Jail Commissary System Audit

McHENRY COUNTY SHERIFF'S OFFICE

INTERNAL AUDIT REPORT

May 7, 2019

MCHENRY COUNTY AUDITOR'S OFFICE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance process.

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Finance and Audit Committee Members,

COMMISSARY AUDIT

BACKGROUND:
The Illinois County Jail Standards were last amended at 33 Ill. Reg 19959, effective October 1, 2014. The changes to Section 701.250 Commissary were as follows (underlined = added):
a) Each jail may establish and maintain a commissary system to provide detainees with items or access to services approved by the Sheriff.
b) No member of the jail staff shall gain personal profit, directly or indirectly, as a result of the commissary system.
c) Prices charged to detainees shall not exceed those for the same articles if sold in local community stores nor shall the process charged for postal supplies exceed those for the same articles sold at local post offices.
d) Commissary access shall be provided on a regularly scheduled basis and not less than once weekly.
e) Net profits from the commissary system shall be used for education, recreation, or other purposes within the jail for the benefit of detainees, as deemed appropriate by the Sheriff. Profits may be used for record keeping expenses of the commissary.
e) Accurate accounting for all purchases, sales, and expenditures of the commissary system, including phone services and, if provided, email access, shall be maintained. An annual audit shall be arranged with the county auditor or county treasurer.

More authority was sought for Sheriff's to make the determinations as to the appropriate use of the profits realized from a commissary system established at a jail. In order to provide transparency and/or oversight of this additional authority for the Sheriffs was the concurrent adoption of an expanded role for audits. Previously, only profits from the commissary used for detainee welfare were subject to audit. Now, the commissary system as a whole is subject to a mandatory annual audit as arranged with the County Auditor or County Treasurer for the county involved.

OBJECTIVES:
Provide answers to the identified questions in the Illinois County Jail Standards, Section 701.250. Answers to these questions will be specifically listed and answered within this report.

The audit objectives consisted of:
- Ensuring accurate accounting showing the total purchases, sales, and expenditures of the commissary system as would typically be reported by an accountant for business purposes.
- Performing a verification of the total amount of net profits of the commissary systems as a whole for the one year period under review.
- Validating all uses of net profits (by amounts and dates) were for the benefit of inmates and were deemed appropriate by the Sheriff before the expenditure was made.
- Ensuring commissary prices charged to inmates do not exceed the prices for the same articles as charged in local community stores.
- Ensuring commissary prices charged for postal items do not exceed those charged by the United States Post Office.
- Providing an assessment of whether any members of the jail staff received personal gains directly or indirectly as a result of the commissary system.

AUDIT PROCEDURES:

To achieve the above objectives, the Auditor's Office performed the following audit procedures:

a. Ensured that a commissary system is established at the County jail by reviewing the Sheriff's formal operating procedures, the executed contract with the vendor, and twelve consecutive months of detailed (showing category sales to inmates by dollar) commissary item billings from vendor.
b. Determined if **prices charged to inmates** for commissary items agrees with the **jail's current official price** list provided by the vendor. We reviewed individual inmates account's to verify that prices charged were matched with official list.
c. Determined **prices charged to inmates** for commissary items are consistent **with local community stores.**
d. Determined **prices charged inmates** for postal items are consistent with **local community post offices** by comparing to United States Postal Office website.
e. **We reviewed Aramark's (vendor) price analysis of commissary items conducted by them in 9/2018, 3/2018, and 12/2017.**
f. Reviewed the receipts that inmates are to **sign off on when their commissary items are delivered** to them indicating all goods were properly received along with reviewing prices of the products on this document agrees with the jail's official price list from the vendor.
g. Obtained all **disbursements**, including those used for record keeping expenses of the commissary system, from the Inmate Welfare Fund account maintained at Associated Bank. Ensured those disbursements made during the audit period were for the benefit of the inmates and were deemed appropriate by the County Sheriff or designee before the expenditure was made. Additionally, disbursements made were reviewed during the audit on a sample basis (20) to determine if the amount was accurately reported along with noting proper authorized approval was documented. This ensures disbursements are for the benefit of the inmates.
h. Reviewed the **payment of vendor invoices** for accuracy and timeliness, and reviewed the related check posting to the BMO checking account for accuracy.
i. Reviewed the **reporting of "profits"** (commissions earned) and accurate and timely transfer from the Prisoner Finance account (BMO Harris account) to the Inmate Welfare Fund account (held at Associated Bank) by use of check transferring these funds.
j. **Recalculated "profits"** (commissions earned) each month within the audit scope period for accuracy of the reported amount.
k. Inquired about the age of outstanding issued checks that haven't been presented for payment.
l. Reviewed **deposits made to inmate accounts received by mail, kiosks, web, and "intake"** to ensure they were properly processed to the inmates fund account accurately and timely.
m. Performed techniques to provide reasonable assurance that **no personal gain was received** by employees of the jail commissary system.
n. Reviewed the **accuracy of the Aramark system** and inmate commissary purchases by:
    - reviewing for correctness and timeliness over the reporting of purchases noted from monthly reports,
    - sampling order documentation against the order request by the inmate,
    - tracing the cost for the inmate's total order was deducted from the inmate's fund account balance, and
    - examining inmate signed receipts over commissary items delivered by Aramark signifying commissary goods inmates received were all those that were ordered.
o. Reviewed the **payment process over the phone services** provided to the inmates by a third party vendor and verified payments are for calls made directly out of the inmate's fund account. Commissions the County earns each month from this service were sample tested as to the timely recording of these amounts.

p. Reviewed the **access rights** given to jail commissary employees over the Aramark system (which interfaces with the inmates fund account balances) who oversee the day-to-day operations of the commissary function along with various supervisory personnel over these day-to day employees to ensure proper segregation of duties is maintained, accurate information is being kept in the system by authorized personnel, and proper safeguarding is maintained over inmate funds.
q. Provide **"value added" recommendations** that could be beneficial for commissary operations.

SCOPE:
The period under internal audit review was fiscal year 2018, (December 1, 2017 through November 30, 2018). Specific internal audit procedures employed included reviewing three month's reconciliations over the Prisoner Finance account (maintained at BMO Harris Bank) and the Inmate Welfare Fund account (maintained at Associated Bank). As of November 30, 2018, balances in these accounts were $310,654.04 and $932,687.61 (respectively). Transactions posted to these two bank deposit accounts were reviewed when we examined the payment of vendor invoices to ensure they were paid on an accurate and timely basis (invoices for all 12 months within the scope period were reviewed).

List of additional scopes included:

1. A review of all commissary item prices that are charged to the inmates to ensure they are approximately the same prices being offered, for similar products in nearby communities, including postal products;
2. Validation that commissary was provided on a regular and consistent basis (weekly);
3. Ensuring net profits the County earns on the sales of commissary items are used solely for the benefit of the inmates as deemed appropriate by the Sheriff (twenty actual expenses were reviewed to ensure proper use and were properly approved, the rest of the year's expenditures Internal Audit reviewed the disbursement database concerning the purpose the expenditure was used for);
4. A review of the County jail's records and transactions over commissary activity and reporting to ensure they are accurate, properly reviewed and approved;
5. Confirming that accurate accounting exists by showing the total purchases, sales and expenditures of the commissary system typically reported by an accountant for business purposes was being provided;
6. A review performed over the processing of inmate deposits and the recording of monthly commissions the County jail earned on sales of commissary items to ensure they were processed accurately and timely;
7. The commissions earned were traced to their respective deposit in the Prisoner Finance account in addition to recalculating each of the 12 months' commissions earned as reported by the vendor for accuracy;
8. Examined inmate commissary orders to ensure the origination of the order, its posting to various vendors' reports, the receipt of goods by the inmate with inmate documentation of acceptance of the order's accuracy by sign-off, and the order amount was properly deducted from the inmate's personal fund account; and
9. Reviewed deposits to the inmate personal fund accounts from point of origin (receipt through inmate intake process, mail, kiosks, and the internet) to their ultimate posting to individual inmate personal fund accounts to ensure deposits made were properly processed on a timely basis to inmate personal fund accounts.

FINDINGS AND RECOMMENDATIONS FOR IMPROVEMENT:
Based on audit procedures performed, the following eight (8) questions were answered as a result of the audit work performed during this audit as required by State statute. The answers are noted below as required by current County Jail Inspection Checklist (Form DOC 0464 (Eff 02/2015) used by the Department's Jail and Detention Standard's Unit (herein after "JDSU") and requires a response of either YES, N/A, or NO to the following:

1. <u>ANSWERS REQUIRED TO EIGHT QUESTIONS (PER THE ABOVE)</u>

The answers to the following eight questions are based on the audit work performed.

1. Has a commissary system been established? **YES.**
2. Are prices charged inmates consistent with local community stores? **YES.**
3. Are prices for postal supplies sold at post office cost? **YES.**
4. Is commissary provided on a regular scheduled basis at least weekly? **YES.**
5. Are net profits of the commissary system used only for education, recreation, or other purposes within the jail for the benefit of the inmates as deemed appropriate by the Sheriff? **YES.**
6. Are net profits used for record keeping expenses of the commissary system? **YES.**
7. Is there accurate accounting maintained for all purchases, sales, and expenditures of the commissary system, which included telephone access services and electronic email service (not provide by McHenry County jail) provided to inmates? **YES.**
8. Has there been a completed timely annual audit of the commissary system arranged with the county auditor or county treasurer? **YES.**

2. <u>REPORTING ON THE FINANCIAL AND OPERATIONAL ACITIVITY OF THE COMMISSARY</u>

One of the objectives of this audit was to ensure, *<u>"….accurate accounting showing the total purchases, sales, and expenditures of the commissary system as would typically be reported by an accountant for business purposes."</u>* During the audit and based on discussion with Sheriff's Office personnel, it was noted that an income statement is not prepared and presented to the Sheriff's Office and jail commissary management. Also, no other type of operational reports are provided. These reports are considered a typical product of an accountant's reporting on financial and operational activity on the operations of the commissary function as would be expected in business settings. This audit objective was developed from literature pertaining to the Illinois County Jail Standards, 701.250. It appears that this requirement of business reporting is because the jail's commissary system is basically operated as a business. Reports developed in the County's Comprehensive Annual Financial Report provide a broad overview snapshot of an income statement, but are still limited in detail to meet the business need.

RISK RATING: MEDIUM.

RECOMMENDATION:
Sheriff's Office should consider implementing a reporting process and related reports to be distributed to the Sheriff and the Sheriff's Office Management Team for monitoring, discussion and review on a monthly basis, and to review and follow up with any anomalies or unusual items or trends. Examples of such reports are presented as Appendix A and Appendix B to this report. Reporting may be utilized from the D365 system implemented on 12/1/2018.

MANAGEMENT'S RESPONSE:
The Sheriff's Office agrees with this recommendation and requires this reporting as part of the contract with vendor that is currently in negotiations.

Estimated Completion Time:
Upon finalization of contract being negotiated.

3. **AGING OF OUTSTANDING CHECKS**

During the "kickoff" meeting to this audit, checks outstanding over a period of time prescribed by law that have not been presented to BMO Harris (County's "Prisoner Finance" Account) for payment need to be escheated to the State of Illinois. These checks could create a risk scenario in which funds of these checks are not properly controlled by either timely escheatment (as required by law) and/or specifically tracking them month by month to ensure they all are still outstanding. If some were paid, then they should be looked into to ensure their removal from the outstanding check list was proper (by reviewing the check endorsement and bank it was presented at, both on the back of the check).

RISK RATING: MEDIUM.

RECOMMENDATION:
Until escheated, checks subject to escheatment should be monitored on a separate spreadsheet in order to determine if any of these checks have been presented for payment, and is so, they should be subject to due diligence review(s) as noted in the above. This type of review/monitoring should be done, going forward, when checks have passed their required escheatment deadlines. Funds of these checks should be monitored by creating a worksheet for listing such checks (including check number, issue date, payee, and amount) with the worksheet being reconciled monthly. Sheriff's Office should notify internal audit when checks are escheated to the State.

MANAGEMENT'S RESPONSE:
The Sheriff's Office agrees with this recommendation and will continue monitoring these accounts until the outstanding checks have been escheated to the State of Illinois.

Estimated Completion Date:
Ongoing monitoring.

4. PERIODICALLY RECALCULATING "PROFIT" (COMMISSION) EARNED

Jail commissary staff are not recalculating "Profit" earned on commissary items sold to ensure accuracy of the figure reported to the County by the vendor Aramark. Periodic and documented recalculation should occur in order to detect any inaccuracies that might be present from Aramark's system. Inaccuracies could occur with program updates and programming changes made by Aramark that either directly was performed on the calculation programming routine of their software. This is just one instance how changes to calculation methods may occur in error.

RISK RATING: LOW.

RECOMMENDATION:
Sheriff's Office jail personnel should consider recalculating "Profit" (commissions earned) as reported by Aramark (vendor) on a semi-annual basis to ensure correct commissions are being reported to the County on commissary items.

MANAGEMENT'S RESPONSE:
The Sheriff's Office agrees with this statement and will continue to periodically re-calculate commissions earned.

Estimated Completion Date:
Immediately.

5. SMALL DIFFERENCE IN RECORDING ONE MONTH'S "PROFITS"

During the audit "Profit" (commissions earned) amounts were reviewed for accurate posting to jail records and accurate transfer from the BMO checking account ("Prisoner Finance") to the Associated Bank checking account ("Inmate Welfare Fund") to be used for the benefit of inmates. One of the twelve months tested for accuracy noted a transfer to the "Inmate Welfare Fund" account (transfers are executed by check drawn on the BMO account and deposited at Associated Bank account) was over stated (deposited) by $200. This was immediately brought to the attention of the Sheriff's jail office staff who provided a quick reply that the $200 will be adjusted during the following month's "Profit" (commissions earned) recording and transfer to Associated Bank. The reason behind this error was a calculator input error of a dollar amount being totaled.

RISK RATING: LOW.

RECOMMENDATION:
During preparation of the check for transferring the "Profits" (commissions earned) to the Associated Bank account, another employee should re-verify the figures on the adding machine tape that is used to add the four reported weeks of "Profits" earned within a month to ensure they are accurate and then sign off on the tape as indication that a second employee (not the check preparer) verified the accuracy of the amount being transferred by a check.

MANAGEMENT RESPONSE:
The Sheriff's Office will run two tapes for each invoice as an additional step to verify profits earned.

Estimated Completion Date:
Immediately.

6. ARAMARK CONTRACT IN DRAFT STAGE

During the course of this audit, the current vendor Aramark was negotiating a new contract with the County. Internal Audit asked the owner of the contract, the Purchasing Department, the following questions concerning the setting of commissary items prices and would they be included in the upcoming finished contract being worked on:

Regarding Aramark's compliance next year with the State's audit requirement over commissary Items' prices charged to inmates, can:

a. *This requirement be included in the contract that is currently being drafted noting that this is an annual requirement of the State.*

- *Results of Aramark's audit should be provided to the Sheriff's Office in hard copy within 30 days after Aramark's publication/finalization of their report.*

b. *That Aramark is solely responsible, per a contract stipulation that can set commissary item prices.*
   - *Instances when the Sheriff's Office might need to get involved with commissary item pricing decision-making, if at all.*

The following response to the above Internal Audit recommendation was made by an employee in the State's Attorney's Office: "In order to tighten up the language of the contract and to address Internal Audit's concerns regarding an annual audit of the product prices, I suggest the following modification to the 3rd paragraph under 5. COMMISSION AND PAYMENT TERMS:

The current language which reads:

> Contractor shall determine the prices at which Products shall be sold. All prices charged to inmates shall be in compliance with Illinois County Jail Standards. Contractor shall perform an annual price audit to compare the prices at which it sells the Products contemplated by this Agreement with the prices at which similar products are being sold in retail outlets in the surrounding community ("Comparable Retail Values"), as required by the Illinois Department of Corrections, (Illinois County Jail Standards). In the event that any of Contractor's prices are below the Comparable Retail Values, the parties shall mutually agree to increase such prices under this agreement to reflect the Comparable Retail Values.

Should be modified to read:

> Contractor shall determine the prices at which Products shall be sold. All prices charged to inmates shall be in compliance with Illinois County Jail Standards *including, but not limited to Section 701.250.* Contractor shall perform an annual price audit to compare the prices at which it sells the Products contemplated by this Agreement with the prices at which similar products are being sold in retail outlets in the surrounding community ("Comparable Retail Values"), as required by the Illinois Department of Corrections, (Illinois County Jail Standards). In the event that any of Contractor's prices are below the Comparable Retail Values, the parties shall mutually agree to increase such prices under this agreement to reflect the Comparable Retail Values. *In the event that any of Contractor's prices are above the Comparable Retail Values, the parties shall mutually agree to decrease such prices under this agreement to reflect the Comparable Retail Values. Contractor agrees to work with the County Auditor pursuant to Section 701.250 of the Illinois County Jail Standards to verify the accuracy of relevant documents related to the accounts, transaction records and the required annual audit of the commissary system. Contractor will provide the McHenry County Sheriff's Office a hard copy report of Contractor's annual audit within thirty (30) days after Contractor's completion of Contractor's annual audit.* (The changes and modifications are italicized for comparison purposes.)

RISK RATING: LOW.

RECOMMENDATION:

As was told to the Auditor's Office during the audit, the Sheriff's Office has no authority to set prices of commissary items made available for purchase by the inmates based on the prior contract. During the audit, an analysis was performed on prices charged to inmates for current commissary items at the jail. Results noted various ranges of amounts that are charged to inmates for various commissary items that are over the prices charged at local large chain stores or by other stores researched on the internet. These ranges take into consideration enough room for profit sharing by the County and Aramark's share of the profits on these sales.

In order for the Sheriff's Office to have a say in commissary pricing matters when commissary items are unreasonably priced (prices too high) it might be prudent to have a clause in the contract to initiate discussion on such matters when prices exceed a reasonable amount (including the consideration of profits taken, as mentioned above, by both parties).

If the Sheriff's Office is contacted by Aramark for their input into the ongoing contract negotiations, they should mention the above in support of the Purchasing Department's attempt to have this addressed in the contract's wording. Also, the Sheriff's Office should verify new language is included prior to signing the new contract.

MANGEMENT'S RESPONSE:
The Sheriff's Office agrees and the recommended language (in Italics) was added into the proposed contract with the vendor.

Estimated Completion Date:
Immediately.

7. PRICING REVIEW OF COMMISSARY ITEMS - POSTAL ITEMS

During our review of prices charged to inmates for commissary items when determining if they are similar prices to local community outlets, we reviewed three current postal price products. They were "Stamp Book of 10," Stamped Envelope," and "Priority Envelope."

We noted that two of the three items did not reflect the current post office pricing on "Stamped Envelope" and "Priority Envelope." It appears that Aramark (vendor) did not adjust their pricing on these products regarding the last postal increase.

This was brought to the attention of the jail commissary manager during the audit who forwarded this concern on to Aramark. Aramark agreed that the prices needed to be increased on the two items to be current with post office pricing. Aramark was grateful that this was brought to their attention and thanked the Sheriff's Office for this.

RISK RATING: LOW.

RECOMMENDATION: NONE; resolved during the course of the audit.

MANGEMENT'S RESPONSE: Not required.

Estimated Completion Date: Not applicable.

8. REVIEW OF RECONCILIATIONS

During the audit reconciliations over the Prisoner Finance account held at BMO Harris Bank were reviewed. It was noted that categories of reconciling items are outstanding checks and deposits. If there were reconciling items outside of those two categories, then they would be included with them instead of listing them separately. For example, if a check was issued for $125.00 and the bank processed it as $1.25 then that would not be listed separately. Based on conversations with Sheriff Office personnel who perform these reconciliations, there have been in the past reconciling items that fall outside the usual categories of outstanding checks or deposits, but are infrequent. During the audit this was discussed with jail commissary personnel and was advised that changes to QuickBooks reconciliation categories would have

to be changed (if they could) by the County's IT Department. On May 1, 2019, Internal Audit emailed IT personnel concerning this potential change, as of this writing no response has been received.

This additional disclosure (reconciling category) may be important for the reviewer/approver (or other jail management personnel) to be aware of; if not having this other type of reconciling item category as a permanent category on QuickBooks Summary Reconciliation, knowledge of other types of reconciling items (other than outstanding checks and deposits) occurring might not be effectively communicated on the reconciliation, which could be useful to a reviewer/approver (or management), or even possibly useful for research purposes after a significant time has passed since the reconciliation was prepared (wouldn't have to rely on recall or further detailed research).

RISK RATING: MEDIUM.

RECOMMENDATION:
It is recommended that an additional category of reconciling items be developed and used in the QuickBooks reconciliation. This new reconciliation category would be for any reconciling item not pertaining to outstanding checks and deposits that have "cleared" the bank. This way, all reconciliation types would be reported instead of those falling outside the two categories already used. Current procedures for reconciling items falling out the two traditional categories used, as mentioned above, is to include them in either the outstanding checks (not cleared the bank) or the outstanding deposits (not cleared the bank). Under this method, reconciliation classification accuracy is not fully correct for reconciling items falling outside the traditional two mentioned above.

Second, if Internal Audit has not been provided a response by the IT Department, within the next few business days, on the email sent to them on May 1, 2019, Internal Audit will contact the jail commissary staff to assist with finalizing this with IT department.

MANAGEMENT RESPONSE:
At this time we are going to take this recommendation under advisement due to the very limited amount of reconciling items falling out of the usual two categories (outstanding checks and outstanding deposits); if these type of reconciling items become more voluminous, in a material way, we will revisit the need for this third category of reconciling items.

Estimated Completion Date:
None required.

This concludes our report.

We want to thank the Sheriff's Office jail staff for the extreme helpfulness they provided to make this internal audit a success.

Sincerely,
Shannon Teresi, MAS, CPA, CIA, CFE, CRMA / County Auditor
Don Anderson, CPA, CFE / Chief Deputy Internal Auditor

APPENDIX A

Exhibit 1: Expenditures from the Commissary and Telephone Funds

	Acceptable	Questionable	Unacceptable	Total
Bank Fees	$51.00	$0.00	$0.00	$51.00
Checks for Inmate Trust Account	$38.00	$0.00	$0.00	$38.00
Commissary Items for Resale	$1,269,548.96	$0.00	$0.00	$1,269,548.96
Commissary Rent	$196,837.44	$0.00	$0.00	$196,837.44
Commissary Supplies	$6,721.00	$0.00	$0.00	$6,721.00
Counterfeit Money Deposited	$5.00	$0.00	$0.00	$5.00
Housing Unit Equipment & Furniture	$20,022.03	$0.00	$0.00	$20,022.03
Inmate Benefits: Clothing & Footwear	$3,262.40	$0.00	$0.00	$3,262.40
Items for Indigent Inmates	$5,809.59	$0.00	$0.00	$5,809.59
Items Given to Inmates	$156.25	$0.00	$0.00	$156.25
Mail & Property Bags, & Storage Boxes	$49,951.72	$0.00	$0.00	$49,951.72
Newspapers	$19,359.84	$0.00	$0.00	$19,359.84
Inmate Programs: Inmate Barber Shop	$1,972.74	$0.00	$0.00	$1,972.74
Items for Inmate Pay Bags	$20,392.07	$0.00	$0.00	$20,392.07
Law Library Supplies	$5,798.53	$0.00	$0.00	$5,798.53
Religious Services	$13,784.94	$0.00	$0.00	$13,784.94
SAC Supplies	$653.15	$0.00	$0.00	$653.15
Sheriff's Garage	$4,164.00	$0.00	$0.00	$4,164.00
Trustee Pay	$16,419.50	$0.00	$0.00	$16,419.50
Jail Management Computer System	$0.00	$87,512.00	$0.00	$87,512.00
K-9 Dogs, Training, & Vehicles	$86,995.00	$0.00	$21,000.00	$107,995.00
Maintenance & Repairs	$2,000.45	$0.00	$0.00	$2,000.45
Office Furniture	$0.00	$131,285.81	$6,655.76	$137,941.57
Patrol Vehicle Emergency Lighting	$0.00	$54,479.56	$0.00	$54,479.56
Patrol Vehicles	$0.00	$0.00	$271,707.38	$271,707.38
Postage Meter Rental & Supplies	$0.00	$10,757.88	$0.00	$10,757.88
Prisoner Transport Vehicles	$490,082.28	$0.00	$0.00	$490,082.28
Security: Equipment & Tools	$14,888.64	$432.39	$0.00	$15,321.03
Security: Guardsman Clock Repairs & Tapes	$0.00	$5,474.39	$0.00	$5,474.39
Inmate IDs	$0.00	$13,850.80	$0.00	$13,850.80
Log Books	$0.00	$12,923.76	$0.00	$12,923.76
Sensor Wire Electric Fence	$0.00	$162,700.00	$0.00	$162,700.00
Telephone Account Voided Check	$205.63	$0.00	$0.00	$205.63
Washing Machine & Dryer Purchases	$9,202.97	$0.00	$0.00	$9,202.97
Washing Machine & Dryer Repairs	$4,904.92	$0.00	$0.00	$4,904.92
Total	$2,243,228.05	$479,416.59	$299,363.14	$3,022,007.78
% of Total Purchases	74.23%	15.86%	9.91%	

EXAMPLE ONLY

APPENDIX A

Exhibit 6: Twenty-Five (25) Most Purchased Commissary Items

Item	2011 Inmate Price	2012 Inmate Price	Inmate Price Increase	Comments	2012 Profit per Item Sold
Oodles Noodles Chicken, 3 oz.	$0.30	$0.30	$0.00		$0.11
Oodles Noodles Beef, 3 oz.	$0.30	$0.30	$0.00		$0.11
Sugar Free Kool-Aid, 1 ct.	$0.10	$0.10	$0.00		$0.01
Tea Bag, each	$0.05	$0.05	$0.00		$0.00
Bakers Choice, 2.8 -6.0 oz.	$0.75	$0.75	$0.00		$0.24
Envelope with Postage	$0.50	$0.50	$0.00		$0.05
Beef Sticks, 1 oz.	$0.60	$0.60	$0.00		$0.21
Summer Sausage, 5 oz.	$1.85	$1.85	$0.00		$0.43
Instant Rice, 15.8 oz.	$1.95	$2.25	$0.30	Vendor Price ↑$0.10	$0.70
Candy Mix/Hard Candy, 4.0 - 4.5 oz.	$0.70	$0.75	$0.05	Vendor Price ↑$0.05	$0.28
Microwave Popcorn, 3.0 oz.	$0.60	$0.60	$0.00		$0.24
Cheese (Jalapeno), 8.0 oz	$2.00	$2.00	$0.00		$0.53
Sweet n' Low, 50 packets	$2.00	$2.00	$0.00		$0.14
Snickers, 2.07 oz.	$0.70	$0.75	$0.05	Vendor Price ↑$0.09	$0.11
Small Tuna, 6.0 oz.	$1.70	$1.70	$0.00		$0.44
Whole Shabang Chips, 1.5 oz.	$0.65	$0.65	$0.00		$0.31
Vanilla Cream Cookies, 14.0 oz.	$1.55	$1.55	$0.00		$0.49
Large Potato Chips, 6.0 oz.	$1.40	$1.50	$0.10	Vendor Price ↑$0.03	$0.49
Sazon Spices, 8 ct.	$1.45	$1.45	$0.00		$0.43
Peanut Butter, 18.0 oz.	$2.15	$2.75	$0.60	Vendor Price ↑$0.58	$0.58
Corn Chips, 12.0 oz	$2.10	$2.10	$0.00		$0.55
Instant Coffee, 4.0 oz.	$3.50	$3.75	$0.25	Vendor Price ↑$0.04	$1.81
Instant Oatmeal, 10 ct.	$2.70	$2.70	$0.00		$0.65
Double Fudge Cookies, 14.0 oz.	$1.55	$1.55	$0.00		$0.49
Instant Coffee, 8.0 oz.	$7.50	$7.50	$0.00		$1.58

EXAMPLE ONLY

- Commissary Price Increased
- Vendor Increased Selling Price

APPENDIX A

Appendix 1 – Combined Profit & Loss Statement for January 1, 2011 to May 31, 2012

	Commissary	Telephone	Total
Revenues			
Commissary Sales	$ 1,714,821.84	$ -	$ 1,714,821.84
Postage & Copies Sales	2,440.58	-	2,440.58
Inmate Telephone Commissions	-	717,647.39	717,647.39
Voided Check from Telephone Funds	205.63	-	205.63
Interest Income	253.99	106.15	360.14
Gross Revenues	**$ 1,717,722.04**	**$ 717,753.54**	**$ 2,435,475.58**
Commissary Items Purchased for Resale	$(1,269,548.96)	$ -	$ (1,269,548.96)
Commissary Rent	(196,837.44)	-	(196,837.44)
Commissary Supplies	(6,721.00)	-	(6,721.00)
Net Revenues	**$ 244,614.64**	**$ 717,753.54**	**$ 962,368.18**
Expenditures			
Bank Fees	$ -	$ 51.00	$ 51.00
Checks for Inmate Trust Accounts	-	38.00	38.00
Counterfeit Money Deposited	5.00	-	5.00
Housing Unit Equipment & Furniture	-	20,022.03	20,022.03
Inmate Benefits	10,089.64	68,450.16	78,539.80
Inmate Programs	12,744.70	50,440.23	63,184.93
K-9 Dogs, Training, & Vehicles	-	107,995.00	107,995.00
Maintenance & Repairs	561.00	1,439.45	2,000.45
Office Furniture	-	137,941.57	137,941.57
Patrol Vehicles	-	271,707.38	271,707.38
Patrol Vehicles Emergency Lighting	-	54,479.56	54,479.56
Postage Meter Rental & Supplies	10,757.88	-	10,757.88
Prisoner Transport Vehicles	-	490,082.28	490,082.28
Security	-	210,269.98	210,269.98
Syscon Jail Management System	-	87,512.00	87,512.00
Voided Check - Funds in Commissary Acct	-	205.63	205.63
Washing Machines & Dryers Purchases	-	9,202.97	9,202.97
Washing Machines & Dryers Repairs	-	4,904.92	4,904.92
Total Expenditures	**$ 34,158.22**	**$ 1,514,742.16**	**$ 1,548,900.38**
Account Net Increase/(Decrease)	**$ 210,456.42**	**$ (796,988.62)**	**$ (586,532.20)**

EXAMPLE ONLY

APPENDIX A

Appendix 2 – Combined Fund Balances as of May 31, 2012

	Commissary	*Telephone*	*Total*
Beginning Balance January 1, 2011	$ 165,738.92	$ 1,223,735.99	$ 1,389,474.91
Commissary Sales	$ 1,717,262.42	$ -	$ 1,717,262.42
Telephone Commissions	-	717,647.39	717,647.39
Interest Income	253.99	106.15	360.14
Total Deposits	$ 1,717,516.41	$ 717,753.54	$ 2,435,269.95
Expenses	$(1,507,265.62)	$(1,514,536.53)	$(3,021,802.15)
Net Account Increase / (Decrease)	$ 210,250.79	$ (796,782.99)	$ (586,532.20)
Adjustment Due to Voided Check	$ 205.63	$ (205.63)	$ -
Ending Balance May 31, 2012	$ 376,195.34	$ 426,746.37	$ 802,942.71

EXAMPLE ONLY

APPENDIX B

McHenry County Jail Commissary
Commissary Operating Data

Reporting Month / Year: Apr-19

	Beginning	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
		0	0	0	0	0	0	0	0	0	0	0	0	

CASH RECEIPTS		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
														0
Prisoner Financy Account (BMO)														0
														0
Inmate Welfare Fund Account														**0**
(Associated Bank)														0
														0
		0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	

Column1		Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Total
														0
INMATE TOTALS:														0
Total inmates at month end.														0
Total inmates at prior year's month end.														0
														0
														0
CHECKING ACCOUNT BALANCES:														0
a) Prisoner Finance Account (BMO):														0
1. Number of checks outstanding for														0
over three (or five) years.														0
2. Inmate Welfare Account (Assoc Bk):														0
														0
														0
COMMISSIONS:														0
a) Current month's commissions earned:														0
b) YTD commissions earned:														0
c) Prior year's YTD commissions earned:														0
														0
														0
SALES OF COMMISSARY ITEMS BY CATEGORY:														0
a) Beverage Sales:														0
1) Current month sales amount:														0
2) YTD sales amount:														0
3) Prior year's YTD sales amount:														0
														0
b) Beverage Non-Tax Sales (use the three figures reported in (a) above.														0
														0
c) Candy Sales (use the three figures rptd in (a) above.														0
														0
d) Complete the rest of the column for products offered for sale as in (a) above.														0
														0
														0
SALES REFUNDS PROVIDED TO INMATES:														0
a) Current month's amount:														0
b(YTD amount:														0
e) Prior year's YTD amount:														0
														0
														0
GREIVANCES OVER COMMISSARY OPERATIONS BY INMATE:														0
a) Number for the month:														0
1) YTD number:														0
2) Prior Year's YTD number:														0
														0
b) Subject Category of Greivance														0
														0
c) Results: Valid / Not Valid														0
														0
d) Number resolved and category of resolution for each.														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0
														0