



**Thomas A. Schweich**  
Missouri State Auditor

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# CORRECTIONS

## Department of Corrections

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February 2015  
Report No. 2015-010



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<http://auditor.mo.gov>



**Thomas A. Schweich**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the Department of Corrections

Execution Team Cash Disbursements	State law requires the Department of Corrections (DOC) to select an execution team and to keep the identity of team members confidential. To help protect their identities, the DOC pays members of the execution team in cash. However, the DOC did not record the amount of cash payments on signed receipt forms and did not always require a witness signature to acknowledge the exchange of the cash payments, as required by DOC policy. We reviewed 10 cash disbursements totaling \$21,266 and found none showed the amount paid to the team member, and two lacked a witness signature.
Working Capital Revolving Fund	During the 3 years ended June 30, 2013, the DOC spent approximately \$7.3 million from the Working Capital Revolving Fund (WCRF) instead of the General Revenue Fund for items purchased from Missouri Vocational Enterprises (MVE) for department usage. WCRF funds are statutorily restricted to funding operations of the vocational enterprise program. These purchases consisted of uniforms and clothing, clothing supplies, custodial supplies, laundry and linen supplies, and other repair and maintenance supplies sold by the MVE. Section 217.595, RSMo, authorizes the WCRF to be used for the establishment, maintenance, rehabilitation, expansion and operation of the vocational enterprises programs.
Escapee Monies	As noted in previous audits, the DOC continues to retain monies seized from offenders who escaped or absconded from supervision. It is unclear whether the DOC has statutory authority to retain these monies. At June 30, 2014, the DOC was holding approximately \$654,000 in escapee monies in the Inmate Account Fund, and approximately \$333,000 in the Inmate Canteen Fund that had been transferred to that account in 2007 and 2008.

In the areas audited, the overall performance of this entity was **Good**.

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

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# Department of Corrections

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# THOMAS A. SCHWEICH

## Missouri State Auditor

Honorable Jeremiah W. (Jay) Nixon, Governor  
and  
George Lombardi, Director  
Jefferson City, Missouri

We have audited certain operations of the Department of Corrections, in fulfillment of our duties under Chapter, 29 RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2014 and June 30, 2013. The objectives of our audit were to:

1. Evaluate the Department of Correction's internal controls over significant management and financial functions.
2. Evaluate the Department of Correction's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified deficiencies in internal control, noncompliance with legal provisions, and the need for improvements in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Corrections.



Thomas A. Schweich  
State Auditor

The following auditors participated in the preparation of this report:

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# Department of Corrections

## Management Advisory Report

### State Auditor's Findings

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#### **1. Execution Team**

##### **Cash**

##### **Disbursements**

The Department of Corrections (DOC) has not consistently complied with established procedures to ensure payments to execution team members are properly authorized, controlled, and documented.

Between March 11, 2013 and February 26, 2014, the DOC paid a total of \$75,273 to execution team members related to training, participation and execution services. In total, the DOC made 32 individual payments ranging from \$75 to \$11,091 for these services. Section 546.720, RSMo, requires the DOC Director to select an execution team consisting of persons to administer lethal gas or chemicals and other persons that provide direct support for the administration of the execution. State law also requires that the identities of the execution team be kept confidential. Members of the execution team are paid in cash to protect their identities.

#### Incomplete documentation

The DOC did not record the amount of the cash payments on receipt forms signed by execution team members and did not always require the exchange of the cash payments to be acknowledged by a witness signature, as required by DOC procedures. We reviewed 10 of the 32 cash disbursements, totaling \$21,266, and found (1) none of the tested disbursements showed the amount paid to the execution team member, and (2) two disbursements, totaling \$11,291, lacked a witness signature on receipt form.

The Division of Adult Institutions Director indicated the DOC failure to record the amount of the payment was an oversight and the department would immediately begin recording the amount of the cash payment on the receipt form, and at times DOC employees are not available to witness payment deliveries.

To comply with established procedures and ensure cash payments are properly authorized and documented, the amount of the cash payment should be documented on the receipt form and supported by the signature of a witness who verified the delivery of the cash payment.

#### Recommendation

The DOC ensure the payment amounts and the witness signatures are recorded on the execution team member receipts.

#### Auditee's Response

*While internally the DOC has appropriate measures in place to account for cash payments, the DOC acknowledges the audit findings regarding the current policy and offers the following to resolve those findings.*

*To ensure the DOC is in compliance with Section 546.720, RSMo, and to ensure proper accounting for cash payments, the department has established procedures to ensure that cash payments are properly authorized and documented, the amount of each cash payment will be documented either on a receipt form supported by the signature of a witness or recorded on other forms of approved documentation to verify the delivery*



*of the cash payment. The DOC's revised procedures meet the standards required in the finding.*

## **2. Working Capital Revolving Fund**

During the 3 years ended June 30, 2013, the DOC spent approximately \$7.3 million from the Working Capital Revolving Fund (WCRF) instead of the General Revenue Fund for items purchased from Missouri Vocational Enterprises (MVE) for department usage. WCRF funds are statutorily restricted to funding operations of the vocational enterprise program.

The purchases consisted of uniforms and clothing, clothing supplies, custodial supplies, laundry and linen supplies, and other repair and maintenance supplies sold by the MVE. As a result of these transactions, the MVE recorded both the expenditure and the related sales within the WCRF. The expenditures were made from DOC appropriations authorized by the General Assembly. These appropriations totaled \$1.5 million in state fiscal year 2013, and \$3 million in both state fiscal years 2012 and 2011 from the WCRF. The General Assembly did not renew this appropriation for state fiscal year 2014.

DOC officials indicated the General Assembly intended the WCRF appropriations to be used in place of General Revenue funds and that they had expressed concerns about the propriety of using the WCRF for the acquisition of departmental goods and services to legislative officials prior to the passage of the 2011 appropriation bill. In response to an inquiry from department officials, the State Auditor issued a letter in January 2011 to the department advising department officials to discontinue use of the appropriation for purposes not authorized by state law.

The WCRF is authorized under Section 217.595, RSMo, to be used for the establishment, maintenance, rehabilitation, expansion and operation of the vocational enterprises programs. The statute also requires that none of the earnings of the vocational enterprises program shall be transferred to the General Revenue Fund and that earnings of the WCRF shall be retained to obtain new equipment, material and real property for expansion and maintenance of the enterprises' programs with a goal that all general population offenders shall learn a skill or service and are employed.

### **Recommendation**

The DOC continue to work with the legislature to ensure WCRF expenditures comply with the statutory restrictions of the fund.

### **Auditee's Response**

*Budget shortfalls during fiscal years 2011, 2012, and 2013 resulted in General Revenue funds being reduced and replaced with Working Capital Revolving Fund monies during the appropriation process for the purchase of items such as offender clothing, linen supplies, uniforms, etc. This budgetary practice ceased following the 2013 legislative session when*



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*General Revenue funding was restored and no additional action is necessary.*

### 3. Escapee Monies

As noted in previous audits, the DOC continues to retain monies seized from offenders who escaped or absconded from supervision. However, it is unclear whether the DOC has statutory authority to retain these monies.

At June 30, 2014, the DOC held approximately \$654,000 in escapee monies in the Inmate Account Fund, and approximately \$333,000 in the Inmate Canteen Fund that had been transferred to that account in 2007 and 2008. The DOC did not spend any of the escapee monies since our prior audit. DOC officials indicated they have no current plans to spend these monies, therefore the holding of the escapee monies provides no benefit to the department or to the state.

Escapee monies consist of funds held by the DOC in inmates' accounts at the time of their escape, less withholdings for certain inmate obligations such as court-ordered payments and child support. Chapter 447, RSMo, provides that abandoned property once belonging to persons known or unknown should be turned over to the State Treasurer's office (STO) Unclaimed Property Section. DOC officials disagreed with the prior audit recommendations, responding that Chapter 447, RSMo, does not apply to these monies and they believe the handling of these funds is in compliance with various statutory provisions, court rulings, and department policy. However, these officials have not consulted with the STO to confirm the accuracy of their understanding.

Due to the absence of clear statutory authority for the DOC to retain and spend confiscated escapee monies, the DOC should resolve the issue with the STO and/or seek legislative authority allowing these monies to be retained and spent by the department. If spending authorization is obtained, the DOC should ensure transfers and expenditures of these monies are in accordance with departmental policies and state law.

#### Recommendation

The DOC resolve the issue with the STO and/or seek legislative authority allowing these monies to be retained and spent by the department. If spending authorization is obtained, the DOC should ensure transfers and expenditures of these monies are in accordance with departmental policies and state law.

#### Auditee's Response

*With respect to escapee balances held by the DOC, the DOC maintains its position that Chapter 447, RSMo, does not apply to the DOC. Inmate money is inmate personal property and the existing case law with respect to escapee's property is applicable to money held for inmates by the DOC. See, Herron v. Whiteside, 782 S.W.2d 414 and Charron v. Thompson, 939*



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*S.W.2d 885. Inmate personal property is governed by DOC policy pursuant to Section 217.197, RSMo.*

*The DOC plans to spend those moneys in accordance with the requirements set forth in Section 217.195, RSMo.*

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# Department of Corrections

## Organization and Statistical Information

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The Missouri Division of Corrections and the Board of Probation and Parole were transferred to the Department of Social Services on July 1, 1974, following passage of the Omnibus State Reorganization Act of 1974. Effective September 28, 1981, the Missouri Department of Corrections and Human Resources was established as a cabinet-level department of state government as a result of legislation approved by the Eighty-First General Assembly and signed by the Governor. With the revision made to Chapter 217, which became effective August 28, 1989, the Department of Corrections and Human Resources was renamed to the Department of Corrections.

The department has the responsibility of supervising and managing the 20 correctional institutions located throughout the state and probation and parole services. The department is composed of the Office of the Director and four divisions: Human Services, Adult Institutions, Offender Rehabilitative Services and Probation and Parole. As of June 30, 2014, the department employed 11,070 employees and the prison population was 32,660 inmates. The Governor appointed George Lombardi as Director of the Department of Corrections on January 29, 2009.

### Board of Probation and Parole

The Board of Probation and Parole consists of seven full-time members appointed by the Governor, subject to the advice and consent of the Senate. Terms of members are for 6 years on a staggered basis. The chairman is appointed by the Governor and is the chief administrative officer of the board in charge of the board's operations, funds and expenditures. Members of the board at June 30, 2014, were:

Board Members	Term Expires
Ellis McSwain, Chairman	August 28, 2012 (1)
Kenneth C. Jones	December 10, 2017
Jimmie Lee Wells	February 16, 2015
Chuck R. Pryor	April 7, 2014 (1)
Martin Rucker	April 3, 2016
Don Ruzicka	December 20, 2018
Vacant	

(1) Members continue to serve until a replacement is named

The Probation and Parole Division includes 63 district and satellite offices and 2 Community Release Centers. Seven of those locations also serve as Community Supervision Centers. Community Release and Supervision Centers house offenders during transition from institutional to community placement. At June 30, 2014, 64,571 offenders were under the supervision of the division.

Appendix A-1

Department of Corrections  
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
 Year Ended June 30, 2014

	Department of Corrections - Federal Fund	Working Capital Revolving Fund	Inmate Fund	Inmate Reimbursement Act Fund	Correctional Substance Abuse Earnings Fund	Inmate Canteen Fund *	Inmate Account Fund *	Total (Memorandum Only)
<b>RECEIPTS</b>								
Federal	\$ 3,360,429	0	0	0	0	0	0	3,360,429
Product sales	0	26,594,328	0	0	0	0	0	26,594,328
Leases and rentals	0	196,950	0	0	0	0	0	196,950
Offender intervention fees	0	0	9,173,590	0	0	0	0	9,173,590
Substance abuse traffic offense fee	0	0	0	0	57,977	0	0	57,977
Offender reimbursement of incarceration costs **	0	0	0	665,839	0	0	0	665,839
Interest	0	0	0	0	2,038	0	0	2,038
Refunds/rebates	0	6,726	1,575	0	0	0	0	8,301
Inmate canteen deposits	0	0	0	0	0	42,794,595	0	42,794,595
Inmate account deposits	0	0	0	0	0	0	43,952,534	43,952,534
Transfers	0	0	1,100,000	0	0	0	0	1,100,000
<b>Total Receipts</b>	<b>3,360,429</b>	<b>26,798,004</b>	<b>10,275,165</b>	<b>665,839</b>	<b>60,015</b>	<b>42,794,595</b>	<b>43,952,534</b>	<b>127,906,581</b>
<b>DISBURSEMENTS ***</b>								
Personal service	1,600,659	5,962,468	618,472	102,119	0	0	0	8,283,718
Employee fringe benefits	754,680	3,171,022	340,047	50,084	0	0	0	4,315,833
Expense and equipment	946,827	15,578,063	6,536,718	449,238	217,745	0	0	23,728,591
Leasing operations	0	1,597,940	0	9,453	0	0	0	1,607,393
Building maintenance and repair	15,328	580,632	10,888	14,445	0	0	0	621,293
Program distributions	75,394	3,203	2,984,521	0	0	0	0	3,063,118
Inmate canteen disbursements	0	0	0	0	0	46,144,362	0	46,144,362
Inmate account withdrawals	0	0	0	0	0	0	43,612,502	43,612,502
Other	522	2,690	152,424	2,277	530	0	0	158,443
<b>Total Disbursements</b>	<b>3,393,410</b>	<b>26,896,018</b>	<b>10,643,070</b>	<b>627,616</b>	<b>218,275</b>	<b>46,144,362</b>	<b>43,612,502</b>	<b>131,535,253</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>(32,981)</b>	<b>(98,014)</b>	<b>(367,905)</b>	<b>38,223</b>	<b>(158,260)</b>	<b>(3,349,767)</b>	<b>340,032</b>	<b>(3,628,672)</b>
<b>CASH AND INVESTMENTS, JULY 1, 2013</b>	<b>817,145</b>	<b>8,227,569</b>	<b>925,909</b>	<b>488,420</b>	<b>386,808</b>	<b>12,900,185</b>	<b>4,004,027</b>	<b>27,750,063</b>
<b>CASH AND INVESTMENTS, JUNE 30, 2014</b>	<b>\$ 784,164</b>	<b>8,129,555</b>	<b>558,004</b>	<b>526,643</b>	<b>228,548</b>	<b>9,550,418</b>	<b>4,344,059</b>	<b>24,121,391</b>

\* Funds held in bank accounts outside the state treasury. Receipts, disbursements, and balances reflect bank account activity. Detailed Inmate Canteen Fund income and expenses are included at Appendix E.

\*\* Receipts for offender reimbursement of incarceration costs are deposited by the Attorney General's office.

\*\*\* Disbursements on this statement will not agree to expenditures on Appendix C primarily due to (1) appropriated transfers out for personal service benefits costs and (2) disbursements made by other state agencies.

Appendix A-2

Department of Corrections  
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments  
 Year Ended June 30, 2013

	Department of Corrections - Federal Fund	Working Capital Revolving Fund	Inmate Fund	Inmate Incarceration Reimbursement Act Fund	Correctional Substance Abuse Earnings Fund	Inmate Canteen Fund *	Inmate Account Fund *	Total (Memorandum Only)
<b>RECEIPTS</b>								
Federal	\$ 5,722,895	0	0	0	0	0	0	5,722,895
Product sales	0	26,599,834	0	0	0	0	0	26,599,834
Leases and rentals	0	193,640	0	0	0	0	0	193,640
Offender intervention fees	0	0	10,016,096	0	0	0	0	10,016,096
Substance abuse traffic offense fee	0	0	0	0	52,000	0	0	52,000
Offender reimbursement of incarceration costs **	0	0	0	456,692	0	0	0	456,692
Interest	0	0	0	0	3,330	0	0	3,330
Refunds/rebates	0	3,750	29,465	0	0	0	0	33,215
Inmate canteen deposits	0	0	0	0	0	41,746,158	0	41,746,158
Inmate account deposits	0	0	0	0	0	0	41,690,008	41,690,008
Transfers	0	417	750,000	0	0	0	0	750,417
<b>Total Receipts</b>	<b>5,722,895</b>	<b>26,797,641</b>	<b>10,795,561</b>	<b>456,692</b>	<b>55,330</b>	<b>41,746,158</b>	<b>41,690,008</b>	<b>127,264,285</b>
<b>DISBURSEMENTS ***</b>								
Personal service	1,689,802	6,039,577	625,459	80,148	0	0	0	8,434,986
Employee fringe benefits	757,743	2,944,562	323,914	37,722	0	0	0	4,063,941
Expense and equipment	2,728,594	18,005,200	6,367,776	244,059	215,265	0	0	27,560,894
Leasing operations	125	1,600,216	0	9,905	0	0	0	1,610,246
Building maintenance and repair	0	656,613	1,457	9,727	0	0	0	667,797
Program distributions	79,412	5,801	3,536,288	162	0	0	0	3,621,663
Inmate canteen disbursements	0	0	0	0	0	44,667,940	0	44,667,940
Inmate account withdrawals	0	0	0	0	0	0	41,744,874	41,744,874
Other	20,727	960	127,127	3,118	1,205	0	0	153,137
<b>Total Disbursements</b>	<b>5,276,403</b>	<b>29,252,929</b>	<b>10,982,021</b>	<b>384,841</b>	<b>216,470</b>	<b>44,667,940</b>	<b>41,744,874</b>	<b>132,525,478</b>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>446,492</b>	<b>(2,455,288)</b>	<b>(186,460)</b>	<b>71,851</b>	<b>(161,140)</b>	<b>(2,921,782)</b>	<b>(54,866)</b>	<b>(5,261,193)</b>
<b>CASH AND INVESTMENTS, JULY 1, 2012</b>	<b>370,653</b>	<b>10,682,857</b>	<b>1,112,369</b>	<b>416,569</b>	<b>547,948</b>	<b>15,821,967</b>	<b>4,058,893</b>	<b>33,011,255</b>
<b>CASH AND INVESTMENTS, JUNE 30, 2013</b>	<b>\$ 817,145</b>	<b>8,227,569</b>	<b>925,909</b>	<b>488,420</b>	<b>386,808</b>	<b>12,900,185</b>	<b>4,004,027</b>	<b>27,750,062</b>

\* Funds held in bank accounts outside the state treasury. Receipts, disbursements, and balances reflect bank account activity. Detailed Inmate Canteen Fund income and expenses are included at Appendix E.

\*\* Receipts for offender reimbursement of incarceration costs are deposited by the Attorney General's office.

\*\*\* Disbursements on this statement will not agree to expenditures on Appendix C primarily due to (1) appropriated transfers out for personal service benefits costs and (2) disbursements made by other state agencies.

Appendix B

Department of Corrections  
Comparative Statement of Receipts

	Year Ended June 30,	
	2014	2013
<b>General Revenue Fund</b>		
Filing fees	\$ 17,543	20,741
Donated assets	368,923	64,110
Inmate social security benefits	365,600	381,600
Refunds of criminal case reimbursements	1,055,769	958,828
Recoveries	65,594	61,945
Cost reimbursements-State*	1,369,575	540,283
Rebates	124,416	95,659
Fees for copying public records	2,479	1,725
Miscellaneous	55,917	16,600
<b>Total General Revenue Fund</b>	<b>3,425,816</b>	<b>2,141,491</b>
<b>Institution Gift Trust Fund</b>		
Private donations	21,160	28,384
<b>Total Institution Gift Trust Fund</b>	<b>\$ 21,160</b>	<b>28,384</b>

\* Cost reimbursements-State are primarily reimbursements from the Inmate Canteen Fund for canteen employee salaries.

Appendix C

Department of Corrections  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
<b>General Revenue Fund</b>						
Eastern Reception and Diagnostic Correctional Center						
- Personal Service	\$ 18,904,327	18,212,009	692,318	18,914,251	18,113,381	800,870
Population Growth Pool - Personal Service	824,210	336,138	488,072	441,203	56,508	384,695
Corrections Leasing	5,859,393	5,607,077	252,316	5,779,051	5,539,729	239,322
Officers Clothing	1,052,218	1,052,199	19	666,304	666,303	1
Vehicle Replacement	999,855	999,855	0	1	0	1
Inmate Clothing	3,218,223	3,218,223	0	0	0	0
Institutional Community Purchases	2,646,548	2,646,548	0	2,688,566	2,687,886	680
Department of Corrections Command Center - Expense and Equipment	4,981	4,487	494	5,094	4,941	153
Division of Human Services Staff - Personal Service	8,415,858	8,065,491	350,367	8,244,531	8,073,425	171,106
Division of Human Services Staff - Expense and Equipment	119,173	118,963	210	108,259	101,133	7,126
Employee Health and Safety	580,135	562,687	17,448	581,933	564,473	17,460
Probation and Parole Staff - Personal Service	63,644,526	62,763,546	880,980	63,336,831	62,689,606	647,225
Probation and Parole Staff - Expense and Equipment	3,107,099	3,106,895	204	3,107,099	3,106,903	196
South Central Correctional Center - Personal Service	12,772,580	11,938,904	833,676	12,618,370	11,974,990	643,380
Costs In Criminal Cases	38,060,616	36,918,797	1,141,819	38,060,616	38,060,595	21
Western Reception and Diagnostic Correctional Center - Personal Service	15,358,541	14,743,228	615,313	15,270,694	14,467,493	803,201
Maryville Treatment Center	5,727,937	5,333,677	394,260	5,688,137	5,338,737	349,400
General Services - Expense and Equipment	318,680	309,100	9,580	318,052	307,798	10,254
Medical Services - Expense and Equipment	156,416,977	155,634,837	782,140	146,644,097	146,644,097	0
Medical Equipment - Expense and Equipment	219,087	217,336	1,751	219,087	209,954	9,133
South East Correctional Center - Personal Service	12,563,284	11,951,463	611,821	12,495,657	11,557,543	938,114
Restitution Payment:	75,278	73,000	2,278	75,278	73,000	2,278
Crossroads Correctional Center	12,050,249	11,436,867	613,382	12,057,767	11,270,547	787,219
Missouri Eastern Correctional Center	10,553,797	9,652,647	901,149	10,264,987	9,594,607	670,380
Northeast Correctional Center	16,471,917	15,610,087	861,829	16,368,557	15,332,467	1,036,089
Ozark Correctional Center Sewer System	0	0	0	417,996	360,898	57,098
Chillicothe Correctional Center	12,352,799	12,332,025	20,774	12,297,744	12,199,393	98,351
Food Purchases	30,505,700	29,717,297	788,403	30,631,539	30,628,996	2,543
Jefferson City Correctional Center	16,755,035	16,165,472	589,563	16,800,354	15,824,300	976,054
Central Missouri Correctional Center	0	0	0	546,310	376,336	169,974
Womens Eastern Reception and Diagnostic Correctional Center	13,371,954	12,716,279	655,675	13,301,987	12,626,829	675,158
Ozark Correctional Center	5,305,144	5,044,178	260,966	5,268,285	4,995,760	272,525
Tipton Correctional Center	9,952,033	9,348,691	603,342	9,748,362	9,158,833	589,529
Moberly Correctional Center	12,462,707	11,543,633	919,074	12,131,072	11,483,988	647,084
Alcoa Correctional Center	10,357,164	9,772,543	584,621	10,007,635	9,387,320	620,315
Amachi - Family Support Services	284,093	273,439	10,654	284,093	273,439	10,654
Office of the Director Staff - Personal Service	4,308,317	3,911,696	396,621	4,056,152	4,004,687	51,465
Office of the Director Staff - Expense and Equipment	136,043	131,612	4,431	124,043	117,050	6,993
Division of Adult Institutions Staff - Personal Service	1,535,427	1,377,572	157,855	1,504,071	1,371,725	132,346
Division of Adult Institutions Staff - Expense and Equipment	126,358	122,549	3,809	126,358	122,152	4,206
St. Louis Community Release Center	4,187,137	3,861,768	325,369	4,088,864	3,820,809	268,055
Kansas City Community Release Center	2,445,866	2,293,347	152,519	2,425,089	2,299,828	125,261
Population Growth Pool - Expense and Equipment	489,721	489,720	1	834,429	806,240	28,189
Boonville Correctional Center	9,675,560	9,036,773	638,787	9,181,736	8,648,357	533,379
Wage and Discharge Costs	3,259,031	3,161,259	97,772	3,103,897	3,055,280	48,617
Telecommunications	2,035,539	2,008,463	27,076	1,853,320	1,853,304	16
Staff Training	914,702	914,590	112	878,702	850,210	28,492
Division of Offender Rehabilitative Services Staff - Personal Service	\$ 1,343,641	1,283,388	60,253	1,275,052	1,129,822	145,230

Appendix C

Department of Corrections  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Division of Offender Rehabilitative Services Staff - Expense and Equipment	\$ 45,476	40,529	4,947	47,071	32,618	14,453
Farmington Correctional Center	17,871,124	16,936,627	934,497	17,762,383	16,672,634	1,089,749
Fulton Reception and Diagnostic Correctional Center	13,113,064	12,422,526	690,538	12,983,495	12,199,290	784,205
Overtime	5,994,997	5,837,320	157,677	5,990,099	5,810,332	179,767
Substance Abuse Service - Personal Service	3,790,185	3,658,592	131,593	3,659,031	3,554,325	104,706
Substance Abuse Service - Expense and Equipment	5,146,536	5,026,238	120,298	5,146,536	4,979,475	167,061
Toxicology	517,601	504,869	12,732	519,438	503,316	16,122
Academic Education - Personal Service	8,594,913	7,777,757	817,156	7,697,222	7,696,882	340
Academic Education - Expense and Equipment	71,924	7,153	64,771	871,174	146,971	724,203
Community Supervision Center - Personal Service	4,332,552	4,275,996	56,556	4,392,937	4,380,205	12,732
Community Supervision Center - Expense and Equipment	111,178	107,842	3,336	201,178	194,901	6,277
Kansas City Reentry Program	178,000	172,619	5,381	178,000	166,000	12,000
Corrections State Owned	865,858	865,857	1	860,805	834,981	25,824
Corrections Institutional - Expense and Equipment	43,502,601	43,502,601	0	43,666,749	42,916,747	750,002
Local Sentencing Initiative	2,000,000	1,939,628	60,372	2,000,000	1,923,922	76,078
Western Missouri Correctional Center	15,268,217	14,428,398	839,819	15,142,963	14,362,906	780,057
Potosi Correctional Center	10,548,807	9,990,419	558,388	10,657,423	9,888,454	768,969
Justice Reinvestment	100,000	0	100,000	100,000	0	100,000
St. Louis Reentry Program	750,000	750,000	0	0	0	0
Institutional - Expense and Equipment Pool	9,457,503	9,456,705	798	10,093,720	10,092,659	1,061
Total General Revenue Fund	674,029,9860	653,722,011	20,307,975	656,811,7300	638,188,280	18,623,450
Facilities Maintenance Reserve Fund						
Boonville Correctional Center Phase II Electrical, Various	0	0	0	214,967	0	214,967
Fulton Correctional Center Water System Improvement	0	0	0	100	0	100
Fulton Correctional Center Fire Alarm System	0	0	0	433,064	13,200	419,864
Western Missouri Correctional Center Security Improvement Various	0	0	0	839,016	0	839,016
Statewide Facilities Maintenance Reserve Fund Expenditure	12,530,250	6,304,810	6,225,440*	33,618	33,617	1
Statewide Facilities Maintenance Reserve Fund Expenditure	12	0	12 *	3,211,296	3,211,295	1
Unprogrammed Maintenance and Repair	83,425	7,220	76,205 *	337,819	337,818	1
Roofing Management System	3,202,791	0	3,202,791 *	0	0	0
Heating, Ventilation, and Air Conditioning Improvement	3,492,911	63,136	3,429,775 *	0	0	0
Security Improvements	561,668	47,599	514,069 *	0	0	0
Hazardous Materials Remediation	38,532	38,531	1 *	0	0	0
Northeast Correctional Center Bar Screen	750,000	29,087	720,913 *	0	0	0
Total Facilities Maintenance Reserve Fund	20,659,589	6,490,383	14,169,206	5,069,880	3,595,930	1,473,950
Department Of Corrections - Federal Fund						
Food Purchases	250,000	89,408	160,592	250,000	184,817	65,183
Amachi - Family Support Services	71,024	71,024	0	71,024	71,024	0
Federal Programs - Personal Service	2,586,553	1,601,321	985,232	2,645,234	1,689,138	956,096
Federal Programs - Expense and Equipment	2,988,076	873,271	2,114,805	7,287,279	2,568,573	4,718,706
Total Department Of Corrections - Federal Fund	5,895,653	2,635,024	3,260,629	10,253,537	4,513,552	5,739,985
Working Capital Revolving Fund						
Vocational Enterprises - Expense and Equipment	25,345,002	16,058,576	9,286,426	25,613,226	17,068,743	8,544,483
Vocational Enterprises - Personal Service	8,340,691	5,909,509	2,431,182	8,278,853	5,989,711	2,289,142
Prison Industry Enhancement	866,486	0	866,486	866,486	0	866,486
Corrections Leasing	179,453	161,718	17,735	179,400	161,382	18,018
Institutional - Expense and Equipment Pool	0	0	0	1,500,000	1,497,501	2,499
Corrections Institution	1,425,607	1,425,607	0	1,425,607	1,425,607	0
Total Working Capital Revolving Fund	\$ 36,157,239	23,555,410	12,601,829	37,863,572	26,142,944	11,720,628

Appendix C

Department of Corrections  
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2014			2013		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
<b>Inmate Fund</b>						
Boonville Correctional Center	\$ 34,953	0	34,953	34,525	0	34,525
Residential Treatment Facility	3,989,458	3,086,265	903,193	3,989,458	3,087,251	902,207
Ozark Correctional Center - Personal Service	268,926	0	268,926	266,508	0	266,508
Electronic Monitoring	1,780,289	1,128,501	651,788	1,780,289	1,212,646	567,643
Local Sentencing Initiative	40,000	39,990	10	815,337	39,990	775,347
Department of Corrections Command Center - Personal Service	557,390	460,693	96,697	553,338	446,513	106,825
Reentry - Expense and Equipment	199,500	28,421	171,079	316,232	165,464	150,768
Division of Human Services Staff - Personal Service	138,225	116,532	21,693	136,863	133,627	3,236
Division of Human Services Staff - Expense and Equipment	34,068	7,846	26,222	37,764	33,372	4,392
Tipton Correctional Center	90,471	0	90,471	89,897	0	89,897
Probation and Parole Staff - Expense and Equipment	4,703,605	1,830,009	2,873,596	7,703,605	1,625,055	6,078,550
Kansas City Community Release Center	48,622	41,247	7,375	48,332	45,319	3,013
Chillicothe Correctional Center - Personal Service	28,635	0	28,635	28,362	0	28,362
Community Supervision Center - Expense and Equipment	740,000	600,219	139,781	750,000	354,077	395,923
<b>Total Inmate Fund</b>	<b>12,654,142</b>	<b>7,339,723</b>	<b>5,314,419</b>	<b>16,550,510</b>	<b>7,143,314</b>	<b>9,407,196</b>
<b>Inmate Incarceration Reimbursement Act Revolving Fund</b>						
Inmate Incarceration Reimbursement Act	750,000	426,858	323,142	750,000	224,508	525,492
<b>Total Inmate Incarceration Reimbursement Act Revolving Fund</b>	<b>750,000</b>	<b>426,858</b>	<b>323,142</b>	<b>750,000</b>	<b>224,508</b>	<b>525,492</b>
<b>Correctional Substance Abuse Earnings Fund</b>						
Required Educational Assessment and Community Treatment (REACT)	264,600	217,745	46,855	264,600	215,265	49,335
<b>Total Correctional Substance Abuse Earnings Fund</b>	<b>264,600</b>	<b>217,745</b>	<b>46,855</b>	<b>264,600</b>	<b>215,265</b>	<b>49,335</b>
<b>Institution Gift Trust Fund</b>						
Institutional Gift Trust	30,000	9,839	20,161	10,000	9,865	135
<b>Total Institution Gift Trust Fund</b>	<b>30,000</b>	<b>9,839</b>	<b>20,161</b>	<b>10,000</b>	<b>9,865</b>	<b>135</b>
<b>Total All Funds</b>	<b>\$ 750,441,209</b>	<b>694,396,993.00</b>	<b>56,044,216</b>	<b>727,573,829</b>	<b>680,033,658</b>	<b>47,540,171</b>

\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the first year.

\*\* The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,	
	2014	2013
<b>General Revenue Fund</b>		
Personal Service	\$ 10,104,696	11,837,084
Expense and Equipment	1,019,563	1,269,972
Costs in Criminal Cases	1,141,818	0
<b>Total General Revenue Fund</b>	<b>\$ 12,266,077</b>	<b>13,107,056</b>

Appendix D

Department of Corrections  
 Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2014	2013	2012	2011	2010
Salaries and wages	\$ 352,188,343	348,666,611	341,900,328	347,585,453	351,174,133
Travel, in-state	1,782,789	1,766,914	1,743,718	1,613,206	1,861,731
Travel, out-of-state	184,236	193,039	211,337	209,014	173,884
Fuel and utilities	1,116,241	651,172	626,289	650,054	643,835
Supplies	56,886,948	58,326,111	56,737,906	56,032,373	55,239,002
Professional development	145,350	178,273	212,300	181,463	189,047
Communication services and supplies	1,792,247	1,964,947	2,327,392	1,509,483	1,666,569
Services:					
Professional	171,555,912	162,434,329	158,914,221	156,299,070	150,544,292
Housekeeping and janitorial	1,517,878	1,507,232	1,539,123	1,593,869	1,699,045
Maintenance and repair	2,121,960	1,802,457	2,218,241	1,942,117	2,010,006
Equipment:					
Computer	1,282	318,644	456,101	1,006,338	13,378
Motorized	1,246,067	583,961	732,189	251,492	1,098,578
Office	413,556	476,479	378,770	462,697	466,954
Other	3,269,466	3,273,252	4,650,419	4,006,471	3,193,227
Property and improvements	6,454,887	4,463,923	2,204,084	1,525,158	6,466,115
Debt service	28,999	0	0	418,503	1,024,915
Real property rentals and leases	50,747,545	50,118,955	49,511,857	47,173,101	49,519,047
Equipment rental and leases	87,228	82,554	84,163	107,269	110,396
Miscellaneous expenses	4,412,703	4,279,842	4,554,259	4,493,641	4,649,073
Rebillable expenses	6,321	124,591	0	0	0
Refunds	157,040	149,700	0	0	1,588
Program distributions	38,279,995	38,670,672	38,590,600	37,334,510	43,456,775
Total Expenditures	\$ <u>694,396,993</u>	<u>680,033,658</u>	<u>667,593,297</u>	<u>664,395,282</u>	<u>675,201,590</u>

Appendix E

Department of Corrections  
 Comparative Statement of Revenues, Expenses, and Net Income  
 Inmate Canteen Fund

	Year Ended June 30,	
	2014	2013
Revenues		
Institutional sales	\$ 41,443,159	40,594,824
Total Income	<u>41,443,159</u>	<u>40,594,824</u>
Cost of Sales		
Merchandise purchases	33,015,975	32,433,660
Total Cost of Sales	<u>33,015,975</u>	<u>32,433,660</u>
Gross Margin	<u>8,427,184</u>	<u>8,161,164</u>
Expenses		
Institutional Expense		
Offender wages	706,698	696,877
Inmate benefit	759,010	722,899
Education	1,352,195	1,223,320
Vocational education	254,285	168,314
Library	376,178	337,114
Law library	551,815	551,300
Recreation	1,393,486	1,161,509
Religion	232,594	260,179
Cable television	1,142,634	1,120,251
Therapeutic organization	360,346	211,648
Canteen operations	2,145,640	1,234,730
Total Institutional expense	<u>9,274,881</u>	<u>7,688,141</u>
Other Income & Expense		
Other income and expense	\$ (1,674,228)	(1,352,048)
Total Other Income & Expense	<u>(1,674,228)</u>	<u>(1,352,048)</u>
Total Expenses	<u>10,949,109</u>	<u>9,040,189</u>
Net Income (Loss)	<u>(2,521,925)</u>	<u>(879,025)</u>

Note: Income and expenses on this statement will not agree to receipts and disbursements on Appendix A because this statement was prepared using the accrual basis of accounting and Appendix A was prepared using the cash basis of accounting.

Appendix F

Department of Corrections  
 Comparative Statement of Income, Expenses, and Net Income  
 Working Capital Revolving Fund

	Year Ended June 30,	
	2014	2013
<b>Income</b>		
Sales - regular	\$ 25,892,229	25,666,803
Sales - interdepartmental	1,236,315	1,386,188
Other	893,938	1,025,852
Total Income	<u>28,022,482</u>	<u>28,078,843</u>
<b>Cost of Goods Sold</b>		
Material	12,382,748	12,171,857
Inmate labor	1,356,997	1,281,023
Freight	50,088	47,256
Physical inventory adjustment	71,900	395,996
Total Cost of Goods Sold	<u>13,861,733</u>	<u>13,896,132</u>
Gross Profit Margin	14,160,749	14,182,711
<b>Expenses</b>		
Salaries and wages	5,949,977	6,043,121
Benefits	2,911,609	2,808,600
Other	5,950,872	7,662,539
Total Expenses	<u>14,812,458</u>	<u>16,514,260</u>
Net Income (Loss)	\$ <u>(651,709)</u>	<u>(2,331,549)</u>

Note: Income, cost of goods sold, and expenses on this statement will not agree to receipts and disbursements on Appendix A because this statement was prepared using the accrual basis of accounting and Appendix A was prepared using the cash basis of accounting.

Appendix G

Department of Corrections  
Comparative Statement of General Capital Assets

Asset Type:	Department of Corrections		Missouri Vocational Enterprises	
	June 30,		June 30,	
	2014	2013	2014	2013
Buildings	\$ 1,205,841,010	1,201,137,842	6,245,850	6,245,850
Equipment	63,851,007	61,420,763	963,311	952,427
Land Improvements	21,295,905	20,635,784	62,453	62,453
Land	6,777,825	6,777,825	40,500	40,500
Software and Miscellaneous Intangible Assets	930,801	930,801	332,106	332,106
Tools	44,217	44,217	15,071,292	14,940,670
Vehicles	10,345,308	9,084,518	3,667,246	3,588,717
Total	\$ 1,309,086,073	1,300,031,750	26,382,758	26,162,723

  

Fund of Acquisition:	June 30, 2014	June 30, 2014
	General Revenue Fund	\$ 703,588,281
Elementary and Secondary Education - Federal and Other	89,568	0
Facilities Maintenance Reserve Fund	77,461,316	0
Department of Corrections - Federal	74,280,771	0
Department of Natural Resources - Federal and Other	3,204	0
Revenue Sharing Trust Fund	7,302,678	0
Federal and Other Fund	513,000	0
Gaming Proceeds for Education Fund	15,671	0
Bingo Proceeds for Education Fund	1,998	0
Board of Public Buildings - Series A 2003 Bond Proceeds-Projects Fund	4,219,491	0
Third State Building - Pre Tax Act 1986 Fund	4,006,235	0
Third State Building Trust - Pre Tax Act 1986 Fund	72,475,917	0
Fourth State Building - Series A 1995 Fund	22,521,167	0
Fourth State Building - Series A 1996 Fund	67,564,933	0
Fourth State Building - Series A 1998 Fund	33,852,562	0
Working Capital Revolving Fund	0	26,382,758
Inmate Fund	193,197	0
State School Money Fund	42,265	0
ADA Compliance Fund	1,624,624	0
Inmate Incarceration Reimbursement Act Revolving Fund	86,248	0
Board of Public Buildings - Series A2006 - Chillicothe Prison	3,133,131	0
Board of Public Buildings - Capital Assets	236,044,905	0
Inmate Canteen Fund	64,911	0
Total All Funds	\$ 1,309,086,073	26,382,758