

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS

DANVILLE CORRECTIONAL CENTER

LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
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CENTER OFFICIALS

Warden (10/16/04 to Present)
Warden (04/01/00 to 10/15/04)

Mr. John Chambers
Mr. Blair Leibach

Assistant Warden - Programs (11/16/04 to Present)
Assistant Warden - Programs (10/16/04 to 11/15/04)
Assistant Warden - Programs (06/01/04 to 10/15/04)

Mr. Maurice Arbuckle
Vacant
Mr. John Chambers

Assistant Warden - Operations (11/01/04 to Present)
Assistant Warden - Operations (02/16/01 to 10/31/04)

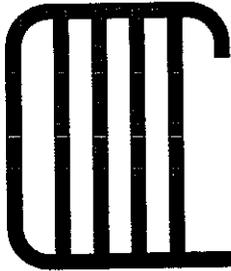
Mr. Rickey Williams
Mr. Daniel Walls

Business Office Administrator

Mr. Tim Haslett

The Center is located at:

3820 East Main Street
Danville, Illinois 61834



Illinois
Department of
Corrections

Rod R. Blagojevich
Governor

Roger E. Walker, Jr.
Director

Danville Correctional Center / 3820 E. Main Street / Danville, IL 61834 / Telephone: (217) 446-0441 / TDD: (800) 526-0844

September 22, 2006

E.C. Ortiz & Co., LLP
333 S. DesPlaines Street, 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2006. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2006, the Agency has materially complied with the assertions below.

- A. The Agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Agency are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.

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

Yours very truly,

Danville Correctional Center

John Chambers
Warden



Tim Haslett
Business Administrator



STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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 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 compliance testing performed.

SUMMARY OF FINDINGS

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

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

SCHEDULE OF FINDINGS

CURRENT FINDINGS

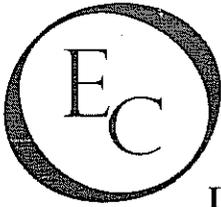
<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-1	10	FY 2005 Inventory Balance Erroneously Reported to Central Office
06-2	11	Improper Year End Account Posting

PRIOR FINDING NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-3	12	Lack of Proper Segregation of Duties Over Locally Held Funds

EXIT CONFERENCE

Center management waived having an exit conference per a letter dated November 22, 2006. Response to the recommendations were provided by Mary Ann Bohlen, Department of Corrections Accounting Manager, in a letter dated November 26, 2006.



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**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 - Danville 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, 2006. The management of the State of Illinois Department of Corrections - Danville Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Danville Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Danville 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 - Danville 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 - Danville 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. The State revenues and receipts collected by the of the State of Illinois Department of Corrections - Danville 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 - Danville Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Danville 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 Department's General Office, and accordingly, any findings from the results of those procedures have been included in the Department of Corrections - General Office compliance report. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide* as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the *Audit Guide*, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings as Finding No. 06-2.

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

Internal Control

The management of the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the

the Illinois Office of the Auditor General. We have also performed certain procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General's financial statement audit of the entire Department of Corrections for the year ended June 30, 2006. The results of these additional procedures have been communicated to the Department of Corrections - General Office auditors.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 Nos. 06-1 and 06-2.

There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

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 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Annual Cost Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

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

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

E. C. Ortiz & Co., LLP

E. C. Ortiz & Co., LLP
Chicago, Illinois

September 22, 2006

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings

06-1 Finding (FY 2005 Inventory Balance Erroneously Reported to Central Office)

The Center erroneously reported inventory balances for FY 2005 to the Central Office.

The final priced inventory reported by the Center to the Central Office at June 30, 2005 was \$337,404. The perpetual inventory balance, adjusted after a complete physical inventory (AIMS Report M406), was \$297,921. Thus, a difference of \$39,483 in an overstated inventory balances was reported as of June 30, 2005.

Good business practices require that proper internal controls be established to ensure the accuracy and reliability of accounting data. In addition, reports submitted to the Central Office should be reviewed and thoroughly reconciled to ensure accurate information is being reported.

Accurate inventory quantity information is crucial in determining re-order and overstocking points. Failure to maintain accurate inventory records results in misstated financial information and increases the risk that theft of unauthorized consumption could occur and not be detected.

Center officials stated that the error was due to the wrong report used as a source in reporting the inventory balance. The Center should have used AIMS Report M006. (Finding Code No. 06-1)

Recommendation

We recommend that reports submitted to the Central Office be reviewed and thoroughly reconciled to ensure accuracy in reporting.

Center Response

Recommendation implemented. The Center has implemented additional procedures to ensure the amounts reported are correct. The FY 2006 amount reported was correct.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Current Findings

06-2 Finding (Improper Year End Account Posting)

The Center did not exercise adequate control over locally held fund cut-off procedures.

The Center posted three (3) FY 2006 Employee Commissary Fund expenses to FY 2007 totaling \$2,795.

Generally accepted accounting principles require that expenses be recorded when incurred, not when paid.

Center personnel stated the improper posting was an oversight on their part.

The General Office Reporting Package for the Employee Benefit Fund expenses was understated by \$2,795 as of June 30, 2006. (Finding Code No. 06-2)

Recommendation

We recommend the Center review its transactions approaching year-end and subsequent to year-end to identify expenditures to be recorded in the proper accounting period.

Center Response

Recommendation accepted. The issue noted was an oversight. The Center will make every effort to ensure invoices are accrued in the proper year and reviewed by supervisory staff.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2006

Prior Finding Not Repeated

06-3 Lack of Proper Segregation of Duties Over Locally Held Funds

Finding:

The Center had inadequate segregation of duties for two locally held funds. The employee responsible for recording transactions for these funds was also responsible for performing reconciliations and also acted as the petty cash fund custodian. (Finding Code No. 04-1)

Disposition:

During the current period, we did not note any segregation of duties problems. The preparation of the bank reconciliation was assigned to an employee without cash custodial functions.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
For the Two Years Ended June 30, 2006

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 - Special Revenue Funds
- Schedule of Locally Held Funds - Cash Basis - Travel and Allowance
 - Revolving Fund/Residents' Trust Fund
- Schedule of Changes in State Property
- 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

Analysis of Operations:

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (Not Examined)
- Inmate Commissary Operation
- Annual Cost Statistics
 - Costs Per Year Per Inmate (Not Examined)
 - Ratio of Employees to Inmates (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 on 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 to the 2006 and 2005 Supplementary Information for State Compliance Purposes, except for information on the Comparative Schedule of Cash Receipts and Deposits, Employee Overtime, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information. The auditors have not applied procedures to the 2004 Supplementary Information for State Compliance Purposes, and accordingly, do not express an opinion thereon.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2006	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
			EXPENDITURES JULY 1 TO AUGUST 31, 2006	EXPENDITURES AUGUST 31, 2006		
PUBLIC ACT 94-0015						
GENERAL REVENUE FUND - 001						
Personal services	\$ 17,512,100	\$ 16,634,108	\$ 848,357	\$ 17,482,465	\$ 29,635	
Employee retirement contributions paid by employer	222,100	221,516	575	222,091	9	
Student, member and inmate compensation	337,100	312,802	24,257	337,059	41	
State contributions to State Employees' Retirement System	1,364,400	1,296,186	66,106	1,362,292	2,108	
State contributions to Social Security	1,296,800	1,233,533	63,238	1,296,771	29	
Contractual services	5,601,300	5,058,437	542,863	5,601,300	-	
Travel	11,800	10,096	1,681	11,777	23	
Travel and allowances for committed, paroled and discharged prisoners	7,000	6,503	428	6,931	69	
Commodities	1,793,100	1,657,490	135,502	1,792,992	108	
Printing	14,700	14,038	630	14,668	32	
Equipment	42,700	40,047	2,593	42,640	60	
Telecommunications services	41,700	41,627	-	41,627	73	
Operation of automotive equipment	89,900	68,417	21,464	89,881	19	
Total - Fiscal Year 2006	\$ 28,334,700	\$ 26,594,800	\$ 1,707,694	\$ 28,302,494	\$ 32,206	

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
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACT 93-0842 & 93-0681					
GENERAL REVENUE FUND - 001					
Personal services	\$ 17,702,200	\$ 16,821,249	\$ 840,735	\$ 17,661,984	\$ 40,216
Employee retirement contributions paid by employer	35,327	35,326	-	35,326	1
Student, member and inmate compensation	342,400	313,275	28,546	341,821	579
State contributions to State Employees' Retirement System	2,750,500	2,612,269	132,322	2,744,591	5,909
State contributions to Social Security	1,277,400	1,201,623	61,174	1,262,797	14,603
Contractual services	4,664,200	3,572,254	1,091,252	4,663,506	694
Travel	11,000	9,281	1,003	10,284	716
Travel and allowances for committed, paroled and discharged prisoners	10,500	2,763	-	2,763	7,737
Commodities	1,972,600	1,815,507	123,753	1,939,260	33,340
Printing	22,000	16,635	345	16,980	5,020
Equipment	5,000	-	-	-	5,000
Telecommunications services	89,900	62,632	24,228	86,860	3,040
Operation of automotive equipment	97,500	83,407	13,170	96,577	923
Total - Fiscal Year 2005	\$ 28,980,527	\$ 26,546,221	\$ 2,316,528	\$ 28,862,749	\$ 117,778

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
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
	P.A. 94-0015	P.A. 93-0842 & 93-0681	P.A. 93-0091
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	\$ 28,334,700	\$ 28,980,527	\$ 29,481,600
EXPENDITURES			
Personal services	17,482,465	17,661,984	17,073,990
Employee retirement contributions paid by employer	222,091	35,326	872,694
Student, member and inmate compensation	337,059	341,821	361,716
State contributions to State Employees' Retirement System	1,362,292	2,744,591	1,514,616
State contributions to Social Security	1,296,771	1,262,797	1,265,440
Contractual services	5,601,300	4,663,506	4,556,697
Travel	11,777	10,284	17,030
Travel and allowances for committed, paroled and discharged prisoners	6,931	2,763	11,453
Commodities	1,792,992	1,939,260	2,264,344
Printing	14,668	16,980	22,897
Equipment	42,640	-	104,704
Telecommunications services	41,627	86,860	82,428
Operation of automotive equipment	89,881	96,577	139,322
Total Expenditures	<u>28,302,494</u>	<u>28,862,749</u>	<u>28,287,331</u>
LAPSED BALANCES	<u>\$ 32,206</u>	<u>\$ 117,778</u>	<u>\$ 1,194,269</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
DESCRIPTION OF LOCALLY HELD FUNDS
For the Two Years Ended June 30, 2006

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 travel and allowances for discharged residents/inmates. The Travel and Allowance Revolving Fund is replenished from the Center's 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, tobacco, health and beauty aids and other personal items. The residents' commissary sells solely to residents and the employees' commissary sells to employees. Profits derived from Commissary Funds' 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 Residents' 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 for residents and employees. The Employees' Benefit Fund is also used to provide travel expense reimbursement for correctional officers while travel vouchers are being processed. During the fiscal year 2006 the accounting and expenditure processing of the Residents' Benefit Fund were transferred to the Department of Corrections General Office.

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 which is a depository for the residents' money. The Residents' Trust Fund is used to account for the receipts and disbursements of the resident's individual accounts.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2006

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund *
<u>REVENUES</u>				
Income from Sales	\$ 197,634	\$ 1,664,021	\$ 20,698	\$ -
Investment Income	112	292	31	1,074
Miscellaneous				
Other	-	-	-	32,229
Total Revenues	<u>197,746</u>	<u>1,664,313</u>	<u>20,729</u>	<u>33,303</u>
<u>EXPENDITURES</u>				
Purchases	160,444	1,357,637	12,643	-
Contractual	319	-	8,447	84,613
Equipment	414	-	60	1,689
Donations	-	-	599	-
Other	95	2,585	5,187	28,117
Total Expenditures	<u>161,272</u>	<u>1,360,222</u>	<u>26,936</u>	<u>114,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,474</u>	<u>304,091</u>	<u>(6,207)</u>	<u>(81,116)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers In	-	-	14,590	121,885
Transfers (Out)	(36,474)	(304,091)	-	-
Total Other Financing Sources	<u>(36,474)</u>	<u>(304,091)</u>	<u>14,590</u>	<u>121,885</u>
Net Change in Fund Balance	-	-	8,383	40,769
Fund Balance July 1, 2005	<u>-</u>	<u>-</u>	<u>23,857</u>	<u>145,129</u>
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,240</u>	<u>\$ 185,898</u>

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

* FY 2006 Residents' Benefit Fund was not examined.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2005

	Employees' Commissary Fund	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
REVENUES				
Income from Sales	\$ 195,507	\$ 1,514,528	\$ 20,635	\$ 71,563
Investment Income	35	160	21	35
Miscellaneous				
Other	-	-	415	124
Total Revenues	<u>195,542</u>	<u>1,514,688</u>	<u>21,071</u>	<u>71,722</u>
EXPENDITURES				
Purchases	158,888	1,209,236	2,661	52,255
Contractual	1,175	-	8,752	93,103
Equipment	-	-	1,764	4,292
Donations	-	-	14,719	-
Other	1,262	4,018	300	15,352
Total Expenditures	<u>161,325</u>	<u>1,213,254</u>	<u>28,196</u>	<u>165,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,217</u>	<u>301,434</u>	<u>(7,125)</u>	<u>(93,280)</u>
OTHER FINANCING SOURCES				
Transfers In	-	-	13,687	120,757
Transfers (Out)	(34,217)	(301,434)	-	-
Total Other Financing Sources	<u>(34,217)</u>	<u>(301,434)</u>	<u>13,687</u>	<u>120,757</u>
Net Change in Fund Balance	-	-	6,562	27,477
Fund Balance July 1, 2004	<u>-</u>	<u>-</u>	<u>17,295</u>	<u>117,652</u>
Fund Balance June 30, 2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,857</u>	<u>\$ 145,129</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS -
TRAVEL AND ALLOWANCE REVOLVING FUND/RESIDENTS' TRUST FUND
For the Years Ended June 30,

	2005		2006	
	Travel and Allowance Rev. Fund	Residents' Trust Fund	Travel and Allowance Rev. Fund	Residents' Trust Fund
Balance - July 1	\$ 8,428	\$ 106,100	\$ 1,618	\$ 90,914
Receipts				
Investment Income	-	183	-	249
Inmate Account Receipts	-	1,762,460	-	1,899,972
Appropriations from General Revenue Fund	-	-	-	-
Advances Made on Behalf of State - Repaid	572	-	7,382	-
TOTAL RECEIPTS	572	1,762,643	7,382	1,900,221
Disbursements				
Inmate Account Disbursements	-	1,661,225	-	1,765,396
Disbursements for released inmates	-	116,421	-	115,728
Advances made on behalf of State	7,382	-	9,000	-
TOTAL DISBURSEMENTS	7,382	1,777,646	9,000	1,881,124
Fund Transfers				
Fund Transfers In	-	-	-	-
Fund Transfers (Out)	-	(183)	-	(249)
TOTAL TRANSFERS	-	(183)	-	(249)
Balance - June 30	<u>\$ 1,618</u>	<u>\$ 90,914</u>	<u>\$ -</u>	<u>\$ 109,762</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Years Ended June 30,

	2006				2005					
	Land	Buildings	Equipment	Land Improvements	Total	Land	Buildings	Equipment	Land Improvements	Total
Balance, beginning	\$ 375,719	\$ 48,964,589	\$ 3,512,489	\$ 2,839,901	\$ 55,692,698	\$ 375,719	\$ 48,058,321	\$ 3,569,743	\$ 2,839,901	\$ 54,843,684
Additions:										
Purchases	-	-	43,819	-	43,819	-	-	44,007	-	44,007
Transfers-in:										
Intra-agency	-	-	115,448	-	115,448	-	-	13,681	-	13,681
Capital Development Board	-	295,108	-	-	295,108	-	974,559	-	-	974,559
Residents' Benefit Fund	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
Total Additions	-	295,108	159,267	-	454,375	-	974,559	57,688	-	1,032,247
Deductions:										
Transfers-out:										
Intra-agency	-	-	346,423	-	346,423	-	-	56,313	-	56,313
Scrap property	-	-	93,965	-	93,965	-	68,291	31,260	-	99,551
Surplus property	-	-	-	-	-	-	-	27,369	-	27,369
Adjustment	-	-	-	-	-	-	-	-	-	-
Total Deductions	-	-	440,388	-	440,388	-	68,291	114,942	-	183,233
Balance, ending	\$ 375,719	\$ 49,259,697	\$ 3,231,368	\$ 2,839,901	\$ 55,706,685	\$ 375,719	\$ 48,964,589	\$ 3,512,489	\$ 2,839,901	\$ 55,692,698

Note: The property balances at June 30, 2006 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
(NOT EXAMINED)
For the Years Ended June 30, 2006

	FISCAL YEAR		
	2006	2005	2004
<u>RECEIPTS</u>			
Jury Duty	\$ 417	\$ 920	\$ 997
Inmate Restitution	1,764	469	1,042
Funeral Furlough	6,782	526	2,952
Miscellaneous	21,548	32,145	22,137
TOTAL RECEIPTS	\$ 30,511	\$ 34,060	\$ 27,128
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 1,632	\$ 1,299	\$ 1,999
Department of Corrections Reimbursement Fund - 523	28,879	32,761	25,129
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	\$ 30,511	\$ 34,060	\$ 27,128
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 1,500	\$ 1,431	\$ 1,999
Add: Deposits in transit - Beginning of year	132	-	-
Deduct: Deposits in transit - End of year	-	(132)	-
DEPOSITS RECORDED BY THE STATE COMPTROLLER	\$ 1,632	\$ 1,299	\$ 1,999

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
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2006

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2006 and June 30, 2005 are shown below:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2006	2005	AMOUNT	%
Employee retirement contributions paid by employer	\$ 222,091	\$ 35,326	\$ 186,765	529%
State contributions to State Employees' Retirement System	1,362,292	2,744,591	(1,382,299)	(50%)
Contractual services	5,601,300	4,663,506	937,794	20%
Travel and allowances for committed, paroled and discharged prisoners	6,931	2,763	4,168	151%
Equipment	42,640	—	42,640	100%
Telecommunications services	41,627	86,860	(45,233)	(52%)

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

Employee retirement contributions paid by employer

With the exception of the July 1-15 payroll in FY 2005, Employee Retirement Contributions Paid by Employer was processed from Personal Services appropriation (Object Code 1120) for FY 2005. FY 2006 retirement contributions were vouchered through this line item resulting in the increase in expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2006 (Continued)

State contributions to State Employees' Retirement System

The rate of state contributions to State Employees' Retirement System in FY 2006 (7.792%) decreased compared to FY 2005 (16.107%).

Contractual services

Increase is attributed to the increase in allocation expenses primarily in medical contract and utility expenses.

Travel and allowances for committed, paroled and discharged prisoners

In FY 2005, due to budgetary restraints, the Department eliminated the balance of locally held funds amounting to \$9,000 in Object Code 1296. The spend down of these monies began in October 2005 and continued through October 2006 when the \$9,000 was exhausted and expenses resumed.

Equipment

Due to budgetary restraints, no equipment purchases were made in FY 2005.

Telecommunications services

Due to budgetary restraints, the Department did not pay CMS all telecommunication expenses incurred from March through June 2006. Expenses for these months were paid from FY 2007 monies.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2005

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

EXPENDITURE ITEM	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2005	2004	AMOUNT	%
Employee retirement contributions paid by employer	\$ 35,326	\$ 872,694	(\$ 837,368)	(96%)
State contributions to State Employees' Retirement System	2,744,591	1,514,616	1,229,975	81%
Travel	10,284	17,030	(6,746)	(40%)
Travel and allowance for committed, paroled and discharged prisoners	2,763	11,453	(8,690)	(76%)
Printing	16,980	22,897	(5,917)	(26%)
Equipment	—	104,704	(104,704)	(100%)
Operation of automotive equipment	96,577	139,322	(42,745)	(31%)

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

Employee retirement contributions paid by employer

With the exception of the July 1-15 payroll in FY 2005, Employee Retirement Contributions Paid by Employer was processed from Personal Services appropriation (Object Code 1120) for FY 2005 resulting in a decrease in the expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2006

Fiscal Year 2005 (Continued)

State contributions to State Employees' Retirement System

The rate of state contributions to State Employees' Retirement System in FY 2005 (16.107%) increased compared to FY 2004 (13.439%). Also, the State did not pay State contributions to State Employees' Retirement System from 03/01/04 through 06/30/04.

Travel

Due to budgetary restraints, non-essential travel was eliminated.

Travel and allowance for committed, paroled and discharged prisoners

In FY 2005, due to budgetary restraints, the Department eliminated the balance of locally held funds amounting to \$9,000 in Object Code 1296. The spend down of these monies began in October 2005 and continued through October 2006 when the \$9,000 was exhausted and expenses resumed.

Printing

Due to budgetary restraints, non-essential printing expenses were eliminated.

Equipment

Due to budgetary restraints, no equipment purchases were made in FY 2005.

Operation of automotive equipment

Due to budgetary restraints, non-essential automotive equipment expenses were eliminated.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2006 disclosed one appropriation line item with significant (20% or more) lapse period expenditures, as scheduled below:

EXPENDITURE ITEM	Fiscal Year Ended June 30, 2006		
	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	%
Operation of Automotive Equipment	\$ 89,881	\$ 21,464	24%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Operation of automotive equipment

These expenses were an end of year refill of the Facility's gasoline and diesel fuel storage tanks. The refill was held off until the very end of the year, in case monies were needed to cover other expenses.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2006

Our testing of lapse period expenditures for fiscal year ended June 30, 2005 disclosed two appropriation line items with significant (20% or more) lapse period expenditures, as scheduled below:

EXPENDITURE ITEM	Fiscal Year Ended June 30, 2005		
	TOTAL EXPENDITURES	LAPSE PERIOD EXPENDITURES	%
Contractual Services	\$ 4,663,506	\$ 1,091,252	23%
Telecommunication	86,860	24,228	28%

Center management provided the following explanations for the significant lapse period expenditures identified above.

Contractual services

Due to budgetary restraints, the payments for the medical contract for the months of March, April and May were all paid during the lapse period. The payments totaled \$814,521.

Telecommunications

Lapse period expenditures amounting to \$20,000 pertain to payments to the CMS efficiency initiatives revolving fund for savings from specific efficiency initiatives pursuant to Public Act 93-0025, billing account #4265001.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
GENERAL REVENUE FUND				
General Stores	\$ 205,280	\$ 1,597,770	\$ 1,599,228	\$ 203,822
Mechanical Stores	40,101	158,462	144,158	54,405
Resident Clothing	41,765	145,099	157,167	29,697
Officers' Clothing	1,532	22,676	22,855	1,353
Office Supplies	8,476	28,155	29,915	6,716
Postage	30,887	20,995	22,079	29,803
Surplus Inventory	766	-	40	726
	<u>\$ 328,807</u>	<u>\$ 1,973,157</u>	<u>\$ 1,975,442</u>	<u>\$ 326,522</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 3,392	\$ 159,255	\$ 158,025	\$ 4,622
Residents' Commissary Fund	62,646	1,353,940	1,344,366	72,220
	<u>\$ 66,038</u>	<u>\$ 1,513,195</u>	<u>\$ 1,502,391</u>	<u>\$ 76,842</u>
	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
GENERAL REVENUE FUND				
General Stores	\$ 154,766	\$ 1,636,368	\$ 1,585,854	\$ 205,280
Mechanical Stores	19,222	177,184	156,305	40,101
Resident Clothing	51,433	136,724	146,392	41,765
Officers' Clothing	924	17,269	16,661	1,532
Office Supplies	11,309	27,305	30,138	8,476
Postage	22,530	29,800	21,443	30,887
Surplus Inventory	766	-	-	766
	<u>\$ 260,950</u>	<u>\$ 2,024,650</u>	<u>\$ 1,956,793</u>	<u>\$ 328,807</u>
LOCAL FUNDS				
Employees' Commissary Fund	\$ 6,325	\$ 155,364	\$ 158,297	\$ 3,392
Residents' Commissary Fund	62,100	1,203,983	1,203,437	62,646
	<u>\$ 68,425</u>	<u>\$ 1,359,347</u>	<u>\$ 1,361,734</u>	<u>\$ 66,038</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM

The Danville Correctional Center is a Level 3 high-medium male facility, located in east central Illinois just off I-74 at the Indiana border. The Facility received its first inmates in October 1985 and currently houses on average of 1,812 inmates. The Facility contains four x-type housing units, a Receiving and Orientation unit and an 87-bed Segregation Unit. The Facility has an operating budget of approximately \$28 million and employs an average of 336 full-time staff in addition to contractual employees.

Danville Correctional Center was parent to the Ed Jenison Work Camp located approximately 50 minutes south of Danville in Paris. The 200-bed work camp opened in June 1993 and had provided thousands of manpower hours to local communities. The Ed Jenison Work Camp employed 82 full-time staff. Due to budget cuts, the Ed Jenison Work Camp closed its operation on September 30, 2002.

The Unified Code of Corrections (Chapter 730 ILCS 5/3-2-2) mandates the Department to "accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation". Within this framework, the Department offers the residents 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 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.

The Center has established formal written long and short-term goals with respect to its functions and programs. The formal plan contains a statement concerning the Center's operational and program philosophy. In accordance with this philosophy, the Center has established specific intentions and objectives with which to achieve each goal.

On annual basis, key personnel responsible for implementation meet to update the plan, assess progress in the attainment of goals and objectives previously established, and to determine if plans are being implemented in accordance with the time schedule set forth. The annual goals and objectives of the administrative staff, as well as department heads, are formulated to comply with the Center's functions planning program. The goals and objective of these employees are reviewed and revised as necessary on a quarterly basis.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM (Continued)

Auditors' Assessment of Center's Planning Program

Danville Correctional Center has developed planning programs which includes the establishment of short-term and long-term goals. In addition, methods were developed to monitor and report progress towards the implementation of these goals.

The planning program appears to be adequate for the Center's needs.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

AVERAGE NUMBER OF EMPLOYEES

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

	Fiscal Year		
	2006	2005	2004
Administrative	10	9	13
Business office and stores	12	12	15
Clinical services	15	15	13
Recreation	2	2	2
Maintenance	9	8	7
Utilities	4	4	4
Laundry	1	1	-
Correctional officers	265	274	281
Dietary	17	17	17
Medical/Psychiatric	1	1	1
Total	<u>336</u>	<u>343</u>	<u>353</u>

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 1½ 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 1½ 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 present the paid overtime and earned compensatory time incurred during fiscal year 2006 and 2005.

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DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

EMPLOYEE OVERTIME (Continued)

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>2,547</u>	<u>3,379</u>
Value of overtime hours worked during fiscal year	<u>\$ 107,478</u>	<u>\$ 130,333</u>
Compensatory hours earned during fiscal year	<u>8,037</u>	<u>8,670</u>
Value of compensatory hours earned during fiscal year	<u>\$ 209,634</u>	<u>\$ 218,653</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>10,584</u>	<u>12,049</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 317,112</u>	<u>\$ 348,986</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. 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.

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, 2006 and 2005 are presented on pages 18 and 19 of this report.

As part of our testing 10 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 a mark-up of up to 25% for non-tobacco products and up to 35% for tobacco products.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

COSTS PER YEAR PER INMATE (Not Examined)

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

	Fiscal Year		
	2006	2005	2004
Rated population	896	896	896
Inmate population (as of May 31)	1,819	1,802	1,829
Average number of inmates	1,812	1,804	1,825
Expenditures from appropriations	\$ 28,302,494	\$ 28,862,749	\$ 28,287,331
Less: equipment and capital improvements	42,640	-	104,704
Net expenditures	<u>\$ 28,259,854</u>	<u>\$ 28,862,749</u>	<u>\$ 28,182,627</u>
Net inmate cost per year	<u>\$ 15,596</u>	<u>\$ 15,999</u>	<u>\$ 15,443</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 Illinois Department of Corrections' quarterly reports to the State legislature.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

RATIO OF EMPLOYEES TO INMATES (Not Examined)

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

	Fiscal Year		
	2006	2005	2004
Average number of employees	336	343	353
Average number of correctional officers	265	274	281
Average number of inmates	1,812	1,804	1,825
Ratio of employees to inmates	1 to 5.39	1 to 5.26	1 to 5.17
Ratio of correctional officers to inmates	1 to 6.84	1 to 6.58	1 to 6.49

CELL SQUARE FEET PER INMATE (Not Examined)

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

	Fiscal Year		
	2006	2005	2004
Approximate Square Foot Per Inmate	31	31	31

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

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		
	2006	2005	2004
Breakfast	249,409	221,083	264,554
Lunch	515,409	512,923	502,173
Dinner	558,559	554,561	511,560
1:00 a.m. meal	4,352	6,007	6,299
Staff meals	77,138	75,581	89,368
Total Meals Served	<u>1,404,867</u>	<u>1,370,155</u>	<u>1,373,954</u>
Food Cost	<u>\$ 1,423,912</u>	<u>\$ 1,576,073</u>	<u>\$ 1,723,168</u>
Cost Per Meal	<u>\$ 1.01</u>	<u>\$ 1.15</u>	<u>\$ 1.25</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 2006, 2005 and 2004.

	Fiscal Year		
	2006	2005	2004
Medical Services:			
Wexford Health Sources, Inc.	\$ 1,677,084	\$ 3,046,918	\$ 2,844,181
Health Professionals, Ltd.	1,800,885	-	-
Total Medical Services	<u>\$ 3,477,969</u>	<u>\$ 3,046,918</u>	<u>\$ 2,844,181</u>
Clergy Services:			
Lubavitch Chabad of Illinois	\$ -	\$ 1,246	\$ 1,322
American Muslim Mission of Illinois	-	2,919	1,369
Total Clergy Services	<u>\$ -</u>	<u>\$ 4,165</u>	<u>\$ 2,691</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
DANVILLE CORRECTIONAL CENTER
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

Danville Correctional Center (Center) had significant accomplishments in fiscal years 2006 and 2005.

In FY 2006 the Center implemented an emphasis of the Small Business Set Aside Program. Small businesses were utilized on a greater basis for purchases. The Facility made \$151,718 of purchases from small businesses in FY 2006.

The Center implemented the Consolidated Inmate Benefit Fund (CIBF) where all Inmate Benefit Fund (IBI) operations were taken over by the Central Office staff. All approvals of expenditures are granted by Central Office staff, in advance. Facility staff sends all invoices to Central Office and staff from that location pays all bills.

The Center implemented an automated payroll system on a trial basis.

The power plant renovation project to convert it from coal fire boilers to gas fired boilers was substantially completed during FY 2006.

The Ed Jenison Work Camp remained closed by the State of Illinois.

The Center's conversion to The Inventory Management System (TIMS) to replace the Automated Inventory System (AIMS) was begun during FY 2006. It is anticipated that final conversion will be completed during FY 2007.