

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS

**SHERIDAN CORRECTIONAL CENTER**

LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2006

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

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**CENTER OFFICIALS**

Warden	Mr. Michael Rothwell
Assistant Warden - Programs	Ms. Adella Jordan-Luster
Assistant Warden - Operations	Mr. John Nunley
Business Office Administrator	Mr. Roger Wait

The Center is located at:

4017 East 2603 Road  
Sheridan, IL 60551



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

**Rod R. Blagojevich**  
Governor

**Roger E. Walker Jr.**  
Director

Sheridan Correctional Center / 4017 E. 2603<sup>rd</sup> Road / Sheridan, IL 60551 / Telephone: (815) 496-2181 / TDD: (800) 526-0844

MANAGEMENT ASSERTION LETTER

November 15, 2006

Honorable William G. Holland  
Auditor General  
Iles Park Plaza  
740 East Ash Street  
Springfield, Illinois 62703-3154

Dear Mr. Holland:

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

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

Yours very truly,

Sheridan Correctional Center

A handwritten signature in cursive script, appearing to read "Michael Rothwell", written over a horizontal line.

Michael Rothwell, Warden

A handwritten signature in cursive script, appearing to read "Roger Wait", written over a horizontal line.

Roger Wait, Business Administrator

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**COMPLIANCE REPORT**

**SUMMARY**

The limited scope compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes 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	0
Repeated findings	0	0
Prior recommendations implemented or not repeated	0	0

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

**SCHEDULE OF FINDINGS**

CURRENT FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
06-1	10	Inadequate control over personal services
06-2	13	Inadequate control over voucher processing and expenditure records

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PRIOR FINDINGS NOT REPEATED

The Sheridan Correctional Center did not have any prior year findings.

**EXIT CONFERENCE**

Responses to the recommendations were provided by Mary Ann Bohlen, Accounting Manager of the Illinois Department of Corrections, in a letter dated January 17, 2007. Center management waived having an exit conference per a letter dated January 16, 2007.

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OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

**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**

We performed a limited scope compliance examination of the State of Illinois Department of Corrections - Sheridan 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 - Sheridan Correctional Center is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Corrections - Sheridan Correctional Center's compliance based on our examination.

- A. The State of Illinois Department of Corrections - Sheridan 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 - Sheridan 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 - Sheridan 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 State of Illinois Department of Corrections - Sheridan 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 - Sheridan Correctional Center on behalf of the State or held in trust by the State of Illinois Department of Corrections - Sheridan 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 - Sheridan 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 - Sheridan Correctional Center's compliance with specified requirements.

In our opinion, the State of Illinois Department of Corrections - Sheridan 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 findings 06-1 and 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 - Sheridan 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 - Sheridan 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 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 06-1 and 06-2.

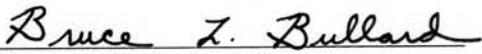
There were no immaterial findings relating to internal control deficiencies that have been excluded from this report.

## **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 Schedule of Locally Held Funds – Cash Basis, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which 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.

  
Bruce L. Bullard, CPA  
Director of Financial and Compliance Audits

November 15, 2006

STATE OF ILLINOIS  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2006

Current Findings

06-1. **FINDING** (Inadequate control over personal services)

The Sheridan Correctional Center (Center) did not comply with Department of Corrections (DOC) Administrative Directives in regards to personal services.

The Center allowed one employee to leave work whenever needed to respond to emergency calls for the local ambulance/fire department. Due to this arrangement, the Center maintained two separate logbooks of compensatory time for this employee. One logbook was maintained for overtime worked on property control functions. These hours were not included on the employee's timesheet, and the employee was not reimbursed for the hours earned but not used at fiscal year end. These hours were then used as compensated time by the employee when the employee left to respond to an emergency. The other logbook was maintained for overtime worked on locally held fund functions. These hours were annotated on the employee's timesheet, and the employee was paid for the hours earned but not used at fiscal year end. We noted the following due to this arrangement between the Center and the employee:

- The Center allowed the employee to carryover all overtime hours earned on the property control function to the next fiscal year. DOC Administrative Directive 02.65.131 (Overtime, Compensatory Time, Temporary Assignment, Standby, Call Back, and Paid Lunch) states all compensatory time not scheduled by June 1<sup>st</sup> or used by June 30<sup>th</sup> shall be liquidated and paid; this compensatory time may not be carried over to the next fiscal year. The Center allowed this employee to begin accruing time on 11/5/03 and still allows this employee to continue this practice even though Central Office had requested this arrangement be stopped in May 2006. During our examination period, this employee earned a total of 305 hours in FY05. Of the 305 total hours, 16.75 hours were accrued on weekend days in FY05. No compensatory time was earned on the property control function in FY06. This employee used approximately 126 hours of compensatory time in FY06 that was accrued in FY05.
- The Center did not approve overtime earned on the property control function by the employee and did not require the overtime to be reported on the employees' timesheet. DOC Administrative Directive 02.65.131 requires the Supervisor to approve or disapprove and sign and date the request for overtime and to record any approved time on the Employee's Time Sheet.
- The Center did not always pre-approve the overtime earned by the employee on work for the locally held fund function. The employee reported overtime in 29 instances during our examination period for work performed on the locally held fund function. The overtime was approved the same day the overtime was worked in

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Current Findings - Continued

7 of 29 (24%) instances. In 9 of 29 (31%) instances overtime was approved the next day, and in 12 (41%) instances, the overtime was approved from two to four days after the work was completed. In addition, in 1 of the 29 (4%) instances in which the compensatory time was reported on the employee's timesheet, the Center was unable to provide the documentation of overtime approval. DOC Administrative Directive 02.65.131 requires the Supervisor to approve or disapprove and sign and date the request for overtime.

- The Center did not approve, in advance, compensatory time taken by the employee during the examination period. DOC Administrative Directive 02.65.173 requires a Notification of Absence, form DOC 0126, be used to request time off in advance.
- The Center was aware the employee performed volunteer work at the local ambulance/fire department. However, the Center did not ensure the employee properly completed the secondary employment form as required by DOC Administrative Directive 03.02.108. The Directive (Personnel and Labor Relations) states full time employees shall not engage in secondary employment or accept other compensation or honorariums except as approved by the Director. The employee did complete a secondary employment form (DOC 0007) at the time the Center opened in November 2003; however, the employee did not include volunteer work at the local ambulance/fire department on the form.
- The Center did not correctly calculate the amount to be paid to the employee for the compensatory time earned for work on the locally held fund function but not used for the employee. The Center overpaid the employee \$83 dollars in FY05 and underpaid the employee \$69 in FY06 for compensatory time earned but not used by June 30. Good business practice requires proper internal controls be established to ensure the accuracy and reliability of data submitted for financial reporting for employees.
- The Center did not ensure the employee's timesheets agreed to the sign out sheets. We noted on numerous occasions where the sign out sheet stated the employee worked more than the regular 7.5 hours but the timesheet only showed the employee to have worked the regular 7.5 hours. Good business practice requires proper internal controls, such as reconciliation between timesheets and sign out sheets, be performed to ensure the accuracy and reliability of data submitted for financial reporting.

Failure to follow Administrative Directives in regards to personal services increases the risk the Center will pay for services not rendered by employees. (Finding Code No. 06-1)

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2006

Current Findings - Continued

**RECOMMENDATION**

We recommend the Center ensure employee attendance records are accurate, complete, reconcile with leave requests and comply with DOC Administrative Directives. In addition, accumulation and use of compensation time should comply with DOC Administrative Directives, and amounts paid out for compensatory time should be checked for accuracy. Lastly, the Center should require all employees to properly report secondary employment to the Director as required.

**CENTER RESPONSE**

Recommendation implemented. The procedure was changed in May 2006 upon notification that the past practice was not in line with IDOC policy. Secondary employment documents have been filed as required.

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2006

Current Findings - Continued

06-2. **FINDING** (Inadequate control over voucher processing and expenditure records)

The Sheridan Correctional Center (Center) did not exercise adequate controls over voucher processing and expenditure records. We noted the following weaknesses:

- Ten of 98 (10%) vouchers tested totaling \$619,126 were approved for payment from 2 to 95 days late. Center personnel stated voucher processing errors, unavailability of funds, and staff shortages attributed to the late payment of vouchers. The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a bill and either approve or deny the bill in whole or in part within 30 days after physical receipt of the bill.
- The required interest of \$2,649 was not paid on 3 of 98 (3%) vouchers tested. Center personnel stated interest was not paid because of employee oversight and a lack of documentation from contractors. In addition, DOC – Central Office notifies the Center when interest payments are due and the Center was not notified of the required payments. The State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and automatically pay interest penalties amounting to \$50 or more to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill.
- The Center prepaid vocational training services totaling \$32,111 although the contract did not include an advance payment clause. Center personnel stated the payment was processed before the end of the month in order to assure timely payment. The State Finance Act (30 ILCS 105/9.05) requires that payment for goods or services cannot be made in advance unless the agency head certifies that the terms of the contract require advance payment.
- The Center could not locate 2 of 98 (2%) vouchers selected for testing, totaling \$531,723. Payments were for medical services. Center personnel stated missing vouchers might have been misfiled. The Illinois State Records Act (5 ILCS 160/9) requires the head of each agency establish and maintain an active, continuing program for the economical and efficient management of the records of the agency.

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**SCHEDULE OF FINDINGS**  
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Current Findings - Continued

Failure to approve vouchers timely could subject the State to unnecessary interest charges. Failure to pay required interest on vouchers is noncompliance with the State Prompt Payment Act. Paying in advance for services could result in improper expenditures by the Center for services not received. Failure to maintain vouchers is noncompliance with the Illinois Records Act. (Finding Code No. 06-2)

**RECOMMENDATION**

We recommend the Center comply with the Illinois Administrative Code procedures and implement controls to ensure vouchers are approved within the required time frame. In addition, the Center should only make payment for services rendered unless otherwise stipulated in the contract. Further, the Center should comply with the Illinois State Records Act and ensure it maintains an adequate system of recordkeeping.

**CENTER RESPONSE**

Recommendation accepted. While the exceptions noted were mainly due to staff error and oversights, the facility will make every effort to ensure vouchers are processed timely and accurately.

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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2006

Prior Findings Not Repeated

There were no findings noted during the Limited Scope Compliance Examination for the two years ended June 30, 2004.

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**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 (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
- Shared Resources (not examined)
- 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, Schedule of Changes in State Property, Comparative Schedule of Cash Receipts and Deposits, Schedule of Changes in Inventories, Employee Overtime, Shared Resources, Annual Cost Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the 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.

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**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 EXPENDITURES JULY 1 TO AUGUST 31, 2006	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2006
	\$ 16,160,900	\$ 15,327,652	\$ 833,066	\$ 16,160,718
PUBLIC ACT 94-0015	207,700	207,506	0	207,506
GENERAL REVENUE FUND - 001	169,100	156,421	12,649	169,070
Personal services	1,261,300	1,195,681	64,980	1,260,661
Employee retirement contributions	1,199,700	1,137,406	62,278	1,199,684
paid by employer	14,370,800	12,007,022	2,338,004	14,345,026
Student, member and inmate compensation	13,500	11,016	2,435	13,451
State contributions to State Employees' Retirement System	0	0	0	0
State contributions to Social Security	1,140,400	1,079,400	60,948	1,140,348
Contractual services	13,200	13,187	0	13,187
Travel	16,700	16,697	0	16,697
Travel and allowances for committed, paroled and discharged prisoners	58,100	58,047	0	58,047
Commodities	69,700	69,638	54	69,692
Printing				
Equipment				
Telecommunications services				
Operation of automotive equipment				
Total - Fiscal Year 2006	\$ 34,681,100	\$ 31,279,673	\$ 3,374,414	\$ 34,654,087

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

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**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
For The Year Ended June 30, 2005

	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1 TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005
<b>APPROPRIATIONS NET OF TRANSFERS</b>			
\$ 16,139,100	\$ 15,276,013	\$ 820,897	\$ 16,096,910
29,526	29,526	0	29,526
187,900	163,883	14,554	178,437
2,510,600	2,375,039	128,878	2,503,917
1,222,600	1,095,293	59,793	1,155,086
13,428,100	10,331,347	2,537,511	12,868,858
24,800	11,577	2,023	13,600
800	800	0	800
1,654,400	1,508,107	63,550	1,571,657
15,400	12,254	228	12,482
5,700	134	0	134
172,500	82,926	64,509	147,435
95,400	77,204	10,801	88,005
<b>Total - Fiscal Year 2005</b>	<b>\$ 35,486,826</b>	<b>\$ 3,702,744</b>	<b>\$ 34,666,847</b>

PUBLIC ACT 93-0842 & 93-0681

GENERAL REVENUE FUND - 001

Personal services  
Employee retirement contributions  
paid by employer  
Student, member and  
inmate compensation  
State contributions to State  
Employees' Retirement System  
State contributions to Social Security  
Contractual services  
Travel  
Travel and allowances for committed,  
paroled and discharged prisoners  
Commodities  
Printing  
Equipment  
Telecommunications services  
Operation of automotive equipment

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

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**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)	\$ 34,681,100	\$ 35,486,826	\$ 21,409,100
EXPENDITURES			
Personal services	\$ 16,160,718	\$ 16,096,910	\$ 9,150,678
Employee retirement contributions paid by employer	207,506	29,526	380,998
Student, member and inmate compensation	169,070	178,437	44,584
State contributions to State Employees' Retirement System	1,260,661	2,503,917	457,495
State contributions to Social Security	1,199,684	1,155,086	612,740
Contractual services	14,345,026	12,868,858	5,094,455
Travel	13,451	13,600	9,108
Travel and allowances for committed, paroled and discharged prisoners	0	800	5
Commodities	1,140,348	1,571,657	1,252,694
Printing	13,187	12,482	13,355
Equipment	16,697	134	232,348
Telecommunications services	58,047	147,435	745,296
Operation of automotive equipment	69,692	88,005	36,707
Total Expenditures	<u>34,654,087</u>	<u>34,666,847</u>	<u>18,030,463</u>
LAPSED BALANCES	<u>\$ 27,013</u>	<u>\$ 819,979</u>	<u>\$ 3,378,637</u>

STATE OF ILLINOIS  
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SHERIDAN 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. Most Centers maintain four 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 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  
SHERIDAN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF LOCALLY HELD FUNDS - SPECIAL REVENUE FUNDS**  
For the the Year ended June 30, 2006

	Residents' Commissary Fund	Employees' Benefit Fund	Residents' Benefit Fund
<b><u>REVENUES</u></b>			
Income from Sales	\$ 719,735	\$ 15,262	\$ 0
Interest / Investment Income	809	37	620
Miscellaneous			
Entry Fees			
Postage			
Other			3,821
Donations			
Total Revenues	<u>720,544</u>	<u>15,299</u>	<u>4,441</u>
<b><u>EXPENDITURES</u></b>			
Purchases			
General and Administrative			16,909
Contractual		1,168	11,904
Equipment			4,632
Postage			
Cable Television			
Donations			
Other	583,336	15,957	
Total Expenditures	<u>583,336</u>	<u>17,125</u>	<u>33,445</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>137,208</u>	<u>(1,826)</u>	<u>(29,004)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In			55,186
Transfers (Out)	(137,208)		
Total Other Financing Sources	<u>(137,208)</u>	<u>0</u>	<u>55,186</u>
Net Change in Fund Balance	0	(1,826)	26,182
Fund Balance July 1, 2005	0	4,366	203,399
Fund Balance June 30, 2006	<u>\$ 0</u>	<u>\$ 2,540</u>	<u>\$ 229,581</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
SHERIDAN CORRECTIONAL CENTER  
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
<b><u>REVENUES</u></b>			
Income from Sales	\$ 710,203	\$ 13,072	\$ 32,130
Interest / Investment Income	597	32	59
Miscellaneous			
Entry Fees			
Postage			
Other			110
Donations			
Total Revenues	<u>710,800</u>	<u>13,104</u>	<u>32,299</u>
<b><u>EXPENDITURES</u></b>			
Purchases			
General and Administrative			
Contractual	748	942	6,732
Equipment	1,317		10,214
Postage			
Cable Television			
Donations			
Other	566,966	10,886	20,423
Total Expenditures	<u>569,031</u>	<u>11,828</u>	<u>37,369</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>141,769</u>	<u>1,276</u>	<u>(5,070)</u>
<b><u>OTHER FINANCING SOURCES</u></b>			
Transfers In			57,028
Transfers (Out)	(141,769)		(24,943)
Total Other Financing Sources	<u>(141,769)</u>	<u>0</u>	<u>32,085</u>
Net Change in Fund Balance	0	1,276	27,015
Fund Balance July 1, 2004	0	3,060	176,384
Fund Balance June 30, 2005	<u>\$ 0</u>	<u>\$ 4,336</u>	<u>\$ 203,399</u>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
SHERIDAN CORRECTIONAL CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
**SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS**  
(NOT EXAMINED)  
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	\$ 7,500	\$ 24,624	\$ 4,374	\$ 34,256
Receipts				
Investment Income		320		303
Inmate Account Receipts		681,301		634,173
Appropriations from General Revenue Fund				
<b>TOTAL RECEIPTS</b>	<b>0</b>	<b>681,621</b>	<b>0</b>	<b>634,476</b>
Disbursements				
Inmate Account Disbursements	3,126	763,903	4,065	756,410
Disbursements for released inmates		78,698		73,731
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 3,126</b>	<b>\$ 842,601</b>	<b>\$ 4,065</b>	<b>\$ 830,141</b>
Fund Transfers				
Fund Transfers In		171,674		215,997
Fund Transfers (Out)		(1,062)		(418)
<b>TOTAL TRANSFERS</b>	<b>0</b>	<b>170,612</b>	<b>0</b>	<b>215,579</b>
Balance - June 30	<b>\$ 4,374</b>	<b>\$ 34,256</b>	<b>\$ 309</b>	<b>\$ 54,170</b>

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

STATE OF ILLINOIS  
DEPARTMENT OF CORRECTIONS  
SHERIDAN CORRECTIONAL CENTER  
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	2,038,706	44,740,798	2,996,970	49,776,474	2,034,441	44,558,855	2,801,992	49,395,288
Additions:								
Purchases			19,208	19,208			142,543	142,543
Transfers-in:								
Intra-agency			64,004	64,004			138,562	138,562
Inter-agency		8,619,859	1,587	1,587			8,732	8,732
Capital Development Board			526	8,620,385	4,265	181,943		186,208
Employees' Commissary Fund								
Employees' Benefit Fund								
Residents' Commissary Fund								
Residents' Benefit Fund								
Donations								
Grants								
Adjustments								
Total Additions	0	8,619,859	85,325	8,705,184	4,265	181,943	15,781	491,826
Deductions:								
Transfers-out:								
Intra-agency			255	255			72,298	72,298
Inter-agency								
Scrap property			71,475	71,475			38,224	38,224
Surplus property							118	118
Condemned and lost property								
Adjustment								
Total Deductions	0	0	71,730	71,730	0	0	110,640	110,640
Balance, ending	2,038,706	53,360,657	3,010,565	58,409,928	2,038,706	44,740,798	2,996,970	49,776,474

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  
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LIMITED SCOPE COMPLIANCE EXAMINATION  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS**  
(NOT EXAMINED)  
For The Years Ended June 30,

	FISCAL YEAR		
	2006	2005	2004
<b><u>RECEIPTS</u></b>			
Jury Duty	\$ 705	\$ 196	\$ 160
Inmate Restitution	0	43	2,709
Dormant Inmate Accounts	5,986	8,359	0
Funeral Furlough	0	0	0
Staff Witness Fees	0	0	0
Contraband Cash	0	0	0
Copying Fees	25	4	0
Miscellaneous	35	1,122	442
<b>TOTAL RECEIPTS</b>	<b>\$ 6,751</b>	<b>\$ 9,724</b>	<b>\$ 3,311</b>
<b><u>REMITTANCES</u></b>			
General Revenue Fund - 001	\$ 740	\$ 254	\$ 602
Department of Corrections Reimbursement Fund - 523	6,011	9,470	2,709
<b>TOTAL RECEIPTS REMITTED DIRECTLY TO STATE TREASURER</b>	<b>\$ 6,751</b>	<b>\$ 9,724</b>	<b>\$ 3,311</b>
<b><u>DEPOSITS</u></b>			
Receipts recorded by Center	\$ 740	\$ 254	\$ 602
Add: Deposits in transit - Beginning of year	26	0	0
Deduct: Deposits in transit - End of year	(42)	(26)	0
<b>DEPOSITS RECORDED BY THE STATE COMPTROLLER</b>	<b>\$ 724</b>	<b>\$ 228</b>	<b>\$ 602</b>

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

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**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:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2006</u>	<u>2005</u>	<u>AMOUNT</u>	<u>%</u>
Employee retirement contributions paid by employer	\$207,506	\$29,526	\$177,980	603%
State contributions to State Employees' Retirement System	\$1,260,661	\$2,503,917	(\$1,243,256)	(50%)
Travel and allowances for committed, paroled and discharged prisoners	\$0	\$800	(\$800)	(100%)
Commodities	\$1,140,348	\$1,571,657	(\$431,309)	(27%)
Equipment	\$16,697	\$134	\$16,563	12,360%
Telecommunications	\$58,047	\$147,435	(\$89,388)	(61%)
Operation of automotive equipment	\$69,692	\$88,005	(\$18,313)	(21%)

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

**Employee retirement contributions paid by employer**

The increase in employee retirement contributions paid by employer is due to the Center making payments for one half of fiscal year 2006 compared to one pay period in fiscal year 2005.

**State contributions to State Employees' Retirement System**

The decrease in State contributions is due to the percentage paid for contributions decreasing from 16.107% in fiscal year 2005 to 7.792% in fiscal year 2006.

**Travel and allowances for committed, paroled and discharged prisoners**

The decrease in travel and allowances is due to the depletion of the travel and allowance fund in fiscal year 2006.

**Commodities**

The decrease in commodities is due to the Center scaling back its purchases for food and clothing due to a lower inmate population in fiscal year 2006.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2006

**Equipment**

The increase in equipment is due to the Center receiving an equipment budget in fiscal year 2006 compared to no budget in fiscal year 2005.

**Telecommunications services**

The decrease in telecommunications services is due to the Center receiving instruction by DOC – Central Office to pay approximately \$31,000 of fiscal year 2006 expenses with fiscal year 2007 appropriations.

**Operation of automotive equipment**

The decrease in operation of automotive equipment is due to the Center receiving instruction by DOC – Central Office to pay approximately \$15,000 of fiscal year 2006 expenses with fiscal year 2007 appropriations.

STATE OF ILLINOIS  
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**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:

<u>EXPENDITURE ITEM</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
Personal Services	\$16,096,910	\$9,150,678	\$6,946,232	76%
Employee retirement contributions paid by employer	\$29,526	\$380,998	(\$351,472)	(92%)
Student, member inmate compensation	\$178,437	\$44,584	\$133,853	300%
State contributions to State Employees' Retirement System	\$2,503,917	\$457,495	\$2,046,422	447%
State contributions to Social Security	\$1,155,086	\$612,740	\$542,346	89%
Contractual Services	\$12,868,858	\$5,094,455	\$7,774,403	153%
Travel	\$13,600	\$9,108	\$4,492	49%
Travel and allowances for committed, paroled and discharged prisoners	\$800	\$5	\$795	15,900%
Commodities	\$1,571,657	\$1,252,694	\$318,963	25%
Equipment	\$134	\$232,348	(\$232,214)	(100%)
Telecommunications services	\$147,435	\$745,296	(\$597,861)	(80%)
Operation of automotive equipment	\$88,005	\$36,707	\$51,298	140%

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

**Personal Services and State contributions to Social Security**

The increase in personal services and State contributions to Social Security expenditures is due to the Center operating for only one half of fiscal year 2004 compared to a full fiscal year of operations in 2005.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2006

**Employee retirement contributions paid by employer**

The decrease in employee retirement contributions paid by employer is due to the Center receiving funding for only the first pay period of fiscal year 2005.

**State contributions to State Employees' Retirement System**

The increase in State contributions is due to the percentage paid for contributions increasing from 13.439% in fiscal year 2004 to 16.107% in fiscal year 2005 and because the Center operated for only one half of fiscal year 2004.

**Student, member and inmate compensation**

The increase in inmate compensation is due to an increase in the average number of inmates of 925 for fiscal year 2005 compared to 530 inmates in fiscal year 2004.

**Contractual Services**

The increase in contractual services is due to the Center entering into new placement resource unit contracts in fiscal year 2005.

**Travel**

The increase in travel is due to operating for only one half of fiscal year 2004 compared to a full fiscal year of operations in 2005.

**Travel and allowances for committed, paroled and discharged prisoners**

The increase in travel and allowance is due to the low number of mandatory supervised releases in fiscal year 2004 because of low number of inmates compared to fiscal year 2005.

**Commodities**

The increase in commodities is due to additional purchases of food and clothing items as the inmate population increased in fiscal year 2005.

**Equipment**

The decrease in equipment is due to the Center's spending for kitchen and security equipment for its re-opening in fiscal year 2004. The Center did not receive an equipment budget for fiscal year 2005.

**Telecommunications services**

The decrease in telecommunications services is due to the Center's spending for fiber-optic wiring and labor for switches for its re-opening in fiscal year 2004. This did not reoccur in fiscal year 2005.

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**Operation of automotive equipment**

The increase in operation of automotive equipment is due to the Center providing transportation of inmates to attend court appearances. The inmate population increased significantly from fiscal year 2004 to fiscal year 2005.

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**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2006

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

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$12,868,858	\$2,537,511	20%
Telecommunications services	\$147,435	\$64,509	44%

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

**Contractual Services**

The lapse period expenditures of contractual services were due to a \$1,220,000 payment for efficiency initiatives. In addition, the Center made quarterly reconciliation payments for medical services contracts.

**Telecommunications services**

The lapse period expenditures of telecommunications services were due to a large payment for an auto-attendant phone system, which included materials and labor costs for the start up of the system.

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**SCHEDULE OF CHANGES IN INVENTORIES**  
(NOT EXAMINED)  
Two Years Ended June 30, 2006

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<b>GENERAL REVENUE FUND</b>				
Mechanical Stores	\$ 9,466	90,772	92,561	\$ 7,677
Resident Clothing	116,341	197,203	222,254	91,290
Officers' Clothing	0	8,337	8,337	0
Postage	1,408	14,200	10,908	4,700
Kitchen	260,342	683,955	863,528	80,769
Other stores	90,116	342,800	346,530	86,386
	<u>\$ 477,673</u>	<u>1,337,267</u>	<u>1,544,118</u>	<u>\$ 270,822</u>
<b>LOCAL FUNDS</b>				
Residents' Benefit Fund	\$ 4,446	0	4,446	\$ 0
Employees' Commissary Fund	6,099	89,332	90,789	4,642
Residents' Commissary Fund	119,486	819,722	799,718	139,490
	<u>\$ 130,031</u>	<u>\$ 909,054</u>	<u>\$ 894,953</u>	<u>\$ 144,132</u>
	Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
<b>GENERAL REVENUE FUND</b>				
Mechanical Stores	\$ 6,772	92,821	90,127	\$ 9,466
Resident Clothing	81,797	308,044	273,500	116,341
Officers' Clothing	0	12,327	12,327	0
Postage	2,150	7,500	8,242	1,408
Kitchen	89,423	1,104,086	933,167	260,342
Other stores	131,888	281,189	322,961	90,116
	<u>\$ 312,030</u>	<u>\$ 1,805,967</u>	<u>\$ 1,640,324</u>	<u>\$ 477,673</u>
<b>LOCAL FUNDS</b>				
Residents' Benefit Fund	\$ 17,138	146,995	159,687	\$ 4,446
Employees' Commissary Fund	4,122	87,368	85,392	6,098
Residents' Commissary Fund	94,648	736,157	711,320	119,485
	<u>\$ 115,908</u>	<u>\$ 970,520</u>	<u>\$ 956,399</u>	<u>\$ 130,029</u>

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

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**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2006

CENTER FUNCTIONS AND PLANNING PROGRAM

Introduction

The Sheridan Correctional Center reopened on January 2, 2004, as a specialized drug and alcohol rehabilitation facility to curb the trend of Illinois' growing prison population and to reduce high recidivism rates of Illinois offenders. Through the use of a modified Therapeutic Community approach, education, and job preparation, inmates are helped during their stay at Sheridan and in reintegration back into the community.

On January 2, 2004, Governor Rod R. Blagojevich announced the reopening of the Center as the largest fully dedicated State drug prison and community crime reduction program in the nation. The Center housed 854 inmates as of May 31, 2006.

Function

Per Unified Code of Corrections (730 ILCS 5/1-1-1), the Center is "to accept persons committed to it by the courts of this State for care, custody, treatment and rehabilitation." In addition, Center officials are striving to create an environment which provides the individual a humane and secure incarceration consistent with recent judicial decisions."

The programs and services provided by the Center are designed to return appropriate offenders to the community with the skills and attitudes necessary to become useful and productive citizens.

Programs and services are provided in the areas of education, recreation, vocation, medicine, religion, and counseling, including a large formal substance abuse counseling program. Educational programs include remedial, general education development, adult basic education and college level courses provided by the Illinois Valley Community College. Recreational activities include intramural athletics and library services. Medical, religious and counseling services are available to inmates through professionals employed by the Center in each field.

Center Planning Program

The Center's planning process was developed and implemented within the context of the Department of Corrections' overall planning program. During the examination period, the Center followed the procedures formulated by the Department of Corrections in the Institutional Directives.

Auditor's Assessment of Planning Program

The Center had an effective planning program and implemented it in accordance with required Department directives.

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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		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Administrative	7	7	9
Business office and stores	15	16	17
Clinical services	21	21	22
Work Camp	0	0	0
Recreation	1	1	1
Maintenance	15	15	15
Utilities	0	0	0
Laundry	2	2	1
Correctional Officers	209	216	220
Dietary	11	10	10
Medical/Psychiatric	8	9	10
Religion	2	2	2
Records	0	0	0
Secretary/Clerical Misc.	0	0	0
Total	<u>291</u>	<u>299</u>	<u>307</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 1 ½ times normal pay.

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

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EMPLOYEE OVERTIME (cont.)

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2006 and 2005.

	<u>2006</u>	<u>2005</u>
Paid overtime hours worked during fiscal year	<u>23,754</u>	<u>27,050</u>
Value of overtime hours worked during fiscal year	<u>\$851,195</u>	<u>\$901,266</u>
Compensatory hours earned during fiscal year	<u>11,744</u>	<u>12,896</u>
Value of compensatory hours earned during fiscal year	<u>\$297,427</u>	<u>\$297,542</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>35,498</u>	<u>39,946</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$1,148,622</u>	<u>\$1,198,808</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 24 and 25 of this report.

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SHARED RESOURCES (not examined)

The following staff function was paid by the Center but performed at another Center as follows:

<u>Staff Function</u>	<u>Center Name</u>	<u>% Time Spent</u>
Painter	IYC – Joliet	12%

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:

	<u>Fiscal Year</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Rated population	<u>974</u>	<u>974</u>	<u>974</u>
Inmate population (as of May 31)	<u>854</u>	<u>891</u>	<u>791</u>
Average number of inmates	<u>857</u>	<u>925</u>	<u>530</u>
Expenditures from appropriations	\$34,654,087	\$34,666,847	\$18,030,463
Less-equipment and capital improvements	<u>16,697</u>	<u>134</u>	<u>232,348</u>
Net expenditures	<u>\$34,637,390</u>	<u>\$34,666,713</u>	<u>\$17,798,115</u>
Net inmate cost per year	<u>\$ 40,417</u>	<u>\$ 37,478</u>	<u>\$ 33,581</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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RATIO OF EMPLOYEES TO INMATES (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Average number of employees	<u>291</u>	<u>299</u>	<u>307</u>
Average number of correctional officers	<u>209</u>	<u>216</u>	<u>220</u>
Average number of inmates	<u>857</u>	<u>925</u>	<u>530</u>
Ratio of employees to inmates	<u>1 to 2.9</u>	<u>1 to 3.1</u>	<u>1 to 1.7</u>
Ratio of correctional officers to inmates	<u>1 to 4.1</u>	<u>1 to 4.3</u>	<u>1 to 2.4</u>

CELL SQUARE FEET PER INMATE (not examined)

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Approximate Square Foot Per Inmate	<u>57</u>	<u>55</u>	<u>62</u>

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FOOD SERVICES (not examined)

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

	Fiscal Year		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Breakfast	110,262	115,620	86,070
Lunch	330,786	338,753	129,105
Dinner	330,786	338,753	129,105
1:00 a.m. meal	-0-	-0-	-0-
Staff meals	60,320	85,380	55,260
Vocational School Meals	23,400	23,400	10,460
Total Meals Served	<u>855,554</u>	<u>901,906</u>	<u>410,000</u>
Food Cost	<u>\$ 848,843</u>	<u>\$ 896,521</u>	<u>\$ 326,847</u>
Cost Per Meal	<u>\$ 0.99</u>	<u>\$ 0.99</u>	<u>\$ 0.80</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		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
Medical Services:			
Wexford Health Service, Inc.	\$1,120,691	\$1,853,407	\$ 774,700
Mark Peters, MD	0	700	0
Health Professionals LTD	980,110	0	0
	<u>\$2,100,801</u>	<u>\$1,854,017</u>	<u>\$ 774,700</u>
Clergy Services:			
Rabbi Scheiman	* \$ 612	\$ 1,750	
Mohammed Firdeuisi	* 8,225	<u>3,000</u>	
	* <u>\$ 8,837</u>	<u>\$ 4,750</u>	

\*Center official stated that clergy services for fiscal year 2006 were paid by the Department of Corrections – Central Office.

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SERVICE EFFORTS AND ACCOMPLISHMENTS (not examined)

The following mission statement has been established by the Warden's Office at Sheridan Correctional Center:

- Protect the public through incarceration and to provide a safe, secure environment in which men can receive state of the art substance abuse treatment services through a therapeutic community model, which integrates job preparation programming, clinical re-entry management services, and community re-integration. The reduction of recidivism, restoration of justice, and individual recovery are key elements of the program.

The following goals were established by the Center during the examination period:

- Provide state of the art substance abuse treatment programming to all offenders of the Sheridan Correctional Center.
- Work in partnership with staff and offenders to create a therapeutic environment.
- Increase substance abuse awareness on behalf of the staff and the offenders at Sheridan Correctional Center.
- Improve substance abuse treatment outcomes for those offenders involved in substance abuse treatment at Sheridan Correctional Center.
- Increase the amount of offenders involved in substance abuse treatment continuing care/aftercare services in the community.
- Decrease the amount of recidivism for substance abuse violators.
- Improve the treatment outcomes for Sheridan paroling offenders.

The Center also sets long-term and short-term goals for renovating and updating property and equipment to the Department of Corrections for approval.

Goals are assessed through periodic accreditation reviews, employee performance evaluations, and updating goals at least annually.