

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS

HENRY C. HILL CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2008

Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2008

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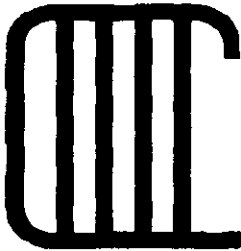
STATE OF ILLINOIS  
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HENRY C. HILL CORRECTIONAL CENTER  
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CENTER OFFICIALS

Warden (8/16/07 - Present)	Mr. Gerardo Acevedo
Acting Warden (8/01/06 – 8/15/07)	Mr. Stephen B. Wright
Warden (7/01/06 to 7/31/06)	Mr. Frank Shaw
Assistant Warden - Programs	Ms. Michele Pulley
Assistant Warden – Operations	Mr. Stephen B. Wright
Business Office Administrator	Mr. William Smith

The Center is located at:

600 Linwood Road  
P.O. Box 1327  
Galesburg, IL 61401



**Illinois**  
Department of  
**Corrections**

**Pat Quinn**  
Governor

**Roger E. Walker Jr.**  
Director

Hill Correctional Center / 600 Linwood Road / P.O. Box 1827 / Galeburg, IL 61401 / Telephone: (309) 343-4212 / TDD: (800) 528-0844

March 23, 2009


James Williams & Company, LLC  
223 W. Jackson Blvd., Suite 520  
Chicago, Illinois 60606

Ladies and Gentleman:

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

- A. The Center 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 Center 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 Center 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 Center 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 Center on behalf of the State or held in trust by the Center have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours very truly,

  
Gerardo Acevedo, Warden  
Hill Correctional Center

  
Wayne Ropke, Acting Business Administrator  
Hill Correctional Center

STATE OF ILLINOIS  
 DEPARTMENT OF CORRECTIONS  
 HENRY C. HILL CORRECTIONAL CENTER  
 LIMITED SCOPE COMPLIANCE EXAMINATION  
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COMPLIANCE REPORT

SUMMARY

The limited scope 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 (Report) relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies" (*Audit Guide*) which are identified in the Report as having testing performed and does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	2	1
Repeated findings	1	0
Prior recommendations implemented or not repeated	0	0

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

SCHEDULE OF FINDINGS

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
08-01	10	The Center did not maintain a record or logbook of outside personnel who accessed the Master Record File of inmates.	Significant Deficiency/ Noncompliance
08-02	11	The Center did not properly calculate inmate and employee commissary funds distribution of excess cash.	Significant Deficiency/ Noncompliance

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EXIT CONFERENCE

Agency management waived having an exit conference per correspondence dated March 17, 2009.

Responses to the recommendations were provided by Mary Ann Bohlen, Supervisor of Central Accounting, Illinois Department of Corrections per correspondence dated March 23, 2009.



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 performed a limited scope compliance examination of the State of Illinois Department Of Corrections - Henry C. Hill Correctional Center's compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (*Audit Guide*) as adopted by the Auditor General, during the two years ended June 30, 2008. The management of the State of Illinois Department Of Corrections - Henry C. Hill Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department Of Corrections - Henry C. Hill Correctional Center's compliance based on our examination.

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

Our limited scope compliance examination of the Center was limited to the following areas of the *Audit Guide*:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance with Agency Specific Statutory Mandates

The areas of the *Audit Guide* not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the State of Illinois Department of Correction's - General Office, and accordingly, any findings from the results of those procedures have been included in the State of Illinois Department of Corrections – General Office compliance report.

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 State of Illinois Department of Corrections – Henry C. Hill Correctional Center'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 State of Illinois Department of Corrections – Henry C. Hill Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections – Henry C. Hill Correctional Center complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as Finding Code No. 08-1 and 08-2.

#### Internal Control

The management of the State of Illinois Department of Corrections – Henry C. Hill Correctional Center 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 limited scope compliance examination, we considered the State of Illinois Department of Corrections – Henry C. Hill Correctional Center's internal control over compliance with the requirements listed in the first paragraph of this report in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Audit Guide*, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois Department of Corrections – Henry C. Hill Correctional Center's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Department of Corrections – Henry C. Hill Correctional Center's internal control over compliance.



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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as Finding Code No. 08-1 and 08-2 to be significant deficiencies.

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

There were no immaterial findings that have been excluded from this report.

The State of Illinois Department of Corrections – Henry C. Hill Correctional Center's response to the findings identified in our examination are described in the accompanying Schedule of Findings. We did not examine the State of Illinois Department of Corrections – Henry C. Hill Correctional Center's responses 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 2007 Supplementary Information for State Compliance Purposes, except for information on the Annual Cost Statistics, Service Efforts and Accomplishments, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventory, Employee Overtime, Shared Resources, Center Inmate Statistics, Center Employee Statistics, Cell Square Feet Per Inmate, Food Services, Medical and Clergy Service Contracts 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, Center and Department management, and is not intended to be and should not be used by anyone other than these specified parties.

*James Williams & Company, LLC*

March 23, 2009

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

Current Findings

08-1. Finding: The Center did not maintain a record or logbook of outside personnel who accessed the Master Record File of inmates.

Our review of the Record's Office log disclosed that a record of inmate files reviewed was not maintained for ten (10) months of fiscal year ended June 30, 2007 (July 1, 2006 – September 17, 2006 and October 27, 2006 – June 13, 2007).

The Unified Code of Corrections (730 ILCS 5/3-5-1 (b)) states that the Center shall keep a record of all outside personnel who have access to files, the files reviewed, any file material copied and the purpose of access. All files shall be confidential and access shall be limited to authorized personnel of the respective Department.

Center personnel stated that the absence of the record or logbook of outside personnel who had access to inmate files was an oversight on their part. It was also stated that the position of Records Office Supervisor was vacant during this ten month period.

Noncompliance with State statutes could result in non-detection of unauthorized access to confidential information. (Finding Code 08-1, 06-01)

Recommendation: We recommend the Center comply with the State statute and maintain a record or logbook of all outside personnel who have accessed the Master Record File of inmates.

Agency Response: Recommendation implemented. The facility has established a logbook.

DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
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SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

Current Findings (continued)

08-2. Finding: The Center did not properly calculate inmate and employee commissary funds distribution of excess cash.

Our review of the Center's inmate and employee "Commissary Fund Cash Review" records for the period July 1, 2006 to February 29, 2008 revealed the inventory balance used in the calculation reflected an average balance (\$50,000 for the inmate commissary and \$2,500 for the employee commissary), while all other amounts used in the calculation were the actual balances reported in the Center's general ledger. This resulted in excess cash transfers of \$8,336 (\$7,802 from the inmate commissary fund to the inmate benefit fund, and \$534 from the employee commissary fund to the employee benefit fund).

Administrative Directive 02.44.110 states that once per month the Business Administrator shall determine the excess cash available in each fund, and if applicable, authorize payment to the appropriate benefit fund. The Business Office shall complete the reconciliation using the "Commissary Fund Cash Review Form."

Also, good business practice dictates that the actual balances reflected in Center records be used in inmate and employee commissary fund calculations.

Center personnel stated a required (minimum) inventory balance was used in this calculation to eliminate fluctuations that might occur from month to month as a result of extreme inventory changes. This minimum balance was a floor amount used to keep the commissaries from distributing too much cash when inventories would be unusually low at months end due to delayed shipments or late ordering. The preparation of the "Commissary Cash Review Form" does not relieve the Business Administrator from making sound business decisions. The Business Administrator stated that over time the effect on the financials of both funds are zero dollars.

The use of an average balance for inventory resulted in excess transfers in the inmate and employee Commissary funds of \$7,802, and \$534 respectively. (Finding Code 08-02)

Recommendation: We recommend the Center comply with the Administrative Directive in completing the "Commissary Fund Cash Review Form" and use the inventory account balance shown on the general ledger.

Agency Response: Recommendation implemented. The facility will follow the Administrative Directives on excess cash transfers.

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LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF FINDINGS  
For the Two Years Ended June 30, 2008

Prior Findings Not Repeated

The finding noted during the Limited Scope Compliance Examination for the two years ended June 30, 2006 has been repeated and is presented in the Current Findings section of the Schedule of Findings within this report.

STATE OF ILLINOIS  
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HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Two Years Ended June 30, 2008

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
- Description of Locally Held Funds
- Schedule of Locally Held Funds
- Schedule of Changes in State Property (not examined)
- Comparative Schedule of Cash Receipts and Deposits (not examined)
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories (not examined)

**Analysis of Operations**

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Inmate Commissary Operation
- Shared Resources (not examined)
- Annual Cost Statistics
  - Center Inmate Statistics (not examined)
  - Center Employee Statistics (not examined)
  - Cell Square Feet Per Inmate (not examined)
  - Food Services (not examined)
  - Medical and Clergy Service Contracts (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 Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, 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  
DEPARTMENT OF CORRECTIONS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2008

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2008	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2008	BALANCES LAPSED AUGUST 31, 2008
			EXPENDITURES JULY 1 TO AUGUST 31, 2008	EXPENDITURES JULY 1 TO AUGUST 31, 2008		
<b>PUBLIC ACT (94-0348)</b>						
<b>GENERAL REVENUE FUND - 001</b>						
Personal services	\$ 17,930,500	\$ 16,352,161	\$ 944,263	\$ 17,296,424	\$ 634,076	
Student, member and inmate compensation	277,700	253,577	24,075	277,652	48	
State contributions to State Employees' Retirement System	2,969,500	2,708,319	156,391	2,864,710	104,790	
State contributions to Social Security	1,282,000	1,211,453	70,529	1,281,982	18	
Contractual services	5,372,000	5,241,397	130,591	5,371,988	12	
Travel	13,400	12,435	917	13,352	48	
Travel and allowances for committed, paroled and discharged prisoners	27,800	25,914	1,795	27,709	91	
Commodities	2,137,000	2,084,537	52,413	2,136,950	50	
Printing	15,300	15,263	-	15,263	37	
Equipment	16,600	3,911	12,666	16,577	23	
Telecommunications services	28,000	27,965	35	28,000	-	
Operation of automotive equipment	62,700	62,066	634	62,700	-	
<b>Total - Fiscal Year 2008</b>	<b>\$ 30,132,500</b>	<b>\$ 27,998,998</b>	<b>\$ 1,394,309</b>	<b>\$ 29,393,307</b>	<b>\$ 739,193</b>	

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Year Ended June 30, 2007

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2007	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2007	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2007	BALANCES LAPSED AUGUST 31, 2007
<b>PUBLIC ACT (94-0798)</b>					
<b>GENERAL REVENUE FUND - 001</b>					
Personal services	\$ 16,414,500	\$ 15,627,075	\$ 784,550	\$ 16,411,625	\$ 2,875
Student, member and inmate compensation	302,600	277,258	25,313	302,571	29
State contributions to State Employees' Retirement System	1,894,400	1,800,714	90,749	1,891,463	2,937
State contributions to Social Security	1,217,000	1,156,983	58,591	1,215,574	1,426
Contractual services	5,518,008	5,106,428	411,580	5,518,008	-
Travel	10,275	9,590	685	10,275	-
Travel and allowances for committed, paroled and discharged prisoners	27,300	25,861	1,375	27,236	64
Commodities	2,156,300	2,042,471	113,790	2,156,261	39
Printing	19,000	18,989	-	18,989	11
Equipment	400	341	-	341	59
Telecommunications services	37,600	22,664	14,936	37,600	-
Operation of automotive equipment	61,800	47,521	14,279	61,800	-
<b>Total - Fiscal Year 2007</b>	<b>\$ 27,659,183</b>	<b>\$ 26,135,895</b>	<b>\$ 1,515,848</b>	<b>\$ 27,651,743</b>	<b>\$ 7,440</b>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
	P.A.(94-0348)	P.A.(94-0798)	P.A.(94-0015)
<b>GENERAL REVENUE FUND - 001</b>			
Appropriations (net of transfers)	<u>\$ 30,132,500</u>	<u>\$ 27,659,183</u>	<u>\$ 26,639,200</u>
<b>EXPENDITURES</b>			
Personal services	\$ 17,296,424	\$ 16,411,625	\$ 15,841,014
Employee retirement contributions paid by employer	-	-	204,305
Student, member and inmate compensation	277,652	302,571	315,305
State contributions to State Employees' Retirement System	2,864,710	1,891,463	1,234,326
State contributions to Social Security	1,281,982	1,215,574	1,172,765
Contractual services	5,371,988	5,518,008	5,611,238
Travel	13,352	10,275	10,404
Travel and allowances for committed, paroled and discharged prisoners	27,709	27,236	38,383
Commodities	2,136,950	2,156,261	2,078,339
Printing	15,263	18,989	14,000
Equipment	16,577	341	15,877
Telecommunications services	28,000	37,600	27,891
Operation of automotive equipment	62,700	61,800	53,385
<b>Total Expenditures</b>	<u>\$ 29,393,307</u>	<u>\$ 27,651,743</u>	<u>\$ 26,617,232</u>
<b>LAPSED BALANCES</b>	<u>\$ 739,193</u>	<u>\$ 7,440</u>	<u>\$ 21,988</u>

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2008

The locally held funds of the Center are grouped into two fund categories, Governmental and Fiduciary funds. These are non-appropriated funds with the exception of the Travel and Allowance Revolving Fund, which is an appropriated fund. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Fund

The Travel and Allowance Revolving Fund is a cash imprest fund located at the Center and is used to provide cash for travel and allowances for discharged inmates and to pay out inmate Trust Fund balances under \$50 upon inmates being paroled or discharged. The Travel and Allowance Revolving Fund is replenished from the Center's Inmate Benefit Fund account and the Trust Fund. The Center's Inmate Benefit Fund account is reimbursed from the General Revenue Fund appropriation on a monthly basis upon submission of a duly authorized voucher.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Center maintains four special revenue funds.

The Employees' Commissary Fund and Residents' Commissary Fund are used to maintain stores for selling food, candy, health and beauty aids and other personal items. The inmate commissary sells solely to inmates and the employees' commissary sells to employees. Profits derived from commissary sales are allocated 60% to pay the wages and benefits of employees who work at the commissaries and 40% to either the Residents' Benefit Fund for sales from the Inmate Commissary or the Employees' Benefit Fund for sales from the Employees' Commissary.

Residents' Benefit Fund and Employees' Benefit Fund are used to provide entertainment and recreational activities and equipment for inmates and employees. The Employees' Benefit Fund can also be used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. Beginning in fiscal year 2006 the locally held Residents' Benefit Fund account at each Center was closed and the balance transferred to a single locally held Residents' Benefit Fund bank account administered by the General Office. The Center has a sub-account within the Residents' Benefit Fund account at the General Office that records their specific transactions.

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DESCRIPTION OF LOCALLY HELD FUNDS  
For the Two Years Ended June 30, 2008

Expenditures from the Residents' Benefit Fund are initiated at the Center but all the transactions are processed through the General Office. All of the financial accounting for the Center's Residents' Benefit Fund transactions are also performed and maintained at the General Office. Because the Center does not maintain the financial records a summary of the Center's Residents' Benefit Fund activity for fiscal years 2008 and 2007 will be presented in the General Office Compliance Report for the two years ending June 30, 2008.

2. Fiduciary Fund

Agency Fund

An agency fund is used to account for assets held as the agent for others. The Center maintains one such fund, the Residents' Trust Fund. The Residents' Trust Fund is maintained as a depository for funds of inmates while incarcerated at the Center. Receipts and disbursements of the inmates are recorded in each inmate's individual account within the Residents' Trust Fund.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2008

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<b>REVENUES</b>			
Income from Sales	\$ 52,659	\$ 1,434,698	\$ 13,904
Interest / Investment Income	296	3,774	223
Miscellaneous:			
Entry Fees	-	-	-
Raffle	-	-	-
Religious and Fraternal	-	-	-
Transfer of Unclaimed and Dormant Funds	-	-	-
Advances Made on Behalf of State - Repaid	-	-	-
Inmate Account Receipts	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<b>52,955</b>	<b>1,438,472</b>	<b>14,127</b>
<b>EXPENDITURES</b>			
Purchases	52,805	1,192,574	6,820
General and Administrative	-	-	-
Contractual	-	1,771	275
Equipment	-	-	-
Donations	-	-	-
Awards and Grants	-	-	9,380
Other	-	-	-
<b>Total Expenditures</b>	<b>52,805</b>	<b>1,194,345</b>	<b>16,475</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	150	244,127	(2,348)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	-	60
Transfers (Out)	(150)	(244,127)	-
<b>Total Other Financing Sources</b>	<b>(150)</b>	<b>(244,127)</b>	<b>60</b>
Net Change in Fund Balance	-	-	(2,288)
Fund Balance July 1, 2007	-	-	13,957
<b>Fund Balance June 30, 2008</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,669</b>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS  
For the the Year ended June 30, 2007

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund
<b><u>REVENUES</u></b>			
Income from Sales	\$ 48,031	\$ 1,452,997	\$ 16,405
Interest / Investment Income	740	5,706	358
Miscellaneous:			
Entry Fees	-	-	-
Raffle	-	-	-
Religious and Fraternal	-	-	-
Transfer of Unclaimed and Dormant Funds	-	-	-
Advances Made on Behalf of State - Repaid	-	-	-
Inmate Account Receipts	-	-	-
Other	-	-	-
<b>Total Revenues</b>	<b><u>48,771</u></b>	<b><u>1,458,703</u></b>	<b><u>16,763</u></b>
<b><u>EXPENDITURES</u></b>			
Purchases	46,940	1,212,266	10,054
General and Administrative	-	-	-
Contractual	-	805	700
Equipment	-	-	-
Donations	-	-	670
Awards and Grants	-	-	7,364
Other	-	-	-
<b>Total Expenditures</b>	<b><u>46,940</u></b>	<b><u>1,213,071</u></b>	<b><u>18,788</u></b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,831</u>	<u>245,632</u>	<u>(2,025)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In	-	-	450
Transfers (Out)	(1,831)	(245,632)	-
<b>Total Other Financing Sources</b>	<b><u>(1,831)</u></b>	<b><u>(245,632)</u></b>	<b><u>450</u></b>
Net Change in Fund Balance	-	-	(1,575)
Fund Balance July 1, 2006	-	-	15,532
Fund Balance June 30, 2007	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,957</u></b>

Note: Schedule is presented on the accrual basis of accounting.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
(TRUST FUND NOT EXAMINED)  
For The Years Ended June 30

	2008		2007	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$1,500	\$ 137,841	\$ 1,500	\$ 173,147
<b>Receipts</b>				
Investment Income	-	3,656	-	6,544
Inmate Account Receipts	-	1,764,597	-	1,714,984
Appropriations from General Revenue Fund	<u>27,236</u>	-	<u>27,709</u>	-
<b>TOTAL RECEIPTS</b>	<u>27,236</u>	<u>1,768,253</u>	<u>27,709</u>	<u>1,721,528</u>
<b>Disbursements</b>				
Inmate Account Disbursements	-	1,752,243	-	1,750,290
Disbursements for released inmates	<u>27,236</u>	-	<u>27,709</u>	-
<b>TOTAL DISBURSEMENTS</b>	<u>27,236</u>	<u>1,752,243</u>	<u>27,709</u>	<u>1,750,290</u>
<b>Fund Transfers</b>				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(3,656)	-	(6,544)
<b>TOTAL TRANSFERS</b>	-	<u>(3,656)</u>	-	<u>(6,544)</u>
Balance - June 30	<u>\$ 1,500</u>	<u>\$ 150,195</u>	<u>\$ 1,500</u>	<u>\$ 137,841</u>

Note: Schedule is presented on the cash basis of accounting

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN STATE PROPERTY  
(NOT EXAMINED)

For The Years Ended June 30,

	2008					2007				
	Land	Buildings	Equipment	Improvements	Total	Land	Buildings	Equipment	Improvements	Total
Balance, beginning	\$462,130	\$ 37,927,242	\$ 3,319,941	\$ 199,497	\$ 41,908,810	\$ 462,130	\$37,927,242	\$ 3,365,898	\$ 199,497	\$ 41,954,767
Additions:										
Purchases	-	-	31,009	-	31,009	-	-	10,747	-	10,747
Transfers-in	-	857,643	201,040	-	1,058,683	-	-	25,444	-	25,444
Capital Development Board	-	-	-	-	-	-	-	-	-	-
Employees' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Employees' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Residents' Commissary Fund	-	-	-	-	-	-	-	-	-	-
Residents' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	562	-	562
Total Additions	-	857,643	232,049	-	1,089,692	-	-	36,753	-	36,753
Deductions:										
Transfers-out	-	480,614	167,576	-	648,190	-	-	174	-	174
Scrap property	-	-	57,651	-	57,651	-	-	82,536	-	82,536
Surplus property	-	-	-	-	-	-	-	-	-	-
Condemned and lost property	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-	-	-
Total Deductions	-	480,614	225,227	-	705,841	-	-	82,710	-	82,710
Balance, ending	\$462,130	\$ 38,304,271	\$ 3,326,763	\$ 199,497	\$ 42,292,661	\$ 462,130	\$37,927,242	\$ 3,319,941	\$ 199,497	\$ 41,908,810

Note: Center management indicated the property balances at June 30, 2006 and 2007 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
(NOT EXAMINED)  
For The Years Ended June 30,

	FISCAL YEAR		
	2008	2007	2006
<b><u>RECEIPTS</u></b>			
Jury Duty	\$ 285	\$ 471	\$ 131
Inmate Restitution	-	-	10,465
Dormant Inmate Accounts	-	-	-
Funeral Furlough	-	-	-
Staff Witness Fees	-	-	-
Contraband Cash	-	-	-
Copying Fees	-	-	-
Miscellaneous	583	2,714	1,471
<b>TOTAL RECEIPTS</b>	<b><u>\$ 868</u></b>	<b><u>\$ 3,185</u></b>	<b><u>\$ 12,067</u></b>
<b><u>REMITTANCES</u></b>			
General Revenue Fund - 001	\$ 868	\$ 3,185	\$ 1,601
Department of Corrections Reimbursement Fund - 523	-	-	10,466
<b>TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER</b>	<b><u>\$ 868</u></b>	<b><u>\$ 3,185</u></b>	<b><u>\$ 12,067</u></b>
<b><u>DEPOSITS</u></b>			
Receipts recorded by Center	\$ 868	\$ 2,854	\$ 12,067
Add: Deposits in transit - Beginning of year	-	331	1,712
Deduct: Deposits in transit - End of year	-	-	(331)
<b>DEPOSITS RECORDED BY THE STATE COMPTROLLER</b>	<b><u>\$ 868</u></b>	<b><u>\$ 3,185</u></b>	<b><u>\$ 13,448</u></b>

Note: The Deposits reconciliation section of this schedule is a reconciliation of the Center's General Revenue Fund receipts to the Comptroller's General Revenue Fund deposits only. The Comptroller's records do not provide a detail breakdown of deposits into the Department of Corrections Reimbursement Fund #523 by Center.



STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
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% or more) for the fiscal years ended June 30, 2008 and June 30, 2007 are shown below:

<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>
State Contributions to State Employees' Retirement System	\$ 2,864,710	\$1,891,463	\$ 973,247	51%
Travel	\$ 13,352	\$ 10,275	\$ 3,077	30%
Printing	\$ 15,263	\$ 18,989	\$ (3,726)	(20)%
Equipment	\$ 16,577	\$ 341	\$ 16,236	4761%
Telecommunications	\$ 28,000	\$ 37,600	\$ (9,600)	(26)%

Center management provided the following explanations for the significant variations identified above.

State Contributions to State Employees' Retirement

The increase of \$973,247 in State Contribution to State Employees' Retirement System is the result of an increase in the rate paid from 11.5% in FY 2007 to 16.6% in FY 2008.

Travel

The increase in travel of \$3,077 resulted from the number of prisoners taken to the hospital on medical furloughs. Also travel for the number of employees assigned to new officers increased travel cost.

Printing

Printing decreased as a result of the purchase of a new, more efficient printing machine in 2007. Start-up supplies purchased in 2007 were not repeated in 2008.

### Equipment

The increase in equipment expenditures of \$16,236 in FY 2008 was the result of additional purchases of lawn and grounds equipment, kitchen equipment, and correctional officer gas masks not purchased in FY 2007.

### Telecommunication

In FY 2007, the Department authorized catch up billings for \$9,600 from FY 2006. Catch-up payments were not made in FY 2008

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
For the Two Years Ended June 30, 2008

**Fiscal Year 2007**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2007 and June 30, 2006 are shown below:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED</u> <u>JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>	
	<u>2007</u>	<u>2006</u>	<u>AMOUNT</u>	<u>%</u>
Employee Retirement Contributions Paid by Employer	\$ -0-	\$ 204,305	\$ (204,305)	(100)%
State Contributions to State Employees' Retirement System	\$1,891,463	\$1,234,326	\$ 657,137	53%
Travel/Allowance for Committed, Paroled and Discharged Prisoners	\$ 27,236	\$ 38,383	\$ (11,147)	(29)%
Printing	\$ 18,989	\$ 14,000	\$ 4,989	36%
Equipment	\$ 341	\$ 15,877	\$ (15,536)	(98)%
Telecommunication	\$ 37,600	\$ 27,891	\$ 9,709	35%

Center management provided the following explanations for the significant variations identified above.

**Employee Retirement Contributions Paid by Employer**

The Legislative did not provide funding for State Contributions to State Employees' Retirement System. As a result, expenditures decreased 100%.

**State Employees' Retirement System**

Funding was made available by the Legislature to fund catch up retirement payments from the prior years, resulting in an increase of \$657,137.

Travel/Allowance, for Committed, Paroled and Discharged Prisoners

Travel and allowance decreased by \$11,147 as a result of number of inmates released and a reduction in the average cost per inmate for travel.

Printing

The increase in printing expenditures of \$4,989 resulted from the increase in General Fund appropriation and the need to replenish depleted inventories.

Equipment

The decrease in equipment expenditures of \$15,536 was the direct result of the Department not authorizing major purchases in FY 2007.

Telecommunication

In FY 07, the Department authorized catch-up payments for FY 2006, resulting in an increase of \$9,709.

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LIMITED SCOPE COMPLIANCE EXAMINATION  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2008

**Fiscal Year 2008**

Our testing of lapse period expenditures for fiscal year ended June 30, 2008 disclosed one appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

	Fiscal Year Ended June 30, 2008		
<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Equipment	\$16,577	\$12,666	76%

Significant lapsed period expenditures for equipment were the result of approximately \$9,900 in lawn and ground equipment, approximately \$1,500 in kitchen equipment and safety equipment for \$1,260 approved before year end, not received until after June 30.

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ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Two Years Ended June 30, 2008

Fiscal Year 2007

Our testing of lapse period expenditures for fiscal year ended June 30, 2007 disclosed two appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

	Fiscal Year Ended June 30, 2007		
<u>EXPENDITURE ITEM</u>	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Travel	\$37,600	\$14,936	40%
Operation of Automotive Equipment	\$61,800	\$14,279	23%

Travel

Due to staff shortages and delays in employee submission of travel reimbursements by employees, vouchers were not submitted in time to be paid by June 30<sup>th</sup>.

Operation of Automotive Equipment

Vouchers for repair and maintenance of Center's vehicles, approved prior to June 30, were not paid until after July 1.

STATE OF ILLINOIS  
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HENRY C. HILL CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
SCHEDULE OF CHANGES IN INVENTORIES  
(NOT EXAMINED)  
Two Years Ended June 30, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 31,461	\$ 333,519	\$ 342,247	\$ 22,733
Mechanical Stores	908	1,498	2,078	328
Resident/Inmate Clothing	14,815	139,639	144,630	9,824
Officers' Clothing	-	11,303	11,303	-
Kitchen Stores	178,627	1,852,470	1,765,517	65,580
Postage	3,812	20,000	17,007	6,805
Gasoline Storage	2,903	35,343	36,140	2,106
Surplus Inventory	-	-	-	-
	<u>\$ 232,526</u>	<u>\$ 2,193,772</u>	<u>\$ 2,318,922</u>	<u>\$ 107,376</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 2,300	\$ 51,010	\$ 51,354	\$ 1,956
Residents' Commissary Fund	48,771	1,204,682	1,178,995	74,458
	<u>\$ 51,071</u>	<u>\$ 1,255,692</u>	<u>\$ 1,230,349</u>	<u>\$ 76,414</u>
	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
<b>GENERAL REVENUE FUND</b>				
General Stores	\$ 52,097	\$ 318,512	\$ 339,148	\$ 31,461
Mechanical Stores	259	1,920	1,271	908
Resident Clothing	26,417	179,648	191,250	14,815
Officers' Clothing	-	9,247	9,247	-
Kitchen Stores	85,328	1,649,221	1,555,922	178,627
Postage	3,392	19,994	19,574	3,812
Gasoline Storage	1,329	27,575	26,001	2,903
Surplus Inventory	-	-	-	-
	<u>\$ 168,822</u>	<u>\$ 2,206,117</u>	<u>\$ 2,142,413</u>	<u>\$ 232,526</u>
<b>LOCAL FUNDS</b>				
Employees' Commissary Fund	\$ 2,386	\$ 45,233	\$ 45,319	\$ 2,300
Residents' Commissary Fund	84,019	1,154,671	1,189,919	48,771
	<u>\$ 86,405</u>	<u>\$ 1,199,904</u>	<u>\$ 1,235,238</u>	<u>\$ 51,071</u>

Note: The inventory balances at June 30 were reconciled to the records of the Center.

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ANALYSIS OF OPERATIONS  
For the Two Years Ended June 30, 2008

CENTER FUNCTIONS AND PLANNING PROGRAM

The Henry C. Hill Correctional Center (Center) located at 600 Linwood Road, Galesburg, Illinois, is a Level Two Center of the Illinois Department of Corrections (Department). The Center, which opened in October 1986, is designed to house 896 adult male inmates and was established to help alleviate the overcrowded conditions of the Department's facilities.

The inmate population was 1,788 and 1,772 at May 31, 2008 and 2007, respectively.

The Unified Code of Corrections (730 ILCS 5/1 (et seq.)) mandates the Department to "accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation." Consistent with the authorizing legislation the primary function of the Center is to maintain custody and control of incarcerated individuals under a level of security, which will provide a safe and secure environment for inmates, staff, visitors and the community.

Within this framework, the Department offers the inmates a variety of programs designed to return them to the community with skills to make them useful and productive citizens. These programs include GED classes, vocational training and Junior College level academic courses offered by Carl Sandburg College and Correctional School District #428. In addition, the Department strives to create a healthful environment by providing a variety of services such as medical, dental, religious, counseling and library services as well as recreation programs.

As a secondary function, the Center attempts to provide inmates with meaningful programs and work assignments, and encourages maximum participation in these programs by inmates. Operational and program systems are designed to increase the ability of inmates to accept responsibility and make decisions while utilizing resources in a prudent and efficient manner.

Mr. Roger E. Walker, Jr. is the Director of the Department of Corrections. The Department maintains its Central Office in Springfield.

PLANNING PROGRAM

The Center has developed goals and objectives, coordinated by the Department, with respect to its functions and programs. The Center also implements policies and procedures designed to achieve the goals and objectives that have been established for the entire Department. These goals and objectives include complete demolition and refurbishing of showers in Housing Units, reallocation of duties throughout the institution, continue to keep safety and security as priority, work with Special Operations to obtain necessary equipment for Tactical Team, developing and monitoring policies and procedures, expanding programs, developing cost efficient strategies, to enhance operations and others.

The Warden along with Center management monitor the progress of achieving the Center's goals and update them on a regular basis.



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**AVERAGE NUMBER OF EMPLOYEES**

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	<u>Fiscal Year Ending June 30,</u>		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Administrative	5	5	4
Business office and stores	12	12	15
Clinical services	10	9	12
Work Camp	-	-	-
Recreation	3	3	3
Maintenance	8	9	9
Utilities	-	-	-
Laundry	1	1	1
Correctional Officers	221	237	241
Dietary	14	14	14
Medical/Psychiatric	1	2	1
Religion	1	1	1
Secretary/Records/Clerical	9	9	8
Total	<u>285</u>	<u>302</u>	<u>309</u>

An analysis of the activity regarding the changes in staffing of correctional officers, prepared from Center records, is presented in the table below for the fiscal years ending June 30.

	<u>Fiscal Year</u>	
	<u>2008</u>	<u>2007</u>
Correctional Officers, beginning of the year	237	241
New Correctional Officers hired	-	3
Correctional Officers transferred-in	-	4
Correctional Officers transferred-out	-	(4)
Correctional Officers separated from Department	(16)	(7)
Correctional Officers, end of the year	<u>221</u>	<u>237</u>

Correctional Officers for the above schedule is defined as all employees with security related responsibilities.

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EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a day exceed the employees standard work hours. Correctional Officers receive a ¼-hour of overtime for each day they stand for roll call. The roll call overtime is paid at straight time for all but Correctional Lieutenants who receive 1 ½ times normal pay.

Overtime is to be distributed as equally as possible among employees who normally perform the work in the position in which the overtime is needed. An employees' supervisor must approve any overtime. In most cases, except for roll call, employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. Employees have the opportunity to be compensated either in pay for the overtime or receive compensatory time off.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred for the last three fiscal years, ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Paid overtime hours worked during fiscal year	<u>12,690</u>	<u>6,396</u>	<u>5,709</u>
Value of overtime hours worked during fiscal year	<u>\$ 548,886</u>	<u>\$ 263,794</u>	<u>\$220,304</u>
Compensatory hours earned during fiscal year	<u>12,194</u>	<u>9,046</u>	<u>8,955</u>
Value of compensatory hours earned during fiscal year	<u>\$ 348,175</u>	<u>\$ 240,613</u>	<u>\$ 224,870</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>24,884</u>	<u>15,442</u>	<u>\$ 14,664</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 897,061</u>	<u>\$ 504,406</u>	<u>\$ 445,174</u>

INMATE COMMISSARY OPERATION

The Center operates a commissary for the benefit of the inmates. The commissary purchases goods from outside vendors and then retails the items to the inmates. The commissary purchases goods at wholesale prices where possible.

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INMATE COMMISSARY OPERATION (cont.)

Effective January 1, 2004 the Unified Code of Corrections, 730 ILCS 5/3-7-2a, was amended to change the mark-up of cost on the goods purchased for resale in the commissary. Effective January 1, 2004 the selling price for all goods shall be sufficient to cover the cost of the goods and an additional charge of up to 35% for tobacco products and up to 25% for non-tobacco products. Effective January 1, 2008 the inmate commissaries at all Centers discontinued selling tobacco products.

The financial transactions of the Inmate Commissary are recorded in the Residents' Commissary Fund. A summary of the financial activity of the Residents' Commissary Fund for the years ended June 30, 2008 and 2007 are presented on pages 18 and 19 of this report.

As part of our testing 25 inmate commissary products were selected and their sale price recomputed to determine compliance with the Unified Code of Corrections regarding the statutorily required mark-up. As a result of our testing we noted all 25 commissary products were marked up 25% for non-tobacco, 35% for tobacco and an initial 7% for operating cost.

SHARED RESOURCES (not examined)

- A. During the two years under audit, the Center's Business Manager and Advanced Accountant provided support services to the business office at East Moline Correctional Center. They were paid from Hill Correctional Center's personal services appropriation while devoting approximately 5% and 10% of time and service, respectively, to East Moline Correctional Center.
- B. Beginning on July 1, 2006 through June 30, 2008, the Assistant Warden of Operations was temporarily assigned to Hill Correctional Center from East Moline Correctional Center. The Assistant Warden was paid from the East Moline Correctional Center's personal services appropriation while devoting 100% of time and service to Hill Correctional Center.

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CENTER INMATE STATISTICS (not examined)

Comparative costs of inmate care, prepared from Center records for the fiscal year ended June 30, are shown below:

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Rated population	<u>896</u>	<u>896</u>	<u>896</u>
Inmate population (as of May 31)	<u>1,788</u>	<u>1,772</u>	<u>1,788</u>
Average number of inmates	<u>1,805</u>	<u>1,821</u>	<u>1,800</u>
Expenditures from appropriations	<u>\$29,393,308</u>	<u>\$27,651,743</u>	<u>\$26,617,232</u>
Less-equipment and capital improvements	<u>\$ 16,577</u>	<u>\$ 341</u>	<u>\$ 15,877</u>
Net expenditures	<u>\$29,376,731</u>	<u>\$27,651,402</u>	<u>\$26,601,355</u>
Net inmate cost per year	<u>\$ 16,275</u>	<u>\$ 15,185</u>	<u>\$ 14,779</u>

Net expenditures for computing net inmate cost per year represent total expenditures from appropriations less equipment expenditures divided by average number of inmates.

The rated population and inmate population noted above was taken from the Department of Corrections quarterly reports to the State legislature.

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CENTER EMPLOYEE STATISTICS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Average number of employees	<u>285</u>	<u>302</u>	<u>309</u>
Average number of correctional officers	<u>221</u>	<u>237</u>	<u>241</u>
Average number of inmates	<u>1,805</u>	<u>1,821</u>	<u>1,800</u>
Ratio of employees to inmates	<u>1 to 6.3</u>	<u>1 to 6.0</u>	<u>1 to 5.8</u>
Ratio of correctional officers to inmates	<u>1 to 8.2</u>	<u>1 to 7.7</u>	<u>1 to 7.5</u>

The following comparison of reported inmate assaults on staff is prepared from Department of Corrections records for the fiscal years ending June 30:

	<u>Fiscal Year</u>	
	<u>2008</u>	<u>2007</u>
Number of assaults on staff	3	9

CELL SQUARE FEET PER INMATE (not examined)

The following comparisons are from a report issued by the Department of Corrections to the State legislature:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Approximate Square Foot Per Inmate	<u>31</u>	<u>31</u>	<u>32</u>

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FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Breakfast	318,373	338,059	339,136
Lunch	605,661	632,408	594,039
Dinner	578,383	608,499	588,060
Staff meals	40,260	40,880	42,340
Vocational School Meals	<u>20,532</u>	<u>21,152</u>	<u>21,629</u>
 Total Meals Served	 <u>1,563,209</u>	 <u>1,640,998</u>	 <u>1,585,204</u>
 Food Cost	 <u>\$1,652,471</u>	 <u>\$1,649,151</u>	 <u>\$1,542,761</u>
 Cost Per Meal	 <u>\$ 1.06</u>	 <u>\$ 1.00</u>	 <u>\$ .97</u>

MEDICAL AND CLERGY SERVICE CONTRACTS (not examined)

The following table, prepared from Center records, summarizes what was paid to vendors for medical and clergy contractual services for fiscal years 2008, 2007 and 2006.

	Fiscal Year		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
Medical Services:			
Wexford Health Sources, Inc.	\$3,839,371	\$3,897,143	\$4,196,471
Health Professionals, Ltd.	-	-	1,889,330
The Methodist Medical Center	438	-	-
DMS Pharmaceutical Group	-	67,249	-
	<u>\$3,839,809</u>	<u>\$3,964,392</u>	<u>\$6,085,801</u>

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

During the period, Henry C. Hill Correctional Center, a Level 2 Secure Medium institution, several changes were made during the fiscal years which have impacted the safety and security of staff and inmates while being able to continue to operate the facility more efficiently.

Continued from FY2004 complete demolition and refurbishing of showers in Housing Units (ongoing Capital Development Project).

Management is continuously conducting staffing reviews. Reallocation of duties, etc.: we continue to experience staff shortages throughout the institution. Our goal is to continue to keep safety and security as our priority; while also continuing to be creative and fiscally responsible to the agency. In order to accomplish this goal, administrative staff are continually reviewing staffing and subsequently the reallocation and reassignment of duties when possible. Listed below are staffing figures which indicate the staffing fluctuation for the first quarters 2002 through 2008.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Security	261	253	239	248	236	235	227
Non Security	<u>95</u>	<u>68</u>	<u>71</u>	<u>72</u>	<u>74</u>	<u>66</u>	<u>63</u>
Total	<u>356</u>	<u>321</u>	<u>310</u>	<u>320</u>	<u>310</u>	<u>301</u>	<u>290</u>

The net change of 66 personal represents a 19% decrease in staffing over this period.

Hill's budgeted headcount for FY08 was 308. As of June 30<sup>th</sup>, 2007, the facility headcount was 298, with a C/O headcount of 201. The budgeted headcount for FY09 was 308. As of June 30<sup>th</sup>, 2008, the facility headcount was 286, with a C/O headcount of 192.

At the end of Fiscal year 2008, Hill CC had one employee on the list of employees activated for Operation Enduring Freedom. At the end of fiscal year 2008, Hill had three employees on the list of employees activated for Operation Enduring Freedom.

Staff reductions have created a need for shared services. Hill has received assistance in Human Resources from East Moline and Illinois River, Assistant Warden of Operations from East Moline and Records office assistance from East Moline. The Hill CC business office has provided accounting assistance for East Moline, Sheridan, and Kewanee.

The Hill business office was instrumental in changing the National Student Lunch Program to considering correctional facilities as full time resident schools allowing for meal reimbursement for students seven days a week versus school in session days. Upgrading the facility continues to be a priority.

Utility expenses continue to be a concern. Natural gas, electricity and water rates continue to increase. Conservation efforts are continuous.

## SERVICE PROGRAMS

Chaplaincy services have approximately 700 participants in weekly religious services for nine different religious groups. The volunteers are a vital part of the IDOC mission to provide religious services, and are a compliment to the Chaplaincy's programming. Our goal is to diversify our volunteer force to meet the needs for every group. We also have increased our library resources through donations for most groups represented in our facility.

Health Care Educational Programs continue to be a priority at Hill Correctional Center. A comprehensive list of Warden's Bulletin's has been issued covering a wide range of programs from managing stress to cold and flu information.

Education department programs through the office of Adult Education and Vocational services continues to be a success with a 90% passing rate on GED examinations for years 2007 and 2008. We were absent a librarian for the greater part of this period.

Hill continues to provide Vocational programs through Danville Area Community College/OAEVS. There were 7 graduates for Associate in General Education, 9 for business Management program, 38 for Commercial Custodial, and 6 for Diesel Technology in 2007. In 2008 we had 2 offenders graduate in Associate in General Education, 15 in Business Management and 24 in Diesel Technology.

On November 2007 Hill CC began offering Job Preparedness Classes. This course is designed for inmates who fall within 60-120 days of parole or release. This course is designed to address the reality of a job search in the outside world while having a criminal record and to provide inmates with confidence-building insights to encourage them in their employment endeavor. 190 of 240 enrollees have successfully completed this well received course.