in Ann’s lineage. And America will be forever grateful.

“I’ve had family members in the service since the Revolution.”

– Ann Whittaker
(Navy)
AFRH continued its tradition of supporting America’s veterans with “Freedom Day” on September 22, 2009. This day-long celebration honored the anniversary of President Lincoln’s signing of the Emancipation Proclamation, the birthday of the Home’s founder General Winfield Scott, and American military service.

Hundreds of active duty military took part, both as volunteers and as participants. This event was a perfect opportunity for AFRH veterans to swap stories and get to know the enlisted. Plus, it was a great venue for today’s enlisted to get to know AFRH and the heroes who live here.

Freedom Day showcased a range of musical talent. On hand were the Joint Service Color Guard, the US Armed Forces School of Music, a Fife and Drum Corps, the Pennsylvania Bucktails, and Comrades of the Civil War.

This event was co-hosted by President Lincoln’s Cottage – the original “Soldiers’ Home” established in 1851 – and now an historic landmark that sits on the AFRH-W grounds. Lincoln wrote the Proclamation while living there in the summer. Since then thousands of veterans have lived at the Home.

All told, more than 1,400 people attended including Wounded Warriors patients from the VA Hospital, the press, and re-enactors who portrayed President Lincoln and General Scott.
INTRODUCTION

Aligning With Aging in Place

This new movement is defined as helping seniors live in their home of choice for as long as possible. The idea is to help seniors stay connected, active members of their community. AFRH is committed to this philosophy and to upholding the original Promise to care for our former service men and women.

We can safeguard our heroes by designing a proper environment and offering extensive support. So, AFRH is leveraging all resources to maximize services to Independent Living and Assisted Living residents so they may preserve their independence. The Home will only curtail services when demand exceeds available resources.

For performance details, see afrh.gov/afrh/about/par/performance_f.pdf

Advances for Washington:

1. Central dining & social areas in the new "Commons"
2. Canteen Lounge Improvements
3. New kilns for Ceramics Shop
4. Golf shack remodeling
5. Bowling center improvements

AIM INTENTLY

High-Priority Performance Goals

Our ultimate mission is to advance the lives of our residents. As such, we identified our “High-Priority Performance Goals” for the coming year, in tandem with our FY11 budget. This is our first step in meeting President Obama’s agenda to build a high-performance government.

With help from the Office of Management and Budget (OMB), we have singled out our “significant challenges unlikely to be overcome without a concerted focus of agency resources.” Below are the Goals that will help us achieve great success.

Goal 1:
Healthcare (Resident Wellbeing)
Ensure exceptional resident care and extensive support.

Goal 2:
Housing

Goal 3:
Stewardship (Corporate Effectiveness)
Maintain overall vitality via efficient management.

Goals to shape our Future:
Management

AFRH is organized in a contemporary business establishment, with a corporate office that manages independent functioning retirement communities in different locations. This arrangement allows corporate to make strategic decisions, as well as communicate with Congress and constituents.

Facilities

Using the successful “One Model” for all community operations, each Home has a Director who reports to the COO. Plus each community can make its own tactical operational decisions, manage its facilities and respond to local resident requirements. A Local Advisory Board helps provide expert experience and knowledge of military and medical-related concerns.

Our “One Model” is at work in each AFRH facility.
MANAGEMENT’S DISCUSSION & ANALYSIS

EXPLORE SURROUNDINGS

Locations

Gulfport, MS

AFRH-G was damaged in 2005 by Hurricane Katrina, and will reopen as a modern senior living facility in October 2010 on the same site it has occupied since 1976. All amenities for dining, healthcare and recreation are planned. The historic chapel is being successfully renovated after sustaining hurricane damage. And the century-old “Graduation Oak” tree still presides over this community.

A western view of the new Gulfport >

Eligibility

Anyone may become an AFRH resident if their active duty military service was at least 50 percent enlisted, Warrant Officer or Limited Duty Officer (per US Code 24, Section 412 (24 US Code 412)). Further, a person must also:

- Have 20 or more years of active duty service and be at least 60 years old, OR
- Be unable to earn a livelihood due to a service-connected disability, OR
- Be unable to earn a livelihood due to a non service-connected disability, yet served in a war theater or received hostile fire pay, OR
- Have served in a women’s component of the Services before June 12, 1948

AFRH Resident Trend Data

> Veterans by Gender
- Male: 875 (80%)
- Female: 102 (10%)

> Veterans who served in War Theaters*
- World War II: 413 (31%)
- Korean War: 460 (36%)
- Vietnam: 440 (33%)
- Grenada: 2 (< .01 %)
- Panama: 4 (< .01 %)
- Gulf War: 2 (< .01 %)

* Figures exceed 100% as many have served in multiple wars

> Current Resident Mix* (per Eligibility):
- 20-year Military Retiree: 734 (76%)
- Unable to earn a livelihood (service connected): 78 (8%)
- Unable to earn a livelihood (war theater): 112 (11%)
- Women serving before 1948: 53 (5%)

At AFRH-W till AFRH-G reopens.

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- Women serving before 1948: 53 (5%)

> Veterans by Branch of Service
- US Army: 403 (42%)
- US Air Force: 315 (32%)
- US Navy: 224 (23%)
- US Marine Corps: 30 (3%)
- US Coast Guard: 4 (< .01 %)
Total: 977

AFRH Resident Trend Data

- Independent Living
- Healthcare

Washington, DC

Dating back to 1851, AFRH-W has many historic features and is adjacent to President Lincoln’s Cottage and the Soldiers’ Home National Cemetery. Yet, the infrastructure of AFRH-W is undergoing significant changes. The major change will begin in FY11, with the replacement of the Scott Building. The new facility will offer smaller, more accessible activity spaces for residents. Upgrades to the Home’s main entrance and golf shack will begin in FY10, along with keyless entry to resident rooms.

AFRH-W is conveniently located near world-class medical centers and historic sites in Washington. It boasts a 9-hole golf course on its property along with many hobby shops, a fitness center and onsite medical services.

< Artist’s rendering of the new Commons and Quadrangle
Management's Discussion & Analysis

Performance Summary & Highlights

AFRH has directed many resources to meet our challenges and execute our strategy. And many FY09 achievements are documented here. Results are positive.

While some staffing challenges disrupted our performance rating cycles, they never inhibited Excellent Service or impeded progress on major performance goals.

With the emergence of our three High-Priority Performance Goals in FY09, these new measures along with our former measures form a complete picture of how AFRH is doing.

Challenges

Each year the AFRH IG identifies and reports on management’s challenges as well as performance challenges facing the Home. Throughout FY09, our IG tracked the collective challenges identified in FY08 for this year.

Survey Success

COO Timothy Cox explains the Home’s benefits to visiting enlisted.

<table>
<thead>
<tr>
<th>STATUS</th>
<th>PERFORMANCE CHALLENGES</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress</td>
<td>Residency maintenance requests</td>
<td>Automated system set up with great results</td>
</tr>
<tr>
<td>Progress</td>
<td>Customer service improvements</td>
<td>“I SERVE” badge buddy issued to all staff</td>
</tr>
<tr>
<td>Progress</td>
<td>Accountability of funds</td>
<td>Unqualified audit opinion</td>
</tr>
<tr>
<td>Progress</td>
<td>Viability of the Home’s military heritage</td>
<td>1st annual Freedom Day gala held (September 22)</td>
</tr>
<tr>
<td>Progress</td>
<td>Timelines &amp; participation in mandatory training</td>
<td>Added Performance Management as mandatory class</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>STATUS</th>
<th>MANAGEMENT CHALLENGE</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress</td>
<td>Scott Project</td>
<td>– GSA initiated project</td>
</tr>
<tr>
<td>Progress</td>
<td>Gulfport residents’ return</td>
<td>– Priority waiting list established</td>
</tr>
<tr>
<td>Progress</td>
<td>Succession Planning</td>
<td>– Plan developed within Human Capital Strategic Plan</td>
</tr>
<tr>
<td>Progress</td>
<td>CARF/CCAC Accreditation</td>
<td>– CARF/CCAC inspection yielded accreditation thru 2013</td>
</tr>
<tr>
<td>Progress</td>
<td>Constituent &amp; Congressional oversight committee education</td>
<td>– LRFP completed &amp; updated</td>
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MANAGEMENT’S DISCUSSION & ANALYSIS

PERFORMANCE SUMMARY (cont.)

High-Priority Performance Goals

These Goals were established in FY09 (per OMB requirements), and closely match our four Focus Areas from last year. These Areas were a key part of the AFRH Strategic Plan and their measures can be followed over several years. For FY09, our new High-Priority Performance Goals are prominent strategies that will help us focus our resources even better.

High-Priority Performance Goals Analysis

<table>
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<tr>
<th>Relationship to AFRH Strategic Goals</th>
<th>High-Priority Performance Goal</th>
<th>Baseline Performance Measure FY07 Target</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY09 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal: HEALTHCARE (Resident Wellbeing)</td>
<td>ES, IP Accreditation</td>
<td>In good standing</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>CARF/CCAC through 2013 for AFRH-W</td>
</tr>
<tr>
<td>Goal: HOUSING FOR VETERANS (Gulfport &amp; Washington)</td>
<td>ES, IP % of resident satisfaction</td>
<td>70%</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>74%</td>
</tr>
<tr>
<td>Goal: HOUSING FOR VETERANS (Gulfport &amp; Washington)</td>
<td>ES, IP % of resident assessment plans</td>
<td>95%</td>
<td>NA</td>
<td>NA</td>
<td>Met</td>
<td>99%</td>
</tr>
<tr>
<td>Goal: STEWARDSHIP (Corporate Effectiveness)</td>
<td>FG, ES, IP Construction</td>
<td>Within Budget and on schedule</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>On Plan</td>
</tr>
<tr>
<td>Goal: STEWARDSHIP (Corporate Effectiveness)</td>
<td>FG, ES, IP Operational Plans</td>
<td>Plan</td>
<td>N/A</td>
<td>Met</td>
<td>Met</td>
<td>On Plan</td>
</tr>
<tr>
<td>Goal: STEWARDSHIP (Corporate Effectiveness)</td>
<td>FG Trust Fund solvency</td>
<td>Even balance of resources versus obligations</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Long Range Financial Plan reported solvency through 2018</td>
</tr>
<tr>
<td>Goal: STEWARDSHIP (Corporate Effectiveness)</td>
<td>LG Evidence of measurable training goals</td>
<td>80% participation in 4 mandatory training classes for all staff</td>
<td>Met</td>
<td>Met</td>
<td>Not Met</td>
<td>98% for Safety, EEO, and Ethics, IT Security not completed</td>
</tr>
<tr>
<td>Goal: STEWARDSHIP (Corporate Effectiveness)</td>
<td>CI % of Employee Climate Survey responses of “Excellent” or “Very Good”</td>
<td>70%</td>
<td>N/A</td>
<td>Met</td>
<td>Not Met</td>
<td>63% of all responses were in the top 2 positive choices. While 77% are satisfied overall, there are some problems with pay levels.</td>
</tr>
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</table>

Performance Measures Trend

All Measures stem from the AFRH Strategic Goals and Objectives – starting in FY07 as a baseline. As always, our managers review staff performance using the Business Plan and its corresponding action plans. Likewise, integrating our budget and Goals is carefully monitored. And now, so is the mapping of our Strategic Goals to our new High-Priority Performance Goals.

Our New Performance Goals support Most Strategic Goals

For performance details, see afrh.gov/afrh/about/par/performance_f.pdf

Mike Longwell and Richard Robinson (Army) salute the Tomb of the Unknown.
Financial Statements Analysis & Summary

5th Consecutive Unqualified Audit Opinion:

The independent accounting firm Brown & Company expressed an unqualified opinion on our comparative FY09 and FY08 financial statements, the Consolidated Statements of Net Cost, Balance Sheets, Statements of Changes in Net Position, and Statement of Budgetary Resources. Also, Brown & Company did not report any material weaknesses.

Agency management, in partnership with BPD, is accountable for the integrity of the financial information presented in this report. All financial statements and data have been prepared from the AFRH accounting records in conformity with generally accepted accounting principles (GAAP) as defined by the CFO’s Act of 1990 and OMB.

Limitations of the Principal Financial Statements

Our statements have been prepared to report the financial position and operating results of AFRH, pursuant to the requirements of 31 U.S. 315(b). They were prepared following GAAP. These statements are in addition to financial reports prepared from the same books and records used to monitor and control budgetary resources. They should be read with the understanding they are for a component of the US Government, a sovereign entity.

OVERVIEW: AFRH FINANCES

AFRH Trust Fund: our financing source since 1851.

Our Trust Fund balance was at $156 million in 1995 and dramatically dropped to $101 million in 2002. This serious decline led Congress to seek new leadership and direction for AFRH. Ever since, the balance has been steadily rising through better management and cost efficiencies.

The Trust Fund rose to $167 million at the end of FY08 and reached $177 million in FY09. Yet, the impending Scott Project will be fully funded from the Trust Fund. As we expense the Scott Project, the balance in the Trust Fund will decline from FY10 through FY13.

Budget Authority: investing in veteran housing.

Increased spending is the result of greatly enhancing veteran housing – specifically, startup operations to rebuild Gulfport and capital funding for the Washington Scott Project. Hence, the Budget Authority for FY10 and FY11 will show increases in spending and decreases in the Trust Fund.

ENDING NET POSITION:

AFRH’s Net Position at the end of FY09 (per the Consolidated Balance Sheet and the Consolidated Statement of Changes in Net Position) was $461 million: a $6 million increase – or 1.32 percent – from the prior fiscal year. Net Position is the sum of the Unexpended Appropriations and Cumulative Results of Operations.

Balance Sheet: Assets and Liabilities rose in FY09 (from FY08):

<table>
<thead>
<tr>
<th></th>
<th>FY09</th>
<th>FY08</th>
<th>Net changes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets:</td>
<td>$477,345,938</td>
<td>$469,867,888</td>
<td>$7,478,050</td>
</tr>
<tr>
<td>Liabilities:</td>
<td>$16,329,453</td>
<td>$14,939,341</td>
<td>$1,390,112</td>
</tr>
</tbody>
</table>

Aging in Place will offer new resources for residents.
MANAGEMENT’S DISCUSSION & ANALYSIS

FINANCIAL SUMMARY (cont.)

Budgetary Concerns:
In the past decade, the needs of the Washington community and the facilities to support them have shifted dramatically – requiring swift action over the coming decade to accommodate both. Plus, the new administration has charged agencies to leverage Government purchasing power to achieve savings. Hence, we have developed and are now executing plans to manage our financial issues.

Fiscal Concerns:
• Higher Gulfport operational sq. ft. costs (almost double in new facility)
• Ongoing Washington high infrastructure costs (managing 272 acres)
• Exploding healthcare & energy costs which have outpaced inflation
• Inefficient costly contracts that do not meet the needs of AFRH

For financial details, see afrh.gov/afrh/about/par/financial_f.pdf

After retiring from the Army, Henry worked for his hometown of Carbon Hill, Alabama for 26 years. First with the police, then in city hall as a Clerk, Magistrate, Council Member and ultimately Mayor. “We had the same ol’ complaints as they do in DC: transportation, police, fire departments, and … how ya gonna control all the dang dogs?!?” Henry once appropriated $19 million to rebuild the school, repave highways and replace sidewalks. That planning experience was an asset when it came to Gulfport’s redevelopment. So Henry was made Chair of the Gulfport Startup Committee. “In 2006, Mr. Cox and I attended five meetings with Congress to present five distinct options for Gulfport. Our committee had people from the VA and DoD. Plus we worked with architects and contractors to determine the best way forward.”

Today Henry gives the residents routine updates.

You could say he’s ‘Mayor’ of the new Gulfport.

And he posts new construction photos on his door.
You could say he’s ‘Mayor’ of the new Gulfport.

“I work with Gulfport public affairs to keep residents informed.”

– Henry Pike
(Army)
AFRH made great strides in strengthening its management practices and internal controls (IC) in FY09. Our FY09 audit contained no material weaknesses. In addition, the Home emphasized IC risk management for each service area through the year.

**Statement of Assurance**
I am pleased to report AFRH compliance with all applicable requirements, and progress in expanding action planning to previously identified risk areas.

AFRH managers, along with our partners BPD and the National Finance Center (NFC), participate in all IC. We have assessed their effectiveness, in accordance with the Federal Managers’ Financial Integrity Act (FMFIA), (PL No. 97-255) Section 2 and OMB Circular A-123, Management's Responsibility for Internal Control.

Based on our analysis, AFRH can provide reasonable assurance that objectives have been achieved. No material weaknesses have been reported in our IC or financial reporting. Given our comprehensive management controls, I am pleased to certify with reasonable assurance that:

> AFRH financial reporting is reliable. Transactions are properly recorded, processed and summarized to permit the preparation of financial statements in accordance with GAAP. Assets are safeguarded against loss from unauthorized acquisition, use or disposition.

> AFRH is in compliance with all applicable laws and regulations under FMPA, FFMA and FISMA. Financial and business exchanges are executed in accordance with laws governing the use of budget authority, as well as laws and regulations that could have a direct and material effect on the financial statements.

> AFRH performance reporting is reliable. Performance measures are properly recorded, processed and summarized to permit information preparation per criteria established by AFRH management.

Timothy C. Cox
Chief Operating Officer
February 15, 2010

**2009 Risk Management Programs:**

1) **Washington Master Plan**

Goal: generate new revenue from underutilized land. Objective: construct a lease with a developer(s), where AFRH retains land ownership and receives monthly payments for mix-use development of 77 acres. UPDATE: in late 2008, the selected developer declared bankruptcy, thus we unable to reach a suitable agreement. The credit crisis made progress impractical, so negotiations ended. Yet, we are positioned to proceed when real estate improves.

2) **Gulfport Master Plan**

The rebuild of the Gulfport facility is within budget and on schedule, and we’re on-track to reopen in October 2010. This will be a force multiplier in risk management. Early in 2009, we ramped up planning efforts. We began resident focus groups to answer questions and provide information on living arrangements, building layout, and IT. In 2010, we’ll prepare the building for occupancy and solidify plans to move former Gulfport residents back in.

3) **Long Range Financial Plan**

The original 2008 draft surveyed plans to upgrade facilities, operations, and budgets. Plus, it projected our financial status over a 10-year span. To offset the decrease in revenue from key capital improvements, we are adopting a smaller footprint and infrastructure. Plus, we will contain facility costs and seek new ways to boost revenue. Our first “LRFP” revision (summer 2009) reflected more accurate data. And still, the Trust Fund remains solvent in the coming decade.

4) **Scott Project**

Extensive master planning was performed in Washington. We determined the Scott Residence was at risk due to its aging infrastructure and massive repair cost of $81 million. In the LRFP, the Home decided to tear down Scott and build a healthcare/multi-purpose facility in its place. This will enhance the lives of veterans and manage the financial risks inherent with keeping the Washington facility open.
IDENTIFY INTERESTS

Resident Surveys

To assess resident satisfaction, AFRH has several measures – both in Strategic Goals – and now in High-Priority Performance Goals.

First off, we have a customer service survey. Next, we took a thorough annual survey on activities. Further, a meal satisfaction survey was taken in LaGarde (for Long Term Care and Assisted Living residents) and it was compared to last year’s survey.

Overall, we conduct these surveys to clarify resident preferences, so we can ultimately meet and exceed their expectations.

Customer Service

(“Outstanding” or “Above Average”) Result 74% Target 70%.

“I volunteer in the auto shop and help steer residents in the right direction.”
– Henri Gibson (Army)
Annually, the AFRH IG identifies the most serious management and performance challenges facing the agency (per Circular A-136 Financial Reporting Requirements).

The IG tracks the Home’s progress to ensure high-visibility concerns are addressed, and to inspire successful actions.

Throughout FY09 AFRH concentrated on its four High-Priority Performance Goals, which address matters that require immediate attention. Staff members track their own progress through updates to the Business Plan and reports to management.

AFRH IG
Maurice Swinton
November 16, 2009
Memorandum
To: Timothy C. Cox, Chief Operating Officer
Subject: Management and Performance Challenges for FY 2010

In accordance with Section 3 of the Reports Consolidation Act of 2000, a statement is provided by the Inspector General which summarizes what is considered to be the most serious management and performance challenges facing the Armed Forces Retirement Home. As in the past, the Inspector General at the AFRH focused on the primary challenges facing the Agency during the Fiscal Year. Given the numerous AFRH initiatives and programs being conducted and managed, measurable progress and improvements have been demonstrated as a result of recommendations made by my office and other inspection and audit activities. The management and performance challenges also link directly to the President’s initiatives.

I am pleased to congratulate the AFRH on the development of its Long Range Financial Plan, Gulfport Stand-up Plan and Washington Scott Project Plan. Each of these plans demonstrates the AFRH strategy to develop, manage and implement the initiatives and processes required to sustain the operations at each campus and the solvency of the Trust Fund to ensure that the next generation of veterans will continue to enjoy the lifestyle and benefits that the Home has to offer.

Long Range Financial Plan:
The LRFP presents an overall vision for the future for AFRH. Inherent in that vision is how to maintain Trust Fund solvency while completing building transformations at both campuses. The resulting building project at AFRH-W approved and funded is the Scott Project. Within the Scott Project are many major elements: the movement of Assisted Living (AL) residents from the Scott Building to LaGrande and Sheridan as well as to Gulfport, demolition of the Scott Building, construction of a new facility to house common functions and a new Healthcare center, and moves into the new facility, closure of LaGrande, and eventually the renovation of AL rooms and Independent Living (IL) rooms in Sheridan.
Gulfport Stand-up:
Through two public Laws (PL 109-62 and 109-148) Congress has authorized approximately $240 million for the rebuild of the Gulfport home. With General Services Administration (GSA) leading the task to rebuild the Gulfport Home, AFRH has been working with them in tandem throughout the entire process. The construction began in January 2008 and is on track for completion in the last quarter of Fiscal Year 2010.

Washington Scott Project:
In the President’s Budget for Fiscal Year 2009, AFRH is highlighted under “Strengthening Infrastructure for the 21st Century” by improving housing for retired veterans and design funding for our Scott Project.

In accordance with the Reports Consolidation Act of 2000, I have identified the most serious management and performance challenges facing the AFRH in FY10.

Management Challenges:
- Initiate Gulfport stand-up
- Implement, manage and monitor Washington Scott Project
- Continue to educate, define, train and promote resident wellbeing to the resident community and staff

Performance Challenges:
- Implement Human Capital Management Plan:
  - AFRH must complete the development of the plan and implement it agency-wide while educating staff on the new polices.
- Implement Human Capital Succession Plan:
  - AFRH must complete the development of the plan and implement the procedures while educating staff on the new polices.

We responded successfully to the three management challenges we spearheaded effectively the six Performance Challenges:

- Define Washington & Gulfport staffing models:
- AFRH must ensure adequate staffing levels are provided and that parity exists between the staffing models at its two campuses.
- Increase visibility of military heritage:
- AFRH should continue to exhibit displays of military heritage throughout the facility and work with the DoD’s Office of Morale, Welfare and Recreation to enhance these displays.
- Adhere to timelines and participate in annual mandatory training:
- AFRH management must continue to ensure attendance for its employees for the mandatory training classes outlined by the agency. Tighter constraints and measures must be taken to ensure that employees participate in the mandatory training classes and that participation is timely.
- Financial management of operating costs and expenditures:
  - AFRH management must work to streamline costs at the Washington campus and seek to bring spending parity between the two campuses (Gulfport & Washington) as much as possible to ensure that long-range financial goals are met.

Sustaining the progress that has been made by the AFRH through its initiatives and programs is imperative; the AFRH IG will continue to monitor the outcomes of the areas identified.

Respectfully,

Maurice Swinton
Inspector General

Night of Heroes: the year’s most radiant event.

Each spring, the residents and military’s finest get to shine at the “Night of Heroes” – a black tie gala sponsored by the Pentagon Federal Credit Union Foundation. This year’s ball was the most successful ever – as $406 thousand dollars was raised. All proceeds go to support programs for wounded soldiers and their families. Emcee Bob Schieffer from CBS News presided. And General Barry McCaffrey (ret.) presented the American Hero award to Bob Feller, decorated WWII Navy veteran and Hall of Fame pitcher. More than 600 people attended on June 4th at the Ritz-Carlton in Tysons Corner, VA. Patients from Walter Reed Army Medical Center and Bethesda National Naval Medical Center were special guests. Honored attendees included corporate supporters, members of Congress, representatives from all branches of the Armed Forces, and those working to support the military. Thanks to our devoted service members, America continues to be a shining city upon a hill … whose beacon light guides freedom-loving people everywhere.
AFRH at a Glance


Current Locations: Beach Drive, Gulfport, MS (49 acres)
                   North Capitol Street, Washington, DC (272 acres)

Organization: AFRH Corporate (Washington, DC) manages 2 communities:

Resident Capacity:
Gulfport, MS: 0 (now under construction; when reopened: 584)
Washington, DC: 1,323

(as of Sept. 2009)

Average Resident: 81 Years Old

Funding: Congressional Authorizations from a Government-Held Trust
Fund fed by Resident Fees, Enlisted Pay Withholdings, Fines & Forfeitures and Investment Income

Trust Fund Balance: $177 Million

Major Services:
- Private Rooms & Showers
- Medical, Dental & Vision Care
- Dining Facilities
- Senior Activities & Programs
- Recreational Activities

Major Amenities:
- Fitness Center
- Walking Trails
- LifeTrail Course
- 9-hole Golf Course
- 6-lane Bowling Center