

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS

ILLINOIS YOUTH CENTER - KEWANEE

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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2006

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STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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For the Two Years Ended June 30, 2006

CENTER OFFICIALS

Acting Warden (12/16/05 to Present)	Ms. Lisa A. Nordstrom
Warden (12/01/04 to 12/15/05)	Ms. Jennifer Stoudt
Acting Warden (10/15/03 to 12/01/04)	Ms. Lisa A. Nordstrom
Assistant Warden - Programs (02/02/05 to Present)	Mr. Joe Terronez
Assistant Warden - Programs (02/16/01 to 02/01/05)	Ms. Lisa A. Nordstrom
Assistant Warden - Operations (02/02/05 to Present)	Ms. Lisa A. Nordstrom
Assistant Warden - Operations (05/03/04 to 02/01/05)	Mr. Joe Terronez
Business Office Administrator	Ms. Cheri Schloemer

The Center is located at:

2021 Kentville Rd.
P.O. Box 518
Kewanee, IL 61443



September 29, 2006

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

Ladies and Gentlemen:

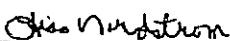
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of, internal controls 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,

Illinois Youth Center - Kewanee

Lisa Nordstrom 
Superintendent

Cheri Schloemer 
Business Administrator

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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	2

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

SCHEDULE OF FINDINGS

CURRENT FINDINGS

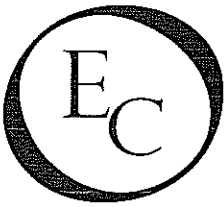
<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-1	10	Expenditures Lack Adequate Supporting Documentation
06-2	11	Inadequate Contract Monitoring of Medical Service Providers

PRIOR FINDING NOT REPEATED

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-3	13	Inadequate Control Over Reporting of State Property

EXIT CONFERENCE

Center management waived having an exit conference per a letter dated November 27, 2006. Responses to the recommendations were provided by Mary Ann Bohlen, Department of Corrections Accounting Manager, in a letter dated November 26, 2006.



**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 - Illinois Youth Center - Kewanee'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 - Illinois Youth Center - Kewanee is responsible for compliance with these requirements. Our responsibility is to express an opinion on of the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Illinois Youth Center - Kewanee 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 - Illinois Youth Center - Kewanee 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 - Illinois Youth Center - Kewanee has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee 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 - Illinois Youth Center - Kewanee on behalf of the State or held in trust by the State of Illinois Department of Corrections - Illinois Youth Center - Kewanee 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 - Danville Correctional Center'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 - Danville Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Danville Correctional Center 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 - Danville Correctional Center 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 - Danville Correctional Center'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 *Audit Guide*, issued by

Audit Guide, issued by 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 Findings No. 06-1 and 06-2.

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

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 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, Schedule of Changes in Inventories, 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 29, 2006

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

Current Findings

06-1 Finding (Expenditures Lack Adequate Supporting Documentation)

Center expenditures for the Inmate Commissary Fund lacked supporting documentation.

Eleven of 25 (44%) vouchers tested for Inmate Commissary Fund expenditures totaling \$6,971 did not have purchase orders/order for delivery forms to support expenditures. Vendor invoices alone were presented to support payments. Approvals for disbursements were not evident on the vendor invoices.

Sound internal controls require disbursements be adequately supported and approved by authorized personnel.

Center personnel stated that they only started using purchase order/order for delivery forms in FY 2006.

Supporting documentation for disbursements needs to provide sufficient evidence for the validity and accuracy of the payment processed. Absence of formal approval on the supporting documents may result in unauthorized disbursements. (Finding Code No. 06-1)

Recommendation

We recommend the Center ensure that all disbursements be adequately supported. Approval signatures should be evident on the face of the supporting documents.

Center Response

Recommendation accepted. The Center will make every effort to ensure that disbursements are supported in accordance with the requirements of the administrative directives.

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

Current Findings

06-2 Finding (Inadequate Contract Monitoring of Medical Service Providers)

The Center did not adequately monitor its medical service providers. The Center has three major medical service providers in FY 2006 and two in FY 2005. Amount paid to major medical service providers in FY 2006 and FY 2005 totaled \$3,271,738 and \$3,054,852, respectively.

We tested all of the Center's FY 2005 quarterly reports required for monitoring its three major medical contractors. Five of 10 (50%) of these quarterly monitoring reports were not prepared. Quarterly contract monitoring reports for FY 2006 were not prepared for two of its major medical contractors. The Center's Monitoring Coordinator did prepare monthly flash reports that contain some of the information required for the quarterly report; however, these reports do not comply with the full reporting requirements for contractual services.

Department of Correction Administrative Directive 02.20.182 - Reporting Procedures requires the facility Monitoring Coordinator to prepare and submit a written report quarterly to the Chief Administrator and the Business Administrator. Quarterly reports, at minimum, shall contain the following information:

- a) Contractor's name;
- b) Contract number and dollar amount;
- c) Brief description of services;
- d) Summary of all problems identified through the monitoring of the contract as reflected on contract monitoring compliance reports;
- e) The description of the corrective action taken to resolve the problems;
- f) Other recommendations by the Monitoring Coordinator, if applicable; and
- g) The name, title, and signature of the Monitoring Coordinator.

Monthly flash reports prepared by the Center's Monitoring Coordinator did not include the contract number and dollar amount, brief description of services, and the description of the corrective action taken to resolve the problems.

Center officials stated that they believed the monthly flash reports complied with the reporting requirements of the Administrative Directives.

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

Current Findings

06-2 Finding (Inadequate Contract Monitoring of Medical Service Providers) (Continued)

Failure to adequately monitor contracts for services results in noncompliance with the Administrative Directive. Also, inadequate contract monitoring may result in the Center not being aware of critical violations of contract specifications or unauthorized services rendered by contractors. (Finding Code No. 06-2)

Recommendation

We recommend the Center adequately monitor its contracts for services by preparing and submitting quarterly reports in accordance with the requirements of the Administrative Directive.

Center Response

Recommendation accepted. The Center will make every effort to ensure that contracts are monitored per the administrative directives. The Center was preparing monthly flash reports instead of quarterly full monitoring reports.

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

Prior Finding Not Repeated

06-3 Inadequate Control Over Reporting of State Property

Finding:

The Center did not accurately complete 5 of 8 (63%) of the Agency Report of State Property (C-15) as follows:

- Transfers from other State agencies totaling \$8,126 were classified in the Additions column instead of Net Transfers column;
- Transfers to other State agencies totaling \$70,573 were classified in the Deletions column instead of Net Transfers column; and
- New purchases totaling \$19,540 were classified in the Net Transfers column instead of Additions column. (Finding Code No. 04-1)

Disposition:

During the current period, all 8 of the Agency Report of State Property (C-15) were properly completed.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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 (Not Examined)
- 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
- 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 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, Schedule of Changes in Inventories, 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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2006

	APPROPRIATIONS NET OF TRANSFERS	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006	BALANCES LAPSED AUGUST 31, 2006
		EXPENDITURES THROUGH JUNE 30, 2006	EXPENDITURES JULY 1 TO AUGUST 31, 2006		
	\$ 9,350,400	\$ 8,905,581	\$ 435,380	\$ 9,340,961	\$ 9,439
Personal services	118,700	118,478	144	118,622	78
Employee retirement contributions paid by employer	12,700	10,413	2,210	12,623	77
Student, member and inmate compensation	728,700	693,968	34,282	728,250	450
State contributions to State Employees' Retirement System	691,000	658,307	32,629	690,936	64
State contributions to Social Security	4,034,400	3,850,634	183,538	4,034,172	228
Contractual services	6,600	6,293	289	6,582	18
Travel	-	-	-	-	-
Travel and allowances for committed, paroled and discharged prisoners	354,900	323,917	30,929	354,846	54
Commodities	6,600	6,530	-	6,530	70
Printing	12,200	12,116	-	12,116	84
Equipment	76,000	74,552	-	74,552	1,448
Telecommunications services	26,500	26,216	244	26,460	40
Operation of automotive equipment					
Total - Fiscal Year 2006	\$ 15,418,700	\$ 14,687,005	\$ 719,645	\$ 15,406,650	\$ 12,050

PUBLIC ACT 94-0015

GENERAL REVENUE FUND - 001

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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Year Ended June 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	LAPSE PERIOD		TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
		EXPENDITURES THROUGH JUNE 30, 2005	EXPENDITURES JULY 1 TO AUGUST 31, 2005		
	\$ 9,150,000	\$ 8,709,013	\$ 425,664	\$ 9,134,677	\$ 15,323
<u>GENERAL REVENUE FUND - 001</u>					
Personal services					
Employee retirement contributions paid by employer	18,492	18,492	-	18,492	-
Student, member and inmate compensation	11,100	9,096	971	10,067	1,033
State contributions to State Employees' Retirement System	1,424,300	1,352,529	66,768	1,419,297	5,003
State contributions to Social Security	656,000	620,211	30,750	650,961	5,039
Contractual services	3,829,700	3,552,594	244,885	3,797,479	32,221
Travel	7,800	4,302	34	4,336	3,464
Travel and allowances for committed, paroled and discharged prisoners	1,100	-	-	-	1,100
Commodities	453,200	372,561	70,086	442,647	10,553
Printing	7,900	6,354	-	6,354	1,546
Equipment	5,900	-	-	-	5,900
Telecommunications services	90,400	83,810	2,657	86,467	3,933
Operation of automotive equipment	31,000	27,855	1,775	29,630	1,370
Total - Fiscal Year 2005	\$ 15,686,892	\$ 14,756,817	\$ 843,590	\$ 15,600,407	\$ 86,485

PUBLIC ACT 93-0842 & 93-0681

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
ILLINOIS YOUTH CENTER - KEWANEE
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)	\$ 15,418,700	\$ 15,686,892	\$ 16,261,900
EXPENDITURES			
Personal services	9,340,961	9,134,677	8,879,892
Employee retirement contributions paid by employer	118,622	18,492	452,664
Student, member and inmate compensation	12,623	10,067	11,578
State contributions to State Employees' Retirement System	728,250	1,419,297	795,465
State contributions to Social Security	690,936	650,961	654,783
Contractual services	4,034,172	3,797,479	3,902,679
Travel	6,582	4,336	10,335
Travel and allowances for committed, paroled and discharged prisoners	-	-	547
Commodities	354,846	442,647	439,227
Printing	6,530	6,354	8,078
Equipment	12,116	-	68,026
Telecommunications services	74,552	86,467	89,316
Operation of automotive equipment	26,460	29,630	30,045
Total Expenditures	<u>15,406,650</u>	<u>15,600,407</u>	<u>15,342,635</u>
LAPSED BALANCES	<u>\$ 12,050</u>	<u>\$ 86,485</u>	<u>\$ 919,265</u>

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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 three special revenue funds.

The Residents' Commissary Fund is used to maintain stores for selling food, candy, tobacco, health and beauty aids and other personal items. The residents' commissary sells solely to residents. Profits derived from Commissary Fund's sales are allocated 60% to pay the wages and benefits of employees who work at the commissary and 40% to the Residents' Benefit Fund for sales from the Residents' 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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2006

	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund *
REVENUES			
Income from Sales	\$ 54,207	\$ 14,088	\$ -
Investment Income	30	58	84
Miscellaneous			
Other	-	6,312	4,792
Total Revenues	<u>54,237</u>	<u>20,458</u>	<u>4,876</u>
EXPENDITURES			
Purchases	43,761	-	-
Contractual	-	5,344	1,486
Donations, awards or grants	-	3,999	-
Other	169	13,888	7,739
Total Expenditures	<u>43,930</u>	<u>23,231</u>	<u>9,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,307</u>	<u>(2,773)</u>	<u>(4,349)</u>
OTHER FINANCING SOURCES			
Transfers In	-	-	4,205
Transfers (Out)	(10,307)	-	-
Total Other Financing Sources	<u>(10,307)</u>	<u>-</u>	<u>4,205</u>
Net Change in Fund Balance	-	(2,773)	(144)
Fund Balance July 1, 2005	<u>-</u>	<u>5,403</u>	<u>5,974</u>
Fund Balance June 30, 2006	<u>\$ -</u>	<u>\$ 2,630</u>	<u>\$ 5,830</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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2005

	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
<u>REVENUES</u>			
Income from Sales	\$ 44,072	\$ 15,511	\$ 687
Investment Income	29	60	19
Miscellaneous			
Other	-	5,274	2,318
Total Revenues	<u>44,101</u>	<u>20,845</u>	<u>3,024</u>
<u>EXPENDITURES</u>			
Purchases	35,224	-	199
Contractual	-	117	452
Donations, awards or grants	-	2,946	-
Other	317	16,781	4,949
Total Expenditures	<u>35,541</u>	<u>19,844</u>	<u>5,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,560</u>	<u>1,001</u>	<u>(2,576)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers In	-	-	3,488
Transfers (Out)	(8,560)	-	-
Total Other Financing Sources	<u>(8,560)</u>	<u>-</u>	<u>3,488</u>
Net Change in Fund Balance	-	1,001	912
Fund Balance July 1, 2004	<u>-</u>	<u>4,402</u>	<u>5,062</u>
Fund Balance June 30, 2005	<u>\$ -</u>	<u>\$ 5,403</u>	<u>\$ 5,974</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS -
TRAVEL AND ALLOWANCE REVOLVING FUND/RESIDENTS' TRUST FUND
(NOT EXAMINED)
For the Fiscal 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	\$ 1,923	\$ 5,363	\$ 1,953	\$ 5,521
Receipts				
Investment Income	-	64	-	82
Inmate Account Receipts	-	52,162	-	65,918
Appropriations from General Revenue Fund	75	10,611	-	12,955
TOTAL RECEIPTS	<u>75</u>	<u>62,837</u>	<u>-</u>	<u>78,955</u>
Disbursements				
Inmate Account Disbursements	-	54,945	-	67,880
Disbursements for released inmates	-	7,798	-	9,419
Advances made on behalf of State	47	-	286	-
TOTAL DISBURSEMENTS	<u>47</u>	<u>62,743</u>	<u>286</u>	<u>77,299</u>
Fund Transfers				
Fund Transfers In	2	64	-	82
Fund Transfers (Out)	-	-	-	-
TOTAL TRANSFERS	<u>2</u>	<u>64</u>	<u>-</u>	<u>82</u>
Balance - June 30	<u>\$ 1,953</u>	<u>\$ 5,521</u>	<u>\$ 1,667</u>	<u>\$ 7,259</u>

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

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
(NOT EXAMINED)

For the Years Ended June 30,

	2006				2005			
	Land	Buildings	Equipment	Total	Land	Buildings	Equipment	Total
Balance, beginning	\$ 177,666	\$ 47,184,913	\$ 1,841,358	\$ 49,203,937	\$ 177,666	\$ 47,147,629	\$ 1,864,281	\$ 49,189,576
Additions:								
Purchases	-	-	21,393	21,393	-	-	-	-
Transfers-in:								
Intra-agency	-	-	-	-	-	-	53,870	53,870
Inter-agency	-	-	-	-	-	60,966	-	60,966
Capital Development Board	-	-	-	-	-	-	-	-
Total Additions	-	-	21,393	21,393	-	60,966	53,870	114,836
Deductions:								
Transfers-out:								
Inter-agency	-	-	38,128	38,128	-	23,682	72,796	96,478
Intra-agency	-	-	-	-	-	-	-	-
Scrap property	-	-	3,783	3,783	-	-	3,997	3,997
Total Deductions	-	-	41,911	41,911	-	23,682	76,793	100,475
Balance, ending	\$ 177,666	\$ 47,184,913	\$ 1,820,840	\$ 49,183,419	\$ 177,666	\$ 47,184,913	\$ 1,841,358	\$ 49,203,937

Note: Center management indicated the 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
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS
(NOT EXAMINED)
For the Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
<u>RECEIPTS</u>			
Jury Duty	\$ 60	\$ 175	\$ 210
Inmate Restitution	3,380	2,515	4,908
Miscellaneous	195	409	1,728
TOTAL RECEIPTS	\$ 3,635	\$ 3,099	\$ 6,846
<u>REMITTANCES</u>			
General Revenue Fund - 001	\$ 255	\$ 584	\$ 1,231
Department of Corrections Reimbursement Fund - 523	3,380	2,515	5,615
TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER	\$ 3,635	\$ 3,099	\$ 6,846
<u>DEPOSITS</u>			
Receipts recorded by Center	\$ 255	\$ 584	\$ 1,201
Add: Deposits in transit - Beginning of year	-	-	30
Deduct: Deposits in transit - End of year	-	-	-
DEPOSITS RECORDED BY THE STATE COMPTROLLER	\$ 255	\$ 584	\$ 1,231

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
ILLINOIS YOUTH CENTER - KEWANEE
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	\$ 118,622	\$ 18,492	\$ 100,130	541%
Student, member and inmate compensation	12,623	10,067	2,556	25%
State contributions to State Employees' Retirement System	728,250	1,419,297	(691,047)	(49%)
Travel	6,582	4,336	2,246	52%
Commodities	354,846	442,647	(87,801)	(20%)
Equipment	12,116	—	12,116	100%

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 to the increase in expenditures.

Student, member and inmate compensation

Increase in the number of youth approved to work resulted in the increase in expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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 State of Illinois required employees to contribute an additional 4% to the State Employee Retirement Fund in FY 2005.

Travel

Mandatory training resulted in the increase in travel expenditures.

Commodities

Due to budgetary restraints in FY 2006, costs saving measures resulted in a decrease in expenditures.

Equipment

The Facility had no need for equipment in FY 2005.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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	\$ 18,492	\$ 452,664	(\$ 434,172)	(96%)
State contributions to State Employees' Retirement System	1,419,297	795,465	623,832	78%
Travel	4,336	10,335	(5,999)	(58%)
Travel and allowance for committed, paroled and discharged prisoners	—	547	(547)	(100%)
Printing	6,354	8,078	(1,724)	(21%)
Equipment	—	68,026	(68,026)	(100%)

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 contributions to State Employees' Retirement System

The State of Illinois required employees to contribute an additional 4% to the State Employee Retirement Fund in FY 2005.

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

Fiscal Year 2005 (Continued)

Travel

Due to budgetary restraints, all travel was restricted to mandatory training.

Travel and allowance for committed, paroled and discharged prisoners

Due to budgetary restraints, the Center paid down the Travel Imprest Fund in FY 2005.

Printing

Due to budgetary restraints, inventories were reduced.

Equipment

The Facility has no need for equipment in FY 2005.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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 the fiscal years ended June 30, 2006 and June 30, 2005 disclosed no appropriation line items with significant (20% or more) lapse period expenditures.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN INVENTORIES
(NOT EXAMINED)
Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
GENERAL REVENUE FUND				
General Stores	\$ 36,445	\$ 298,458	\$ 304,270	\$ 30,633
Mechanical Stores	72	-	-	72
Resident Clothing	4,169	37,336	37,834	3,671
Office Supplies	4,249	15,763	15,683	4,329
Postage	2,194	11,560	13,494	260
	<u>\$ 47,129</u>	<u>\$ 363,117</u>	<u>\$ 371,281</u>	<u>\$ 38,965</u>
LOCAL FUNDS				
Residents' Commissary Fund	<u>\$ 2,193</u>	<u>\$ 54,237</u>	<u>\$ 52,697</u>	<u>\$ 3,733</u>
	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
GENERAL REVENUE FUND				
General Stores	\$ 33,204	\$ 327,161	\$ 323,920	\$ 36,445
Mechanical Stores	189	-	117	72
Resident Clothing	5,954	34,900	36,685	4,169
Office Supplies	4,868	17,190	17,809	4,249
Postage	3,693	9,704	11,203	2,194
	<u>\$ 47,908</u>	<u>\$ 388,955</u>	<u>\$ 389,734</u>	<u>\$ 47,129</u>
LOCAL FUNDS				
Residents' Commissary Fund	<u>\$ 2,351</u>	<u>\$ 44,100</u>	<u>\$ 44,258</u>	<u>\$ 2,193</u>

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

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

CENTER FUNCTIONS AND PLANNING PROGRAM

Illinois Youth Center - Kewanee (Center) officially opened and received its first residents on November 6, 2001. The Center is a 306-bed, Level II Juvenile facility, designed to provide a continuum of service for youth ages 13 through 21 providing for the delivery of consistent and effective programs that meet the needs of the committed offender that enhance their ability to become productive members of society upon release. The Center currently has about 200 residents.

Illinois Youth Center-Kewanee is a high-medium security facility that houses youthful male offenders. The facility sits on 95 acres in Kewanee, Illinois just off of Route 34. IYC-Kewanee has five, 54-bed housing units, one 36-bed housing unit, an administration building, warehouse and maintenance building, and staff/security building. The medical unit has six infirmary beds, eight crisis cells and the confinement unit contains thirty-six beds which not only houses youth on confinement status but also parole violators, as well as youth enroute from other facilities for court writs. The education department has eighteen general education classrooms and three vocational classrooms. The facility is surrounded by 12-foot-high perimeter fencing.

There are 162 beds designed for the provision of sex offender assessment and treatment. Treatment focuses on helping youth develop cognitive behavior and competencies in the following areas: offense disclosure, offense specific cognitive restructuring, assault cycle and intervention, victim empathy, self control, core issue resolution, social skills and interpersonal restructuring, lifestyle restructuring, and relapse prevention.

There are 144 beds designated for those youth in need of mental health special treatment. Mental health staff will provide a provisional diagnosis and multi-disciplinary treatment plan for those youth designated as special treatment. Some of these youth have emerging or established psychotic disorders, severe mood disorders, or severe personality disorders that require stabilization.

The Unified Code of Corrections directs the Department of Corrections to accept persons committed to it by the courts of this state for care, custody, treatment and rehabilitation (730 ILCS 5/3). In order to fulfill the goals of the Center, a number of services and programs are in place. Some of the general programs and services offered to youth are as follows:

Services: Education, Dietary, Medical, Psychiatric, Optometric and Dental Care, Mental Health, Religious Services, Bible Study, Recreational, Library, Case Management and Counseling

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ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM (Continued)

Program: Sex Offender, Substance Abuse, Domestic Violence, Anger Management, Cognitive Restructuring and Social Skills Training

Sex Offender Program

The program helps offenders learn to identify triggers for their behavior. They learn alternative behaviors and learn to develop empathy for victims and accept responsibility for their sexually offensive behaviors. Sex offenders learn interventions to control their behavior.

Substance Abuse Program

The program consists of an orientation phase about the nature of substance abuse. It includes skills acquisition phase that addresses issues of addiction, non-social lifestyles and family of origin problems. An aftercare phase addresses issues of relapse prevention and continuing care.

Domestic Violence

The program increases the offender's awareness of violent behavior and increases the offender's acceptance of responsibility of his actions. The offenders learn to replace violent behaviors and language with acceptable responses.

Anger Management

The program provides a group setting to constructively confront offenders who are in denial or are excusing and justifying their cycles of violence and teaches that the responsibility for ending that violence lies within them.

Cognitive Restructuring and Social Skills Training

The program uses a combination of approaches to increase the offender's awareness of self and others. The deepened attentiveness to attitudes, beliefs and thinking pattern is combined with explicit teaching of interpersonal skills relevant to offender's present and future needs. The goal is to provide contextual instruction and related experiences so offenders are confident and motivated to use pro-social skills when faced with interpersonal problems or anti-social situations. The philosophy of the program endorses that offenders should be empowered to be responsible for changing their own problem behaviors.

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ILLINOIS YOUTH CENTER - KEWANEE
LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM (Continued)

Regular meetings at the Center and reports to management are used as tools to monitor the progress of the on-going programs, as well as for the development and implementation of new programs.

Auditors' Assessment of the Center's Planning Program

The Center has developed a planning program which includes the establishment of specific goals and objectives and the development of methods by which to monitor and report on progress towards implementation of those goals.

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

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ILLINOIS YOUTH CENTER - KEWANEE
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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	7	7	6
Business office and stores	8	7	8
Clinical services	21	21	20
Recreation	2	2	2
Maintenance	9	9	7
Correctional officers	138	141	149
Dietary	13	13	12
Medical/Psychiatric	2	2	3
Total	<u>200</u>	<u>202</u>	<u>207</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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EMPLOYEE OVERTIME (Not Examined) (Continued)

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>471</u>	<u>612</u>
Value of overtime hours worked during fiscal year	<u>\$ 17,870</u>	<u>\$ 21,139</u>
Compensatory hours earned during fiscal year	<u>3,646</u>	<u>3,936</u>
Value of compensatory hours earned during fiscal year	<u>\$ 80,623</u>	<u>\$ 80,629</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>4,117</u>	<u>4,549</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$ 98,493</u>	<u>\$ 101,768</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 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 19 and 20 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.

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ILLINOIS YOUTH CENTER - KEWANEE
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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	354	180	180
Inmate population (as of May 31)	211	200	162
Average number of inmates	200	168	157
Expenditures from appropriations	\$ 15,406,650	\$ 15,600,407	\$ 15,342,635
Less: equipment and capital improvements	12,116	-	68,026
Net expenditures	<u>\$ 15,394,534</u>	<u>\$ 15,600,407</u>	<u>\$ 15,274,609</u>
Net inmate cost per year	<u>\$ 76,973</u>	<u>\$ 92,860</u>	<u>\$ 97,291</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.

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ILLINOIS YOUTH CENTER - KEWANEE
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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	200	202	207
Average number of correctional officers	138	141	149
Average number of inmates	200	168	157
Ratio of employees to inmates	1 to 1.00	1 to 0.83	1 to 0.76
Ratio of correctional officers to inmates	1 to 1.45	1 to 1.19	1 to 1.05

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	128	135	166

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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		
	2006	2005	2004
Breakfast	73,000	61,320	57,462
Lunch	73,000	61,320	57,462
Dinner	73,000	61,320	57,462
1:00 a.m. meal	73,000	61,320	57,462
Staff meals	92,964	92,964	92,964
Total Meals Served	<u>384,964</u>	<u>338,244</u>	<u>322,812</u>
Food Cost	<u>\$ 250,179</u>	<u>\$ 282,785</u>	<u>\$ 416,427</u>
Cost Per Meal	<u>\$ 0.65</u>	<u>\$ 0.84</u>	<u>\$ 1.29</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 and 2005.

	Fiscal Year		
	2006	2005	2004
Medical Services:			
Prison Health Services, Inc.	\$ 1,020,301	\$ 1,427,417	\$ 1,465,806
Alternative Behavior Treatment Centers	1,519,025	1,627,435	1,661,244
Wexford Health Sources, Inc.	732,412	-	-
Total Medical Services	<u>\$ 3,271,738</u>	<u>\$ 3,054,852</u>	<u>\$ 3,127,050</u>
Clergy Services*:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* The Center's clergy services are provided by a chaplain who is a State employee.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

MANAGEMENT ACCOMPLISHMENTS

The facility has developed and implemented a level system for the youth, which has three levels. The level system is based, in part; on the discipline the youth receives. The more discipline the youth has, the less privileges the youth receives. Some of the privileges are game nights, movies, use of the weight equipment and also the amount of money that they can spend at the Commissary.

Illinois Youth Center (IYC) - Kewanee has a strong Volunteer Program. Currently, there are approximately 50 volunteers. The majority of the Volunteers are religious volunteers who help lead chapel services and conduct bible study groups. Some of them provide special programs such as concerts for the youth. A few of the volunteers are from Alcoholics Anonymous who assist with these groups.

COMMUNITY SERVICES PERFORMED

Each year, the Department has a drive for the Illinois State Employees Combined Appeal (SECA). Many of the employees at IYC - Kewanee donated money to support a charity with the SECA foundation. During the holiday season, employees donated money towards the purchase of turkey baskets for Thanksgiving meals, as well as the annual Angel Tree project, where gifts are purchased for children of low income families for Christmas. Cash and food donations are also collected for the local food pantry. Employees also participate annually in the "Keep Our Kids Safe & Warm" clothing donation project. On a quarterly basis, employees are invited to participate in American Red Cross Bloodmobile blood drives held at IYC - Kewanee, which is also open to the Community.

DRUG TREATMENT PROGRAMS

IYC - Kewanee provides four-phase substance abuse prevention, education and treatment services as a component of juvenile sex offender and mental health treatment programs in place at the facility. This program, Mentally Ill Substance Abusers (MISA), was implemented in FY 2005 and is contracted through Wells Center, using grant monies. The program provides intensive, therapeutic treatment for youth who are housed in a special 18-bed wing of one of the housing units. The four phases of this program are as follows:

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LIMITED SCOPE COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS
For The Two Years Ended June 30, 2006

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined) (Continued)

DRUG TREATMENT PROGRAMS (Continued)

Phase I: Upon arrival at IYC - Kewanee and during the initial 30 days of treatment, all youth receive a comprehensive assessment to determine all treatment needs including the level of intensity of substance abuse treatment services that is appropriate.

Phase II: Focuses on educating the youth on chemical dependency awareness and identifying the relationship between substance use and life problems. This education process includes lectures on denial and defense mechanisms, symptoms and phases of chemical dependency, the disease concept and other theories of addiction, classification and effects of drugs and alcohol and family dynamics of chemical dependency. Other components of Phase II include Introduction to group dynamics, 12 step Recovery and participation in psycho-educational groups for later development of a relapse prevention plan.

Phase III: Includes a focus on relapse prevention, and all youth with dependency diagnoses will be referred to institutional self-help groups such as Alcoholics Anonymous or Narcotics Anonymous.

Phase IV: Focuses on completion of a formalized aftercare plan, development of a recovery team and parole preparation to include follow-up care.

Through the entire treatment process, each youth is expected to complete all other treatment goals for sex offender programming and/or mental health treatment programming. IYC - Kewanee's treatment team focuses on the holistic approach to treating a youth's presenting problems, therefore, addressing all dimensions of a youth's problematic behaviors.

EDUCATIONAL PROGRAMS

Currently, the School District of the Department of Corrections has two high school teachers, General Education Development (GED) educator, two elementary/middle schoolteachers, two special education teachers and one vocational teacher for the computer vocational program. IYC - Kewanee offers courses for students in all cognitive ranges, including GED and special education. Special education programs include learning disabled (LD), educable mentally handicapped (EMH) and behavior disordered (BD). In addition there is on-site, librarian, school psychologist, and clerical technician, who also conduct youth hearing and vision screening.

STATE OF ILLINOIS
DEPARTMENT OF CORRECTIONS
ILLINOIS YOUTH CENTER - KEWANEE
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SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined) (Continued)

EDUCATIONAL PROGRAMS (Continued)

The School District has implemented a computer program for the youth called Destinations. A destination is an online curriculum that is designed to meet the unique needs of the youth. The program addresses skill development, ensures success with sequential learning increments, provides feedback during learning activities and is self-paced program so the youth can keep up. All youth have access to this program at least once per week. The Center management considers the program an unqualified success for the Center's youth.